



NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

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ORDINARY MEETING OF COUNCIL

Open Agenda

Meeting Date:	Thursday 19 December 2019
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Time:	10.00am
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Venue:	Council Chambers Hawke's Bay Regional Council 159 Dalton Street Napier
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Council Members	Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Browne, Chrystal, Crown, Mawson, McGrath, Price, Simpson, Tapine, Taylor, Wright
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Officer Responsible	Chief Executive
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Administrator	Governance Team
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Next Council Meeting
Thursday 30 January 2020

ORDER OF BUSINESS

Apologies

Nil

Conflicts of interest

Public forum

Announcements by the Mayor including any discussion of minor matters not on the agenda

Note: re minor matters only - refer LGOIMA s46A(7A) and Standing Orders s9.13

A meeting may discuss an item that is not on the agenda only if it is a minor matter relating to the general business of the meeting and the Chairperson explains at the beginning of the public part of the meeting that the item will be discussed. However, the meeting may not make a resolution, decision or recommendation about the item, except to refer it to a subsequent meeting for further discussion.

Announcements by the management

Confirmation of minutes

That the Draft Minutes of the Ordinary Meeting of Council held on Thursday, 5 December 2019 be confirmed as a true and accurate record of the meeting.50

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AGENDA ITEMS

1. HAWKE'S BAY AIRPORT LTD ANNUAL REPORT 2019

<i>Type of Report:</i>	Procedural
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	877128
<i>Reporting Officer/s & Unit:</i>	Caroline Thomson, Chief Financial Officer

1.1 Purpose of Report

To present to Council the Hawke's Bay Airport Ltd Annual Report 2019.

Officer's Recommendation

That Council:

- a. Receive the Hawke's Bay Airport Ltd Annual Report 2019.

Mayor's Recommendation

That the Council resolve that the officer's recommendation be adopted.

1.2 Background Summary

Mr Tony Porter, Chairman and Mr Stuart Ainslie, Chief Executive Hawke's Bay Airport Ltd, will speak to the Hawke's Bay Airport Ltd Annual Report 2019, shown at **Attachment A**.

1.3 Issues

The announcement by Jetstar of its intention to withdraw from turbo prop air services from regional New Zealand occurred within days of the HBAL issuing its 2019 Annual Report. HBAL management and the board considered this to be a material event and subsequently recalled HBAL's Annual Report so that the impact of this decision could be reflected in the financial statements for 2019. Due to the timing of the announcement and the process required to be undertaken to draft the disclosure, the updated financial statements were not approved by the directors until after 30 September 2019 which is a technical breach of the Local Government Act 2002.

The HBAL Annual Report 2019 (attached) was re-issued to include the required disclosures in the financial statements as required under the Accounting Standards. Notes 8 and 15 in the Annual Report outline the circumstances in more detail.

1.4 Significance and Engagement

N/A

1.5 Implications

Financial

N/A

Social & Policy

N/A

Risk

N/A

1.6 Attachments

A Hawke's Bay Airport Ltd Annual Report 2019 (*Under Separate Cover*) [⇒](#)

2. WATER REVIEW PROCUREMENT STRATEGY

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	877290
<i>Reporting Officer/s & Unit:</i>	Catherine Bayly, Manager Asset Strategy

2.1 Purpose of Report

The purpose of this report is to outline the procurement strategy and processes to engage skilled consultancy services that will support Council's review of options for provision of safe chlorine free drinking water to our communities and compare to current requirements and anticipated regulatory change. The review will provide advice on capital and operational work requirements, residual health risk, indicative costs and indicative timeframe to achieve the targeted reticulation standard and make recommendations on an appropriate chlorine free option.

The options that will be assessed are:

1. Maintain the current Council planned programmes of work with Chlorine as a barrier against contamination under the new Water Safety Plan (WSP) framework, or
2. Enhance the water network to a standard where disinfection residual can be removed with no negative impact on water quality or public safety to consumers.

Outcome of Review:

The output of the review will be two fully costed options for the delivery of safe water supplies in Napier that can be consulted upon within the community with feedback sought to help inform Council on whether we continue with a safe network with chlorine or commit to developing a network that enables chlorine to be removed safely. The two options will be based around the requirements of the new Water Safety Plan Framework and the chlorine free option will be developed with guidance from the Ministry of Health to ensure that any future chlorine free option would be acceptable to them.

The additional benefits of completing the project include a peer review of the financial modelling in the 3 Waters Review along with providing clarity around future staffing requirements and operational costs for both options.

Officer's Recommendation

That Council:

- a. Note the report titled "Procurement Strategy to engage a consultant to complete a chlorine free drinking water review" be received.
- b. Adopt the Review outcome, being to develop two defensible options for safe drinking water to take to the community.

- c. Approve the procurement strategy to engage a consultant to complete a drinking water review for Napier City Council which includes a two stage procurement process including a Registration of Interest followed by a Request for Proposal.

Mayor's Recommendation

That the Council resolve that the officer's recommendation be adopted.

2.2 Background Summary

Background and Scope of work

In August 2016, there was a widespread outbreak of gastroenteritis in Havelock North following microbial contamination of the water supply, more than 5000 people fell ill and there were four associated deaths. An Inquiry into the incident outlined the need to improve the standard of drinking-water in New Zealand, triggering a system-wide review of the drinking water regulatory framework in New Zealand, which is not yet complete.

Napier City Council started dosing the drinking water network with Chlorine in 2017 in response to a number of transgressions in our network, i.e. *E. coli* was detected in our supply. *E. coli* is an indicator organism, its presence indicates that faecal contamination of the water supply has occurred. Chlorine was added as a mitigation measure to address these transgressions and this was implemented at the direction of the Public Health Unit's Drinking Water Assessor.

Napier's water has never been treated before and the only current treatment process involves the addition of chlorine disinfection to protect public health. Since Chlorine was introduced the Council has received ongoing complaints about 'dirty water' in a number of suburbs.

The main cause of 'dirty water' is the interaction between Chlorine, the Manganese and iron naturally occurring in our groundwater source and biofilm. This is compounded by low flow areas and an open network with changing flows and pressure.

The Council is committed to public safety, the provision of safe drinking water, and resolving the dirty water issues.

On the 4th June 2019 during an Extraordinary Meeting of Council, Elected Members committed to spending \$200,000 on an external review. The wording is as follows:

- *Confirms that Water is Councils number 1 priority.*
- *That council commission an independent options and costings assessment report for the supply of un-chlorinated water for Napier.*
- *Council seek expressions of interest for the preparation of this report, and that the selection of the consultant be done by full Council.*
- *That \$200k be allocated for this review, with this to be funded through loans.*
Council note that this will add 0.02% to rates for 2020/21.

Review Inputs

Over the next ten years the LTP has allocated around \$30 million for new and replacement water network infrastructure.

There are a number of key pieces of work that are underway or recently completed that will inform our longer term strategy and will provide inputs into the Chlorine Free Review. The projects currently underway or completed for planning purposes are:

- Asset Management Maturity Assessment – January 2019
- Completion of a calibrated Water Supply Model – Completed December 2019
- *Draft Strategic Water Supply Plan* – Received November 2019
- New Water Safety Plan Framework Gap Analysis – Underway, completion March 2020
- 3 Waters Review – underway, financial modelling will inform the Chlorine Free Review

In addition to the planning projects underway, we have a number of priority water infrastructure projects that are also progressing. These projects address the 4 key elements of the Water Supply Master Plan; safe water, clean water, sufficient pressure, resilient network.

Priority capital projects involve the development of two new bore fields, with the main drivers for this project being water quality and resilience. The bore sites are being shortlisted and the top contenders are deemed to be very low in manganese which will likely mean that we do not need to provide manganese treatment with the associated capex and operational costs.

The bore fields are the start of the wider project to provide dedicated mains to our reservoirs which will then be used to gravity feed across the network in two zones, and will provide resilience and more consistent pressure. This will reduce the amount of network variability that results in dirty water.

The main capital projects are as follows:

- 2 new borefields and associated treatment plants.
- Dedicated pipework to transfer water from the borefields to reservoirs.
- A replacement Enfield reservoir – this involves asset renewal and an allowance for growth
- Separation of the network into two zones initially to assist with network flows.

Given the improvements needed to address the flow and contamination risk issues in the water reticulation network, the time associated with completing this work, and the uncertain regulatory environment, it is necessary that Chlorine continues to be part of the Council's delivery of safe water in the medium term.

Procurement Process

It is planned to use a two-stage supplier selection process. The first stage will be a Registration of Interest (ROI) which will be used to shortlist potential suppliers. The shortlisted suppliers will then participate in a Request for Proposal (RFP).

An ROI and an Expression of Interest (EOI) are different names for the same activity. An ROI is a short listing tool, often used where:

- there are more than five potential Suppliers; or
- the Council is unsure about the number of Suppliers that may respond

The ROI is openly advertised to encourage Supplier participation and competition. The focus of the ROI is to identify the most capable and credible Suppliers, these are then shortlisted with typically, no more than three or four selected. The ROI shortlisting criteria are as follows:

- **Relevant experience**

The supplier's previous experience in technical areas relevant to the outputs being purchased

- **Relevant skills**

The competence of the personnel that the supplier proposes to use, with particular regard to their skills and experience in areas relevant to the outputs being purchased

- **Track record**

The supplier's record of delivering works or services to the quality standards required, on time and within budget

- **Price**

Feedback on the proposed budget

The second stage in the procurement process is to issue a Request for Proposal to shortlisted suppliers, this provides an in depth assessment of the shortlisted suppliers' ability to meet the Council's requirements. The RFP will seek more detailed information about the process, methodologies and resources the Suppliers will use to deliver the review. The RFP will assess Suppliers on the following to identify the preferred supplier.

