

Whangarei District Council Finance and Support Committee meeting – 28th November 2012

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This month's Finance meeting started at 0900hrs with Cr Warwick Syers in the chair wishing all a good morning and welcoming everyone to the meeting.

Warwick advised there were apologies.

Warwick added that today's meeting was subject to video and audio recording. Cr Jeroen Jongejans asked is that why you have had your haircut too, Cr Edwards. *Oh you are here Jeroen?*

Time at 0901hrs, Item No. 1. Minutes of a Meeting of the Finance and Support Committee held 24 October 2012. (Page 1)

The chair is advised by Carolyne Brindle, Senior Meeting Co-ordinator that there are amendments to the times recorded in the minutes to be changed to 9 am instead of 10am plus. *That was when the clock was incorrectly set in the chamber after the start of daylight saving at those October meetings.*

Moved:?, Seconded: ? *We are again having a meeting where the chair doesn't confirm the moving and seconding.*

These were received with no further discussion required.

With the time now at 0903hrs, Item No.2. Financial Report for the Four Months Ending 31 October 2012. (Page 3) (

Warwick asked Group Manager Support Services Alan Adcock to go through the report in the normal fashion and give a brief overview. Alan Adcock advised that there were two main parts to the report; the position at the end of October and the financial position at the end of the year. He insisted that they still had to manage their finances prudently till the end of the year and that was why they were recommending the deferral of some projects. See Page 4 for the priority projects. *Check out the last two bullet points; leaves it right open, don't they?* Alan continued that they were tracking really well year to date and next month's report should be close to budget. He advised that the debt was at \$146million today. *Yet the report shows debt at \$169.737 million.*

Cr Warwick Syers advised that "the amount carried forward is \$26million which is not a lot really". *Tell that to some of our people who are struggling to make ends meet. Welcome to the real world Warwick.*

Moved: Cr Phil Halse, Seconded: Cr Brian McLachlan.

Cr Phil Halse informed that they were delaying projects to meet budgets but still wanted to create work for our companies.

Cr Sharon Morgan queried the subsidies on the Lower Hatea Crossing and the Ruakaka Wastewater, asking how often they were received.

Alan Adcock advised that they were monthly payments.

Cr Sharon Morgan also had a question on Local Government funding and how the interest rates were set.

Alan Adcock gave details on how they were tendered for depending on what term the funds were required for, either 1, 3 or 5 years plus.

Cr Greg Martin said he thought deferring projects was a good move, adding no one was happy with all the cuts. They were doing essential work that needs to be done but still the elephant in the room was the Hundertwasser. *Just wait and see how he votes for the Hotel site which they claim is to compliment the Hundertwasser.*

Cr Merv Williams wished to elaborate on a motion in about increasing contracts. We have been told there are no over-runs. He claimed he was concerned about the \$300,000-00 overspends on the athletics at Park Road. He wanted to know; where has the approval come from and who has approved that payment? If it's been done outside the approval of this chamber, I want some justification.

Cr Warwick Syers replied, *(a bit stuck for words but managed to conjure up a few "Ums")* that he was flabbergasted after the meeting last week where the staff were to be asked first of any queries. This question is totally out of order and this committee absolutely deserves an explanation.

CEO Mark Simpson informs that the project was administered by a separate trust and they were working on an estimate. They encountered problems when there were some soft spots in the car park area. That came to the notice of the trustees later in the piece and could not be in the budget. We are negotiating with the committee about repayments of the advance we granted to them. We had choices either to not complete the car park or continue with the project and help them.

Cr Crichton Christie advised that this was a significant change to the Long Term Plan process. If there was deliberate cutting of some budget it should be changed in the LTP. The recommendation should say we receive the report and a new Capital Works Plan will be set.

Cr Warwick Syers gave some explanation and agreed it needs to be dealt with.

Alan Adcock also gave some details and it was clarified by Judi Crocombe and Carlyne Brindle, the Senior Meeting Co-ordinator getting some reference to this issue, which was explained by Cr Syers.

