



FINANCE COMMITTEE

Open Minutes

Meeting Date: Tuesday 20 March 2018

Time: 3.00pm-3.56pm

Venue Council Chamber
Hawke's Bay Regional Council
159 Dalton Street
Napier

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

In Attendance Chief Executive Officer, Director Corporate Services, Director Community Services, Director City Strategy, Manager Communications and Marketing, Chief Financial Officer, Manager Business Excellence & Transformation, Team Leader Governance, Senior Advisor Policy, Community Advisor, MTG Director

Administration Governance Team

Apologies

Nil

Conflicts of interest

Nil

Public forum

Nil

Announcements by the Mayor

Nil

Announcements by the Chairperson

Nil

Announcements by the management

Nil

Confirmation of minutes

Councillors Brosnan / Wright

That the Minutes of the meeting held on 6 December 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. HAWKES BAY LOCAL AUTHORITY SHARED SERVICES - STRUCTURE CHANGE

<i>Type of Report:</i>	Legal
<i>Legal Reference:</i>	Local Government Official Information and Meetings Act 1987
<i>Document ID:</i>	447078
<i>Reporting Officer/s & Unit:</i>	Adele Henderson, Director Corporate Services

1.1 Purpose of Report

To propose the legal structure of Hawke's Bay Local Authority Shared Services Limited (HBLASS) become dormant in order to focus attention and resources on the purpose of HBLASS and reduce compliance costs for all the councils.

At the Meeting

In response to questions from Councillors, the Director Corporate Services and Chief Executive noted the following:

- Officers do not expect the proposed changes to have any effect on budgets.
- The proposed changes will allow Council to invest more time directly in collaboration opportunities.
- Funding for the Chairperson and Collaborator roles will continue at this time as part of Council's commitment to shared services.
- The Collaborator will continue to report to the Chief Executive Forum and will meet with the shared services groups regularly.
- Newsletters providing updates on shared interests and outcomes will continue to be circulated to councils, including Councillors, and uploaded to the website. A Collaboration booklet is being prepared for distribution also.

Committee's recommendation

Mayor Dalton / Councillor Wright

That the Council:

- a. Agree HBLASS, as a legal entity will be dormant in the short term; with the ability for the legal entity able to be reactivated in the future.
 - b. Note that the dormant status of HBLASS is effective on receipt of agreement by all members of the Board.
 - c. Note that the decision on the dormant status of HBLASS will be determined by the majority of councils.
 - d. Note that each Council will continue its participation in a Collaborative approach that has proven effective in a pilot: Hawke's Bay Councils delivering Service and Value.
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- e. That the Councils approve the exemption of HBLASS from the Council Controlled Organisation requirements (Local Government Act Section 7(3))
 - f. Note that each Council will actively support shared and common goal setting, decision-making, resourcing including financial contribution, staff and communication.

Carried

2. REPRESENTATION REVIEW

<i>Type of Report:</i>	Legal
<i>Legal Reference:</i>	Local Electoral Act 2001
<i>Document ID:</i>	441536
<i>Reporting Officer/s & Unit:</i>	Jane McLoughlin, Team Leader Governance Rachael Horton, Manager Business Excellence & Transformation

2.1 Purpose of Report

To determine Council's initial proposal for representation arrangements for the 2019 and 2022 elections.

At the Meeting

Councillor Price moved a substitute motion that Part A of the Officer's Recommendation reflect that option 2.6b (being the status quo of 12 Councillors, six ward Councillors under the current ward structure and six at large Councillors) be the preferred option taken out for consultation.

In response to questions from Councillors, the Team Leader Governance clarified the following points:

- 75% of Territorial Authorities use the ward-only system. 7% of Territorial Authorities (Five councils including Napier) currently use the mixed system, with Tauranga being the only other City Council.
- Option B with three wards and four 'at large' councillors (which was not outlined in the Council report as an option, but considered in Attachment D, page 169), is initially considered feasible; consideration would need to be given as to whether the new ward boundaries and configuration of Councillors would appropriately group communities of interest together to ensure fair and effective representation. The analysis shows that the four current wards generally accommodate the communities of interest well.