- **Methodology**

The procedures the supplier proposes to use to achieve the specified end result

- **Resources**

The equipment, including facilities and people (intellectual property), which the supplier proposes to use to deliver the outputs

- **Financial viability**

The supplier's ability to access the financial resources required to deliver the outputs to be purchased

- **Price**

The procurement process is outlined in more detail in the procurement plan (attachment).

Tender Evaluation Team

There is the opportunity for a Councillor to be included on the TET. This will be decided at the Council meeting on the 19th December. The chosen Councillor could have an evaluator role or an observer role. If it is decided that the Councillor is to act in an observer role, Anze Lencek will take the third evaluator position. On confirmation of all project team members we will raise the topic of conflicts of interest and also the key timings that the Tender Evaluation Team (TET) must be able to commit to in order to meet the timings proposed.

The proposed Tender Evaluation Team (TET) is indicated in the table below:

Tender Evaluation Team Member	Name
Catherine Bayly	Manager Asset Strategy (Evaluator)
Santha Agas	Team Leader 3 Waters (Evaluator)

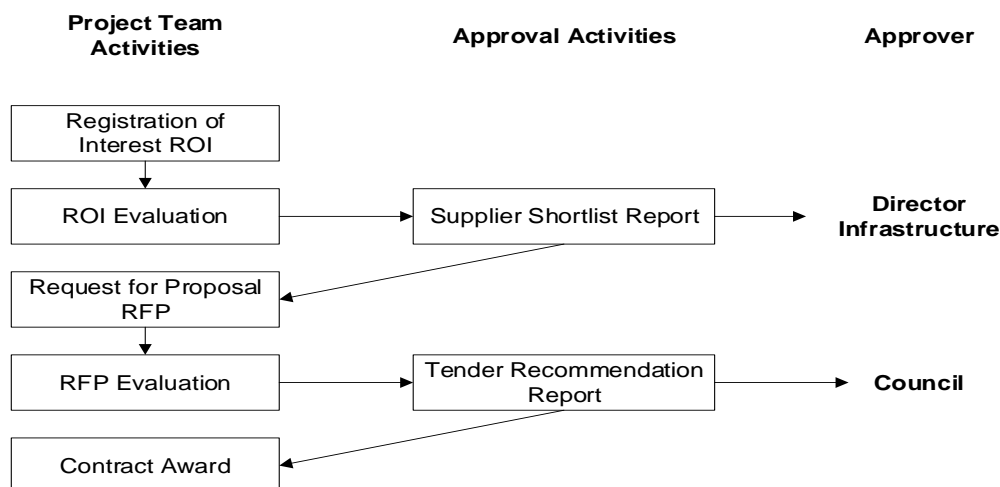
Councillor or Anze Lencek	Water Quality Lead (Evaluator to be confirmed)
Other project team members	Name
Sharon O'Toole	Procurement Lead (Evaluation panel chair, probity)
Steve Walling	Management Accountant (Financial Analysis)
Kelly Bray	Projects & Contracts Administrator

It is important that the team should be consistent across both the ROI phase and the subsequent RFP.

NOTE: The Councillor involved in the evaluation process will not participate in the subsequent council approval process, unless they are purely an observer. Making a recommendation for approval through the tender recommendation report and then participating in the approval of that decision represents a conflict of interest.

Approvals

The following diagram shows the planned approvals process. The approval of the ROI shortlisting has been allocated to the Director Infrastructure to enable the project to be expedited. Contract award and selection of the successful supplier will be made by full Council, with the exception of the Elected Member assigned to the Tender Evaluation Team.



2.3 Issues

N/A

2.4 Significance and Engagement

N/A

2.5 Implications

Financial

The budget allocated of \$200,000 for this work may not be sufficient. Potential suppliers are asked to provide feedback on the proposed budget through the ROI, this will provide greater certainty around whether this will be sufficient. If the feedback is that the budget is not sufficient we will need to work with Council on the available options. NOTE this

may have an impact on the overall timing as there is no time allocation for Council consultation on this currently.

Social & Policy

N/A

Risk

The following are the key risks associated with the project with details around how they will be managed.

Lack of interest from suppliers

Council need to be able to attract national and international interest. We will do this by providing known international consultants with advance notification of the tender opportunity, the ROI will be advertised on Tenderlink which is Council's eTendering portal.

A notification will also be placed on GETS, the Government Electronic tendering service, this is a free eTendering portal established by MBIE for the NZ public sector. It is widely used across central government and local government and attracts international interest.

Timings

The time to complete a 2 stage procurement process and have the final report completed in August for Council review and possible public consultation provides challenges to complete all of the activities and approvals within this window. Council approval and the time to complete reports for submission onto a Council agenda allows only time for one Council approval. The priority would be to approve the successful supplier based on the review of their methodology via the RFP process. It is recommended that there is Council representation on the tender evaluation team to provide input into the RFP and the recommendations for shortlisted suppliers.

Communication could be an issue if an overseas supplier is selected (language/time difference/local support). The ROI will ask for some high level information on how this would be managed. This will be explored further in the RFP if overseas suppliers are shortlisted.

2.6 Options

The options available to Council are as follows:

- a. Adopt the Review outcome to develop two defensible options for safe drinking water to take to the community and approve the procurement strategy which includes a two stage procurement process including a Registration of Interest followed by a Request for Proposal.
- b. Give direction to Council Officers on amendments to the proposed approach, with a revised approach to be brought back to Council at a subsequent meeting.

2.7 Development of Preferred Option

The preferred option is Option A above. This approach has been developed to ensure that a best practise procurement approach is adopted in the identification and engagement of an appropriately qualified party (possible joint venture) to undertake this package of work.

It is important to understand that in order for our existing network approach to continue to comply with current and future regulations a number of improvement actions must be implemented to do so. Future versions of an approved Water Safety Plan will identify further improvement actions that are required to continue to comply. In this regard this

context forms the baseline level of activity and investment against which any other approach will need to be compared to.

2.8 Attachments

A Procurement Plan Chlorine Free Review [↓](#)

Procurement Plan (Simple)



PROJECT NAME
Chlorine Free Drinking Water Review ROI
<p>Instructions</p> <p><i>Text in pink italics is for guidance only and should be deleted prior to completion.</i></p> <p>This Template is intended for low risk procurements and/or low value procurements (\$20,000-\$250,000).</p> <p>For high risk procurements (regardless of value) and activities \$250,000 and above, use the Procurement Plan Detailed.</p>

Approvals

The following table is a guide to the recommended levels of business approval required.

Required Approvals	Project Manager	Budget Managers	Delegated Financial Authority Holder	Council
Check Budget Available	D	A		
Procurement Plan Approval	D	E	A	
Procurement Strategy Approval	D		E	A
Tender documents approved for release	D			
Tender Recommendation Report Approval	D		E	A
Execution of contracts/variations/renewals	D	E	A	

D= Draft A= Approve E = Endorse

At least two separate signatories are required for any activity e.g. If the project manager and budget manager are one and the same the one up rule applies i.e. the document should be referred to the relevant line manager.

Version	Date	Description	Name	Role	Signature
1	27/11/19	Drafted by:			
1	27/11/19	Reviewed by:			
1	02/12/19	Approved by:			

What are we buying and why?

Information	Detail
NZTA funded?	No
Information technology? (hardware or software)	No
Short description of goods/services	<p>The purpose of this registration of interest (ROI) is to allow the Council to identify potential consultants that are able to complete a robust review of the two main options and costs required to deliver a safe water supply to our community.</p> <ol style="list-style-type: none"> 1. Maintain our current course, with residual disinfection as our main safety barrier, and implementing our current Water Master Plan and working towards the new Water Safety Plan WSP Framework. 2. Develop the water network to a standard where residual disinfection can be removed with no negative impact on water quality or public safety.
Background	<p>Napier City Council started dosing the drinking water network with Chlorine in 2017 in response to contamination issues and the risk of further occurrences. Since Chlorine was introduced the Council has received ongoing complaints about 'dirty water'.</p> <p>The main cause of 'dirty water' is due to the interaction between Chlorine, and the Manganese in our groundwater source, this is compounded by low flow areas and an open network with changing flows.</p> <p>This ROI relates to the delivery of a review to compare our requirements under the 2018 Water Safety Plan Framework to the option of developing a chlorine free network. On the 4th June 2019 during an Extraordinary Meeting of Council, Elected Members committed to spending \$200,000 on an external review.</p>
Expected benefits:	<p>The output of the review will be two fully costed options for the delivery of safe water supplies in Napier that can be consulted upon within the community with feedback sought to help inform Council on whether we continue with a safe network with chlorine or commit to developing a network that enables chlorine to be removed safely. The two options will be based around the requirements of the new Water Safety Plan Framework and the chlorine free option will be developed with guidance from the Ministry of Health to ensure that any future chlorine free option would be acceptable to them.</p> <p>The additional benefits of completing the project include a peer review of the financial modelling in the 3 Waters Review along with providing clarity around future staffing requirements and operational costs for both options.</p>
New or Replacement	The budget \$200,000 for an external review was approved by Council on the 4th June 2019 during an Extraordinary Meeting of Council.

Dates:	Contract Start Date: April 2020 Contract End Date: August 2020
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Market analysis

The reason to complete Registration of Interest is to identify potential consultants that have the capability, experience and resources to deliver this review for the ratepayers of Napier. Following an evaluation of the Registrations, Council will consider how it wants to proceed. The options available to Council would include (without limitation):

- (a) Undertaking a formal request for proposals process
- (b) Entering into discussions/negotiations with one or more of the Registrants

Risks

List the key risks and how these will be mitigated and managed.

Lack of interest from suppliers

We need to be able to attract national and international interest. We will do this by providing known international consultant with advance notification of the tender opportunity, the ROI will be advertised on Tenderlink which is Council's eTendering portal.

