

Finance Committee

OPEN MINUTES

Meeting Date: **Wednesday 22 March 2017**
Time: **3pm – 3.55pm**
Venue: **Main Committee Room
3rd floor Civic Building
231 Hastings Street
Napier**

Present: Councillor Wise (In the Chair), the Mayor, Councillors Boag, Brosnan, Dallimore, Hague, Jeffery, McGrath, Price, Tapine, Taylor, White, Wright

Tony Porter, Chairman of Directors Hawke's Airport Company [Items 1 & 2]
Olivia Pierre, Operations Manager Hawke's Bay Airport [Items 1 & 2]

In Attendance: Sarah Park, Director Hawke's Bay Airport Company [Items 1 & 2]
Carolyn Neville – Business Hawke's Bay [Item 3]
Chief Executive, Director Corporate Services, Director City Strategy, Director Community Services, Manager Communication and Marketing, Chief Financial Officer, Manager Property

Secretariat: Governance Team

APOLOGIES

None

CONFLICTS OF INTEREST

None

PUBLIC FORUM

None

ANNOUNCEMENTS BY THE MAYOR

None

ANNOUNCEMENTS BY THE CHAIRPERSON

None

ANNOUNCEMENTS BY THE MANAGEMENT

Council participation in the Tremain's triathlon was recognised with the Council trophy for most teams.

CONFIRMATION OF MINUTES

Councillors Taylor / Boag

That the Minutes of the meeting held on 8 February 2017 were taken as a true and accurate record of the meeting.

CARRIED

NOTIFICATION AND JUSTIFICATION OF MATTERS OF EXTRAORDINARY BUSINESS

(Strictly for information and/or referral purposes only).

AGENDA ITEMS

1. HAWKE'S BAY AIRPORT LIMITED - STATEMENT OF INTENT

Type of Report:	<i>Procedural</i>
Legal Reference:	<i>N/A</i>
Reporting Officer/s & Unit:	<i>Adele Henderson, Director Corporate Services</i>

1.1 Purpose of Report

To identify any changes or any comment Council wishes to make to Hawke's Bay Airport Limited in regard to the Draft Statement of Intent.

At the Meeting

The representatives from the Hawke's Bay Airport, Tony Porter, Olivia Pierre and Sarah Park, were welcomed to the meeting. In the interests of the availability of the presenters Items 1 and 2 were taken together.

The presenters spoke to their reports, noting:

- There has been continued growth in the airside and landside budgets. The Company intends to work closely with its shareholders to better realise the value of the business park.
- The operating expenses came in under budget for the first six months of the year, and a significant payment was made against the loan.
- The gearing ratio is very low currently, but is forecast to climb steeply as funding is drawn down for larger capital works in the near future, then to return relatively quickly to a lower percentage by approximately year five of the budget model. It is the nature of airport works that in large part drives the spikes in the ratio.
- A number of capital works are planned for the next few years, of which the terminal development is the largest. The detailed design for this project is due to be complete this week. It is anticipated that the project will be fully completed in March 2019.
- Security updates have been made across airport functions in line with recent CAA changes to the regulations.
- Airport staff have had input into the NZTA "SH2/ Watchman Road roundabout" project, the tender for which closed today.

In response to questions from elected members, it was clarified that:

- Stormwater attenuation considerations have been integrated into every area of development at the airport, including the business park.
- The Airport executive team has worked hard to keep operating costs low despite significant changes in security, fire and rescue and other matters having been rolled out over the six month period.
- While it may be an option to return to an earlier approach of paying no dividend to its shareholders over the period of the larger capital works, the Airport Company believes that the loan funding it is now able to draw on provides enough flexibility to pay a dividend as part of its overall financial management.

COMMITTEE'S RECOMMENDATION

Councillors Taylor / McGrath

That the draft Statement of Intent of the Hawke's Bay Airport Limited be received.

CARRIED

2. HAWKE'S BAY AIRPORT LIMITED HALF YEARLY REPORT

<i>Type of Report:</i>	<i>Legal and Operational</i>
<i>Legal Reference:</i>	<i>Local Government Act 2002</i>
<i>Document ID:</i>	<i>340167</i>
<i>Reporting Officer/s & Unit:</i>	<i>Adele Henderson, Director Corporate Services</i>

2.1 Purpose of Report

To receive the half-yearly report to shareholders from Hawke's Bay Airport Limited to 31 December 2016.

COMMITTEE'S RECOMMENDATION

Councillors Jeffery / Brosnan

That the Hawke's Bay Airport Limited half-yearly report to shareholders, to December 2016 be received.

CARRIED

The Airport representatives left the meeting at 3.39pm.

