

Minutes of a meeting of the
Finance & Audit Committee – OPEN

Time and date: 9.00am, Wednesday, 12 September 2007.

Venue: No. 1 Committee Room, 9th Floor, Tower Block, Garden Place, Hamilton.

Committee Members: Councillors R E Hennebry (Chairperson)
P A Bos
G Di Maio
D G Macpherson
G E Thomas (Part only)
M J Westphal

In Attendance: Councillor Gower
General Manager Community Services, General Manager Corporate,
Finance & Administration Manager, Revenue Manager, Accounting
Manager and Group Accountants (3).

Secretary: Ms F M Yates

Apology: Councillor Wilson

Resolved: (Crs Hennebry/Di Maio)
That the apology be accepted.

SECTION A: DECISIONS MADE UNDER DELEGATED AUTHORITY FOR NOTING BY THE COUNCIL

1. Confirming the Agenda

The Committee to confirm the agenda.

Resolved: (Crs Hennebry/Thomas)
That the agenda be confirmed noting that Items 8 and 9 will be considered first to be followed by Item 6 to accommodate the attendance of staff.

2. 22/9/17. Non Financial Report – Quarter 4 (April-June 2007)

The Committee to consider a report and recommendation from the General Manager Strategic concerning the above.

Resolved: (Crs Hennebry/Di Maio)
That the report as circulated be received.

3. 13/16/18. Chairperson's Report

The Committee to receive the above report.

Resolved: (Crs Hennebry/Di Maio)
That the report as circulated be received.

4. 38/8/19. Treasury Report to 30 June 2007

The Committee to consider a report and recommendation from the General Manager Corporate concerning the above.

Resolved: (Crs Hennebry/Macpherson)
That the report as circulated be received and the information noted.

Councillor Thomas (11.05am) retired from the meeting during consideration of the above item. He was not present when the matter was voted on.

5. 39/2. Rates & Debtors Summary as at 30 June 2007

The Committee to consider a report and recommendation from the General Manager Corporate concerning the above.

The Chairperson in presenting this item to the Committee wished to take the opportunity to congratulate the rates staff for the rates collection of 98.6% as at 30 June 2007.

Resolved: (Crs Hennebry/Westphal)
That the report as circulated be received and the information noted.

6. 26/7. Annual Report to 31 December 2006 – NZ Local Government Insurance Corporation (Civic Assurance)

The Committee to consider a report and recommendation from the General Manager Corporate concerning the above.

Resolved: (Crs Westphal/Di Maio)
That the report as circulated be received and the information noted.

7. 13/16/27. Contracts Subcommittee

The Committee to receive the minutes of meetings of the above Subcommittee as follows:

- a) 29 June 2007
- b) 24 July 2007
- c) 25 July 2007
- d) 17 August 2007

Resolved: (Crs Hennebry/Bos)
That the minutes as circulated be received noting that staff will provide further information concerning the minutes of 24 July 2007.

SECTION B: RECOMMENDATIONS OF THE COMMITTEE FOR ADOPTION BY THE COUNCIL

The following items were taken out of order to accommodate the attendance of staff.

8. 22/9/9. Financial Overview Report for Year Ended 30 June 2007

The Committee to consider a report and recommendation from the General Manager Corporate concerning the above.

Motion: (Crs Macpherson/Hennebry)
That staff write to Riverview Hotel Limited requesting that they hold their Annual General Meeting by 30 June each year to provide shareholders with financial results in a timely manner.

The Motion was declared carried on the voices as the Committee's recommendation for adoption by the Council.

Recommended: (Crs Thomas/Hennebry)
That:

- a) the report as circulated be received,
- b) the surplus to forecast of \$114,000 for the 2006/07 financial year after adjusting for carryovers of \$10,975,000 (rate impact) be used to replay debt in the 2007/08 financial year, and
- c) this recommendation be considered at the Extraordinary Council Meeting to be held on 28 September 2007.

9. 22/9/9. Financial Carryovers for the Year Ended 30 June 2007

The Committee to consider a report and recommendation from the General Manager Corporate concerning the above.

Recommended: (Crs Thomas/Di Maio)
That:

- a) the report as circulated be received,
- b) the projects listed in Part A of the summary of financial carryovers totalling \$82,751,000 (funded by rates collected of \$7,942,000), be approved by Council as carryovers from 2006/07 to future financial years (2007/08 \$65,716,000 and 2008/09 \$17,035,000),
- c) the projects listed in Part B of the summary of financial carryovers totalling \$6,527,000 (funded by rates collected of \$3,033,000), as carryovers previously approved by Council in prior years, be reconfirmed for future financial years (2007/08 \$5,544,000 and 2008/09 \$983,000), and

- d) this recommendation be considered at the Extraordinary Council meeting to be held on 28 September 2007.