A notification will also be placed on GETS, the Government Electronic tendering service, this is a free eTendering portal established by MBIE for the NZ public sector. It is widely used across central government and local government and attracts international interest.

Timings

The time to complete a 2 stage procurement process and have the final report completed in August for Council review and possible public consultation provides challenges to complete all of the activities and approvals within this window. Council approval and the time to complete reports for submission onto a Council agenda allows only time for one council approval. The priority would be to approve the successful supplier based on the review of their methodology via the RFP. It is recommended that there is Council representation on the tender evaluation team to provide input into the RFP and the recommendations for shortlisted suppliers.

Budget

The budget allocated of \$200K for this work may not be sufficient. Potential supplier are asked to provide feedback on the proposed budget through the ROI, this will provide greater certainty around whether this will be sufficient. If the feedback is that the budget is not sufficient we will need to work with Finance and Council on the available options. NOTE this may have an impact on the overall timing as there is no time allocation for Council consultation on this currently.

Communication could be an issue if an overseas supplier is selected (language/time difference/local support). The ROI will ask for some high level information on how this would be managed. This will be explored further in the RFP if overseas suppliers are shortlisted.

Health and safety

There are no specific Health and Safety requirements.

Sustainability

Council's procurement can support wider social, economic, cultural and environmental outcomes that go beyond the immediate purchase of goods and services.

For the Council, sustainable procurement achieving the needs of the community without compromising the future. In taking a sustainable view to the Chlorine Free Review the consultants engaged will be required to consider, through the options analysis, the works and service required, the consumption and use of resources to build and maintain the solutions, and how we could minimise environmental impacts. It will adhere to legislation and other obligations, managing whole of life costs rather than just the initial cost.

Our overall outcome is to provide clean safe water to our communities, to minimise the adverse environmental impacts in doing so and to seek innovative solutions that represent the best public value.

Estimated costs

There is a fixed budget established of \$200,000 for completion of the review.

This will need to cover delivery of the review and any overheads or disbursements.

Through the ROI potential supplier will be asked to provide feedback on the proposed budget.

Through the RFP suppliers' will be asked to provide fixed cost for the development of the Chlorine Free Drinking Water Review and provide an estimate of disbursement costs.

Budget Information

On the 4th June 2019 during an Extraordinary Meeting of Council, Elected Members committed to spending \$200,000 on an external review.

Budget Information	
Total budget approved:	\$200,000
Budget type:	Opex
Budget code:	120 301302

If you need a contingency, outline the reasons why this is needed and how it will be managed.

Procurement team

Tender Evaluation Team Member	Name
	Manager Asset Strategy (Evaluator)
	Team Leader 3 Waters (Evaluator)
	Water Quality Lead (Evaluator to be confirmed)
Other project team members	Name
	Procurement Lead (Evaluation panel chair, probity)
	Management Accountant (Financial Analysis)
	Projects & Contracts Administrator

The potential involvement of a Councillor on the TET will be decided at the Council meeting on the 19th December. The chosen Councillor could have an evaluator role or an observer role. If it is decided that the Councillor is to act in an observer role, _____ will take the third evaluator position. On confirmation of all project team members we will raise the topic of conflicts of interest

and also the key timings that the Tender Evaluation Team (TET) must be able to commit to in order to meet the timings proposed.

It is important that the team should be consistent across both the ROI phase and the subsequent RFP.

NOTE: The Councillor involved in the evaluation process will not participate in the subsequent council approval process, unless they are purely an observer. Making a recommendation for approval through the tender recommendation report and then participating in the approval of that decision represents a conflict of interest.

Supplier selection methods

Place a cross on the option you want to select by clicking on the box. Click again to deselect.

Market Approach	Cross selection	Proposal Format	Cross selection
Multi-stage Tender	<input checked="" type="checkbox"/>	One envelope	<input checked="" type="checkbox"/>
Single-stage Tender	<input type="checkbox"/>	Two envelope	<input type="checkbox"/>
Market Approach	Cross selection	Tender Advertising	Cross selection
Open Tender (ROI)	<input checked="" type="checkbox"/>	Tenderlink	<input checked="" type="checkbox"/>
Invited/Closed Tender (RFP)	<input checked="" type="checkbox"/>	GETS	<input checked="" type="checkbox"/>
Three Quotes Written	<input type="checkbox"/>	Other (add details)	<input type="checkbox"/>
Direct Engagement/Sole source	<input type="checkbox"/>		
AoG/ Syndicated	<input type="checkbox"/>		

Registration of Interest

EOI and ROI are different names for the same activity. The EOI/ROI is the first stage in a two-stage procurement process. Its primary use is as a short listing tool to reduce the number of interested Suppliers as quickly as possible, so as to minimise costs to both the Council and the Supplier. There is often a second stage of the two-stage procurement process, where an RFP or RFT is issued to shortlisted Suppliers).

EOI/ROI are advertised openly.

The EOI/ROI will be advertised on Tenderlink, which is Council's eTendering portal used to advertise tender/contract opportunities. A notice of information will also be placed on the Government Electronic Tendering Service, this is a web based eTendering site developed by MBIE and is widely used by the public sector.

An EOI will not provide price analysis but we will ask potential providers to comment on the proposed budget of \$200K

Request for Proposal

This will be a **one envelope tender** in that the price and non-price information will be opened at the same time however; they will be evaluated separately.

The tender evaluation team (TET) will receive only the non-price information for assessment. The TET will be briefed on the evaluation process prior to receiving copies of the supplier responses and will complete their evaluations individually before attending an evaluation meeting to discuss and moderate scores.

The finance resource will receive only price information for assessment.

Price information will be shared with the TET at the evaluation meeting only after the non-price information has been discussed and moderated.

So while this is a one envelope tender the separation of duties will achieve the same outcome as a two envelope tender process and allow timeframes to be expedited,

The tender will be advertised on Tenderlink, the business support team will facilitate loading the Projects & Contracts Administrator will support the upload and download of documents from this site.

Exemptions to open tender

Not applicable

ROI will be openly advertised

RFP will be issued to all shortlisted suppliers only

Evaluation methodology

Confirm the type of evaluation model that be used and why.

Lowest Price Conforming	Price/Quality	Purchaser Nominated Price	Brook's Law (quality based)	Weighted Attribute
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Evaluation criteria ROI

Mandatory Criteria/Preconditions - these criteria are scored on a (Pass/Fail) basis. Only proposals that comply with these requirements are considered for further evaluation.

Mandatory Evaluation Criteria	Mandatory
The proposed team must be available to commence service delivery in March 2020 and complete the review and final report by the end of August 2020.	PASS/FAIL

ROI Qualitative Criteria - Having met all of the mandatory criteria the supplier responses will be evaluated on their merits using the qualitative evaluation criteria and weightings.

Evaluation Criteria	Weighting (%)
Relevant experience <i>The supplier's previous experience in technical areas relevant to the outputs being purchased</i> Describe your teams previous experience or knowledge of water industry asset management, in relation to the following items. <ul style="list-style-type: none"> - asset information collection, management and analysis, including condition monitoring programs and asset life estimation - levels of service and demand analysis and the assessment of growth LoS gaps - risk management, asset criticality and failure analysis, business risk exposure analysis and public health risks for water supplies. 	35%

<ul style="list-style-type: none"> - development of long-term asset expenditure profiles, life-cycle costing, capital improvement plans, and operations and maintenance strategies - development of asset management plans - application and audit of asset management quality frameworks and improvement plans - any other relevant water industry asset management experience - Implementation of/or assessment against ISO 50000 standards. <p>Describe previous capital projects that you have designed, tendered or constructed for various parts of a water supply network, identifying the team member's roles in the work. Include experience relating to the development of capital programmes.</p> <p>Describe your previous experience or knowledge of catchment management, in relation to the following items:</p> <ul style="list-style-type: none"> - catchment (asset) information collection, management and analysis, including condition monitoring programs and catchment life estimation - application and audit of asset management quality frameworks and improvement plans - Management of Source Protection Zones <p>Provide a summary of the relevant compliance audits that your team have been involved in over the last 5 years.</p> <p>Describe your previous experience or knowledge of drinking water treatment and conveyance, in relation to developing/assessing the following items:</p> <ul style="list-style-type: none"> - Drinking water treatment - Process design and construction - End to end (source to tap) contamination risks analysis - Assessment of public health risks in a water supply - critical control points in a drinking water treatment scheme, for the control of pathogens and/or chemical contaminants - Water Quality audits - Management of network leakage - Set up of DMAs and leakage reduction programmes - Experience in the operation and maintenance of water supplies. <p>Provide information on your teams' experience in involvement in chlorine free water networks</p>	
<p>Relevant skills</p> <p><i>The competence of the personnel that the supplier proposes to use, with particular regard to their skills and experience in areas relevant to the outputs being purchased</i></p> <p>Identify the make-up of your team, the organisations involved (if a consortium) how you would work together and if you are an international organisation, how you will demonstrate the required linkages with the New Zealand market and regulatory system.</p> <p>Summarise the key skills, qualifications and experience of your team members and the supporting projects that are most relevant to this review.</p>	20%
<p>Track record</p> <p><i>The supplier's record of delivering works or services to the quality standards required, on time and within budget</i></p> <p>Provide details of any projects or previous experience where you have undertaken master planning for a water supply, with or without chlorine.</p>	45%

Provide a summary of any relevant projects undertaken relating to a safe chlorine free water supply at a level of sophistication as that exhibited in Canada, Germany, Denmark or the Netherlands.	
Provide the details for project(s) where you have previously applied or used the Drinking Water Standards New Zealand and experience in writing, developing or implementing Water Safety Plans. This is to demonstrate experience in managing risks within a water supply.	
Provide details for projects where you have previously completed regulatory compliance audits for water supplies (e.g., Quality Management compliance, Environmental management compliance, Asset Management compliance).	
Price Feedback on the proposed budget	
TOTAL	100%

