

Finance Committee

OPEN MINUTES

Meeting Date: **Wednesday 2 August 2017**
Time: **3pm-4.08pm**
Venue: **East Coast Lab
Level 1
National Aquarium of New Zealand
Marine Parade
Napier**

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

In Attendance: Chief Executive, Director City Infrastructure, Director Corporate Services, Director Community Services, Director City Services, Manager Communications and Marketing, Manager Community Strategies, Manager Property, Chief Financial Officer, Senior Advisor Policy, Community Funding Advisor

Administration: Governance Team

APOLOGIES

APOLOGIES

Councillors Wright/ Brosnan

That the apology from Cr Boag be accepted.

CARRIED

CONFLICTS OF INTEREST

Nil

PUBLIC FORUM

Sindy Cormack and Wendy Piri provided a presentation on their intended development of a children's activity centre at Cato Road, noting that the area is already under-resourced for child care options and it is a location where increasing residential development is already underway. The proposed accessway to the site would follow on from an existing paper road and would be developed at their cost before being gifted back to Council.

The accessway development would include high quality pathway forming (which would be available to the public to use), safety barriers and plantings of native trees in keeping with existing fauna.

In response to questions from Councillors, the presenters clarified that:

- The parking/ turning bay will be allowed for between the site land and the paper road; it will not be on reserve land.
- The accessways to the site and to the cemetery are completely separate. The site is in a valley below the cemetery and between the steep topography and the trees (existing and intended) it is likely that cemetery users would not see the centre.
- Ad hoc conversations with bypassers had been had regarding the development of the site but 'consultation' as such had not been undertaken with neighbouring residents.

Cr Jeffery noted that he had spoken with residents in Fryer Road who had indicated they were comfortable with the proposal as long as the access way terminated at the site of the child care centre.

ANNOUNCEMENTS BY THE MAYOR

Thanks were extended to those who were able to attend the public meeting on the War Memorial yesterday evening. Very positive feedback had been received from members of the public who were in attendance.

ANNOUNCEMENTS BY THE CHAIRPERSON

Nil

ANNOUNCEMENTS BY THE MANAGEMENT

Council was recently awarded the Best Creative Place award at the annual Local Government Excellence Awards for the City Vision project. Congratulations were extended to all those who had been involved in the strategy's development.

CONFIRMATION OF MINUTES

Councillors McGrath / Wright

That the Minutes of the meeting held on 14 June 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. CATO ROAD ACCESSWAY

Type of Report:	<i>Legal</i>
Legal Reference:	<i>Public Works Act 1981</i>
Document ID:	<i>377905</i>
Reporting Officer/s & Unit:	<i>Debra Stewart, Team Leader Parks, Reserves, Sportsgrounds</i>

1.1 Purpose of Report

To gain Council approval for a Licence to Occupy. The proposed Licence to Occupy relates to a piece of land which forms part of the Wharerangi Cemetery and a portion of Council's Paper Road.

The purpose of the Licence is for a road to access a commercial childcare centre that is proposed on an adjoining site. The childcare centre is subject to Resource Consent which is currently being considered by Council's Planning Team.

At the Meeting

General agreement was expressed that the presentation and concept for the child care centre were excellent but the lack of consultation with neighbouring residents and cemetery users was a risk to Council. Significant discussion was held as to appropriate forms of engagement with the community on the matter.

It was specified that parts a, b and c of the officer's recommendation would be moved, with the original part d and replaced by a direction that community engagement to be undertaken by officers prior to the meeting of Council on 16 August 2017.

COMMITTEE'S RECOMMENDATION

Councillors Taylor / Tapine

That Council

- a. Receive the report titled *Cato Road Accessway*.
- b. Consider the information provided, including the issues and options outlined in this report.

- c. Approve the Licence to Occupy for the part of the cemetery and paper road as shown in Attachment A.
- d. Direct officers to undertake engagement with neighbouring residents and cemetery users on the proposed accessway (for example through a letter drop to neighbouring residents, a site notice in the area and social media) prior to the final decision of Council at its meeting scheduled for 16 August 2017.

