



FINANCE COMMITTEE

Open Minutes

Meeting Date: Tuesday 27 November 2018

Time: 3.00pm-3.37pm

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, Chief Financial Officer, Director Community Services [from 3.05pm], Director Infrastructure Services, Director City Strategy, Manager Communications and Marketing, Manager Community Strategies, Libraries Manager, National Aquarium of New Zealand Director, Community Advisor

Administration Governance Team

Apologies

Nil

Conflicts of interest

Councillor Wright in relation to Agenda Item 5.

Public forum

Steph Kennard – Napier Business Inc.

Steph Kennard provided an update to Council on the activities and events undertaken by Napier Business Inc. for the year.

In response to questions from Councillors the following points were clarified:

- The fashion parade occurs twice a year, in spring and autumn.
- As the cruise ship season is now starting, the effectiveness of security in the CBD will be monitored closely by both Napier Business Inc. and Council officers.
- Next year the Napier Business Inc. plan to review CBD boundary lines and the targeted levy charged to members.

Announcements by the Mayor

The Mayor invited Councillors to attend the blessing of the Māori Pou and other significant artefacts around the airport at 4am on Sunday, 2 December 2018.

Announcements by the Chairperson

Nil

Announcements by the management

The Chief Executive introduced the new National Aquarium of New Zealand Director to Council.

Confirmation of minutes

Councillors Hague / Price

That the Minutes of the meeting held on 16 October 2018 were taken as a true and accurate record of the meeting.

Carried

Questions from Councillors for Further Action

Item	Requestor	Action
5	Cr White	Has development in the surrounding areas been considered when looking at the ground lease arrangement for Taradale Park, and have the Parks and Reserves team been consulted?
5	Cr Boag	How many other kindergartens in Napier have ground leases and when are they due?

AGENDA ITEMS

1. THREE WATERS REVIEW

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	667489
<i>Reporting Officer/s & Unit:</i>	Wayne Jack, Chief Executive

1.1 Purpose of Report

This report seeks Council approval to develop a regional business case assessing options to improve the management of drinking water, storm water and wastewater (“Three Waters”) in the Hawkes Bay region and in doing so, address Central Government concerns associated with these activities. This review will develop recommendations for performance improvements to our Regional Three Waters systems with a view to guiding Central Governments Three Waters strategy.

At the Meeting

The Chief Executive provided an update to Councillors on central government’s current position on the three waters review, addressing the LGNZ position paper received a few weeks ago as well as the Cabinet paper released last week.

It was noted that Council officers have been in close contact with the Department of Internal Affairs regarding our review, and there is potential for them to support the next phase in terms of what we come out with. However, we need to undertake a robust process first, considering all options and identifying what the specific risks and challenges are in Hawke’s Bay.

In response to questions from Councillors, the following points were clarified:

- Mandatory aggregation means taking current three waters service delivery from the local authorities across New Zealand and bringing them together into an unknown number of agencies to deliver three waters services.
 - Other Councils are now also preparing business cases in relation to three waters.
 - Council is looking for some direction from this review as to what the best delivery model is to manage the challenges and risks that we have across the region.
 - Under a mandatory aggregation system community ownership of our waters could be lost but more importantly the ability to have a say on what is a community priority would be impacted.
 - Collaboration models can sometimes mean increased costs but they can also result in a better service and reduce risk; it is important to focus on the outcomes.
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Committee's recommendation

Mayor Dalton / Councillor Taylor

That the Finance Committee:

- a. Endorse the development of a regional business case on Three Waters management.
- b. Note the cost of the review is apportioned across the Hawkes Bay Councils as follows:
 - 35% NCC, 35% HDC, 15% HBRC, 7.5% WDC, 7.5% CHBDC
- c. That a **DECISION OF COUNCIL** is required urgently to enable the review to be commenced and completed within the required timeframe.

