



Minutes of a meeting of the
Finance Committee held in the
Council Chamber on Wednesday 24 February 2021,
commencing at 10:00 AM

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-Chair Kevin Malcolm welcomed Councillors, members of the public and staff to the meeting at 10 a.m. Staff present included Sarah Gardner (Chief Executive), Nick Donnelly (GM Corporate Services), Gwyneth Elsum (GM Strategy, Policy and Science), Gavin Palmer (GM Operations), Richard Saunders (GM Regulatory), Amanda Vercoe (Executive Advisor), Liz Spector (Governance Support), Dianne Railton (Governance Support), Rebecca Borland, Sean Garry, Mike Roesler, Eleanor Ross, Ryan Tippet, Sarah Harrison, and Sarah Munro.

For our future

1. APOLOGIES

No apologies were made. Cr Alexa Forbes and Cr Michael Laws were present via electronic link.

2. PUBLIC FORUM

No public forum was held.

3. CONFIRMATION OF AGENDA

The agenda was confirmed as published. Cr Wilson requested that future agendas have a section entitled "Items for Consideration of the Chair" added at the end. Cr Noone indicated he will bring this up with the Chief Executive for discussion.

Resolution

That the agenda be confirmed as published.

Moved: Cr Hope

Seconded: Cr Noone

CARRIED

4. CONFLICT OF INTEREST

No conflicts of interest were identified.

5. PRESENTATIONS

Mr Paul Rea, Port Otago Ltd Board Chair, Pat Heslin, Port Otago Ltd Deputy Chair, and Stephen Connelly, Chief Financial Officer presented the Port Otago Ltd half-year report. The reviewed the report and distributed copies to meeting members. After the presentation, the Councillors were provided an opportunity to ask questions of the Port representatives. Cr Malcolm then thanked Mr Rea, Mr Heslin and Mr Connelly for the presentation and congratulated them on a solid half-year report, particularly considering the challenging economic environment due to COVID-19.

Cr Noone acknowledged how well port staff are handling COVID-19 situation and asked that the Board pass that along. Co-Chair Malcolm then moved:

Resolution

That the Committee request Chairperson Noone write a letter to Port Otago acknowledging ORC's appreciation of how well port staff have managed through the difficult COVID-19 period.

Moved: Cr Malcolm

Seconded: Cr Calvert

CARRIED

6. CONFIRMATION OF MINUTES

Resolution

That the minutes of the (public portion of the) meeting held on 25 November 2020 be received and confirmed as a true and accurate record.

Moved: Cr Calvert
Seconded: Cr Wilson
CARRIED

Resolution

That the minutes of the 25 November 2020 public-excluded Finance Committee meeting be approved.

Moved: Cr Calvert
Seconded: Cr Wilson
CARRIED

7. ACTIONS

The outstanding actions of Committee resolutions were reviewed.

8. MATTERS FOR CONSIDERATION

8.1. Activity Review 2020-21, 1 July to 31 December 2020

This report was provided to update the Committee on financial and non-financial performance information relating to the major aspects of service delivery as outlined in the 2020-21 Annual Plan. Nick Donnelly (GM Corporate Services), Mike Roesler (Manager Corporate Planning) and Jasmin Lamorie (Corporate Planning Business Partner) were present to speak to the report and respond to questions.

After a general discussion of the report, Cr Noone moved receipt of the report.

Resolution

That the Finance Committee:

- 1) **Receives** the Council Activity Performance Report for the period 1 July to 31 December 2020 (Q2).

Moved: Cr Noone
Seconded: Cr Hope
CARRIED

8.2. Finance Quarterly Report - December 2020

This report was provided to update the Committee on the Otago Regional Council Financial Report for the second quarter of the fiscal year 2021, including preliminary financial results for the 6-month period ended 31 December 2020. Nick Donnelly (GM Corporate Services) and Sarah Munro (Manager Finance - Reporting) were present to speak to the report and respond to questions.

Following a discussion of the report, Cr Hobbs moved its receipt.

Resolution

That the Finance Committee:

- 1) **Receives** this paper and the Financial Reports for December 2020.

Moved: Cr Hobbs
Seconded: Cr Calvert
CARRIED

8.3. Financial Strategy

This report was provided for the Committee's consideration of proposed changes to the Financial Strategy along with specific financial proposals to be included in the Consultation Document for community consultation as part of the Long-Term Plan 2021-31 (LTP 21-31) process. Nick Donnelly (GM Corporate Services) was present to speak to the report and respond to questions.

