



Minutes of a meeting of the
Finance Committee held in the
Council Chamber on Wednesday 26 August 2020,
commencing at 9:00 am

Membership

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

Welcome

Chairperson Hilary Calvert welcomed Councillors, members of the public and staff to the meeting at 10 a.m.

For our future

1. APOLOGIES

Councillor Carmen Hope and Hon Councillor Marian Hobbs attended the meeting via electronic link.

Resolution

That the apologies for Cr Forbes be accepted.

Moved: Cr Wilson

Seconded: Cr Noone

CARRIED

2. ATTENDANCE

Sarah Gardner *(Chief Executive)*

Nick Donnelly *(General Manager Corporate Services and CFO)*

Gavin Palmer *(General Manager Operations)*

Richard Saunders *(General Manager Regulatory)*

Gwyneth Elsum *(General Manager Strategy, Policy & Science)*

Amanda Vercoe *(Executive Advisor)*

Liz Spector *(Committee Secretary)*

Also present were: Sarah Munro (Manager Finance - Reporting), Mike Roesler (Manager Corporate Planning), Ryan Tippet (Media Communications Lead).

3. CONFIRMATION OF AGENDA

The agenda was confirmed as published.

4. CONFLICT OF INTEREST

No conflicts of interest were advised.

5. PUBLIC FORUM

No requests to speak to the Council were made.

6. CONFIRMATION OF MINUTES

Resolution

That the minutes of the Finance Committee meeting held on 10 June 2020 be received and confirmed as a true and accurate record.

Moved: Cr Noone

Seconded: Cr Malcolm

CARRIED

7. ACTIONS

The outstanding Actions for the Finance Committee were reviewed. No updates were noted.

8. MATTERS FOR COUNCIL DECISION

8.1. LTP Process/Timetable

The report was provided to Council to initiate the 2021 – 2031 Long Term Plan (LTP) by reviewing the process and explaining the elected members' role and involvement. Mike Roesler (Manager Corporate Planning) and Nick Donnelly (GM Corporate Services) were present to respond to questions about the report.

After several questions from Councillors about having input into the draft LTP, Cr Noone suggested a commitment to further workshops to enable staff to incorporate Councillor priorities for the LTP. Chief Executive Gardner agreed and said staff need clear direction from Council. Cr Deaker noted that after the next day's workshop scheduled to discuss the Long Term Plan, the Executive Leadership Team should have a good idea of what the Council wants to see for the LTP in terms of long-term governance priorities.

Cr Malcolm noted Councillors should give clear messages to staff and said he is confident staff will be able to get assurances they are on the right track, and he moved the staff recommendation.

Resolution

That the Finance Committee:

- 1) **Endorses** the 2021-31 Long Term Plan milestone process provided as an attachment to this report, mindful of the need that further workshops or meetings may be required
- 2) **Notes** the role of the Otago Regional Council elected members in the 2021-31 Long Term Plan process and the associated process risk.

Moved: Cr Malcolm

Seconded: Cr Noone

CARRIED

Cr Laws left the meeting at 10:46 am.

8.2. Port Otago Statement of Corporate Intent

The report was provided for the Committee to receive Port Otago's Draft Statement of Corporate Intent and provide comment to the Port Board of Directors for their consideration in the finalisation of the document.

Nick Donnelly (GM Corporate Services) spoke to the report and responded to questions. Several Councillors had questions about the document, particularly noting the update around sustainability. Cr Wilson noted that feedback might better be provided through the Port Liaison Committee on an ongoing basis, rather than via a resolution of the committee. After a lengthy discussion, Cr Deaker moved the following as amended by Cr Wilson:

Resolution

That the Finance Committee:

- 1) **Receives** this report and the attached Draft Statement of Corporate Intent for Port Otago Limited.
- 2) **Endorses** the Statement of Corporate Intent.
- 3) **Notes** any feedback will be provided through the Port Liaison Committee to the Port Otago Board on an ongoing basis.

Moved: Cr Deaker
Seconded: Cr Malcolm
CARRIED

Cr Laws returned to the meeting at 11:12 am.

8.3. Port Otago Limited Constitution

At the 26 February 2020 Finance Committee meeting, a resolution was made requesting Port Otago conduct a review of its constitution to ensure it is current and fit for purpose. The Port provided an updated and revised constitution in response to the resolution.

