

Finance Committee

OPEN MINUTES

Meeting Date: **Wednesday 13 September 2017**
Time: **3.30pm-3.51pm**
Venue: **School Hall, Napier Girls' High School
Clyde Road, Bluff Hill
Napier**

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

In Attendance: Chief Executive, Director City Infrastructure, Director Corporate Services, Director Community Services, Director City Strategy, Manager Communications and Marketing, Manager Community Strategies, Chief Financial Officer, Manager City Development, Strategic Planning Lead, Business Transformation Lead

Administration: Governance Team

APOLOGIES

APOLOGIES

COMMITTEE'S RECOMMENDATION

Councillors Jeffery / Boag

That the apology from Councillor Wise be accepted.

CARRIED

CONFLICTS OF INTEREST

Nil

PUBLIC FORUM

Nil

ANNOUNCEMENTS BY THE MAYOR

Nil

ANNOUNCEMENTS BY THE CHAIRPERSON

Expressed gratitude to Napier Girls' High School for hosting the meeting today.

ANNOUNCEMENTS BY THE MANAGEMENT

The Chief Executive provided Councillors with a brief update on tentative dates for the relocation from the Civic Building; and acknowledged the great feedback received on the Ahuriri Masterplan seminar delivered by staff to Hawke's Bay Regional Council's Elected Members and representatives from Mana Ahuriri.

CONFIRMATION OF MINUTES

Councillors Brosnan / Wright

That the Minutes of the meeting held on 2 August 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. STATEMENT OF PROPOSAL - CIVIC SITE OPTIMISATION

Type of Report:	<i>Procedural</i>
Legal Reference:	<i>Local Government Act 2002</i>
Document ID:	<i>383441</i>
Reporting Officer/s & Unit:	<i>Fleur Lincoln, Strategic Planning Lead</i>

1.1 Purpose of Report

The purpose of this report is to approve the Statement of Proposal that provides Council with the option to divest, by way of sale or long-term lease, the site currently occupied by the Civic Administration Building to a private developer for commercial development. The Statement of Proposal contains an outline of what is proposed; the reasons for the proposal; the options being considered their advantages and disadvantages; and the feasibility of the preferred option.

The Business Case contains the detailed information and analysis supporting the option put forward in the Statement of Proposal.

An Engagement Plan summary and methodology is also provided for Council approval.

At the Meeting

In response to questions from Councillors, it was clarified that:

- Occupancy rates are exclusive of WINZ clients
- Today's decision is about the statement of proposal; the next stage is that feedback from the engagement will be presented to Council for consideration of the best use of the Civic site and options around the land.
- Staff will look at how to increase pedestrian traffic.
- HB Tourism is promoting visitors to Napier which will help bring in more people so that the impact on similar hotels will be mitigated.
- The visitors that a new hotel would be trying to tap into are a new market that is not prevalent currently in Napier.

Staff were congratulated on the comprehensive information provided and the clear rationale as to why this piece of work is being done now rather than delaying it as part of the Long Term Plan. Staff were also congratulated on the great presentation on the topic they have provided and their offer to provide this to any community group that is interested.

COMMITTEE'S RECOMMENDATION

Councillors Jeffery / Wright

- a. That the Statement of Proposal – Civic Site Optimisation be approved for consultation in accordance with the Engagement Plan Summary.
- b. That the Statement of Proposal is notified to the public on the 4th October 2017, with submissions closing 3 November 2017.

CARRIED

2. LOAN RAISING 2017/18

Type of Report: Procedural
Legal Reference: Local Government Act 2002
Document ID: 371199
Reporting Officer/s & Unit: Ian Condon, Revenue and Treasury Manager

2.1 Purpose of Report

To approve new loan authorities and loan raising for 2017/18.

At the Meeting

It was clarified that these loans have already been approved by Council and then the work is undertaken and reported on in arrears.

COMMITTEE'S RECOMMENDATION

Councillors Jeffery / Price

That the Council resolve as follows:

- a. That Council borrow such amounts and enter into such incidental arrangements on such terms and conditions as any of the Authorised Persons named in Resolution d. below may determine from time to time.
- b. That every borrowing or incidental arrangement incurred or entered into by the Council on the terms and conditions determined by any of the Authorised Persons shall:
 - i. Be for the purposes specified below, or for general working capital purposes of the Council, subject, in each case, to the financial limitations contained in the Liability Management Policy.

NAME	PURPOSE	AMOUNT
Roading Loan 2017	Embankment Road Bridge	1,050,000
CBD Development Loan 2017	CBD Development	833,000
Whakarire Loan 2017	Whakarire Ave Groyne	500,000
Park Island Loan 2017	Park Island Expansion	1,260,000
Sportsgrounds Loan 2017	Sportsgrounds Infrastructure	2,268,000
Sportsgrounds Growth Loan 2017	Sportsgrounds Development	657,000
City General Loan 2017	General Borrowing	400,000
CBD Stormwater Loan 2017	CBD Stormwater Upgrade	355,000
Taradale Stormwater Loan 2017	Taradale Stormwater Upgrade	350,000
Conference Centre Loan 2017	Conference Centre Upgrade	1,115,000
		\$8,788,000

- ii. Be secured by and have the benefit of a Debenture Trust Deed, creating a charge over rates.
- c. That the Council considers that the financial limitations contained in the Ten Year Plan and Liability Management Policy address the risks and benefits of the proposed loan and security to be given by the Council.