Evaluation criteria RFP

The focus of the RFP will be the supplier's methodology and this will be reflected in the weightings. The RFP criteria and weightings will be finalized following the ROI the indicative criteria are listed below:

Evaluation Criteria	Weighting (%)
Methodology <i>The procedures the supplier proposes to use to achieve the specified end result</i>	TBC
Resources <i>The equipment, including facilities and intellectual property, that the supplier proposes to use to deliver the outputs</i>	TBC
Financial viability <i>The suppliers ability to access the financial resources required to deliver the outputs to be purchased</i>	TBC
Price	TBC
TOTAL	100%

Rating scale

Description	Definition	Rating
Excellent	Exceeds the requirement. Exceptional demonstration by the supplier of the relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods/services. Response identifies factors that will offer potential added value, with supporting evidence.	9-10
Good	Satisfies the requirement with minor additional benefits. Above average demonstration by the supplier of the relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods/services. Response identifies factors that will offer potential added value, with supporting evidence.	7-8

Acceptable	Satisfies the requirement. Demonstration by the supplier of the relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods/services, with supporting evidence.	5-6
Minor reservations	Satisfies the requirement with minor reservations. Some minor reservations of the supplier's relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods/services, with little or no supporting evidence.	3-4
Serious reservations	Satisfies the requirement with major reservations. Considerable reservations of the supplier's relevant ability, understanding, experience, skills, resource and quality measures required to provide the goods/services, with little or no supporting evidence.	1-2
Unacceptable	Does not meet the requirement. Does not comply and/or insufficient information provided to demonstrate that the supplier has the ability, understanding, experience, skills, resource and quality measures required to provide the goods/services, with little or no supporting evidence.	0

Contract

These details will be included in the RFP

Contract attribute	Answer
Contract type	Contract for Service Supplier contract may be considered, the form of contract will be managed through the RFP process
Form of contract	Government Model Contract for Service
Contract term	For duration of the services (estimated April to August 2020)
Payment terms	The contract will include milestone payments as follows: <ul style="list-style-type: none"> • 40% on commencement of the contract • 40% on delivery of the draft report • 20% on delivery of the final (approved) report) Payment will be 20th of the month,
Contract Manager	

The Government Model Contract for Service (GMCs) will be used as the preferred form of contract. This contract was designed to provide a standard set of terms and conditions and help make it easier for suppliers to work with the public sector. They are in plain English and provide clarity and certainty. A copy of this will be provided as part of the RFP process.

Timeline

Action	Date
Procurement plan approval	Tues 3 rd Dec
Council Seminar on the proposal	Fri 11th Dec
Procurement strategy approval (Council meeting)	Wed 18th Dec
ROI issued	Mon 13th Jan
Deadline for submission of questions	Tues 28 th Jan
Deadline for submission of proposals (closing date)	Mon 3 rd Feb
Evaluation meeting	Wed 12 th Feb
Supplier selected and unsuccessful suppliers notified	Thurs 13 th Feb
RFP issued	Mon 17th Feb
Deadline for submission of questions	Tues 3 rd March
Deadline for submission of proposals (closing date)	Mon 9 th March
Evaluation meeting	Tues 17 th March
*Tender recommendation approval/ Contract award (Council meeting)	Fri 17th April
*Supplier selected and unsuccessful suppliers notified	Fri 17 th April
*Anticipated contract start date	Thurs 23 rd April
*Anticipated contract end date	Fri 7 th August

** These dates are indicative date pending confirmation of Council meetings for the year, Council meetings are to be confirmed 5th December (which will be later than the submission date of this report for the council meeting 18th Dec).*

Supplier input may also have a bearing on the contract start and finish dates.

3. CIVIC BUILDING DEMOLITION

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	877988
<i>Reporting Officer/s & Unit:</i>	Paulina Wilhelm, Manager City Development

3.1 Purpose of Report

To seek Council approval to demolish the Civic building in 2020. Officers also propose investigating if there are any cost savings in demolishing the Library building at the same time and reporting the findings back to Council for considering the future plans for the Civic Precinct Area (the area including the civic building, the library building and the civic court, refer to attachment). It is noted that no decision has been made on the future of the Library building at this time.

Note: this report was initially taken to the Council meeting held on 5 December 2019 where it was laid on the table, to be brought back to this meeting.

Officer's Recommendation

That Council:

- a. Approve going to tender for the demolition of the Council Civic Administration building in 2020 and ring-fence the associated costs of demolition to be recovered from the future use of the site either through the sale or a long term lease

Mayor's Recommendation

That the Council resolve that the officer's recommendation be adopted.

3.2 Background Summary

In June 2017 Strata Group, conducted an assessment of the earthquake strength of the Council Civic building and the Council Library building. The report indicated both buildings were earthquake prone as it only complied with 10% and 15% respectively of the legal requirements for earthquake strength (NBS). The cost of strengthening the buildings to an acceptable level was completely prohibitive for the civic building but more tolerable for the library building. However, the costs for the library building are compounded by the need to undertake major electrical and building systems upgrade with refurbishment of all the ducting, windows, etc. These costs will need to be considered as part of the overall options for the redevelopment of the library building.

Due to the high costs of upgrade and strengthening the civic building, Council started looking at alternative options to optimise the future use of this site. From the options assessed the preferred option was to divest the civic building site and secure a 4 plus star hotel for Napier.

A Statement of Proposal (SOP) for the Civic building was released to the public in 2017. The proposal approved was:

Napier City Council will divest, either by long-term lease or sale, the site on which the Civic Administration Building is currently located (Site A) to a private developer for commercial development.

A Detailed Business Case was included and released with the Statement of Proposal.

Council adopted the SOP at its extraordinary meeting On 22 of November 2017. The decision was:

- a. That Council receive and hear the submissions on the Civic Administration Site Optimisation Statement of Proposal.
- b. That based solely on the written submissions and other feedback received to date (13/11/2017), officers recommend the adoption of the Civic Administration Site Optimisation Statement of Proposal as notified.

3.3 Issues

The civic building is sitting empty preventing the optimal use of the civic building site. Negotiations are taking place with a hotel developer and it is therefore timely to prepare for the demolition of the building.

It is recommended that the demolition of the civic building should proceed regardless of whether the negotiations with the hotel developer are successful or not. The building is earthquake prone and it is not financially feasible to strengthen the building. Keeping an empty building on site is preventing divestment of the site for any other use and it prevents receiving a future return for the Council asset.

There are costs associated with maintaining the building, not only due to the financial implications but also from a strategic point of view. The whole civic area is now underutilised creating the feeling of a 'ghost town' as you pass through the corridor towards the Civic Court. This has had a negative impact on retailers in the Civic Court area who have been forced to close down and relocate and there have been examples of businesses having to find alternative more viable locations to achieve sufficient exposure to foot traffic.

The demolition of the Civic building and the advancement of the project trifecta (combined project view of the Hotel development, Civic office development and Library project) has prompted new opportunities for the Civic Precinct area which should be explored. Now that the preferred location for the library has been identified as the civic area, Council seeks to revisit some of the assumptions made for the whole Civic Precinct.

Firstly, there should be an assessment of whether there are any cost savings to be gained if both the Civic building and the Library building were to be demolished at the same time. It is noted however, there is no decision at this time or recommendation on the future use of the Library building and this will need to be considered as Council considers all options. In addition, the opportunity for the entire civic site should consider opportunities for:

- 1) Transformational design, future look and feel of the Civic Precinct area
- 2) Building an iconic Library and Council Chambers which becomes the civic heart of the City
- 3) Revival of the south precinct economy

- 4) Creating better linkages and corridors between the CBD fringe and the CBD heart
- 5) Utilising the site to its maximum potential
- 6) Creating a high quality public space in line with the City Vision principles

Given the above it may be appropriate to widen the scope of the library working party to incorporate the entire Civic Site opportunities and a membership that reflects the new council and the broadened terms of reference.

3.4 Significance and Engagement

The decision to enable the demolition is not considered significant as the Council has gone through a rigorous and transparent process to divest the site through a Statement of Proposal in 2017 (approved 22 November 2017).

The Civic Administration Site Optimisation Statement of Proposal highlighted the process and enabled public engagement with the Napier community.

Council will undertake further engagement in relation to the next stages of the Civic and Library development.

3.5 Implications

Financial

The costs of demolishing the civic building has been roughly estimated at 1.1 million +/- 30%. Council will conduct a Request for Proposal (RFP) for the demolition which will be assessed according to Council criteria and procedures.

The demolition costs will be ring-fenced and recovered at a later date by whatever commercial agreement is approved by Council (lease or sale of the site).

Social & Policy

No issues identified.

Risk

There is a risk associated with conducting the demolition of the civic building in 2020. This relates to the fact that at this stage there is no legal agreement signed with the hotel developer to purchase or lease the site. If the hotel does not eventuate, Council will have to reassess the options for the site and there will be delays in the recovery of the demolition costs. However, keeping the current Civic building is not option. The Civic building will have to be demolished regardless of what activity takes place on site. The decision for Council is about timing, 'when' is the right time to demolish the building. A clear site makes the opportunities for redevelopment much more attractive for developers.

The risks of delaying the demolition can be reflected as a financial and strategic loss. On the monetary side Council may be missing the opportunity to achieve a commercial development on the site and in addition lengthy delays may result in higher than forecasted costs of demolition.

The strategic risk relates to the 'ghost town effect' compounded by the gradual displacement of existing businesses in the area to other more vibrant areas in town. The fact that both the civic building and the library building have been empty for some time has created a visible negative impact in the civic building court area and the south part of the CBD.

Health and Safety risks associated with the demolition of the building itself will be the responsibility of the demolition company. Council's health and safety requirements will be set out in its demolition proposal.

