Finance Committee
OPEN MINUTES

Minutes of a meeting of the Finance Committee held in Council Chamber, 401 Grey Street, Hamilton East on Thursday 9 August 2018 at 9.06am.

Chairperson
Cr J Hennebry (from 9.06am until 12.35pm)
Deputy Chairperson
Cr H Vercoe (from 12.35pm)
Present
Cr D Minogue
Cr S Kneebone
Cr B Quayle
Ex-officio
Cr A Livingston
Staff
V Payne – Chief Executive
M Garrett – Chief Financial Officer
C Crickett – Director Integrated Catchment Management
J Becker – Finance Manager
D Thurlow – Democracy Advisor
Apologies
(Agenda Item 1)

Cr Quayle moved/Cr Vercoe seconded

**FC18/42**
**RESOLVED**
THAT the apology received from Cr Hennebry for early departure be accepted.

The motion was put and carried (FC18/42)

Confirmation of Agenda
(Agenda Item 2)

The Chief Financial Officer, advised that consideration of part of Item 12 – Low Risk Strategy Manager, which was circulated separately to the agenda, should be heard in the public excluded section of the meeting. This was supported by the Committee.

Cr Livingston moved/Cr Vercoe seconded

**FC18/43**
**RESOLVED**
THAT the agenda of the Finance Committee of 9 August 2018 be confirmed as the business for the meeting and that part of Item 12 – Low Risk Strategy Manager be considered in the public excluded section of the meeting.

The motion was put and carried (FC18/43)

Disclosures of Interest
(Agenda Item 3)

There were no disclosures of interest.

SECTION A: (UNDER DELEGATION FOR THE INFORMATION OF COUNCIL)

Issues and Actions from Finance Committee meetings
(Agenda Item 4) (Doc # 11620281)

The report on the actions and issues raised from the previous Finance Committee meetings was taken as read.

Cr Vercoe moved/Cr Quayle seconded

**FC18/44**
**RESOLVED**
THAT the report ‘Issues and actions from the Finance Committee meetings’ (Doc # 11620281 dated 22 May 2018) be received.

The motion was put and carried (FC18/44)

Rates Information as at 30 June 2018
(Agenda Item 5) (Doc # 12743727)

Chief Financial Officer (M Garrett) provided a summary on rates activity for the 2017/2018 financial year. In speaking to the report the Chief Financial Officer advised that it was pleasing to see that net arrears of the current year are 1.59
percent compared to 1.88 percent last year. Overall net arrears (including prior year rates) is $2,956,473 compared to $3,156,902 last year. It was further noted that this year the Rates Team reviewed the current debt and sent reminder invoices or made telephone contact with as many ratepayers as possible between the end of January and 30 June to remind them of their unpaid rates. As a result there was a reduction of $1,890,685 current year rates not paid between 31 January and 30 June, and 4,702 ratepayers not requiring follow up action by debt collection staff. This contributed to a 14 percent reduction in the number of properties penalised in July.

During questions, answers and related discussion Committee members raised or noted the following matters:
- Discussion ensued on multiple owned Maori freehold land and the impacts of the new Rates Remission Policy associated with collecting rates on these properties.
- A Councillor questioned how many properties make up the $65,246 with mortgagee action. Staff undertook to follow up on this.

Cr Quayle moved/Cr Vercoe seconded

**FC18/45 RESOLVED**

THAT the report ‘Rates Information for the financial rating year 2017/2018 as at 30 June 2018’ (Doc # 12743727 dated 20 July 2018) be received.

The motion was put and carried (FC18/45)

**SECTION B: (FOR RECOMMENDATION TO COUNCIL)**

**Draft Financial Performance at 30 June 2018 and Requests for Budget Carry Over**

(Agenda Item 6) (Doc #12820281 & 12821376)

Finance Manager (J Becker) presented Council’s draft financial performance result to the Committee, along with requests to carry budget forward from 2017/18 to 2018/19 to allow planned works to be completed. In speaking to the report the following points were noted:
- The March 2018 forecast included provision for $2.273 million of operating funds requested to be carried over to the 2018/19 financial year. As staff have reviewed their actual financial performance to the end of the year, the requests to carry operating funding forward have increased to $2.957 million. Based on the draft financial performance to 30 June 2018, $3.722 million of operating funds is available to be considered for carry over.
- This position indicates that, if all carry over requests are approved, there is a remaining operating surplus of $764,000.
- It is recommended that $247,000 of this surplus be directed towards meeting the agreed one-third share of the Tauhei project costs.
- Budget adjustments in relation to reserve-funded activities are also noted, with $1.115 million of funds transferred to targeted rate reserves this year expected to be drawn down in 2018/19.
- In addition to the operating expenditure carry overs, capital carry overs of $12.395 million are also requested. These are split between:
  - Operating capital - $6.284 million.
  - Infrastructure capital - $6.169 million.
In speaking to the performance report, specifically the variances for the period ended 30 June 2018, the following points were noted:

- Interest on working capital funds has ended the year in line with budget. The investment fund return for the year is 8.3 percent, 1.5 percent above its benchmark.
- Revenue from consent processing and compliance monitoring is $435,000 unfavourable for the year. Within this, consent processing revenue is unfavourable ($338,000) – offset in part by lower contracted services costs ($46,200), while compliance monitoring is unfavourable ($97,000) with additional direct costs expenditure of $101,000 required to compensate for staff vacancies.
- The regulatory services cost recovery percentage has increased from 72 percent in March 2018 to 76 per cent at the end of the financial year. Actual performance reflects staff turnover within the directorate and the resulting reduction in billable staff time, supplemented by contract resources.
- Total resourcing expenditure compared to budget has increased from 90 percent in March 2018. Total salary costs are $310,000 favourable to forecast.
- Total unbilled revenue has decreased from $1.332 million in March 2018. The most significant reduction is in relation to compliance monitoring costs unbilled.
- Farebox recovery was 36.32 percent which is an improvement of 1.5 percent compared to the same period last year due to the uplift in patronage figures. The 43 percent set three years ago in the Public Transport Plan will not be achieved due to declining patronage levels in years one and two of the Long Term Plan. This reflects the national trend.
- In respect to the share of Council’s operating expenses that is funded by fees and charges the final year end position shows a reduction from the 20 percent of leveraged funding reported in March 2018 to 19.8 per cent at the end of the financial year. Contributing to this change is the higher expenditure incurred over the final quarter.
- Rates collection is in line with previous years.

During questions, answers and related discussion Committee members raised or noted the following matters:

- A suggestion was made that consideration be given to rating for potential future legal costs as part of the next Long Term Plan discussions.
- In respect to the $12.395 million in capital expenditure carryovers, a member noted that this suggests that Council is collecting rates for projects that are unable to be completed within specified timeframe and as a result funds are having to be carried over to the following year, resulting in increased carryovers year on year. This then raised the question around whether Council should be clearer in its capital requirements and either increase resources to ensure they are delivered within the specified period, or reduce the capital requirement to align with the existing capacity. Staff acknowledged that this is an area of focus for the organisation to ensure that Council can resource the work that it wants to do.
- Staff advised that operating expenditure carry overs relate to projects funded by the general rate and what Council has anticipated to spend versus what they have actually spent.
- In response to a question around adjustments for reserve-funded activities, the Finance Manager advised that this relates to carry overs for targeted rate areas. The budget adjustments recognise the drawing down of money to reserves which was collected this year for next year.
- The infrastructure capital expenditure carry over is split between renewals and new works.
FC18/46

**RESOLVED**

1. THAT the report “Draft financial performance at 30 June 2018 and requests for budget carry over” (Doc #12820281 dated 26 July 2018) be received.

**RECOMMENDED**

2. THAT the Finance Committee approves budget carry over and adjustment requests of:
   - $2.958 million carry over of operating expenditure.
   - $1.115 million of budget adjustments for reserve-funded activities.
   - $6.284 million of operating capital expenditure carry overs.
   - $6.169 million of infrastructure capital expenditure carry overs.

The motion was put and carried (FC18/46)

**2017/18 End of Year Non-Financial Performance Measure Results**

(Agenda Item 7) (Doc # 12786534 & 12787583)

Corporate Planning Team Lead (N Hubbard) informed the Finance Committee of the 2017/18 end of year non-financial performance measure results and sought approval for the results to be included in the draft Annual Report, subject to audit review.

In respect to the performance measure: Over 1% of patronage growth increase on contracted Hamilton Services the Chief Financial Officer (M Garrett) noted that whilst the target of 1 percent has not been reached the Hamilton urban patronage has increased by 0.83 percent compared to the same period last year. However, with continuing optimisation of urban bus services, along with a roll out of a new ticketing and potentially real-time systems, the strong patronage growth is highly likely to continue into the next financial year.

During questions, answers and related discussion Committee members raised or noted the following matters:

- Discussion centred on the increase in patronage for satellite services, specifically Morrinsville which has achieved the highest growth rate of 13.39 percent across all the satellite services. It was noted that this growth can be attributed to the additional services rolled out to assist services to Hamilton Boys High and Southwell School. A question was raised about why the New Zealand Transport Agency and the ratepayers subsidise the transporting of students from Morrinsville, which has its own college which has declining numbers, to Hamilton. In response the Chief Financial Officer advised that as a result of the Ministry of Education’s decision to withdraw services this has resulted in students using the public services that are available. Where Council provides a public service people have choices and on this basis Council is not subsidising the students any more than a commuter. He further noted that the Passenger Transport Plan has identified this issue and has called for a greater level of engagement with Council, the Ministry of Education and other education providers.

- In respect to the eastern passenger transport unit for Hamilton the Chief Financial Officer advised that there has been significant growth, however the western unit has seen a reduction which can be attributed to past operator performance. The new operators are “turning things around”, however this is not at the level that is expected.
Cr Vercoe moved/Cr Kneebone seconded

**FC18/47**

**RESOLVED**
1. THAT the report ‘2017/18 end of year non-financial performance measure results’ (Doc # 12786534 dated 31 July 2018) be received.