In discussion in relation to Part A of the Officer's Recommendation (basis of election), the following points were made by some Councillors:

- The analysis undertaken is extremely comprehensive and a useful starting point for this discussion.
- Napier is a small city which does not take long to traverse and some Councillors

believed that this means that all Councillors are already very accessible to the public.

- Napier's Council is currently diverse and one Councillor felt that it was adequately representative of the Napier community.
- Although the analysis shows that a ward-only system has historically provided a good level of effective and fair representation, some Councillors were concerned that this was not the community's preferred basis for election as outlined in the pre-consultation.
- It was believed that the mixed system provides a level of 'check and balance' between the ward Councillors and at large councillors, with at large Councillors taking a city-wide view in decision-making.
- A full ward system could result in block voting and were concerned that this would translate to ineffective representation.
- There was some question as to whether the ward-only system would actually translate into increased voter turnout or participation. Napier already has higher voting numbers than the rest of the country, even with the existing mixed system.
- The current mixed system allows voters to choose a larger proportion of the total Councillors than would be possible under a ward only system.
- There have been a number of instances of unopposed elections to ward positions which may be seen to reduce democracy; in cases where there is a strong incumbent potential new candidates may be deterred from standing.
- There was general agreement that single member ward councillors face particular challenges under the current structure.
- There was general agreement that a mixed system offered the "best of both worlds" but the current 'status quo' could be improved, for example by removing single member wards.
- It was suggested that a mixed system based on 3 wards may offer another option for consideration as a possible structure.
- There is a lack of clarity around the roles of 'at large' Councillors; they are very willing to be involved in ward-specific activities and communications, but would appreciate guidance from ward Councillors on how best to be involved.
- Ward Councillors noted that it would be helpful to be able to spread the workload at times and increased numbers of members in each ward would contribute towards this.
- Councillors were interested to see the results of future public consultation and would like for the full analysis undertaken by Officer's to be made available to the public in this process.

With regards to Parts B and C of the Officer's recommendation (total number of Councillors and Community Boards),

- There was general agreement to retain 12 Councillors plus the Mayor.
- There was a general discussion around whether community boards would help voter turnout and engagement in some areas. It was noted that the people most likely to stand as candidates for a community board would be the same people that are already heavily committed with other boards.
- Council recognise that some communities of interest are quite disengaged from Council but this can be addressed in other ways.

It was decided to take the Officer's Recommendation in separate parts for clarity on the final Committee Recommendation to Council.

Officer's
Recommendation

That Council:

Approve the initial proposal for representation arrangements for the 2019 and 2022 elections, and that the proposal be distributed for public consultation, that initial proposal being:

- a. the basis of election is Ward-only based on the current Ward structure:
 - i. that two Elected Members be elected by the electors of the Ahuriri Ward
 - ii. that two Elected Members be elected by the electors of the Onekawa-Tamatea Ward
 - iii. that four Elected Members be elected by the electors of the Nelson Park Ward
 - iv. that four Elected Members be elected by the electors of the Taradale Ward
- b. the total number of Elected Members is 12 and the Mayor
- c. that there be no community boards within Napier City.

Substitute Motion

Councillors Price / Mayor Dalton

That Council:

Approve the initial proposal for representation arrangements for the 2019 and 2022 elections, and that the proposal be distributed for public consultation, that initial proposal being:

- a. retain the status quo of representation arrangements as they currently stand; 12 Elected Members, current ward structure, mixed system of six Elected Members at large, and six Elected Members elected via wards
- b. the total number of Elected Members is 12 and the Mayor
- c. that there be no community boards within Napier City.