3.6 Options

The options available to Council are as follows:

- a. To go to tender for the demolition of the Council Civic building in 2020.
- b. Leave the building on the civic site until the final use for the site is determined.

3.7 Development of Preferred Option

Option (a) 'To demolish the Council Civic building' is the preferred option given the risk is low and the loss opportunities are high as explained throughout the report.

3.8 Attachments

- A Civic Precinct Area [↓](#)



4. KERBSIDE RECYCLING CRATE REPLACEMENT POLICY

Type of Report:	Operational
Legal Reference:	N/A
Document ID:	877541
Reporting Officer/s & Unit:	Rhett van Veldhuizen, Waste Minimisation Lead

4.1 Purpose of Report

To seek Council's approval for establishing a policy and a charge and methodology for the replacement of recycling crates which have been stolen, lost or damaged while using the new service.

Officer's Recommendation

That Council:

- a. Approve the establishment of a fee of \$15.00 including GST for each crate supplied to replace any or all of the three crates provided to each household at the beginning of the service rollout.
- b. Agree to Waste Minimisation Officers developing a policy with regards to the charges related to kerbside collection receptacles that incorporates the contract parameters, fairness and looking after our assets.

Mayor's Recommendation

That the Council resolve that the officer's recommendation be adopted.

4.2 Background Summary

Napier has recently adopted a new recycling service whereby 3 crates of pre-sorted recycling are collected from the kerbside. Napier City Council has purchased the crates to be used in this service and has provided each entitled household in the city with a set of three crates. One for glass, one for paper and cardboard and one for plastics 1 and 2 and cans.

4.3 Issues

After the initial delivery of crates some householders advised their crates had been lost, stolen or damaged. While Council Officers have been happy to replace these (smallish) numbers gratis thus far, going forward it will be detrimental to the cost and quality of the service to continue to accommodate these charges. An item that is free is more likely to be requested. The service costs of additional crates put out in the city (beyond the volume limit) are not covered by the kerbside recycling component on the rates bill.

In order to encourage residents to place a value on this service and to ensure their Council owned crates are looked after in a suitable manner, a charge to cover the costs of the crate and associated administration is recommended. The cost of the crate including transport to our Napier depot is \$11.67 incl. GST. In addition to this there is a cost related to un-issuing the missing crates, issuing a new crate, printing and adding the

waterproof address labels, adding them to the asset database and delivering them to the property. This can be an outright charge or a charge, applied as a bond. A bond system may be more likely to retain the crates at the property. A non-refundable charge could make the resident feel entitled to take them when they move house.

4.4 Significance and Engagement

This matter is determined as low significance.

4.5 Implications

Financial

The contract allows for 500 sets across the city per annum to maintain the service (2% of the total). Many of these are destined for new build properties, of which Napier has around 200 – 400 per annum. The service has just started so the requests for crates are not yet at a balanced, relatively static pace. Around 20 crates per week are stolen, broken or lost at present, or around 1000 per annum. The cost associated with this premature level of loss on top of the amount catered for in the contract is \$10,000 to \$15,000 per annum.

Social & Policy

N/A

Risk

There are a few risks related to this decision;

- Charging for crates outright may be resented by the community;
- Not charging for crates may expose Council to many requests for something that is free and useful for purposes other than our recycling service;
- A bond or other system may lead to confusion when residents want to pass on crates to a new property owner outside of Councils' administration. The administration and customer service commitment to maintain this option could be large.

4.6 Options

The options available to Council are as follows:

- a. Charge the sum of \$15 including GST outright per replacement crate;
- b. Charge a bond or similar for each set of replacement crates to be refunded on return of the crates.
- c. Not charge for replacement crates and fund the additional cost of up to \$15,000 per annum;

4.7 Development of Preferred Option

- a: Charge the sum of \$15 including GST outright per replacement crate;

4.8 Attachments

Nil

5. ACTIONS FROM PREVIOUS MEETINGS

<i>Type of Report:</i>	Procedural
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	878880
<i>Reporting Officer/s & Unit:</i>	Devorah Nicuarta-Smith, Team Leader Governance

5.1 Purpose of Report

To present the actions from previous meetings for awareness.

Officer's Recommendation

That Council:

- a. Note the actions from previous meetings along with their current status.

Mayor's Recommendation

That the Council resolve that the officer's recommendation be adopted.

5.2 Actions Table

Meeting/ Date	Item No.	Action	Responsible Directorate	Status
Induction intro		Sean Bevan to be invited to talk to Council about regional and ward stats in early 2020 to align with pre-LTP information	City Strategy	Will be arranged to align with LTP and DP work programme
Council 19.11.2019	1	Scientific evidence is being collected currently to measure if stormwater contamination is dropping. Results from this assessment will be reported quarterly moving forward through the Sustainable Napier Committee.	Infrastructure	Underway. May not be quarterly – dependent on when data is received
Council 19.11.2019	2	Confirm constitution of Sports Hawke's Bay and Hawke's Bay	Corporate – Governance Team	Cr Taylor meeting with Board week beginning 2

		Sports Council in relation to mayoral appointments.		December – to liaise with Governance following
Council 05.12.2019	1	Council officers to assess their own (Stormwater) compliance requirements and consider these against other priorities in the current work programme.	Infrastructure	COMPLETE (assessment and adjustment is constant)
Council 05.12.2019	5	Costings around refurbishment of the Civic Building to be provided to Councillors, ie. why was refurbishment ruled out?	Corporate – Finance/ City Strategy	Timeline/ background to date to be reviewed with elected members
Council 05.12.2019	9	That Council officers communicate Council's expectations around waste management with event organisers.	City Strategy/ Comms and Marketing	COMPLETE (conversations are taking place currently and will be ongoing)
Audit and Risk 05.12.2019	2	Cr Taylor requested a report be prepared on any reputational and financial risk as a result of removing the Conference Centre branding from the War Memorial Hall; this is to include any financial risk to the facility and any financial and reputational risk to staff. The report is to be circulated to Audit and Risk for comment, then taken to Council	Community Services	Underway
Audit and Risk 05.12.2019	3	A specific Health and Safety section is to be included in the Charter as per the Chair's recommendation earlier this year.	Corporate – Finance / Audit and Risk Committee	Programmed for early 2020

		Any further Charter update requests to be provided to the Chair and Director Corporate services by email; an updated document will be brought to the March 2020 Audit and Risk Committee meeting for consideration.		
Audit and Risk 05.12.2019	7	It was agreed that for those recommendations in the Audit NZ management report which were not annual in nature, an update would be provided to the next Audit and Risk Committee meeting in March 2020.	Corporate – Finance	Programmed for early 2020

5.3 Attachments

Nil

REPORTS / RECOMMENDATIONS FROM THE STANDING COMMITTEES

REPORTS FROM AUDIT AND RISK COMMITTEE HELD 5 DECEMBER 2019

1. HEALTH AND SAFETY REPORT

Type of Report:	Operational
Legal Reference:	N/A
Document ID:	871748
Reporting Officer/s & Unit:	Sue Matkin, Manager People & Capability

1.1 Purpose of Report

The purpose of the report is to provide the Audit and Risk Committee with an overview of the health and safety performance as at 31 October 2019.

At the Meeting

The Manager People and Capability spoke briefly to the report, noting that the annual targets are established looking for improvements from the previous year. It is difficult to benchmark against other local authorities due to the range of facilities Council oversees.

The Committee commended the continuing positive trend.

Committee's recommendation

D Pearson / Councillor Simpson

That Council:

- a. Receive the Health and Safety report as at 31 October 2019.

Carried

2. RISK MANAGEMENT REPORT NOVEMBER 2019

Type of Report:	Information
Legal Reference:	N/A
Document ID:	873301
Reporting Officer/s & Unit:	Ross Franklin, Consultant

2.1 Purpose of Report

To provide the Audit and Risk Committee with an update on progress with risk management work and to report on the highest paid risks.

At the Meeting

The Director Corporate Services spoke to the report, advising that the Manager Business Excellence and Transformation role has been filled, and that the risk role will be re-advertised as the first round did not result in a successful appointment.

Following further more details assessment the Bluff Hill fence risk has been adjusted down to "high". The work will start soon, but will need to be undertaken in stages due to availability of some of the required product.

In response to questions from the Committee it was confirmed that Committee members can raise risks through the Manager business Excellence and Transformation, or one of Council's risk champions, as well as via the Committee Chair. Committee members can also initiate a line of enquiry if there are areas they are concerned about or wish to assure themselves on.

ACTION Cr Taylor requested a report be prepared on any reputational and financial risk as a result of removing the Conference Centre branding from the War Memorial Hall; this is to include any financial risk to the facility and any financial and reputational risk to staff. The report is to be circulated to Audit and Risk for comment via email, then taken to Council.

Committee's recommendation

J Palairet / Mayor Wise

That Council:

- Note the Risk Management Work being undertaken by Napier City Council staff and management.
- Note the current Major risks.
- Receive the Risk Report dated 22 November 2019.

Carried

3. AUDIT AND RISK COMMITTEE CHARTER

Type of Report: Procedural

Legal Reference: N/A

Document ID: 873943

Reporting Officer/s & Unit: Adele Henderson, Director Corporate Services

3.1 Purpose of Report

The purpose of this report is to advise the incoming committee of the committee charter and of the recommendation for the charter to be reviewed over the next 12 months.

At the Meeting

The Director Corporate Services spoke briefly to the report, noting that with the re-establishment of this Committee with changes in membership it was timely to ensure continued visibility of the Charter, and of the role and mandate of Committee members.

ACTION A specific Health and Safety section is to be included in the Charter as per the Chair's recommendation earlier this year

ACTION Any further Charter update requests to be provided to the Chair and Director Corporate services by email; an updated document will be brought to the March 2020 Audit and Risk Committee meeting for consideration.