Nick Donnelly (GM Corporate Services) spoke to the report and responded to questions. He noted that the Port has revised its constitution and a draft was provided to the Committee for review. The Committee members had questions related to removal of the requirement that Directors be domiciled in New Zealand. Cr Laws said he had concerns about removing this requirement from the constitution and said he thought it was important for the community that directors of the Port Otago Board be New Zealand residents and potentially even Otago residents. Mr Donnelly said domicile requirements aren't common in constitutions and that this is largely controlled by Council at the time of appointment, but he could ask the Board why they had removed the clause.

After an in-depth discussion about how to address the issue of a domicile requirement, Cr Wilson moved, seconded by Cr Laws:

Resolution

That the Finance Committee:

- 1) **Receives** this report.
- 2) **Notes** that ORC wishes to keep the intent of the existing domicile clause.

Moved: Cr Wilson
Seconded: Cr Laws
CARRIED

8.4. Annual Return of Inactive Subsidiaries 2020

This report was provided to fulfil requirements of the Companies Act 1993 related to conduct of Annual General Meetings and appointment of auditors for the three inactive ORC subsidiaries, Regional Services Limited, Regional Pest Services Limited and Regional Monitoring Services Limited.

Nick Donnelly (GM Corporate Services) was present to answer questions about the report. There were no questions and Cr Noone moved:

Resolution

- 1) *That it shall not be necessary for Regional Services Limited to hold an Annual General Meeting under section 120 of the Companies Act 1993.*
- 2) *That no auditors be appointed for Regional Services Limited under section 196 (2) of the Companies Act 1993.*
- 3) *That it shall not be necessary for Regional Pest Services Limited to hold an Annual General Meeting under section 120 of the Companies Act 1993.*
- 4) *That no auditors be appointed for Regional Pest Services Limited under section 196 (2) of the Companies Act 1993.*
- 5) *That it shall not be necessary for Regional Monitoring Services Limited to hold an Annual General Meeting under section 120 of the Companies Act 1993.*
- 6) *That no auditors be appointed for Regional Monitoring Services Limited under section 196 (2) of the Companies Act 1993.*

Moved: Cr Noone
Seconded: Cr Malcolm
CARRIED

9. MATTERS FOR NOTING

Cr Forbes joined the meeting at 11:42 am.

9.1. Activity Review 2019-20, 1 July 2019 to 30 June 2020 (Q4/Annual Report)

The report was provided to review operational performance by significant activity for the period ended 30 June 2020. Nick Donnelly (GM Corporate Services) and Mike Roesler (Manager Corporate Planning) were present to speak to the report and respond to questions. Mr Roesler noted the report provided additional details as requested by the committee in its previous meeting.

A discussion was held, with Councillors noting it a good report, but that setting the measures is difficult. Mr Roesler noted staff is working on measures to feed into future documents. He said the service level statements will improve as well and set up the basis for measurement targets. Mr Roesler encouraged Councillors to focus on providing input on service level statements and measures as part of the creation of the Long Term Plan.

After further discussion, Cr Kelliher moved:

Resolution

That the Finance Committee:

- 1) **Receives** the attached draft Activity Performance section of the Annual Report for the period 1 July 2019 to 30 June 2020.

- 2) **Acknowledges** that the measures could be improved, and that staff and Council will work towards this for the Long Term Plan.

Moved: Cr Kelliher
Seconded: Cr Wilson
CARRIED

9.2. Finance Report

This report delivered Council's Finance Report for June 2020 and included the preliminary financial result for the year ended 30 June 2020. Nick Donnelly (GM Corporate Services) and Sarah Munro (Manager Finance - Reporting) were present to respond to questions.

After a discussion of the reports, Cr Wilson moved:

Resolution

That the Finance Committee:

- 1) **Receives** this paper and the attached Finance Report June 2020.
- 2) **Notes** the treatment of the impaired asset adjustment included in the preliminary financial result.
- 3) **Notes** the use of the emergency response reserve to fund repair costs incurred in the 30 June 2020 year and also notes further use of this reserve to fund remaining repair costs will be considered once those costs are completed in the 2021 year.
- 4) **Notes** replenishment of the emergency response reserve will be considered as part of the LTP 2021-31 process.

Moved: Cr Wilson
Seconded: Cr Malcolm
CARRIED

*Cr Laws left the meeting at 12:25 pm.
Cr Laws returned to the meeting at 12:28 pm.*

10. CLOSURE

There was no further business and Chairperson Calvert declared the meeting closed at 12:32 pm.



Chairperson Calvert

25 November 2020

Date