Mr Donnelly noted that the draft Consultation Document will be provided to Councillors for a final review prior to the community consultation period. He said as consultation continues, some items may be amended, then the draft LTP 2021-31 will be approved by Councillors prior to final approval at the June Council Meeting.

After a general discussion of the report and options, the Committee members determined to consider each staff recommendation separately and Cr Hobbs moved receipt of the report.

Resolution

That the Finance Committee:

- 1) **Receives** this report.

Moved: Cr Hobbs
Seconded: Cr Hope
CARRIED

Resolution

That the Finance Committee:

- 1) **Endorses** the financial direction and key messaging outlined in the attached draft Financial Strategy.

Moved: Cr Wilson
Seconded: Cr Scott
CARRIED

Cr Laws said he had concerns over funding for pest management. He said he felt using targeted rate funding for this work may be inequitable for those in the rating area who may already be paying for their own pest management. Cr Calvert said the Council must choose a funding mechanism that was the most equitable for the majority of ratepayers and said she would support the targeted rate mechanism for biosecurity. Cr Noone said while not perfect, targeted rate funding was the best option to fund pest management work.

A vote was taken on Biosecurity funding for inclusion in the Consultation Document.

Resolution

That the Finance Committee:

- 1) **Approves** the establishment of a targeted rate for Biosecurity and the preferred option for funding this activity outlined in the 'Biosecurity' section of this paper to be included in the Long-Term Plan 2021-31 Consultation Document.

Moved: Cr Robertson

Seconded: Cr Hobbs

CARRIED

Cr Scott did not vote or participate in discussion of funding for Biosecurity due to a potential conflict.

The discussion continued with Councillors discussing proposed funding for Lake Hayes remediation work. Cr Robertson moved the staff recommendation and Cr Hobbs seconded.

That the Finance Committee:

- 1) **Approves** the establishment of a targeted rate for Lake Hayes Remediation and the preferred option for funding this activity outlined in the 'Lake Hayes Remediation' section of this paper to be included in the Long-Term Plan 2021-31 Consultation Document.

Moved: Cr Robertson

Seconded: Cr Hobbs

During debate on the motion, Cr Laws said it was important to include a third option of a uniform targeted rate to fund the remediation work because the whole Otago region received benefit from the lake and that the lake was of national importance. He moved an amendment to the substantive motion:

That the motion be amended to:

Include an option in the Consultation Document that Lake Hayes remediation work should be funded based on an Otago uniform targeted rate rather than the current targeted rates.

Moved: Cr Laws

Seconded Cr Kelliher

A division was called on the vote to amend the motion:

Vote

For: Cr Calvert, Cr Forbes, Cr Hobbs, Cr Hope, Cr Kelliher, Cr Laws, Cr Noone,
Cr Scott, Cr Wilson

Against: Cr Deaker, Cr Malcolm, Cr Robertson

The amendment carried and became the substantive motion. Cr Robertson withdrew her motion and Cr Calvert then moved the amended motion.

Resolution

That the Finance Committee:

- 1) **Approves** the establishment of a targeted rate for Lake Hayes Remediation (Option 1, preferred), and subsequent options including Option 2, establishment of a river and water management rate (Wakatipu and Wanaka) for Lake Hayes Remediation, and Option 3, establishment of Otago uniform targeted rate for Lake Hayes Remediation to be included in the Long Term Plan 2021-31 Consultation document.

Moved: Cr Calvert

Seconded: Cr Hobbs

CARRIED

A division was called:

Vote

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

Against: Cr Kelliher

Abstained: Cr Laws

The final recommendation was moved by Cr Noone.

Resolution

That the Finance Committee:

- 1) **Notes** that the Financial Strategy will be finalised and presented to Council for approval alongside and as part of the Long Term Plan 2021-31 Consultation Document at its 24 March 2021 meeting.

Moved: Cr Noone

Seconded: Cr Scott

CARRIED

8.4. Significance & Engagement Policy

The report provided information about the approval of Council's Significance and Engagement Policy as part of the Long Term Plan process and how a programmed review of that Policy would be incorporated. Nick Donnelly (GM Corporate Services) and Mike Roesler (Manager Corporate Planning) were present to speak to the report and respond to questions. After a discussion of the report, Cr Wilson moved the staff recommendation.