Committee's recommendation

D Pearson / Councillor Taylor

That Council:

- a. Note and discuss the current Audit and Risk Committee Charter and make any recommended changes

Carried

4. PROPOSED AUDIT AND RISK COMMITTEE 2020 MEETING CALENDAR

Type of Report: Operational

Legal Reference: N/A

Document ID: 871747

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

4.1 Purpose of Report

To consider the proposed timetable of meetings for the Audit and Risk Committee in 2020, as detailed below.

At the Meeting

It was noted that the meeting dates proposed for the Audit and Risk Committee have been aligned with the wider governance schedule adopted by Council at its meeting on 5 December 2019.

Committee's recommendation

Councillors Taylor / Simpson

That Council:

- a. Receive the proposed timetable of meetings for the Audit and Risk Committee for 2020.

Carried

5. FINANCIAL DELEGATION

Type of Report:	Legal and Operational
Legal Reference:	Local Government Act 2002
Document ID:	869923
Reporting Officer/s & Unit:	Adele Henderson, Director Corporate Services

5.1 Purpose of Report

To review and approve the Chief Executive's financial and non-financial delegation

At the Meeting

The Director Corporate Services spoke to the report, noting that the Audit and Risk Charter outlines that it is good practice to regularly review the delegations to the Chief Executive, but this has not been undertaken for some time. The current delegation of \$500k has been in place at least 10 years; it was suggested that in meeting the balance between facilitating Council operations (particularly in the infrastructure space) with ensuring Council oversight a delegation of \$1M may be more fit for purpose in the current procurement environment.

In response to questions from the Committee it was advised that Hastings District Council Chief Executive holds a financial delegation of \$5M. Multi-year contracts still require visibility of Council. It was noted that the Hearings Committee has reviewed tenders well above \$1M previously but their mandate is to exercise financial delegation not to make a completely different selection of tenderer. It was agreed that there was opportunity to bring procurement plans through to Council as part of good transparency.

The independent members of the Committee strongly supported an increase in the delegation, stating that \$500k is far too low and EIT had recently increased their CE delegated authority to \$1M from a functionality perspective.

The Mayor noted that her preference was to maintain status quo from a political perspective.

It was noted that using Council and or the Hearings Committee for approvals has impacts on time frames, due to the report drafting and agenda production requirements.

Committee's recommendation

Councillor Taylor / Mayor Wise

That Council:

- a. Note the recommendation of the report to increase the financial delegation to the Chief Executive from \$500k to \$1M, and provide feedback that the independent members support this recommendation while the Mayor's preference is to retain the current delegation

- b. Approve the Delegation to the Chief Executive document dated 5 December 2019 subject to Council financial delegation approval

Carried

6. SENSITIVE EXPENDITURE: MAYOR AND CHIEF EXECUTIVE

Type of Report: Operational and Procedural

Legal Reference: N/A

Document ID: 871750

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

6.1 Purpose of Report

To provide the information required for the Committee to review Sensitive Expenditure of the Mayor and Chief Executive for compliance with Council's Sensitive Expenditure Policy.

At the Meeting

It was noted that the expenditure of the Mayor and Chief Executive must be provided to Audit and Risk Committee for review in the open agenda to comply with Council's Sensitive Expenditure Policy and to maintain transparency.

Committee's recommendation

D Pearson / Councillor Taylor

That Council:

- a. Receive the report of Sensitive Expenditure for the Mayor and Chief Executive and review for compliance with the Sensitive Expenditure Policy.

Carried

7. EXTERNAL ACCOUNTABILITY: AUDIT NEW ZEALAND MANAGEMENT REPORT

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	871746
<i>Reporting Officer/s & Unit:</i>	Caroline Thomson, Chief Financial Officer

7.1 Purpose of Report

To consider the Audit NZ management report to the Council on the audit of Napier City Council for the year ended 30 June 2019 (to be tabled at the meeting).

At the Meeting

The Chief Financial Officer tabled the final Audit New Zealand management report, which is unmodified. Mr Lucy of Audit NZ confirmed that they had found that the financial and non-financial statements are materially correct and further that the latter accurately capture and reflect Council's activities appropriately. He noted that Audit NZ had been happy with how the weathertightness claims were handled, that a lot of consideration had been given to the condition and value of assets, and that the conversation in relation to tax continued.

It was confirmed that Karen Young will be taking over from Mr Lucy in 2020, and the Chair extended thanks and acknowledgment to Mr Lucy for the productive relationship with Council over his tenure and the input he has provided in that time.

ACTION It was agreed that for those recommendations in the Audit NZ management report which were not annual in nature, an update would be provided to the next Audit and Risk Committee meeting in March 2020.

Committee's recommendation

D Pearson / Councillor Simpson

That Council:

- a. Receive the Audit NZ management report to the Council on the audit of Napier City Council for the year ended 30 June 2019.

Carried

8. EXTERNAL ACCOUNTABILITY: INVESTMENT AND DEBT REPORT

Type of Report: Operational

Legal Reference: N/A

Document ID: 871749

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

8.1 Purpose of Report

To consider the snapshot report on Napier City Council's Investment and Debt as at 31 October 2019.

At the Meeting

The Chief Financial Officer spoke briefly to the report, noting that a large amount is currently on deposit as it is expected it may be required in the new year.

Committee's recommendation

Councillors Taylor / Simpson

That Council:

- a. Receive the snapshot report on Napier City Council's Investment and Debt as at 31 October 2019.

Carried

9. INTERNAL AUDIT: COMMUNITY GRANTS MANAGEMENT

Type of Report: Operational

Legal Reference: Local Government Act 2002

Document ID: 872363

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

9.1 Purpose of Report

To table to the Committee the internal audit on community grants management undertaken by Council's internal auditors, Crowe Horwath.

At the Meeting

The Chief Financial Officer spoke briefly to the report, noting that the review had found that practices overall were appropriate; of the two minor matters raised through the review, one has already been addressed, and the second is underway and due for completion by 30 June 2020.

Committee's recommendation

D Pearson / Councillor Simpson

That Council:

- a. Receive the report from Crowe Horwath titled 'Community Grants Management'.

Carried

REPORTS UNDER DELEGATED AUTHORITY

1. RESOURCE CONSENTS

Type of Report: Information

Legal Reference: N/A

Document ID: 877879

Reporting Officer/s & Unit: Cheree Ball, Governance Advisor

1.1 Purpose of Report

To present the report on Resource Consents issued under delegated authority for the period 6 November – 30 November 2019.

Officer's Recommendation

That Council:

- a. Resolves to receive the report titled 'Resource Consents approved 6 November - 30 November 2019'.

MAYOR'S RECOMMENDATION

That the Council resolve that the officer's recommendation be adopted.

1.2 Attachments

- A Resource Consents approved 6 November - 30 November 2019 [↓](#)

Resource Consents (Subdivision & Land Use) Approved between 6 November 2019 – 30 November 2019

Consent Number	Site Location	Applicant	Proposal	Activity Status	Decision Date
RMS19094	132 Gloucester St	D & G Johnson	Main Residential zone subdivision to create one additional lot (two in total)	Controlled	7 November 2019
RMS19093	23 Howard Rd	F Martin	Main Residential zone subdivision to create one additional lot (two in total)	Controlled	7 November 2019
RM190129	8 Jervois Rd	C & D Macrae	Build a swimming pool within an area of significance to Maori and locate a pool pump within the one metre side yard	Restricted Discretionary	7 November 2019
RMS18048	22 Sheehan St & 18 Kaiangaroa Pl	BH Kent & MCI Trustees Ltd	Rural Residential zone subdivision/boundary adjustment creating three additional lots (four in total)	Controlled	7 November 2019
RM190138	16 Arrow Pl	GD Campbell	Construct a dwelling which infringes the 3m front yard within the Main Residential zone	Restricted Discretionary	11 November 2019
RMS19095	103 Latham St	P Brown	Main Residential zone subdivision to create two additional lots (three in total)	Controlled	14 November 2019
RM190141	235 Kennedy Rd	Brewer Davidson Architects for MOE	Construct two new double classroom blocks for education purposes and admin/office functions	Outline Plan	18 November 2019
PB190006	56B Simla Tce	JR Johnston	Build a dwelling in the Napier Hill Character zone with a height in relation to boundary infringement	Deemed Permitted Boundary Activity	21 November 2019
RM190128	195 Riverbend Rd	Riverbend Road Chapel Trust Board (Inc)	Establish and operate a place of assembly/church within the Main Rural zone and subdivide the site to create one additional lot (two in total). Proposal also includes earthworks and assessment NES (contaminated soils)	Land Use – Discretionary Subdivision – Non-complying	25 November 2019

RMS19098	54 Williams St	Kainga Ora	Main Residential zone subdivision of a potential HAIL site to create one additional lot (two in total) and associated land-use consent to carry out a multi-unit development to construct two dwellings, one with a height in relation to boundary infringement	Restricted Discretionary	25 November 2019
RM190139	28 Rata St	MJ Hatton	Addition to an existing dwelling infringing the 3m front yard within the Main Residential zone	Restricted Discretionary	26 November 2019
PB190007	54 Charles St	D & N Dew	New dwelling infringing internal yard height control within the Northern Residential zone	Deemed Permitted Boundary Activity	28 November 2019
RMS19097	148, 150 & 152 Riverbend Rd	Landstaff Ltd	Main Residential zone subdivision creating a total of five lots	Restricted Discretionary	28 November 2019

2. TENDERS LET

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	877927
<i>Reporting Officer/s & Unit:</i>	Cheree Ball, Governance Advisor

2.1 Purpose of Report

To report the Tenders let under delegated authority for the period 6 November – 5 December 2019.

Officer's Recommendation

That Council:

- a. Receive the report for Tenders Let under delegated authority for the period 6 November – 5 December 2019.

MAYOR'S RECOMMENDATION

That the Council resolve that the officer's recommendation be adopted.