**RECOMMENDED**
2. THAT the Finance Committee approves the 2017/18 end of year non-financial performance results for inclusion in the draft Annual Report, subject to audit review.

The motion was put and carried (FC18/47)

**SECTION A: (UNDER DELEGATION FOR THE INFORMATION OF COUNCIL)**

**Tenders Board Contracts for the period 1 April 2018 to 30 June 2018 and New Build Contracts approved 16 July 2018**
(Agenda Item 8) (Doc # 12745812)

Chief Financial Officer (M Garrett) presented the contracts awarded by the Tenders Board for the period 1 April to 30 June 2018 and New Build Contracts approved 16 July 2018.

Cr Minogue moved/Cr Livingston seconded

**FC18/48**

**RESOLVED**
THAT the report ‘Tenders Board Contracts for the period 1 April 2018 to 30 June 2018 and New Build Contracts approved 16 July 2018’ (Doc # 12745812 dated 18 July 2018) be received.

The motion was put and carried (FC18/48)

**SECTION A: (UNDER DELEGATION FOR THE INFORMATION OF COUNCIL)**

**Councillor and Chief Executive Expenses for Quarter Ended 30 June 2018**
(Agenda Item 9) (Doc # 12791342)

The summary of the Councillors and Chief Executive’s expenses for the quarter ended 30 June 2018 was taken as read.

During questions, answers and related discussion Committee members raised or noted the following matters:
- The Committee requested that the Chief Executive’s expenses report confirm that the expenses are within budget to enable comparisons to be made.

Cr Vercoe moved/Cr Quayle seconded

**FC18/49**

**RESOLVED**
THAT the report ‘Councillor and Chief Executive Expenses for the quarter ended 30 June 2018’ (Doc # 12791342 dated 25 July 2018) be received.

The motion was put and carried (FC18/49)
Minutes of the Contracts Subcommittee meeting held on 28 May 2018  
(Agenda Item 10) (Doc # 12494773)

The minutes of the Contracts Subcommittee meeting held on 28 May 2018 were taken as read.

Cr Livingston moved/Cr Kneebone seconded

FC18/50

RESOLVED
THAT the minutes of the Contracts Subcommittee meeting held on 28 May 2018 be received and that the Section A items contained within the attached minutes be noted.

The motion was put and carried (FC18/50)

SECTION B: (FOR RECOMMENDATION TO COUNCIL)

Treasury Management and Monitoring Report to 30 June 2018  
(Agenda item 11) (Doc # 12811004)

Finance Manager (J Becker) provided an update on the performance of Council’s investment fund and cash management for the period ended 30 June 2018 and progress with the establishment of Council’s external borrowing programme.

During questions, answers and related discussion Committee members raised or noted the following matters:
- A member questioned whether the recommendation should include a provision of ‘where it is cost effective to do so’. This was supported by the Committee.
- The Committee were in support of the use of Commercial Paper via the Local Government the Local Government Funding Agency to meet short term cash flow requirements.

Cr Vercoe moved/Cr Quayle seconded

FC18/51

RESOLVED

RECOMMENDED
2. THAT the Finance Committee recommend to Council the use of Commercial Paper via the Local Government Funding Agency to meet short term cash flow requirements where it is cost effective to do so.

The motion was put and carried (FC18/51)

Councillor Livingston left the meeting at 10.25am.

The meeting adjourned for morning tea at 10.10am and reconvened at 10.25am when, with the consent of the meeting, Item 16 was considered.
SECTION A: (UNDER DELEGATION FOR THE INFORMATION OF COUNCIL)

FC18/52 Resolution to Exclude the Public

Cr Vercoe moved/Cr Quayle seconded

RESOLVED
That the public be excluded from the following part/s of the meeting:

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:

<table>
<thead>
<tr>
<th>General subject of each matter to be considered</th>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Ground(s) under section 48(1) for the passing of this resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 Non-rates Debtors</td>
<td>Good reason to withhold exists under Section 7.</td>
<td>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)</td>
</tr>
<tr>
<td>17 Public Excluded Minutes of the Contracts Subcommittee meeting held on 28 May 2018</td>
<td>Good reason to withhold exists under Section 7.</td>
<td>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)</td>
</tr>
</tbody>
</table>

This resolution is made in reliance on sections 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 7 of that Act, which would be prejudiced by the holding of the relevant part of the proceedings of the meeting in public are as follows:

<table>
<thead>
<tr>
<th>Item No</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>Protect the privacy of natural persons, including that of deceased natural persons (Schedule 7(2)(a))</td>
</tr>
</tbody>
</table>
### Item No | Interest
--- | ---
16 & 17 | Protect information where the making available of the information (i) would disclose a trade secret; or (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information (Schedule 7(2)(b))
17 | Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (Schedule 7(2)(i))

The motion was put and carried (FC18/52)

Return to Open Meeting at 10.30am.

