

OTAGO REGIONAL COUNCIL

Minutes of a meeting of the Finance and Corporate Committee held in the Council Chamber, 70 Stafford Street, Dunedin on Thursday 24 July 2014 commencing at 8.30 am

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 Bryan Scott**
- Cr Stephen Woodhead**

Apologies:

- Cr Gretchen Robertson**
- Cr Gary Kelliher** for lateness

The apologies were accepted on the motion of Crs Croot and Neill.

In attendance:

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

CONFIRMATION OF AGENDA

It was noted that there would not be a presentation to the meeting by Port Otago Ltd representatives. There were no other changes to the agenda.

MINUTES

The minutes of the meeting held on 4 June 2014, having been circulated, were adopted on the motion of Crs Bell and Croot.

Matters arising from minutes

There were no matters arising from the minutes.

PART A - RECOMMENDATIONS

Item 1

2014/0995 **Port Otago Ltd – Draft Statement of Corporate Intent.** DCS, 9/7/14

The Draft Statement of Corporate Intent for Port Otago Limited (POL), including its subsidiaries and associates, for the three year period to 30 June 2017 was presented for endorsement. Port Otago Ltd Chief Executive Geoff Plunket was present for this item.

Cr Shephed noted particular points of interest being the arrival of the new tug Tairaoa on Tuesday 22 July, the sale of leasehold land in Dunedin where the sale would be beneficial to the city, and the amendment of the dividend from 70-80% of the Group's operating surplus after tax to 50-70%, with a \$7 million dividend intention.

Cr Kelliher entered the meeting at 8.34 am.

Mr Scott commented that the 50-70% range was more in line with other infrastructure companies, and noted that the dividend payment had been at about 50% for the last three to four years, with special dividends paid additionally.

Comment was made on the significant planned infrastructure development and the focus on business efficiency. The importance to Otago of the Port operation was emphasised.

The issue of social responsibility was raised, and policy direction given by the ORC to POL in relation to selling leasehold land was queried. In response it was pointed out that the POL Board was independent, and was expected to follow a good corporate citizenship approach. Mr Scott commented that the Port Companies Act stated that a company's purpose was to operate as a successful business, which included being a good corporate citizen. He also noted that the Council had freedom to decide how the dividend payments were used. Concern was expressed that leasehold land was not made available to the community at the best price. It was pointed out that there had been many sales of leasehold land in the past, and the sales were reported to Council.

It was noted that Council was involved not in the operation of the port but in a monitoring role.

Cr Woodhead moved

Cr Deaker seconded

That the Draft Statement of Corporate Intent for Port Otago Limited and its subsidiaries and associates for the three years to 30 June 2017, be endorsed.

Motion carried

Item 2
2014/0937 **Electoral Systems.** DCS, 1/7/14

The report explained that any decision to change the voting system for the next local body elections had to be made by 12 September 2014, and that if Council wished to establish one or more Maori constituencies, a decision had to be made no later than 23 November 2014.

Mr Scott noted that before the 2013 election Council had resolved to apply the First Past the Post (FPP) voting system for next two elections. This report gave Councillors the opportunity to change that decision.

Confusion caused for voters by ORC, DCC and SDHB using different voting systems was a concern, and it was suggested that Associate Professor Janine Hayward of Otago University, a specialist in electoral matters, be invited to meet with Councillors at the August Committee round to answer questions about the two electoral systems, and that the decision on the electoral system be deferred to the following committee round.

Cr Deaker moved
Cr Croot seconded

That Recommendation 4 be added: that the Council invite Associate Professor Janine Hayward to meet with Councillors at the next committee round to provide information on voting systems.

Motion carried

Cr Deaker moved
Cr Croot seconded

- 1. That this report be received.*
- 2. That Council give notice of the right of electors to demand a poll on the electoral system.*
- 3. That no proposal be advanced in relation to the establishment of Maori constituencies.*
- 4. That the Council invite Associate Professor Janine Hayward to meet with Councillors at the next committee round to provide information on voting systems.*

Motion carried

Item 3

2014/0959 **Executive Report on Progress.** DCS, 4/7/14

The report described significant activities carried out by the Finance and Corporate sections since the last meeting of the Committee.

Mr Scott explained in response to a question that the change to the Treasury Management Policy had been made to allow cash to be held for longer than 365 days outside of the investment portfolio, which was prudent.

Cr Woodhead moved

Cr Kempton seconded

- (1) *That this report be received.*
- (2) *That the payments and investments summarised and detailed in the tabled schedule, totalling \$17,838,069.93, be endorsed.*
- (3) *That the Treasury Policy be amended (Section 4.6) to remove the statement that “cash held for longer than 365 days is managed as part of the Council’s overall investment portfolio”.*

Motion carried

PART B – ITEMS FOR NOTING

Item 4

2014/1004 **Transport Operations – Update July 2014.** DCS, 11/1/14

The report provided a summary of the agreed variations to several Dunedin City contracts, and advised that the reformatted timetable book was close to completion and distribution.

In response to a question Mr Scott advised that additional contract costs of \$440,000 were estimated at rating time. However there would be no impact on rates because the peaks and troughs were smoothed with use of the transport reserve. He confirmed that the service changes had been discussed with the DCC, but the DCC was not involved in the contract negotiations.

Cr Woodhead moved

Cr Neill seconded

That the report be received.

Motion carried

Item 5

 2014/0994 **Insurance Renewals 2014/15.** DCS, 9/7/14

The report noted that the Council's insurances had been reviewed for the 2014/15 year, with a resulting overall decrease of 2.7% in insurance premiums.

Cr Kempton moved
Cr Croot seconded

That the report be received.

Motion carried

PART C - EXCLUSION OF PUBLIC

Cr Shepherd moved
Cr Kelliher seconded

That the public be excluded from the following part of the proceedings of the meeting.

The general subject of the matters to be discussed while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds under Section 48(1)(a) of the Local Government Information and Meetings Act 1987 for the passing of this resolution are as follows:

	<i>General subjects to be considered</i>	<i>Reason under LGOIMA for passing this resolution</i>	<i>Grounds under S.48 for the passing of this resolution</i>
<i>Item 6</i>	<i>Claim Resolution</i>	<i>To protect information which is subject to an obligation of confidence (S7(2)(c))</i>	<i>S.48(1)(a)(i)</i>

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982 as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above with respect to each item.

Motion carried

Following discussion of Item 6,

Cr Shepherd moved
Cr Neill seconded

That the meeting resume in open session.

Motion carried

The meeting closed at 9.35 am.



Chairperson