- d. That the persons holding the following offices with the Council be designated as “Authorised Persons”:
 - i. Director Corporate Services
 - ii. Chief Financial Officer
 - iii. Revenue and Treasury Manager
- e. That any of the Authorised Persons are hereby authorised, empowered and appointed, on behalf of the Council, (but subject to Resolutions a. and b. above) to:
 - i. Negotiate and approve the specific terms and conditions of the borrowing in accordance with the financial limitations contained in the Liability Management Policy;
 - ii. Negotiate, execute and deliver such documents and take all actions as any of the Authorised Persons may consider necessary for the purpose of giving effect to the borrowing and the security which may be given in respect thereof; and
 - iii. Sign, despatch, any letter, acknowledgement, notice, certificate, authority, approval, payment, or other document on behalf of the Council as any of the Authorised Persons may consider necessary or desirable in connection with, or incidental to, the matters referred to or authorised in paragraphs i or ii above.
- f. That all further actions, documents, agreements, authorities, letters, payments, approvals or notices required in connection with the matters approved and authorised by these Resolutions be from time to time undertaken, executed, entered into, or given on behalf of the Council by any Authorised Persons, such further matters to be in the form and/or on the terms and conditions approved by an Authorised Person and the execution of any document/s relating to such matters by an Authorised Person shall be conclusive evidence of the agreement to and authorisation, approval and confirmation of that matter by the Council and the Authorised Persons.
- g. That the authorisations set out in Resolutions d. to f. inclusive above shall remain in full force and effect until written notice of their revocation by resolution of the Council has been received by the Authorised Persons, provided that any person dealing with the Authorised Persons shall be entitled to assume that the Authorisations have not been revoked and remain in full force and effect and, in so assuming, shall be protected unless and until he or she has actual notice of such revocation
- h. That the Council provides for the repayment of loans through the establishment of Redemption Funds or by such other mechanisms that are in accordance with the Liability Management Policy.
- i. That copies of this resolution and all other resolutions, orders and documents relating to the said loans, certified by the Mayor and Chief Executive as correct extracts from the minutes of all proceedings of the Council may from time to time be sealed with the Common Seal of the Council as evidence of the same and issued as required.

CARRIED

3. BUDGETS TO BE CARRIED FORWARD TO 2017/18

Type of Report:	<i>Enter Significance of Report</i>
Legal Reference:	<i>Enter Legal Reference</i>
Document ID:	384406
Reporting Officer/s & Unit:	Mary Quinn, Senior Management Accountant Caroline Thomson, Chief Financial Officer

3.1 Purpose of Report

To seek Council approval to carry forward budgets into 2017/18.

At the Meeting

In response to questions from Councillors, it was clarified that:

- The skate ramps are currently being installed.
- Budget for the war memorial flame will be included later once costs are known.

COMMITTEE'S RECOMMENDATION

Councillors Hague / Brosnan

That Council

- Approve carrying forward budgeted expenditure of \$1,499,000 from 2016/17 into 2017/18.
- Approve the release of additional budget of \$200,000 for the skate ramps at Bay Skate funded from the capital reserve.
- Approve unbudgeted expenditure of \$35,000 for street lighting for safety purposes at the Dickens Street West carpark, funded from the parking fund.

CARRIED

4. CHRISTMAS CHEER FUNDING APPLICATIONS

Type of Report: Operational
Legal Reference: N/A
Document ID: 382414
Reporting Officer/s & Unit: Belinda McLeod, Community Funding Advisor

4.1 Purpose of Report

To seek approval to apply for external funding to support the Christmas Cheer Appeal for 2017.

At the Meeting

It was clarified that Council has previously applied for this funding from external funders.

COMMITTEE'S RECOMMENDATION

Councillors Wright / McGrath

- a. That the Council apply to external funders as outlined in **Table a**.

Table a

Funder	Up To
Returned Service Association Napier	6,000
Returned Service Association Taradale	6,000
Infinity Foundation	6,000
Total	\$18,000

That a **DECISION OF COUNCIL** is required as the funders close dates are before the next Council meeting. 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 Wright / Taylor

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 Brosnan / Price

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

Table a

Funder	Up To
Returned Service Association Napier	6,000
Returned Service Association Taradale	6,000
Infinity Foundation	6,000
Total	\$18,000

CARRIED

PUBLIC EXCLUDED ITEMS

Councillors Tapine / Wright

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

1. Service Delivery Review (17A) for Transport
2. Service Delivery Review for Waste Minimisation
3. Council Projects Fund - Applications

CARRIED

The general subject of each matter to be considered while the public was excluded, the reasons 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 were as follows:

GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER	GROUND(S) UNDER SECTION 48(1) TO THE PASSING OF THIS RESOLUTION
1. Service Delivery Review (17A) for Transport	7(2)(b)(ii) Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person	48(1)A That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which

	<p>who supplied or who is the subject of the information</p> <p>7(2)(i) Enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>good reason for withholding would exist:</p> <p>(i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.</p>
<p>2. Service Delivery Review for Waste Minimisation</p>	<p>7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities</p> <p>7(2)(i) Enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>48(1)A That the public conduct of the whole or 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 would exist:</p> <p>(i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.</p>
<p>3. Council Projects Fund - Applications</p>	<p>7(2)(b)(ii) Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p>	<p>48(1)A That the public conduct of the whole or 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 would exist:</p> <p>(i) Where the local authority is named or specified in Schedule 1 of this Act, under Section 6 or 7 (except 7(2)(f)(i)) of the Local Government Official Information and Meetings Act 1987.</p>

The meeting concluded at 3.51pm.

<p>APPROVED AND ADOPTED AS A TRUE AND ACCURATE RECORD OF THE MEETING</p> <p>CHAIRPERSON: _____</p> <p>DATE OF APPROVAL: _____</p>