## SECTION B: (FOR RECOMMENDATION TO COUNCIL)

**Mercer Investment Fund Monitoring Report to 30 June 2018 and Low Risk Strategy Manager**

(Agenda Item 12) (Doc # 12835566)

Russell Garrett from Mercer provided an update, via video conferencing, on the quarterly investment monitoring report to 30 June 2018 (Doc # 12940925).

During questions, answers and related discussion Committee members raised or noted the following matters:

- A question was raised in respect to whether it would be better to withdraw money from the cash component of the Investment Fund and move the funds to a higher growth allocation. In response to this question, Russell Garrett indicated that Mercer’s position is that they expect lower returns in the future and that the Council will need to, at some point, increase its growth allocation if it wants to achieve its investment objective of 4 percent. However, given the healthy position that the Investment Fund is in, it isn’t critical that the step is taken at this time. At this point Mercer’s recommendation is to look through short term risks and opportunities and focus on the longer term scenario. Council is in a good position to maintain its strategy without the need to take on additional risk.
- The de-risking that Mercer is currently undertaking relates to committed spending, and ensures that Council has the right strategy in place for the different pools of money it has.
- Members were advised that the Annual Investment Forum is being held in Wellington on 25 September 2018.

## SECTION A: (UNDER DELEGATION FOR THE INFORMATION OF COUNCIL)

**FC18/56 Resolution to Exclude the Public**

Cr Quayle moved/Cr Vercoe seconded

**RESOLVED**

That the public be excluded from the following part/s of the meeting:

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:

<table>
<thead>
<tr>
<th>General subject of each matter to be considered</th>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Ground(s) under section 48(1) for the passing of this resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pt 12   Update on Low Risk Strategy Manager</td>
<td>Good reason to withhold exists under Section 7.</td>
<td>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)</td>
</tr>
</tbody>
</table>

This resolution is made in reliance on sections 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 7 of that Act, which would be prejudiced by the holding of the relevant part of the proceedings of the meeting in public are as follows:

<table>
<thead>
<tr>
<th>Item No</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pt 12</td>
<td>Protect the privacy of natural persons, including that of deceased natural persons (Schedule 7(2)(a))</td>
</tr>
<tr>
<td>Pt 12</td>
<td>Protect information where the making available of the information (i) would disclose a trade secret; or (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information (Schedule 7(2)(b))</td>
</tr>
</tbody>
</table>

That Russell Garrett from Mercer be permitted to remain at this meeting, after the public has been excluded, because of his knowledge of part Item 12. This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because of his roles as Council’s Investment Fund Portfolio Manager.

The motion was put and carried (FC18/56)

Return to Open Meeting at 11.42am.

**Mercer Report: Responsible Investment Actions**
(AGenda Item 13) (Doc # 12835310, 12836158 & 12839964)

Russell Garrett from Mercer, via video conferencing, spoke to the recommendations for Council to develop its investment practices consistent with evolving thinking regarding the significance of environment, social and governance factors within the decision-making process (Doc # 12940925).
During questions, answers and related discussion Committee members raised or noted the following matters:

- A member expressed the view that he could not support the recommendation as it was felt that it was the responsibility of the individual portfolio managers to determine whether the investments had regard for the environment, social and governance factors and not the responsibility of Council. It was felt that Council is investing to make a return, and if Council were to assess environmental, social and governance factors that it may diminish returns. In response Russell Garrett advised that good fiduciary practice suggests that, whilst the sole objective is to get a high return, good investment practices suggests that if you’re not assessing the risks, you may put your return in jeopardy.

- Russell Garrett advised that this one-off analysis will allow Council to understand its portfolio and its risks, which will inform Council in its decision-making.

- The Chief Financial Officer advised the Committee that the cost of this one-off analysis is $8,000 which has been set aside within the Treasury Budget.

- In speaking in support of the recommendation, as an organisation that supports sustainability, it was felt that for $8,000 Council need to be seen to be walking the talk.

- The Committee sought that Russell Garrett be available to present their report to the Council at its meeting on 29 August 2018.

Cr Quayle moved/Cr Kneebone seconded

**RESOLVED**

1. THAT the report ‘Mercer Report: Responsible Investment Actions’ (Doc # 12835310 dated 31 July 2018) be received.

**RECOMMENDED**

2. THAT the Finance Committee recommend to Council the implementation of the recommended actions as outlined in the Mercer Report: Responsible Investment Actions and that the Statement of Investment Policy and Objectives be updated to include the following additions:

   a. The Council when making decisions on Investment Manager Selection will take into account those managers that build Environmental Social Governance into their investment decision-making processes.

   b. Investment Managers’ roles will be reviewed by the Council on a regular basis. Matters to be taken into account in these reviews will include investment style, resources, organisational strength, investment performance relative to objectives, Environmental Social Governance credentials, and any other factors considered relevant to the Investment Managers’ continuing ability to meet the applicable investment objective.