1.1 Tenders Let for the period 6 November – 5 December 2019

CONTRACTS OVER \$100,000 LET UNDER CHIEF EXECUTIVE/DIRECTOR INFRASTRUCTURE DISCRETION

Contract 1243 HBRU Game Field – Site Clearance

Two tenders were received.

The Engineer's estimate was \$304,000.00.

It was recommended that the tender from Fulton Hogan be accepted in the sum of \$250,834.60. This recommendation was approved.

2.2 Attachments

Nil

3. DOCUMENTS EXECUTED UNDER SEAL

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	877923
<i>Reporting Officer/s & Unit:</i>	Cheree Ball, Governance Advisor

3.1 Purpose of Report

To report on the Documents Executed under Seal for the period 6 November – 5 December 2019.

Officer's Recommendation

That Council:

- a) Receive the report for Documents Executed under Seal for the period 6 November – 5 December 2019.

MAYOR'S RECOMMENDATION

That the Council resolve that the officer's recommendation be adopted.

Schedule of Documents Executed under Seal

For the period 6 November – 5 December 2019.

Date	Document
12.11.2019	Easement in Gross – Lot 4 Ridgeway Terrace
15.11.2019	Easement in Gross – 176A Kennedy Road
20.11.2019	Licence to Occupy, 82 McLeod Road, Napier
25.11.2019	Easement in Gross – 144 Charles Street, Napier
25.11.2019	Partial Surrender of Easement in Gross – Te Awa Fields
25.11.2019	Partial Surrender of Easement in Gross – Te Awa Fields
25.11.2019	Partial Surrender of Fencing Covenant – Te Awa Fields
25.11.2019	Partial Surrender of Fencing Covenant – Te Awa Fields
25.11.2019	Easement – 22 Waterhouse Street, Taradale
4.12.2019	Release of Bond – 9 Anzac Avenue
4.12.2019	Partial Surrender of Fencing Covenant – Te Awa Fields

3.2 Attachments

Nil

PUBLIC EXCLUDED ITEMS

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

Agenda Items

1. C1225 - Kerbside Waste Collection Services Contract
2. Actions From Previous Meetings - Public Excluded Items

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.
	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 where the withholding of the information is necessary to:	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:

Agenda Items

1. C1225 - Kerbside Waste Collection Services Contract	<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>
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<p>2. Actions From Previous Meetings - Public Excluded Items</p>	<p>7(2)(c)(i) Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied</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: (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>
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ORDINARY MEETING OF COUNCIL

Open Minutes

Meeting Date:	Thursday 5 December 2019
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Time:	10.00am – 12.22pm 12.33pm – 12.58pm 1.31pm – 2.12pm
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Venue	Council Chambers Hawke's Bay Regional Council 159 Dalton Street Napier
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Present	Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Browne, Chrystal, Crown, Mawson, McGrath, Price, Simpson, Tapine, Taylor, Wright
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In Attendance	Chief Executive, Director Corporate Services, Director Community Services, Director Infrastructure Services, Director City Services, Director City Strategy, Manager Communications and Marketing, Chief Financial Officer, Manager Business Excellence & Transformation, Manager Community Strategies, Manager Environmental Solutions, Manager Regulatory Solutions, Team Leader Governance, Strategic Planning Lead
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Administration	Governance Team
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Apologies

Nil

Conflicts of interest

Councillor Hayley Browne declared an interest in Item 9. In order to manage this interest she did not participate in the discussion or vote.

Public forum

Graeme Robinson

Graeme spoke in relation to the Civic and administration building and his 2011 seismic assessment report and design calculations, presented to the Chief Executive (copy of his speech **attached – Appendix A**).

In response to questions from Councillors, he noted the following:

- He didn't believe that the peer review report provided to Councillors ahead of the meeting included the Civic building, only the library building.
- The Strata Group reports did not appear to be held on the property file.
- He confirmed that his report had been peer reviewed by three engineers.
- The coefficient number (sideways push on the building) does not appear to be included in the Strata Group report and he doesn't see how they can work out whether the building will survive or not without this number.

Tyne Nelson and Emma Koch on behalf of Zero Waste Network

Tyne and Emma spoke in relation to sustainability and waste and noted that the current landfill is adequate for the time being (copy of presentation **attached – Appendix B**).

In response to questions from Councillors, they noted that separation of waste is key and education is important to try to change people's view of waste. We need to help people to see it as a resource.

Announcements by the Mayor including any discussion of minor matters not on the agenda

There were no announcements by the Mayor.

In calling for any minor matters not on the agenda, Deputy Mayor Annette Brosnan advised that she would provide an update on the Waipatiki Project at the end of the meeting.

Announcements by the management

Nil

Confirmation of minutes

Council resolution

Councillors Boag / Taylor

That the Draft Minutes of the Ordinary meeting held on 19 November 2019 be confirmed as a true and accurate record of the meeting.

Carried

AGENDA ITEMS

1. STORMWATER BYLAW 2020

<i>Type of Report:</i>	Legal
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	872514
<i>Reporting Officer/s & Unit:</i>	Cameron Burton, Manager Environmental Solutions Kim Anstey, Planner Policy/Analyst

1.1 Purpose of Report

The purpose of this report is for Council to adopt the Stormwater Bylaw 2020 having considered submissions at the Council meeting on 19 November 2019, including the issues raised and amendments requested during deliberations.

At the Meeting

The Director Infrastructure Services and Manager Environmental Solutions spoke to the report and the four main amendments to the Bylaw, made following the hearing.

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

- Officers will work with people, to a degree, to assist in implementing environmental improvements at each site.
- Even though the Bylaw will come into effect on 1 February 2020, timeframes for each site to make changes will depend on the scale of the operation, and contaminants etc. Council is ultimately looking for low cost quick wins in this space and plans to be reasonable in enforcing the bylaw, but not so reasonable that the same discussions are being had in 10 years' time.
- Environmental Management Plans will be required and implemented as conditional consents.
- If people want to be able to use the estuary, then Council need to be seen to be leaders in this space and driving environmental change.
- The Environmental Solutions team have a very busy work programme. Council will be considering their own compliance requirements but also need to look at other value-add opportunities for Napier. It would not be prudent to delay the implementation of the Bylaw until Council itself is perfectly compliant. Council will be pulling together a programme of work to identify their own compliance requirements.
- Significance of non-compliance will be at the discretion of Council officers, as there may be other factors to consider, ie. quantity of stormwater may not be as serious as discharge of industrial waste into stormwater.
- Council will take an educative approach initially and has procedures in place to deal with nuisance reports made by members of the public. Continued blatant abuse will be dealt with more strictly.
- Any planting along waterways will need to be considered to ensure that it doesn't negate the main purpose of waterways, being water conveyance.

Councillors Simpson and Mawson left the meeting briefly at 11.10am and 11.11am respectively, and returned at 11.13am.

- Council's piped network is required to meet a one in 10 year event. The rainfall in that time period may change, but we won't know that until it happens. Network models do however take into consideration increased growth in the City.

a.

ACTION: Council officers to assess their own compliance requirements and consider these against other priorities in the current work programme.

**Council
resolution**

Dep. Mayor Brosnan / Councillor Tapine

That Council:

- a. Confirm, in accordance with Section 155(2) of the Local Government Act 2002, that the Stormwater Bylaw 2020 is the most appropriate form of bylaw and it is satisfied that no issues arise under the Bill of Rights Act 1990.
- b. Adopt the Stormwater Bylaw 2020.
- c. Authorise officers to notify submitters and the public that the bylaw has been adopted and will become operative on 1 February 2020.

Carried

2. COUNCIL MEETING SCHEDULE 2020

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Local Government Official Information and Meetings Act 1987; Local Government Act 2002
<i>Document ID:</i>	872642
<i>Reporting Officer/s & Unit:</i>	Devorah Nicuarta-Smith, Team Leader Governance

2.1 Purpose of Report

To present the proposed 2020 meeting schedule to Council for adoption as per the Local Government Act 2002 and the Local Government Official Information and Meetings Act 1987.

At the Meeting

The Team Leader Governance spoke to the report noting that an annual meeting schedule has been proposed for a number of reasons, including that the Council is currently being hosted by Hawke's Bay Regional Council, an arrangement which is renegotiated each year. A number of Councillors noted their approval of the new meeting start time.

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

- The live stream is accessible directly via Council's Facebook page. A new YouTube channel is currently being created to store the videos and a new link will replace the current link in order to access these via the Council website.
 - Joint committee meetings are held in the internal Council calendar.
 - Some flexibility (for example in week five of the meeting cycle) could be given in order to accommodate meeting/seminar free weeks for those Councillors wanting to take leave without needing to put in their apologies.
- b.

Council resolution

Councillors Tapine / Wright

That Council:

- a. Endorse the schedule of Standing Committees and Council meetings for Napier City Council for 2020
- b. Note that additional ordinary, extraordinary and multi-day meetings may be scheduled from time to time in consultation with the Mayor and Chief Executive
- c. Note that meeting times for other committees and subcommittees will be formally notified as required in accordance with the Local Government Official Information and Meetings Act 1987 and the Local Government Act 2002.
- d. Note that other events requiring elected member attendance, such as citizenship ceremonies and civic functions will be finalised as soon as possible and the dates notified to Council.

Carried

3. ELECTED MEMBERS' CHILDCARE ALLOWANCE

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Remuneration Determination 2019/20
<i>Document ID:</i>	872910
<i>Reporting Officer/s & Unit:</i>	Devorah Nicuarta-Smith, Team Leader Governance

3.1 Purpose of Report

To present options in relation to a potential childcare allowance for elected members, in line with the Remuneration Determination 2019/20.

