

## **FINANCE SUBCOMMITTEE**

- FILE REFERENCE:** DP-14-02 DM 6149563  
**MEETING DATE:** Friday 5 December 2014 at 2pm  
**VENUE:** Council Chamber  
**MEMBERS PRESENT:** Councillor Richard Handley (Chairperson); Mayor Andrew Judd, Councillors Keith Allum, Colin Johnston, Craig McFarlane, Marie Pearce.
- NON-MEMBERS PRESENT:** Councillors Grant Coward, Shaun Biesiek, Gordon Brown, Richard Jordan.
- STAFF IN ATTENDANCE:** Barbara McKerrow, Phil Armstrong, Liam Hodgetts, Jan Higley

### **MINUTES**

Cr Pearce )

Cr Johnston )

That the minutes of the Finance Subcommittee meeting (Wednesday 8 October 2014), and the proceedings of the said meeting, as previously circulated, be taken as read and confirmed as a true and accurate record.

### **PART B**

#### **ITEMS FOR FINAL DETERMINATION BY THE COUNCIL**

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1. **Financial Update Report September 2014**

File Reference: DM 6093787

The purpose of this report is to present the financial results of the Council for the period to the end of September 2014.

Resolved:

Cr Pearce )

Cr Allum )

That, having considered all matters raised in the report, the report be noted.

Carried

2. **Treasury Management Policy (TMP) Review December 2014**

File Reference: DM6098407

The matter for consideration by the Council is the approval of the proposed amendments to the Treasury Management Policy (TMP) which is one of the key policies in the development of the Long Term Plan 2015-2025 (LTP).

Resolved:

Cr Pearce )

Cr Johnston )

That having considered all matters raised in the report the Council's approves the following proposed amendments to the Treasury Management Policy (TMP):

- New section 4.1.1 *Basis for borrowing* which clarifies the Councils basis for borrowing.
- New section 4.1.2 *Invest to save initiatives* which provides the Council with the ability to borrow for projects that provide an economic payback.
- Update to section 5.1.1 *Expected return on Investments* to align with the Perpetual Investment Fund's (PIF) updated asset allocation and estimated returns.
- Update to section 5.2 *Perpetual investment fund* to reflect the proposed amended release rule from the PIF targeting a flat 3.3%.
- Delete references to the Council's underwrite policy which was rescinded at an earlier Council meeting on 10 February 2014.
- Amendment to section 5.3.3 *Management of excess renewal funding* to allow application against reducing rates.
- Update to section 5.6 *Treasury Investments* regarding the increase in the amount to be invested per bank from \$10 million to \$15 million.
- Best practice changes identified by the PWC review include:
  - New section 4.7.5 on the Emissions Trading Scheme.
  - New section 5.6.4 on Loan Advances.
  - New section 6 on Cash Management practices.
  - Update to the performance measures in section 7.
  - An update to internal controls in section 10.
  - Rewording of section 11 *Accounting Treatment of Financial Instruments*.
  - New section 12 *Policy review*.
- General minor procedural amendments to the policy including updating the policy with references to the new Finance Sub-Committee and the Chief Financial Officer.

Carried

The Finance Subcommittee meeting closed at 2.20pm.