Cr Minogue moved/Cr Vercoe seconded

An amendment

**RECOMMENDED**

THAT the Finance Committee ask the Council to consider implementation of the recommended actions as outlined in the Mercer Report: Responsible Investment Actions and that the Statement of Investment Policy and Objectives be updated to include the following additions:

a. The Council when making decisions on Investment Manager Selection will take into account those managers that build Environmental Social Governance into their investment decision-making processes.
b. Investment Managers’ roles will be reviewed by the Council on a regular basis. Matters to be taken into account in these reviews will include investment style, resources, organisational strength, investment performance relative to objectives, Environmental Social Governance credentials, and any other factors considered relevant to the Investment Managers’ continuing ability to meet the applicable investment objective.

The amendment was lost.

The original motion was put and carried (FC18/58)

SECTION A: (UNDER DELEGATION FOR THE INFORMATION OF COUNCIL)

Maungatautari Ecological Island Trust Quarterly Financial Report April-June 2018
(Agenda Item 14) (Doc # 12816225)

Phil Lyons, Chief Executive and Don Scarlet, Co-Chair of Maungatautari Ecological Island Trust presented the Trust’s operational and financial activity for the period April – June 2018 noting that this is the last report under the previous funding deed. In speaking to the report the following points were noted:
- Don Scarlet was recently appointed Co-Chair for Maungatautari Ecological Island Trust.
- The Trust is focussing on revenue generation, including:
  • Development of the international tourism market.
  • Developing relationship with local tourism.
- The 3-year funding has been secured from Trust Waikato.
- The Trust is working with other funders to smooth out multi-year relationships.
- The Trust is working with the Department Conservation for additional funding.

During questions, answers and related discussion Committee members raised or noted the following matters:
- The Committee congratulated Don Scarlet on his appointment as Co-Chair.
- The Committee appreciated the month-to-month challenge that the Trust has around revenue generation.
- In regard to international tourism it was noted that there is a small demand by the Asian tourist. The Trust advised that it is looking to develop a shorter experience for tourists given that they often have a limited time in which they are in the country. The marketing manager will be tasked with profiling tourists in order to develop the best possible experience for the respective tourists.
- The Trust is working with Hobbiton to create tourism opportunities.
- The Chairperson thanked the presenters for taking the time to present to the Committee.

Cr Quayle moved/Cr Vercoe seconded

FC18/59

RESOLVED
THAT the report ‘Maungatautari Ecological Island Trust Quarterly Financial Report April-June 2018’ (Doc # 12816225 dated 26 July 2018) be received.

The motion was put and carried (FC18/59)
SECTION A: (UNDER DELEGATION FOR THE INFORMATION OF COUNCIL)

With the consent of the meeting Item 19 was considered at this time.

**Environmental Initiatives Fund – 2018/19 Grant Allocation**
(Agenda Item 19) (Doc # 12686474)

Project Manager, Biodiversity and Funding (J van Rossem) sought consideration of the 18 applications received as part of the 2018/19 Environmental Initiatives Funding round.

**Thames Coast Kiwi Care: Helping Wild Kiwis Thrive Through Community Collaboration and Education**

Project Manager, Biodiversity and Funding (J van Rossem) outlined the application noting Thames Coast Kiwi Care services have a trapping network over 4000 hectares on private and public land in the Te Mata and Tapu Valleys along the Thames Coast, with the aim of saving a remnant population of Coromandel Western Brown kiwi. This application is to extend the paid coordinator’s role to a community education role in order to engage more volunteers.

During questions, answers and related discussion Committee members raised or noted the following matters:
- Discussion centred on performance indicators for multi-year projects when people are employed to undertake coordination roles. The Project Manager agreed to develop meaningful metrics with the respective community group of what’s achievable and what is required to be reported on.
- The Committee supported this application.

**Upper Coromandel Branch of Forest & Bird Society: Restoration of the Islands of the Nga Motu Aroha Trust**

Project Manager, Biodiversity and Funding (J van Rossem) outlined the application noting this project aims to remove pests and predators from 11 privately owned islands on the west coast of the Coromandel Peninsula, and to restore them to what is believed to have been their original flora and fauna before human settlement. The project is a collaboration between the Maori owners, Nga Motu Aroha Trust, Forest & Bird Upper Coromandel, and a number of stakeholders with a shared vision. This bid is to fund the development of a Management Plan that will guide the process.

During questions, answers and related discussion Committee members raised or noted the following matters:
- The Committee was advised that this is one-off commitment.
- The Committee were pleased to see the commitment with Forest and Bird.
- The Committee supported this application.

**Habitat Tuateawa Inc: Enhancing our predator trapping effort at Tuateawa**

Project Manager, Biodiversity and Funding (J van Rossem) outlined the application noting this project aims to extend an existing predator control programme in a 300 hectare area of coastal Coromandel, with a goal to reduce rodents and possums to a low enough level so that vulnerable species such as kiwi, kereru, kaka, pateke and lizards may successfully breed.
During questions, answers and related discussion Committee members raised or noted the following matters:
- The Committee supported this application.