CARRIED

2. COMMUNITY OUTCOME, ACTIVITIES AND ACTIVITY GROUPS

Type of Report:	<i>Legal and Operational</i>
Legal Reference:	<i>Local Government Act 2002</i>
Document ID:	<i>371697</i>
Reporting Officer/s & Unit:	<i>Elaine Cooper, Corporate Planner</i>

2.1 Purpose of Report

In preparation for the 2018–2028 Long Term Plan (LTP) a number of Policies, Strategies and building blocks are required to be adopted by Council. This report outlines the first set of building blocks to define Council’s overall direction for this LTP: Council’s Mission, Vision, Community Outcomes, Activities and Activity Groups through which Council will deliver on its outcomes. The report also identifies the community outcome to which each activity primarily contributes.

These statements provide the strategic direction for the preparation of activity and asset management plans and in the preparation of required policies and strategies.

At the Meeting

Council were pleased that the vision and new mission are clearly outlined, as well as the five primary outcomes to be delivered.

COMMITTEE'S RECOMMENDATION

Councillors Hague / Brosnan

- a. That Council adopt the Mission, Vision, Community Outcomes and Council’s Activities and Activity Groups to be used for the preparation of the 2018 – 2028 LTP and supporting plans, policies and strategies.

CARRIED

3. CIVIC AND LIBRARY BUILDING

Type of Report:	<i>Legal and Operational</i>
Legal Reference:	<i>Building Act 2004</i>
Document ID:	<i>378350</i>
Reporting Officer/s & Unit:	<i>Adele Henderson, Director Corporate Services</i>

3.1 Purpose of Report

To formally receive the Detailed Seismic Assessment (DSA) undertaken on the Civic and Library buildings and to approve the decanting of staff into alternative locations until such time a fit for purpose Council building is available.

At the Meeting

Updated recommendations were tabled at the meeting (attachment A).

The Chief Executive spoke to the item, providing an update to information provided at a previous seminar on the topic. It was noted that the original intention to upgrade the library building in stages while staff were still in the building had been assessed by engineers as unfeasible due to noise and construction issues.

While the preference was to keep teams together as much as possible, there were also some key criteria that any building had to meet in order to be considered acceptable:

- A current seismic assessment, or recent strengthening work with an engineer's assessment
- Fire safety certification
- Toxins certification (particularly but not limited to asbestos in keeping with regulations that will be implemented in the near future)
- A high standard of accessibility

Three smaller sites have been identified which meet the criteria and negotiations are underway to finalise likely costs. The sites are essentially empty 'shells' and fit outs cannot begin until a lease is signed.

The need to act in the best interests of staff safety and wellbeing was reiterated strongly. This, as well as the timing of required fitouts and availability of contractors to complete the work, were some key considerations in the decision to present the recommendations for a Decision of Council at this meeting.

In response to questions from Councillors it was clarified that:

- The signage on buildings identifying them as earthquake prone is required under law.
- A business case on options for the Civic Building is currently being prepared by officers and will be brought to Council in the near future.

Work is underway to better clarify the expected timeframes for the work on the Library Building. A motion was proposed that the decision lie on the table until the Council meeting of 16 August 2017.

Item(s) of business to lie on the table

Councillors Brosnan / Jeffery

That pursuant to Standing Order 3.12.1 that Item 3 – Civic and Library Building lie on the table and will not be further discussed at this meeting but will be reconsidered at the Council meeting scheduled to be held on 16 August 2017.

The motion was spoken to, during which, at the decision of the Chair, in recognition of the commercial considerations related to this item and to ensure any negotiations are not prejudiced, this item was adjourned to be further considered in committee.

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As per the resolution of Council, the final Decision of Council for this item is recorded in the open minutes of this meeting.

COMMITTEE'S RECOMMENDATION

Councillors Wise / Brosnan

That Council:

- a. Receive the Detailed Seismic Assessment report undertaken by Strata Group.
- b. Approve the relocation of staff to alternative locations within Napier that meet the due diligence requirements.
- c. Approve the capitalisation of improvement and lease costs associated with alternative premises to be funded from the building upgrade budget.
- d. Seek any variance in funding through the Long Term Plan 2018-28.
- e. Note that Council will undertake a Special Consultative Procedure on the proposed options for the Civic Building and potential Commercial development opportunities approximately October 2017. A separate consultation on Library options will be undertaken once the Library Strategy has been completed.
- f. Provide the Chief Executive delegation up to \$1m per annum to undertake and sign lease negotiations to accommodate staff, customer services and a library service centre for a period of 2/3 years with rights of renewals up to 5 years
- g. Provide the Chief Executive delegation up to \$1m to undertake fitout requirements for staff, customer services and library service centre requirements
- h. That a DECISION OF COUNCIL is required urgently due to the timeframe within which lease agreements must be finalised to secure appropriate alternative office space.
- i. This will require the following resolution to be passed before the decision of Council is taken:

That, in terms of Section 82 (3) of the Local Government Act 2002, that the principles set out in that section have been observed in such manner that the Napier City Council considers, in its discretion, is appropriate to make decisions on the recommendation.

CARRIED

DECISION OF COUNCIL

Mayor Dalton / Councillor Wright

That, in terms of Section 82 (3) of the Local Government Act 2002, that the principles set out in that section have been observed in such manner that the Napier City Council considers, in its discretion, is appropriate to make decisions on the recommendation.

CARRIED

**COUNCIL
RESOLUTION**

Councillors Taylor / Price

That Council:

- a. **Receive the Detailed Seismic Assessment report undertaken by Strata Group.**
- b. **Approve the relocation of staff to alternative locations within Napier that meet the due diligence requirements.**
- c. **Approve the capitalisation of improvement and lease costs associated with alternative premises to be funded from the building upgrade budget.**
- d. **Seek any variance in funding through the Long Term Plan 2018-28.**
- e. **Note that Council will undertake a Special Consultative Procedure on the proposed options for the Civic Building and potential Commercial development opportunities approximately October 2017. A separate consultation on Library options will be undertaken once the Library Strategy has been completed.**
- f. **Provide the Chief Executive delegation up to \$1m per annum to undertake and sign lease negotiations to accommodate staff, customer services and a library service centre for a period of 2/3 years with rights of renewals up to 5 years.**
- g. **Provide the Chief Executive delegation up to \$1m to undertake fitout requirements for staff, customer services and library service centre requirements.**

CARRIED

Attachment A – Explanatory Note tabled:

Explanatory Note

3. Civic and Library Building – Finance Committee – 2 August 2017 – Open Agenda

This note sets out the options considered by the Senior Leadership Team (SLT) for staff accommodation and council functions following the receipt of seismic ratings for the Civic and Library Buildings.

As part of a comprehensive process, SLT identified a number of key objectives when considering temporary options for staff accommodation and council functions. These objectives include:

- Safety of staff and visitors using NCC offices and library is improved
- Internal reputation – NCC reputation as a good employer acting in the best interest of staff
- Fit for purpose premises to allow staff to work to their best ability
 - co-location of business groups/Directorates/teams
 - continue to develop team culture, collaboration, alignment
- Function – new ways of working are tested and staff buy-in to modern open plan working environments increase
- Community service - public do not experience a drop in service during the transition phase
- Fiscal responsibility, making prudent decisions for staff and community safety
- Keep Council within the CBD

Using these objectives, SLT worked through a range of options. The main options considered were:

1. **Remaining in the current buildings** – while this option is allowed for under legislation providing 7.5 years for remedial work to be undertaken, it was discounted as it did not fit the objectives of a good employer, staff safety, or providing premises that were fit for purpose. Demolition/remedial work will be loud, messy and intrusive to staff and visitors. Multiple moves would need to be undertaken to work around construction staff. There would likely be a lowering of morale in staff and loss of staff.
2. **Working from home** – this option has been used in extremely urgent situations (post Christchurch and Wellington earthquakes) where the level of the threat necessitates relocating staff before alternative premises can be arranged. This is not the situation for NCC. Having staff work from home for any length of time can cause loss in productivity, low morale and culture, and disconnection from teams and common purpose. In assessing this option SLT also determined that there would be significant IT implications from not having a direct link to NCC systems. This option was discounted for all of these reasons.
3. **Single site** – a single premise for all staff is the preferred option. However there are very few buildings available in the Napier area that could accommodate all NCC staff and functions. These sites were identified and assessed for their suitability,

including seismic ratings, refit costs, and building issues. The few buildings available had to be discounted for these reasons.

4. **Purchase or lease** - SLT continue to ensure that the most cost-effective and commercially viable options are being considered and this has included options to purchase buildings.