Cr Crichton Christie claimed he was happy that they had finally taken some responsibility; we had a wish list that was unattainable and now finally come to our senses. It makes a mockery of our annual plan process and "Cr Syers you are now saying its only \$26million which is a small amount. You give me \$26million and you won't see me again" *Don't tempt them Crichton they may think that is value for money; a pay out to see your back disappearing in the distance? I thought you would be worth more!!!!* Crichton continued saying "it makes us look like fools; you (to Cr Syers) can look like a fool, but I ain't going to be there. I tried to warn you it was undeliverable. Now you have to make \$26million changes saying we got it all wrong. It reflects badly on this council." *Well said Crichton, but this pathway is how council has been tracking for some time, spending on projects that are not necessary but wished for by a few in elected and senior management positions.*

Cr Sue Glen wished to make a couple of comments. She claimed she can't help but agonise over this situation. They had been told by Alan Adcock and were living in hope to have an amount of revenue. If we took the 30 months to pay like some businesses offer, all could be ok. *Well Sue if you look at the big picture the debt 'your council' has accumulated for the ratepayers, not only will your children be paying for it but your grand children and their grand children. This amount of debt is out of control and maybe this is a bit of 'catch up'.* Sue continued that we are missing out on a number of projects the community was waiting for so what's happening out there.

Cr Phil Halse, with his right of reply that he wanted to back up what had been said that they were being fiscally responsible by deferring projects. *Shouldn't have over promised in the first place and now under delivered.* Phil continued, "there had been a lot of cheap shots around the chamber today; we are delaying projects, not wiping them. Cr Christie you are part of this; you took the oath when you entered office." *Some interesting comments being made by many with it staring to enter election year; many have made some blunders so maybe it's time for a big change.*

Time was now at 0937hrs and on to Item No. 3, Delegated Authority – Financial. (Page 25)

The recommendation was moved:?, Seconded:?. *Can't hear and the chair doesn't repeat who are the movers and seconders.*

Cr Greg Martin claimed he always had concerns about delegated authority. *Fair call Greg; look what happened with the \$330k overspend on the athletics at Park Road. It wasn't said openly but I would guess it was none other than 'Simo' who approved it was delegated authority.....I rest my case.*

Cr Jeroen Jongejans interjected "you can't run a business without it".

There was no added discussion on this item.

With the time now at 0938hrs, Item No. 4. Whangarei District Airport – Annual Report for the Year Ended 30 June 2012. (Page 26)

Moved: Cr Sue Glen, Seconded: Cr Brian McLachlan.

There was no further discussion on this item.

Time was still at 0938hrs and on to Item No. 5. Positive Growth Group Report on Recent Activities October 2012. (Page 42)

Receiving the report was moved: Cr Jeroen Jongejans , Seconded:?.

Mayor Morris Cutforth, *oh he is still awake*, wanted to compliment the Positive Growth Group people; especially Jude Thompsom for what they had done.

Cr Phil Halse claimed other councils were 3 to 4 years behind us in their planning. We were leading a lot of activities around the country.

Cr Merv Williams had a question on the matter of natural water claims like where Poriti Springs was head lined.

Group Manager Infrastructure and Services Simon Weston advised that resource consent had been issued by Regional Council but had been appealed. The consent was for 35 years and the trust wanted it for only 10 years.

Cr Kahu Sutherland wanted to speak but was being ignored. He claimed he had his hand up twice and was being ignored; he had a query on the selection process for Maori representation members in the group.

Jude Thompson, WDC Chief Operating Officer gave an explanation and informed that they were having a road show next year.

Cr Kahu Sutherland claimed that it was previously discussed and that Iwi would make appointments.

There was quite some detailed debate between the chair Cr Syers and Cr Sutherland. This is to be continued and a meeting was to be arranged with councilors invited to be present for further discussion with local Iwi.

Cr Warwick Syers advises that the meeting ends and, thanks all for attending.

The meeting finished at 0950hrs, the public excluded before going into the **confidential** section of the meeting.

The move into confidential was moved by: Cr Shelley Deeming, Seconded: Cr Greg Martin.

Oh my gosh, didn't Morris campaign that he wanted open and transparent council? And he always also tends to vote for it to go into confidential. Just another thing he did an 'about turn on'.

Off for a quick stretch of the legs before the Council meeting at 1000hrs

CONFIDENTIAL INDEX

C.1 Report. *(That tells a lot eh?)*

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All information in regards to this meeting's agenda and others are available on the Whangarei District Council website by clicking on this [link](#).