**WT Nicholls Trust: Ki Uta Ki Tai**

Project Manager, Biodiversity and Funding (J van Rossem) outlined the application noting the WT Nicholls Trust administers a 250 hectare block of land that extends north from Koputauaki Bay on the western side of Coromandel. This project aims to implement a trapping network across the property to improve its biodiversity values.

During questions, answers and related discussion Committee members raised or noted the following matters:
- The Committee supported this application.

**Whakaupoko Franklin Land Care Group: We Do – Enhancing Our Big Back Yard**

Project Manager, Biodiversity and Funding (J van Rossem) outlined the application noting this project aims to achieve a pest-free mainland island across mostly private land in the North West Waikato, including farmland and wetland area along the lower Waikato River near Tuakau, Pukeoware, Aka Aka and Otaua. The main approach is to engage with private landowners to implement pest control and ongoing monitoring to enhance the natural environment within their backyards and the wider area.

During questions, answers and related discussion Committee members raised or noted the following matters:
- The project manager confirmed that this project straddles both the Auckland and Waikato boundaries.
- The Committee supported this application.

**Whaingaroa Environment Centre Society Inc. Community engagement regarding coastal and marine health**

Project Manager, Biodiversity and Funding (J van Rossem) outlined the application noting this is a programme of practical, interactive community engagement initiatives in the Whaingaroa Harbour with the aim of highlighting threats to coastal and marine health, and empowering the community with practical action to protect the critically endangered Maui dolphin.

During questions, answers and related discussion Committee members raised or noted the following matters:
- Discussion centred on the impacts that commercial fishing has on Maui dolphin and whether this is most appropriate place to expend money. The Project Manager advised that this project will be running a number of events scheduled to educate people in coastal marine health.
- The Project Manager advised that the applicant will be required to report on the number of attendees at these events as part of its performance targets.
- The Committee supported this application.

**Mana Manu Trust: Mana Manu Trust Wilding Pine Control Project**

Project Manager, Biodiversity and Funding (J van Rossem) outlined the application noting that the Mana Manu Trust is a community trust established for the protection and enhancement of native forest in a 317 hectare area near Whangapoua,
Coromandel. This project will assist landowners to control wilding pines in the Mana Manu Trust area with the objective of enhancing the ecosystem and conservation values of the coastal indigenous forest and wetlands in the Whangapoua catchment.

During questions, answers and related discussion Committee members raised or noted the following matters:
- The Committee supported this application noting the need for ongoing maintenance.

The Friends of Te Whanganui-A-Hei Marine Reserve Trust: Whitebait Connection Programme

Project Manager, Biodiversity and Funding (J van Rossem) outlined the application noting the Whitebait Connection is a national programme of experiential learning about freshwater conservation and catchment restoration for children up to Year 8. The programme encompasses (a) an introduction to freshwater biodiversity (b) investigation of a local catchment (c) freshwater biodiversity monitoring, and (d) an action component e.g. monitoring, sharing results with the community or making a submission. This is a proposal to implement the programme into schools in the Hauraki/Coromandel area, tailored to local issues.

During questions, answers and related discussion Committee members raised or noted the following matters:
- The Committee supported this application noting that engaging with families will be key to the success of this project.

Cr Quayle moved/Cr Vercoe seconded

RESOLVED

1. THAT the report “Environmental Initiatives Fund – 2018/19 Grant Allocations” (Doc #12686474 dated 25 July 2018) be received.

2. THAT the Finance Committee approve an Environmental Initiatives Fund grant of $34,500 to Thames Coast Kiwi Care for project coordination and community engagement.

3. THAT the Finance Committee approve an Environmental Initiatives Fund grant of $11,250 to the Upper Coromandel Branch of Forest and Bird Society for the development of a management plan for the restoration of the Nga Motu Aroha Trust Islands.

4. THAT the Finance Committee approve an Environmental Initiatives Fund grant of $39,143.68 to Habitat Tuateawa for project coordination and purchase of traps.

5. THAT the Finance Committee approve an Environmental Initiatives Fund grant of $28,386.24 to the WT Nicholls Trust for the purchase of traps and cutting of tracks for the Ki Uta Ki Tai project at Koputauaki Bay.

6. THAT the Finance Committee approve an Environmental Initiatives Fund grant of $39,999.07 to the Whakaupoko Franklin Land Care Group for the purchase of bait stations, bait, traps and chew cards, bird monitoring costs and project coordination.
7. THAT the Finance Committee approve an Environmental Initiatives Fund grant of $24,800 to the Whaingaroa Environment Centre Society for project coordination and the employment of summer Community Rangers for a Maui Dolphin community engagement programme in 2018/19.

8. THAT the Finance Committee approve an Environmental Initiatives Fund grant of $21,562.80 to the Mana Manu Trust for wilding pine control in the Mana Manu Trust area near Whangapoua.