Cr Boag against

Committee's recommendation

Councillor Price / Mayor Dalton

That Council:

Approve the initial proposal for representation arrangements for the 2019 and 2022 elections, and that the proposal be distributed for public consultation, that initial proposal being:

- a. retain the status quo of representation arrangements as they currently stand; 12 Elected Members, current ward structure, mixed system of six Elected
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Members at large, and six Elected Members elected via wards

Cr Boag against

- b. the total number of Elected Members is 12 and the Mayor
- c. that there be no community boards within Napier City.

Carried

3. FINANCIAL FORECAST TO 30 JUNE 2018

Type of Report: Enter Significance of Report

Legal Reference: Enter Legal Reference

Document ID: 445812

Reporting Officer/s & Unit: Caroline Thomson, Chief Financial Officer

3.1 Purpose of Report

To report to Council the financial forecast to the 30 June 2018 for the whole of Council.

At the Meeting

The Chief Financial Officer spoke to the report highlighting the following points:

- The forecast net surplus is \$5.3M at 30 June 2018.
- The forecast capital plan is \$39.7M down from \$51.3M as a result of:
 - A review by the New Zealand Transport Agency which identified works now not required in this financial year,
 - The revised stormwater and sewerage renewal programmes,
 - Council's decision not to proceed with the multi-use sports facility, and
 - The current review of CBD parking options.

Committee's recommendation

Councillors Hague / Taylor

That the Committee

- a. Receive the financial forecast to 30 June 2018.

Carried

4. HAWKE'S BAY MUSEUMS TRUST - DRAFT STATEMENT OF INTENT 2018 - 20

<i>Type of Report:</i>	Enter Significance of Report
<i>Legal Reference:</i>	Enter Legal Reference
<i>Document ID:</i>	435714
<i>Reporting Officer/s & Unit:</i>	Caroline Thomson, Chief Financial Officer

4.1 Purpose of Report

To provide the draft Statement of Intent 2018 – 20 for the Hawke's Bay Museums Trust to Council for its consideration as part of the reporting requirements for council-controlled organisations.

At the Meeting

In response to questions from Councillors it was noted that the management agreement between Council and the Hawke's Bay Museums Trust clearly outlines Council's responsibilities in relation to managing the collection.

Committee's recommendation

Mayor Dalton / Councillor Hague

That Council

- a. Receive the Hawke's Bay Museums Trust Draft Statement of Intent 2018 - 20 and provide any feedback to the Trust for their consideration.

Carried

5. HAWKE'S BAY MUSEUMS TRUST - HALF YEARLY REPORT TO 31 DECEMBER 2017

<i>Type of Report:</i>	Enter Significance of Report
<i>Legal Reference:</i>	Enter Legal Reference
<i>Document ID:</i>	435717
<i>Reporting Officer/s & Unit:</i>	Caroline Thomson, Chief Financial Officer

5.1 Purpose of Report

To provide the half-yearly report for 2017/18 for the Hawke's Bay Museums Trust for adoption.

At the Meeting

There was no discussion on this item.

Committee's recommendation

Councillors Wright / Price

That Council

- a. Receive the half-yearly report for 2017/18 from the Hawke's Bay Museums Trust.

Carried

6. QUARTERLY REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

Type of Report: Enter Significance of Report

Legal Reference: Enter Legal Reference

Document ID: 446664

Reporting Officer/s & Unit: Caroline Thomson, Chief Financial Officer

6.1 Purpose of Report

To consider the Quarterly Report for the six months ended 31 December 2017.

At the Meeting

Councillors noted the quality of the report and appreciated that it was very user friendly.

Committee's recommendation

Councillors Taylor / Brosnan

That the Committee

- a. Receive the Quarterly Report for the six months ended 31 December 2017.

Carried

PUBLIC EXCLUDED ITEMS

Councillors Brosnan / Jeffery

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

1. Digital Equity for All - Te Papa Partnership

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. Digital Equity for All - Te Papa Partnership	7(2)(i) Enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	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: (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.

The meeting moved into committee at 3.56pm.

Approved and adopted as a true and accurate record of the meeting.

Chairperson

Date of approval