10. 13/1. Fraud Policy

The Committee to consider a report and recommendation from the General Manager Corporate concerning the above.

Recommended: (Crs Bos/Hennebry)
That:

- a) the report as circulated be received and the information noted, and
- b) the Fraud Policy as attached in the report before the Committee be approved noting the following amendment to Clause 4.1:

'in the event of fraud or suspected fraud by an elected member or the Chief Executive that His Worship the Mayor and/or his nominee be included as part of the Fraud Management Group.'

11. Exclusion of the Public

Resolved: (Crs Hennebry/Westphal)

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

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

General Subject of each matter to be considered.	Reasons for Passing this resolution in relation to each matter.	Ground(s) under Section 48(1) for the passing of this resolution.
a) Overdue Debtors Report to 31 May 2007	Commercial sensitivity	Subsection 1(a)
b) Bad Debts Write Offs 2006/2007	Commercial sensitivity & to protect the privacy of natural persons	Subsection 1(a)
c) Municipal Fund Investment	Commercial sensitivity	Subsection 1(a)

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 are listed above.

Subcommittee Minutes

The following minutes of the Subcommittee Meetings of the Finance & Audit Committee are attached:

Contracts Subcommittee	29 June 2007
Contracts Subcommittee	24 July 2007
Contracts Subcommittee	25 July 2007
Contracts Subcommittee	17 August 2007

Minutes of a meeting of the
Contracts Subcommittee – OPEN

Time and Date:	9.10am, Friday, 29 June 2007.
Venue:	Council Chamber, Garden Place, Hamilton.
Subcommittee Members:	Councillor R E Hennebry (Chairperson) Councillor G D Chesterman Mr A G Fleming, Acting Chief Executive
In Attendance:	General Manager Community Services and Procurement Manager
Secretary:	Ms F M Yates

SECTION A: DECISION OF THE SUBCOMMITTEE MADE UNDER DELEGATED AUTHORITY FOR NOTING BY THE COUNCIL

1. 13/16/27. Consultancy Services Contract No. 06108: Project Management for Claudelands Events Centre Development.

The Subcommittee to consider a report and recommendations from the General Manager Community Services concerning the above contract.

- Resolved:** (Crs Hennebry/Chesterman)
That:
- a) the report as circulated be received, and
 - b) Contract 06108 be awarded to N-Compass Limited for a sum of no greater than Seven Hundred and Eighty Five Thousand Dollars (\$785,000.00), excluding GST.

The meeting was declared closed at 9.15am.

Minutes of a meeting of the
Contracts Subcommittee – OPEN

Time and Date:	8.30am, Tuesday, 24 July 2007.
Venue:	No. 1 Committee Room, 9th Floor, Tower Block, Garden Place, Hamilton.
Subcommittee Members:	Councillors R E Hennebry (Chairperson) G D Chesterman G M Saunders (Part only) Mr M G Redman, Chief Executive
In Attendance:	Councillors Di Maio, Gower and Westphal. General Manager Community Services, General Manager Works & Services, Event Facilities Manager and Procurement Manager.
Secretary:	Ms F M Yates
Apology:	Councillor Saunders (for lateness)
Resolved:	(Crs Hennebry/Chesterman) That the apology be accepted.

SECTION A: DECISIONS OF THE SUBCOMMITTEE MADE UNDER DELEGATED AUTHORITY FOR NOTING BY THE COUNCIL

1. **13/16/27. Consultancy Services Contract No. 07013: Claudelands Events Centre Development – Architectural, Urban Design and Landscape Design Services**
The Subcommittee to consider a report and recommendations from the General Manager Community Services concerning the above contract.

Resolved: (Crs Chesterman/Hennebry)
That:

- a) the report as circulated be received,
- b) the negotiated fee proposal submitted by Chow Hill Architects Limited for the sum of two million, seven hundred and nine thousand, five hundred and thirty eight dollars (\$2,709,538.00), excluding GST, be approved for Contract 07013: Claudelands Events Centre Development – Architectural, Urban Design and Landscape Design Services, and

- c) the Approved Contract Sum be set at two million, seven hundred and nine thousand, five hundred and thirty eight dollars (\$2,709,538.00).