9. THAT the Finance Committee approve an Environmental Initiatives Fund grant of $34,440 to The Friends of Te Whanganui-A-Hei Marine Reserve Trust for delivery of the Whitebait Connection environmental education programme in local Coromandel schools.

The motion was put and carried (FC18/60)

The meeting adjourned for lunch at 12.35pm and reconvened at 1.03pm when Item 18 was considered.

Councillor Vercoe assumed the Chair.

**Natural Heritage Fund Proposal – Rings Beach Wetland Project**
(Agenda Item 18) (Doc #12799919)

Project Manager, Biodiversity and Funding (J van Rossem) introduced the proposal for a Natural Heritage Fund grant from the Coromandel Peninsula Coastal Walkways Society for consideration and decision by the Finance Committee.

Ian Patrick and Ian McDonald spoke to their application.

During questions, answers and related discussion Committee members raised or noted the following matters:

- The applicants confirmed that the land is Crown-owned land administered by the Department of Conservation and the Group has a working arrangement in place with the Department of Conservation to undertake this project.
- In response to a question, the applicants advised that the grant will see the project completed to 90 percent over the next 2-years.
- The Committee supported the application and congratulated the Group on the incredible job it has done to date.

Cr Minogue moved/Cr Kneebone seconded

**RESOLVED**

1. THAT the report ‘Natural Heritage Fund Proposal – Rings Beach Wetland Project’ (Doc #12799919 dated 23 July 2018) be received.

**RESOLVED**

2. THAT the Finance Committee approve a Natural Heritage Fund grant of $90,543 over three years for wilding pine control at the Rings Beach Wetland, subject to the following conditions:

   (i) the preparation of a funding deed approved by Council’s Legal Services team; and
(ii) the grant will be paid in three instalments (Year 1: $10,543; Year 2: $40,000; Year 3: $40,000). Each instalment will be conditional upon satisfactory evaluation of annual progress reports by staff.

The motion was put and carried (FC18/61)

Councillor Hennebry left the meeting at 1.13pm.

Environmental Initiatives Fund – 2018/19 Grant Allocation
(Agenda Item 19) (Doc # 12686474)

Project Manager, Biodiversity and Funding (J van Rossem) sought consideration of the 18 applications received as part of the 2018/19 Environmental Initiatives Funding round.

Project Litefoot Trust: LiteClub-Waikato

Project Manager, Biodiversity and Funding (J van Rossem) outlined the application noting the long term objective of the LiteClub programme is to drive a transformation of New Zealand’s community sports infrastructure so that this industry becomes electricity independent, water neutral and zero waste by 2025. The aim of this project is to expand the programme to help 17 community sports clubs in the Waikato reduce their environmental impact, freeing up money for sport and inspiring club members to make the same small improvements at home.

During questions, answers and related discussion Committee members raised or noted the following matters:
- Discussion centred on the governance structure for this organisation.
- The Committee supported this application.

Pirongia Forest Park Lodge: Environmental Studies Programme Project

Project Manager, Biodiversity and Funding (J van Rossem) outlined the application noting the purpose of this project is to develop three interactive, nature-based activity kits for Pirongia Forest Park Lodge. Each kit will include materials, sampling equipment, identification keys and instructions around their use. The kits will be accompanied with educator training sessions. This is an extension of Pirongia Lodge’s well-supported, existing outdoor education programmes.

During questions, answers and related discussion Committee members raised or noted the following matters:
- The Committee supported this application.

Waikato Ecological Restoration Trust: Waipa Rerenoa Riparian Management

Project Manager, Biodiversity and Funding (J van Rossem) outlined the application noting the Waipa Rerenoa Restoration Project has been underway for the last three years, funded by Waikato Regional Council, Waikato River Authority, Waikato Catchment Ecological Enhancement Trust and landowners/community. It has involved willow removal, fencing, native planting and erosion control along 6km of the Waipa River upstream of Otorohanga. This proposal is to implement maintenance of the plantings over the next three years until canopy closure is achieved.

During questions, answers and related discussion Committee members raised or noted the following matters:
- The Committee supported the staff recommendation for partial funding on the basis that the respective landowners have a responsibility to maintain these areas.

**Plastic-Bag Free Coromandel Town: Plastic-Free Coromandel**

Project Manager, Biodiversity and Funding (J van Rossem) outlined the application noting this project aims to eliminate single-use plastic bags and other single-use plastic items.

During questions, answers and related discussion Committee members raised or noted the following matters:
- The Committee supported this application.

**Te Whare Toi o Ngaruawahia – Twin Rivers Community Art Centre: Te Whetu o Tupuarangi**

Project Manager, Biodiversity and Funding (J van Rossem) outlined the application noting this proposal is run creative workshops in the community and in eight primary schools (kura tautahi) in the wider Ngaruawahia District focusing on the kauri tree and its habitat and actions needed to prevent the spread of kauri dieback disease.

During questions, answers and related discussion Committee members raised or noted the following matters:
- The Committee supported this application.