4. REMUNERATION OF ELECTED MEMBERS

Type of Report:	<i>Operational and Procedural</i>
Legal Reference:	<i>Local Government Act 2002</i>
Document ID:	<i>378660</i>
Reporting Officer/s & Unit:	<i>Adele Henderson, Director Corporate Services</i>

4.1 Purpose of Report

To advise Council of the proposed remuneration levels to apply for the 2017/2018 year, as received from the Remuneration Authority, and to seek Council approval of these.

At the Meeting

There was no discussion on this item.

COMMITTEE'S RECOMMENDATION

Councillors Wright / White

- a. That the remuneration levels proposed by the Remuneration Authority for the 2017/18 year be adopted.
- b. That confirmation be sent to the Remuneration Authority that the adopted remuneration levels will be implemented from 1 July 2017.

CARRIED

5. ELECTORAL SYSTEMS FOR ELECTIONS

Type of Report:	<i>Legal</i>
Legal Reference:	<i>Local Electoral Act 1991</i>
Document ID:	<i>377703</i>
Reporting Officer/s & Unit:	<i>Jane McLoughlin, Team Leader Governance</i>

5.1 Purpose of Report

To outline the process for making any changes to the electoral system to be used for the 2019 elections.

At the Meeting

There was no discussion on this item.

COMMITTEE'S RECOMMENDATION

Councillors Price / McGrath

That Council

- a. Receive the report titled Electoral Systems for Elections.
- b. Note that if Council wishes to make a decision to change the electoral system to STV for the 2019 elections, a decision will need to be made by 12 September 2017.
- c. Note that staff will undertake an education campaign and consultation process and report back to Council on the community's views to inform Council's decision-making. A report back will be provided at the Strategy and Infrastructure Committee meeting on 30 August for Council to make a decision on the electoral system.

CARRIED

6. NEW YEAR'S EVE EVENT - FUNDING APPLICATIONS

<i>Type of Report:</i>	<i>Operational</i>
<i>Legal Reference:</i>	<i>N/A</i>
<i>Document ID:</i>	<i>376879</i>
<i>Reporting Officer/s & Unit:</i>	<i>Belinda McLeod, Community Funding Advisor</i>

6.1 Purpose of Report

To seek approval to apply for external funding to support the New Year's Eve event for 2017-18.

At the Meeting

There was no discussion on this item.

COMMITTEE'S RECOMMENDATION

Councillors Wright / Taylor

- a. That the Council apply to external funders as outlined in **Table a**.
- b. That a **DECISION OF COUNCIL** is required urgently. This will require the following resolution to be passed before the decision of Council is taken:
That, in terms of Section 82 (3) of the Local Government Act 2002, that the principles set out in that section have been observed in such manner that the Napier City Council considers, in its discretion, is appropriate to make decisions on the recommendation.

CARRIED

DECISION OF COUNCIL

Councillors Price / Wright

That, in terms of Section 82 (3) of the Local Government Act 2002, that the principles set out in that section have been observed in such manner that the Napier City Council considers, in its discretion, is appropriate to make decisions on

the recommendation.

CARRIED

**COUNCIL
RESOLUTION**

Councillors Wright / Brosnan

That the Council apply to external funders as outlined in Table a:

External Funder	Apply for funding up to:
Pub Charity Ltd	23,000
Eastern & Central Community Trust	14,000
Youthtown	6,000
North and South Trust	4,000
First Sovereign Trust	4,000
Infinity Foundation	10,000
Grassroots Trust	9,000
Total	\$70,000

CARRIED

The meeting adjourned at 3.56pm, and was reconvened at 4.07pm following the Community Services Committee meeting.

PUBLIC EXCLUDED ITEMS

Councillors White/ Brosnan

That the public be excluded from the following parts of the proceedings of this meeting, namely:

1. Continuance of Item 3 – Civic and Library Building

Under the following sections of the Local Government Official Information and meetings Act 1987:

Section 7(2)(h) – that the local authority holding the information may carry out commercial activities without prejudice or disadvantage

Section 7(2)(i) – that the local authority holding the information may carry out negotiations

(including but not limited to commercial and industrial negotiations)

CARRIED

The meeting moved into committee at 4.08pm.

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

CHAIRPERSON: _____

DATE OF APPROVAL: _____