Councillor Saunders (8.35am) joined the meeting during consideration of the above item. She was present when the matter was voted on.

2. 13/16/27. Contract No. 07034: Road Sign & Street Furniture Maintenance

The Subcommittee to consider a report and recommendations from the General Manager Works & Services concerning the above contract.

Resolved: (Crs Chesterman/Hennebry)
That:

- a) the report as circulated be received,
- b) the two year tender submitted by Directions Limited for five hundred and forty six thousand, two hundred and twenty eight dollars and fifty cents (\$546,228.50), excluding GST, be approved for Contract No. 07034: Road Sign and Street Furniture Maintenance, and
- c) the Approved Contract Sums be set at \$345,000 for 2007/08; \$355,000 for 2008/09; \$365,000 for 2009/10; \$375,000 for 2010/11; and \$385,000 for 2011/12.

3. 13/16/27. Contract No. 0501: Road Amenity Maintenance – Contract Extension and Increase to Approved Contract Sum

The Subcommittee to consider a report and recommendations from the General Manager Works & Services concerning the above contract.

Resolved: (Crs Chesterman/Saunders)
That:

- a) the report as circulated be received, and
- b) Contract No. 0501: Road Amenity Maintenance be offered to Excell Corporation Limited for a one year extension of the contract, and that the Approved Contract Sums be adjusted as follows:

To 3 April 2007	\$3,264,513.59
To 30 June 2008	\$1,872,286.00
To 30 June 2009	\$1,984,623.16
To 3 April 2010	<u>\$1,402,467.04</u>
Total	\$8,523,889.79

4. 13/16/27. Contract No. 0657: Asphalt Surfacing of Carriageways – Increase to Approved Contract Sum

The Subcommittee to consider a report and recommendations from the General Manager Works & Services concerning the above contract.

Resolved: (Crs Hennebry/Chesterman)

That:

- a) the report as circulated be received, and
- b) the Approved Contract Sum for Contract No. 0657: Asphalt Surfacing of Carriageways be increased from \$941,613.82 to \$2,043,037.15 and that the term of the contract be extended to 31 December 2008.

5. 13/16/27. Contract No. 07026: Wairere Drive Stage III Extension

The Subcommittee to consider a report and recommendations from the General Manager Works & Services concerning the above contract.

Resolved: (Crs Chesterman/Saunders)

That:

- a) the report as circulated be received,
- b) the alternative tender submitted by Fulton Hogan Limited for the sum of fifteen million, two hundred and sixty two thousand, four hundred and twenty dollars and fifty six cents (\$15,262,420.56), excluding GST, be approved for Contract No. 07026: Wairere Drive Stage III Extension, and
- c) the Approved Contract Sum be set at \$16,942,420.56.

6. 13/16/27. Wastewater Treatment Plant Outfall

The Subcommittee to consider a report and recommendations from the General Manager Works & Services concerning the above contract.

Resolved: (Crs Chesterman/Saunders)

That:

- a) the report as circulated be received,
- b) Council retrospectively approves the rate funded loan of \$176,000 for 2006/07,
- c) Council approves unbudgeted expenditure of up to \$480,000 for repairs to the Wastewater Treatment Plant diffuser outfall pipeline, to be included in the first financial forecast for 2007/08, funded by a rate funded loan, and
- d) staff report back to the Contracts Subcommittee when the costs for repairing the pipe joints are known.

The meeting was declared closed at 9.05am.

Minutes of a meeting of the
Contracts Subcommittee – OPEN

Time and Date:	8.35am, Wednesday, 25 July 2007.
Venue:	No. 1 Committee Room, 9th Floor, Tower Block, Garden Place, Hamilton.
Subcommittee Members:	Councillors R E Hennebry (Chairperson) G D Chesterman G M Saunders Mr M G Redman, Chief Executive
In Attendance:	General Manager Community Services and Procurement Manager.
Secretary:	Ms F M Yates

SECTION A: DECISIONS OF THE SUBCOMMITTEE MADE UNDER DELEGATED AUTHORITY FOR NOTING BY THE COUNCIL

1. **13/16/27. Approval to Award Variation One (1) to Contract 07004B**
The Subcommittee to consider a report and recommendations from the General Manager Community Services concerning the above contract.