Carried

Council Resolution Councillors Price / Wright

That the Finance Committee:

- a. Endorse the development of a regional business case on Three Waters management.
- b. Note the cost of the review is apportioned across the Hawkes Bay Councils as follows:
 - 35% NCC, 35% HDC, 15% HBRC, 7.5% WDC, 7.5% CHBDC

Carried

2. DISTRICT PLAN REVIEW FUNDING OPTIONS

Type of Report: Operational

Legal Reference: Local Government Act 2002

Document ID: 669135

Reporting Officer/s & Unit: Paulina Wilhelm, Manager City Development

2.1 Purpose of Report

The purpose of this report is to allow the use of the funds available in the Financial Contributions Special Fund to enable the production of Structure Plans and other work streams for servicing development in Napier. The Structure Plans will inform any future rezoning decision for the Napier District Plan and enable the city to grow.

At the Meeting

It was agreed that this should have been addressed through the Long Term Plan. Council officers confirmed they have taken learnings from this and will ensure in future that costs of this nature are captured in the appropriate planning processes.

Committee's recommendation

Councillors Jeffery / Wright

That the Finance Committee:

- a. Approve \$1.2m from the Financial Contributions Special Fund to fund the District Plan Review work programme which will allow future city growth.

Carried

3. BUDGETS TO BE CARRIED FORWARD TO 2018/19

Type of Report: Operational

Legal Reference: Local Government Act 2002

Document ID: 637309

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

3.1 Purpose of Report

To seek Council approval to carry forward budgets into 2018/19.

At the Meeting

In response to questions from Councillors, officers confirmed that this is a very good result in relation to past trends.

Committee's recommendation

Councillor Wright / Mayor Dalton

That the Finance Committee:

- a. Approve carrying forward budgeted expenditure of \$3,796,408 from 2017/18 into 2018/19.

Carried

4. RATING OUTTURN SURPLUS 2017/18

Type of Report: Operational

Legal Reference: Local Government Act 2002

Document ID: 637305

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

4.1 Purpose of Report

To report on the Rating Account to 30 June 2018, and to approve allocations from the Rating Surplus

At the Meeting

In response to questions from Councillors, management confirmed that where Council holds funds allocated to activities at present is appropriate. It was noted that requests to fund projects out of Capital Reserve funds can be made by asking Council officers to prepare a report to Council; the Capital Reserves Fund is used to fund one-off activities.

Committee's recommendation

Mayor Dalton / Councillor Taylor

That the Finance Committee:

- a. Approve transferring the 2017/18 net rating surplus of \$926,578 to the Capital Reserve Account where it is available for future commitments.

Carried

5. LEASES OF RESERVE - NAPIER FREE KINDERGARTEN ASSOCIATION INCORPORATED

Type of Report: Legal

Legal Reference: Reserves Act 1977

Document ID: 665671

Reporting Officer/s & Unit: Bryan Faulknor, Manager Property
Jenny Martin, Property and Facilities Officer

5.1 Purpose of Report

To obtain a Council decision to enter into three new ground leases with the Napier Free Kindergarten Association Incorporated for the Taradale Kindergarten, Greenmeadows Kindergarten and Marewa Kindergarten.

At the Meeting

In response to questions from Councillors, officers will follow up on the following points:

- Has development in the surrounding areas been considered when looking at the ground lease arrangement for Taradale Park, and have the Parks and Reserves team been consulted?
- How many other kindergartens in Napier have ground leases and when are they due?

Committee's recommendation

Councillors Brosnan / Hague

That the Finance Committee:

- a. Recommend that Council resolve to enter into a new ground lease with the Napier Free Kindergarten Association Incorporated for the Taradale Kindergarten, Greenmeadows Kindergarten and the Marewa Kindergarten each for a term of 15 years with one 15-year right of renewal.

Due to an expressed conflict of interest, Councillor Wright did not participate in the discussion or vote on this agenda item.

Carried

6. FIRE HYDRANT USE POLICY 2018

Type of Report: Operational

Legal Reference: N/A

Document ID: 662412

Reporting Officer/s & Unit: Anze Lencek, Water Quality Lead

6.1 Purpose of Report

To seek Council approval of the proposed Fire Hydrant Use Policy 2018.

At the Meeting

Councillors acknowledged the importance of this Policy being adopted.

Committee's recommendation

Councillors Price / White

That the Finance Committee:

- a. Adopt the Fire Hydrant Use Policy 2018.

Carried

PUBLIC EXCLUDED ITEMS

Mayor Dalton / Councillor Hague

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

1. Land Sale

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. Land Sale	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 3.37pm.

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

Chairperson

Date of approval