Resolution

That the Finance Committee:

- 1) **Receives** this report.
- 2) **Notes** that the current ORC Significance and Engagement Policy will be included in the Long-term Plan 2021-31.
- 3) **Notes** that Council have programmed a review of the current ORC Significance and Engagement Policy as reported to 10 February 2021 Governance, Communications and Engagement Committee.

- 4) **Notes** the programmed review of the current ORC Significance and Engagement Policy will be consulted upon and approved following the adoption of the Long Term Plan in June 2021.

Moved: Cr Wilson
Seconded: Cr Calvert
CARRIED

8.5. Draft Rates Remissions and Postponements Policy

The ORC Rates Remissions and Postponement Policy was updated for release in conjunction with the Long-Term Plan 2021-2031. The updated Policy provides additional clarity to objectives for each remission or postponement type along with improved clarity regarding the conditions and criteria under which rates may be remitted or postponed. The report was provided to allow the Committee consideration of the revised Policy. Nick Donnelly (GM Corporate Services) and Sarah Harrison (Manager Finance - Revenue) were present to speak to the report and respond to questions.

Cr Calvert suggested report be brought twice-yearly to the Committee providing information on how the policy was being utilised by the community. Mr Donnelly said such a report could be provided but would not include specific ratepayer detail. After further discussion, Cr Hobbs moved approval of the Policy.

Resolution

That the Finance Committee:

- 1) **Approves** the attached Rates Remission and Postponement Policy.

Moved: Cr Hobbs
Seconded: Cr Hope
CARRIED

9. NOTICES OF MOTION

In accordance with Standing Order 27.1, Cr Hilary Calvert submitted a Notice of Motion to Chief Executive Sarah Gardner. Cr Calvert spoke to the motion and the Councillors debated.

Cr Scott indicated he would vote against the motion and said he thought it was important that the Queenstown community had a financial contribution. He said there is an existing hardship process as set out in the ORC Rates and Remissions Policy for any ratepayer having difficulty paying their rates. Cr Noone said Queenstown has a unique set of circumstances and this would be a genuine attempt from ORC to reduce the rates burden for that community. Sarah Gardner said the Queenstown Business Case is set up as a co-funding model and the expectation is for that to continue. Cr Kelliher said he supports the motion and this should be an NZTA (Waka Kotahi) issue because the highways in the Queenstown area are gridlocked and will potentially get worse due to subdivision growth. Cr Malcolm said while he had concerns over ORC financially pulling out of the agreement, a key piece of process to obtain government funding for the project would be in the construct of the letter to specific Ministers. A discussion was held about which Ministers should be sent the letters, with the meeting deciding to send the request for funding to Minister David Parker and Transport Minister Michael Wood.

Cr Malcolm then put the motion:

Resolution

That Committee:

- 1) **Acknowledges** the Queenstown Business Case (QBC) work to date and the need for the public transport portion to be further developed.
- 2) **Supports** the need for the Council to work alongside Waka Kotahi in other pieces of the transport network.
- 3) **Notes** that the work required will be substantial burden to a small number of ratepayers, many substantially affected by COVID restrictions.
- 4) **Requests** that the Chair write to Minister David Parker and Minister of Transport Michael Wood to seek Government support for the balance of the cost of the next step of the QBC, to the effect that the Government would fully fund the next step.

Moved: Cr Calvert

Seconded: Cr Wilson

CARRIED

Cr Scott asked that his vote against the motion be recorded.

10. RECOMMENDATIONS OF MEETINGS

10.1. Recommendations of the 17 February 2021 Audit and Risk Subcommittee Meeting

Resolution

That the Finance Committee:

- 1) **Adopts** the resolutions of the (public) 10 February 2021 Audit and Risk Subcommittee.

Moved: Cr Wilson

Seconded: Cr Robertson

CARRIED

10.2. Recommendations of the 17 February 2021 Public-excluded Audit and Risk Subcommittee

Resolution

That the Finance Committee:

- 1) **Adopts** the resolutions of the 17 February 2021 public-excluded Audit and Risk Subcommittee.

Moved: Cr Calvert

Seconded: Cr Wilson

CARRIED

11. CLOSURE

There was no further business and Co-Chairperson Malcolm declared the Finance Committee meeting closed at 04:36 pm.



Co-Chairperson Malcolm

26 May 2021

Date