3. BUSINESS HAWKE'S BAY REPORT

<i>Type of Report:</i>	<i>Procedural</i>
<i>Legal Reference:</i>	<i>N/A</i>
<i>Document ID:</i>	<i>344753</i>
<i>Reporting Officer/s & Unit:</i>	<i>Adele Henderson, Director Corporate Services</i>

3.1 Purpose of Report

To provide Council with an update report from Business Hawke's Bay (BHB).

At the Meeting

Carolyn Neville, Business Hawke's Bay Marketing and Operations Manager, was welcomed to the meeting.

Carolyn spoke to the report, noting:

- Visitor numbers to the Business Hub had increased over the last quarter.
- A survey of business travellers undertaken over a month indicated an increased level in connectivity through travel, to which the introduction of JetStart Flights to the Hawke's Bay Airport had made a significant contribution. Of particular note was the increased travel between Napier and Auckland.

- Central Government funding had contributed towards several initiatives underway, such as Techweek 2017, as well as the recruitment of further staff including the role of Marketing and Operations Manager.
- The food and beverage sector, as well as agri-business, had been in particular focus for business attraction and development.

COMMITTEE'S RECOMMENDATION

Councillors Wright / Boag

That the Council resolve that the report from Business Hawke's Bay be received.

CARRIED

4. HAWKE'S BAY MUSEUMS TRUST - HALF YEARLY REPORT TO 31 DECEMBER 2016

<i>Type of Report:</i>	<i>Legal</i>
<i>Legal Reference:</i>	<i>Local Government Official Information and Meetings Act 1987</i>
<i>Document ID:</i>	<i>345481</i>
<i>Reporting Officer/s & Unit:</i>	<i>Adele Henderson, Director Corporate Services</i>

4.1 Purpose of Report

To provide the half-yearly report for 2016/17 for the Hawke's Bay Museum's Trust for adoption.

COMMITTEE'S RECOMMENDATION

Councillors White / Wright

That Council adopt the Hawke's Bay Museums Trust half-yearly report to 31 December 2016.

CARRIED

5. HB MUSEUMS TRUST STATEMENT OF INTENT 2017 - 19

<i>Type of Report:</i>	<i>Legal</i>
<i>Legal Reference:</i>	<i>Local Government Act 2002</i>
<i>Document ID:</i>	<i>345482</i>
<i>Reporting Officer/s & Unit:</i>	<i>Adele Henderson, Director Corporate Services</i>

5.1 Purpose of Report

To provide the draft Statement of Intent 2017 – 19 for the Hawke's Bay Museums Trust to Council for its consideration as part of the reporting requirements for council-controlled organisations.

COMMITTEE'S RECOMMENDATION

Councillors Price / Taylor

That the HB Museums Trust Statement of Intent 2017 - 19 be received and any feedback is provided to the Trust for their consideration.

CARRIED

6. HB LASS LIMITED - HALF YEARLY REPORT

Type of Report: Legal and Operational
Legal Reference: Local Government Act 2002
Reporting Officer/s & Unit: Adele Henderson, Director Corporate Services

6.1 Purpose of Report

To consider the Hawke's Bay Local Authority Shared Services Limited (HB LASS Ltd) half yearly report to 31 December 2016.

At the Meeting

In response to queries from elected members it was clarified that:

- No new shared services were evaluated over the last six months. A lot of work had been undertaken within the IT space as this will form a foundation to other shared activities.
- A HB LASS Collaborator was recently recruited and will be involved in the development of the HB LASS Statement of Intent.

COMMITTEE'S RECOMMENDATION

Councillor Dallimore / Hague

That the Council resolve that the HB LASS half yearly report to 31 December 2016 be received.

CARRIED

7. SEISMIC ASSESSMENTS OF COUNCIL BUILDINGS

Type of Report: Operational
Legal Reference: N/A
Document ID: 344798
Reporting Officer/s & Unit: Bryan Faulknor, Manager Property

7.1 Purpose of Report

To update Council on the progress regarding Seismic Assessments of Council owned buildings.

At the Meeting

In response to queries from elected members it was clarified that:

- The last assessment of the Civic Building was in 2011. As technologies have improved significantly since that time, and with the consideration of potential options for the building campus in mind, it was decided to re-assess the building.
- A building is designated ‘earthquake prone’ if it meets less than 34% of the current building code. It is accepted practice that any alterations and renovations made to such buildings should bring them to 67% or higher. Council aims to bring all buildings as close to 100% of code as it can, but for some older buildings this is not feasible.

COMMITTEE'S RECOMMENDATION

Councillor Brosnan / Mayor Dalton

That the update report on progress regarding Seismic Assessment of Council owned buildings be received.

CARRIED

The meeting concluded at 3.54pm.

APPROVED AND ADOPTED AS A TRUE AND ACCURATE RECORD OF THE MEETING

CHAIRPERSON: _____ **DATE OF APPROVAL:** _____