

Council Briefing Minutes

Date: Tuesday, 14 July, 2020
Time: 9:00 a.m.
Location: Council Chamber
Forum North, Rust Avenue
Whangarei

In Attendance

Cr Shelley Deeming (Chairperson)
Cr Gavin Benney
Cr Vince Cocurullo
Cr Nicholas Connop
Cr Tricia Cutforth
Cr Jayne Golightly
Cr Phil Halse
Cr Greg Martin
Cr Anna Murphy
Cr Carol Peters
Cr Simon Reid

Not in Attendance

Her Worship the Mayor Sheryl Mai
Cr Ken Couper
Cr Greg Innes

Scribe

Nicolene Pestana (Team Leader
Democracy)

Cr Shelley Deeming facilitated the briefing.

Apologies

Her Worship the Mayor, Cr Ken Couper and Cr Greg Innes.

1. Reports

1.1 2021-2031 Long Term Plan - Revenue and Financing Policy and Financial Strategy

Alan Adcock (General Manager, Corporate) and Delyse Henwood (Manager, Finance) ran through the presentation to elected members providing an overview of the Revenue and Financing Policy and the Financial Strategy as part of the development of the 2021-31 Long Term Plan.

The presentation covered the following:

- Refresher of timeline and LTP process

- LTP building blocks
- What funds our operational costs
- What funds our capital costs
- Revenue and Financing Policy
- Financial Strategy
- Financial Parameters
- Balanced budget
- Difficult decisions ahead

Discussion

- Balanced budget - the Annual Plan process indicated a slightly unbalanced budget, we may need to borrow but this would depend on how things roll out, we may have some external funding come in and do have cash reserves (profits that have built up from previous years).
- Depreciation - depreciation is our biggest expense. Depreciation is used to fund renewals whereas operating costs fund the activity. Depreciation spreads the cost of an asset over its loss.
- Infrastructure Strategy - considered in conjunction with the Financial Strategy as together the Financial Strategy and Infrastructure Strategy provides a sense of the costs, risks and trade-offs that underpin the development of the expenditure programmes in the LTP.
- Activity funding - each activity is funded in a different way. It is a laborious process to decide on what funding should fund the activity, but it is very important to decide whether we are getting the correct funding from the correct source.
- Targeted rates - Water, Wastewater, Solid Waste and Flood protection have targeted rates to fund the activities. For this LTP, Council should consider the suitability of these targeted rates. This will be done as part of the direction setting process.
- Revenue and Financing Policy - we have percentage bands reflecting how much will come from rates and how much from user charges, this allows for flexibility.
- Financial Strategy – for this LTP, Council must consider the amount of Capex we can deliver. In previous years, there has been a build-up of carry forwards. It was suggested that elected members should workshop how to address these carry forwards and issues relating to completing planned work.

Next steps

- Activity Funding Review to feed into the development of Council's Revenue and Financing Policy.
- Testing draft financial parameters for our finance strategy.

- A direction planning briefing will be held in August to get feedback from Council on our carry forwards and direction from elected members on the projects to be included in the LTP.

3. Closure of Meeting

The briefing concluded at 10.31am.