Resolved: (Crs Chesterman/Saunders)
That:

- a) the report as circulated be received, and
- b) approval be provided to award variation one (1), as outlined in the report before the Subcommittee, to Contract 07004B with eCubed Building Workshop for the building services and fire engineering services associated with Hall 8, Booklyn Court and The Hub building at Claudelands Events Centre.

2. **13/16/27. Approval for Claudelands Event Centre Development Contract Variations**
The Subcommittee to consider a report and recommendations from the General Manager Community Services concerning the above contract.

Resolved: (Crs Chesterman/Saunders)
That:

- a) the report as circulated be received,

- b) retrospective approval is given for contract 07004A, to Holmes Consultancy for \$64,570.00,
- c) approval is given for staff to approve variations to contracts in Claudelands Events Centre Development providing they are within the following criteria:
 - i. there is an existing contract approved by the Contracts Subcommittee,
 - ii. the Project Manager confirms that the spend is value for money,
 - iii. the existing budget allowance is sufficient for the variation, and
 - iv. the approval is given within the financial delegated authorities.

The meeting was declared closed at 8.45am.

Minutes of a meeting of the
Contracts Subcommittee – OPEN

Time and Date:	8.30am, Friday, 17 August 2007.
Venue:	No. 1 Committee Room, 9th Floor, Tower Block, Garden Place, Hamilton.
Subcommittee Members:	Councillors R E Hennebry (Chairperson) G D Chesterman G M Saunders Mr M G Redman, Chief Executive
In Attendance:	General Manager Community Services, General Manager Corporate, General Manager Environmental Services, Acting General Manager Works and Services, Event Facilities Manager, IM Unit Manager and Procurement Manager.
Secretary:	Ms F M Yates

SECTION A: DECISIONS OF THE SUBCOMMITTEE MADE UNDER DELEGATED AUTHORITY FOR NOTING BY THE COUNCIL

1. 13/16/27. Contract No. 155A for Telecommunication and Data Networks Services and Products

The Subcommittee to consider a report and recommendations from the General Manager Corporate concerning the above contract.

Resolved: (Crs Chesterman/Saunders)

That:

- a) the report as circulated be received,
- b) Council not go out to public tender at this point for Land Telecommunication and Data Network Services and Products, and
- c) Council renews the contract for Land Telecommunication and Data Network Services and Products with CallPlus Limited for a further two years on the revised rates and benefits.

2. 13/16/27. Contract No. 07055 for Network Support Services

The Subcommittee to consider a report and recommendations from the General Manager Corporate concerning the above contract.

Resolved: (Crs Saunders/Chesterman)
That:

- a) the report as circulated be received,
- b) Axon be approved for a term until 3 March 2010 with a right of renewal for a further two years as the authorised supplier of Networking Services. Contract term to begin on 23 August 2007, and
- c) Council finalise a variation to the existing contract with Axon in line with their proposals and supplementary information.

3. 13/16/27. Contract No. 07040 – V8 Supercars Pit Lane Civil Works

The Subcommittee to consider a report and recommendations from the General Manager Environmental Services and General Manager Works & Services concerning the above contract.

Resolved: (Crs Chesterman/Saunders)
That:

- a) the report as circulated be received,
- b) the tender submitted by HEB Smithbridge Limited for the sum of one million, one hundred and fifty two thousand, seven hundred and seventy seven dollars and twelve cents (\$1,152,777.12), excluding GST, be approved for Contract No. 07040, V8 Supercars Pit Lane Civil Works, and
- c) the Approved Contract Sum be set at \$1,300,000.

Minute Note: It was noted that the overall budget for the V8 Event is on track and constitutes a balance of expenditure and income.

4. 13/16/27. Contract No. 07051 – Claudelands Grandstand Relocation and Refurbishment Architectural and Design Services

The Subcommittee to consider a report and recommendations from the General Manager Community Services concerning the above contract.

Resolved: (Crs Chesterman/Saunders)
That:

- a) the report as circulated be received,

- b) the fee proposal submitted by Smith Pickering Architects Limited for the sum of one hundred and fifty five thousand, nine hundred dollars (\$155,900.00) excluding GST, be approved for Contract 07051: Claudelands Grandstand Relocation & Refurbishment Architectural & Design Services, and
- c) the Approved Contract Sum be set at one hundred and fifty five thousand, nine hundred dollars (\$155,900.00).

The meeting was declared closed at 8.55am.

The above minutes of a meeting of the Finance & Audit Committee before the Council.

Resolved: (Crs Hennebry/Di Maio)
That the decisions in Section A be noted and the recommendations in Section B be adopted.