**Otama Reserves Group: Otama wetland – saltwater paspalum mapping/two year pilot control project**

Project Manager, Biodiversity and Funding (J van Rossem) outlined the application noting this project seeks to control seven hectares of saltwater paspalum in the 30 hectare Otama estuarine wetland, a public conservation reserve. The project has three parts (a) wetland mapping (b) a two-year pilot spray programme, and (b) follow-up mapping.

During questions, answers and related discussion Committee members raised or noted the following matters:
- The Committee supported the recommendation for partial funding to enable the applicant to complete the mapping of the wetland area as a first stage to determine the best method of controlling saltwater paspalum.

Cr Quayle moved/Cr Vercoe seconded

**RESOLVED**

1. THAT the Finance Committee approve an Environmental Initiatives Fund grant of $17,560 to the Project LiteFoot Trust for the delivery of the LiteClub-Waikato programme into 17 community sports clubs.

2. THAT the Finance Committee approve an Environmental Initiatives Fund grant of $5,000 to the Pirongia Forest Park Lodge for the preparation of natural history environmental education kits.

3. THAT the Finance Committee approve an Environmental Initiatives Fund grant of $14,175.55 to the Waikato Ecological Restoration Trust for the purchase of equipment to undertake the maintenance of riparian plantings for the Waipa Rerenoa Riparian Management project.
4. THAT the Finance Committee approve an Environmental Initiatives Fund grant of $5,000 to Plastic-Bag Coromandel Free Town for the purchase of reusable plastic bags and drinking straws for the Plastic Free Coromandel project.

5. THAT the Finance Committee approve an Environmental Initiatives Fund grant of $3,934.76 to the Te Whare Toi o Ngaraawahia – Twin Rivers Community Art Centre for tutor and workshop costs associated with the Te Whetu o Tupurangi kauri tree education programme in schools.

6. THAT the Finance Committee approve an Environmental Initiatives Fund grant of $2,127.50 to the Otama Reserves Group for the initial drone mapping of the Otama Wetland for future saltwater paspalum control.

The motion was put and carried (FC18/62)

McGregor Bay Wetland Society Inc.: McGregor Bay Wetland Reserve Boardwalk

Project Manager, Biodiversity and Funding (J van Rossem) outlined the application noting the McGregor Bay wetland is a small two hectare, coastal wetland owned by Thames Coromandel District Council and located 2 km from the centre of Coromandel town. This project aims to complete all the necessary geotechnical and engineering planning to construct a boardwalk through the wetland.

During questions, answers and related discussion Committee members raised or noted the following matters:
- The Committee felt that this application should be placed before the Thames Coromandel District Council.
- The Committee supported the staff recommendation to decline the application and asked that staff outline their reasons for declining the application to the applicant.

Foris Ltd: Conservation and Biodiversity Education

Project Manager, Biodiversity and Funding (J van Rossem) outlined the application noting Foris Ltd is an eco-tourism business offering non-profit, nature-based and curriculum-linked education programmes. This proposal aims to deliver an environmental education programme focusing on biodiversity at Sanctuary Mountain Maungatautari.

During questions, answers and related discussion Committee members raised or noted the following matters:
- The Committee supported the staff recommendation to decline the application and asked that staff outline their reasons for declining the application to the applicant.

The Friends of the Otahu Catchment Area Inc.: Otahu Catchment Area Water Quality Monitoring

Project Manager, Biodiversity and Funding (J van Rossem) outlined the application noting the aim of this project is to improve the water quality of the Otahu River by establishing a baseline measurement of key water quality indicators against which the influence of natural/manmade events in the catchment can be monitored.
During questions, answers and related discussion Committee members raised or noted the following matters:
- The Committee supported the staff recommendation to decline the application and asked that staff outline their reasons for declining the application to the applicant.

Conscious Kids Ltd: Conscious Kids Waikato Outdoor Revolution – Little Seeds for a Better Future

Project Manager, Biodiversity and Funding (J van Rossem) outlined the application noting the aim of this project is to expand the 100% nature-based, child-led, outdoor education programme to the Hamilton/Waikato area by establishing a new base of operations from the Hamilton Gardens. A week-long holiday programme will be run as a pilot in July 2018, with plans to expand to each subsequent holiday period in 2018.

During questions, answers and related discussion Committee members raised or noted the following matters:
- The Committee supported the staff recommendation to decline the application and asked that staff outline their reasons for declining the application to the applicant.

Cr Kneebone moved/Cr Quayle seconded

RESOLVED
1. THAT the Finance Committee decline the following Environmental Initiatives Fund applications:
   (a) McGregor Bay Wetland Society ($9,775 for engineering costs associated with a boardwalk);
   (b) Foris Ltd ($39,000 for an environmental education programme based at Maungatautari);
   (c) The Friends of the Otahuhu Catchment Area ($17,316 for a water quality monitoring programme); and
   (d) Conscious Kids Ltd ($40,000 for a nature-based school holiday programme in Hamilton).

   The motion was put and carried (FC18/63)

Meeting closed at 1.34pm.

Doc# 12839649