At the Meeting

The Team Leader Governance spoke to the report. In response to questions from Councillors, the following points were clarified:

- The officer's recommendation of \$2,000 per eligible child per year was based on around 50 meetings/seminars per year at around \$20 per hour. The Remuneration Authority determined that Councils may adopt an amount up to a maximum of \$6,000.
- The reimbursement is rates funded.
- The reimbursement can only be claimed for costs incurred and evidence must be provided.
- The Remuneration Authority have taken WINZ provisions into consideration. Au pairs and full time care are not covered. The reimbursement is intended to cover ad hoc in home care.

A substitute motion was proposed by Deputy Mayor Brosnan with the substantial change being an increase to the maximum of \$6,000 per eligible child. A robust debate followed with all but two Councillors speaking to their position on the matter, and when put to a vote, the motion was lost.

The officer's recommendation was then put, subject to a minor amendment, being that Council authorised events be included. The amended motion was carried, with three Councillors voting against the motion.

Officer's Recommendation

That Council:

- Adopts an Elected Member Childcare Allowance Policy in line with the Remuneration Determination 2019/20, and with the purpose of allowing for and guiding the reimbursement elected members for childcare incurred by Council related activities.
- That the Policy contains the following guidance in relation to potential payments:
 - The allowance is only payable if:
 - The member is a parent or guardian of the child, or is a person who usually has responsibility for the day-to-day care of the child (other than on a temporary basis); and
 - The child is aged under 14 years of age; and

- The childcare is provided by a person who –
 - is not a family member of the elected member ; and
 - does not ordinarily reside with the elected member; and
 - The member was participating in the following activities of Council during the time the childcare was required:
 - Attendance at Council or Committee meetings where the elected member is either a member of the Committee, or is a Council appointee to the Committee; or
 - Attendance at seminars or working parties of Council to discuss items of Council business; or
 - Attendance at civic events where attendance of elected members is required, such as citizenship ceremonies and the annual Napier Civic Awards; and
 - The elected member submits a claim for expenses, and provides satisfactory evidence to Napier City Council that the claim is based on actual costs of child care incurred and paid for by the elected member; and
 - Any claim is filed within 90 days of the actual costs of child care being incurred; and
 - The claim is authorised by the Mayor in line with the Napier City Council Sensitive Expenditure Policy.
- ii. The maximum value for reimbursement is to be \$20 per hour (plus GST where applicable), and
- iii. The maximum accrued allowance per financial year per qualifying child is \$2,000 (plus GST where applicable).

**Proposed
substitute motion**

Motion lost

Dep. Mayor Brosnan / Councillor Browne

That Council:

- a. Council adopts the remuneration authority's childcare policy determination and wording:
- b. That the policy contain the following guidance and criteria:
 - i. Elected members are eligible for the allowance only if:
 - they are engaged on local authority business at the time of the childcare,
 - they are the parent or guardian of the child, or usually has day-to-day responsibility for care of the child, and
 - the child is under 14 years of age.
 - ii. The childcare must be provided by someone who:
 - is not a family member of the elected member, and
 - does not ordinarily reside with the elected member.
 - iii. Elected members must provide evidence of the amount paid for childcare.

	<p>iv. Council must not pay childcare allowances to a member that total more than \$6,000 per annum, per child.</p> <p>v. All claims for childcare must be made within 90 days of the care being incurred.</p> <p style="text-align: right;">C.</p> <p><i>The motion was declared lost by 5 votes to 8 votes the voting being as follows:</i></p> <p>For: <i>Deputy Mayor Brosnan, Councillors McGrath, Tapine, Mawson and Browne</i></p> <p>Against: <i>Mayor Wise, Councillors Boag, Price, Taylor, Wright, Chrystal, Crown and Simpson</i></p>
<p>Council resolution</p> <p>Amended officer's recommendation</p> <p>New substitute motion</p>	<p>Mayor Wise / Councillor Mawson</p> <hr/> <p>That Council:</p> <p>a. Adopts an Elected Member Childcare Allowance Policy in line with the Remuneration Determination 2019/20, and with the purpose of allowing for and guiding the reimbursement elected members for childcare incurred by Council related activities.</p> <p>b. That the Policy contains the following guidance in relation to potential payments:</p> <p>i. The allowance is only payable if:</p> <ul style="list-style-type: none"> • The member is a parent or guardian of the child, or is a person who usually has responsibility for the day-to-day care of the child (other than on a temporary basis); and • The child is aged under 14 years of age; and • The childcare is provided by a person who – <ul style="list-style-type: none"> ▪ is not a family member of the elected member ; and ▪ does not ordinarily reside with the elected member; and • The member was participating in the following activities of Council during the time the childcare was required: <ul style="list-style-type: none"> ▪ Attendance at Council or Committee meetings where the elected member is either a member of the Committee, or is a Council appointee to the Committee; or ▪ Attendance at seminars or working parties of Council to discuss items of Council business; or ▪ Attendance at civic events where attendance of elected members is required, such as Council authorised events including citizenship ceremonies and the annual Napier Civic Awards; and • The elected member submits a claim for expenses, and provides satisfactory evidence to Napier City Council that the claim is based on actual costs of child care incurred and paid for by the elected member; and

-
- Any claim is filed within 90 days of the actual costs of child care being incurred; and
 - The claim is authorised by the Mayor in line with the Napier City Council Sensitive Expenditure Policy.
- ii. The maximum value for reimbursement is to be \$20 per hour (plus GST where applicable), and
- iii. The maximum accrued allowance per financial year per qualifying child is \$2,000 (plus GST where applicable).

Councillors Tapine, Taylor, and Wright voted against the motion.

Carried

The meeting adjourned at 12.22pm, and reconvened at 12.33pm.

Due to an external presenter only being available for a short time, the Mayor elected to bring forward Agenda Item 8: Resident Satisfaction Survey.

8. RESIDENT SATISFACTION SURVEY 2019

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	868500
<i>Reporting Officer/s & Unit:</i>	Adele Henderson, Director Corporate Services

8.1 Purpose of Report

To provide Council with the annual resident satisfaction survey and to outline how this survey fits into council's planning and reporting framework.

At the Meeting

Dr Virgil Troy addressed Council as the successful tenderer to undertake this research for Council on a quarterly basis. He highlighted the differences in the new process from what had previously been undertaken.

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

- There have been a number of iterations to this report; it would be possible to break the result down further into wards to line up with the ward only structure of Council. Dr Troy noted that it may be more appropriate to include this data as an appendix.
- The survey is ultimately around satisfaction levels for Council services. The questions are very similar to the previous survey, just reported back to Council differently.

It was noted that the officer's recommendation should be amended to note the increase of satisfaction levels, overall.

Officer's Recommendation

That Council:

- a. Note that satisfaction ratings and targets are part of Council's planning and performing framework as outlined in the Long Term Plan 2018-28.
- b. Note the key findings of the annual Resident Survey 2019.
 - i. That there are areas where Council has received very high satisfaction ratings from the community, particularly there has been an increase in overall satisfaction ratings across all over Council's services from 2018.
 - ii. That there are some areas where Council has received low satisfaction ratings from the community, and come under the NZ benchmark rating
- c. Note that it may wish to consider the Satisfaction Survey in the development of the Annual Plan 2020/21.

**Council
resolution**

Councillors Wright / Chrystal

-
- Substitute motion That Council:
- a. Note that satisfaction ratings and targets are part of Council's planning and performing framework as outlined in the Long Term Plan 2018-28.
 - b. Note the key findings of the annual Resident Survey 2019.
 - i. That there are areas where Council has received very high satisfaction ratings from the community, particularly there has been an increase in overall satisfaction ratings across all over Council's services from 2018.
 - ii. That there are some areas where Council has received low satisfaction ratings from the community, and come under the NZ benchmark rating
 - c. Note that it may wish to consider the Satisfaction Survey in the development of the Annual Plan 2020/21.

Carried

4. MAYORAL REMUNERATION

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Local Government Act 2002; Remuneration Determination 2019/20
<i>Document ID:</i>	873231
<i>Reporting Officer/s & Unit:</i>	Devorah Nicuarta-Smith, Team Leader Governance

4.1 Purpose of Report

To note to Council the Mayoral remuneration for the post-election period of 2019/20.

At the Meeting

The Team Leader Governance spoke to the report, noting that the Mayor's remuneration is set by the Remuneration Authority allowing for slight adjustments in relation to a vehicle, providing for different levels of private use.

In response to a question from Councillors, it was confirmed that Council's vehicle insurance policy covers the full private use option elected by the Mayor.

Council resolution

Councillors Taylor / Mawson

That Council:

- a. Note the total mayoral remuneration and vehicle arrangements for the post-election period 2019/20.

Carried

5. CIVIC BUILDING DEMOLITION

Type of Report:	Operational
Legal Reference:	Local Government Act 2002
Document ID:	871230
Reporting Officer/s & Unit:	Paulina Wilhelm, Manager City Development

5.1 Purpose of Report

To seek Council approval to demolish the Civic building in 2020. Officers also propose investigating if there are any cost savings in demolishing the Library building at the same time and reporting the findings back to Council for considering the future plans for the Civic Precinct Area (the area including the civic building, the library building and the civic court, refer to attachment). It is noted that no decision has been made on the future of the Library building at this time.

At the Meeting

The Director City Strategy and Manager City Development spoke to the report and provided some context around matters raised during the public forum by Mr Robinson. It was reiterated that this report is not about the seismic evaluation of the building, but follows on from the previous Council's Statement of Proposal in line with the desire to no longer retain the Civic Building site but rather divest it for commercial purposes. Some further background was provided for the benefit of the new Councillors.

Council officers confirmed they are confident that potential hotel developers are not interested in the Civic Building remaining on that site for their purposes. They also confirmed that Council is currently in negotiations with hotel developers in relation to the site; at this time it has not been confirmed whether the site will be sold or leased.

It was noted that the building remaining on that site is causing a "ghost town" effect on that part of town and the site needs to be prepared for the next commercial venture that will occupy the site, whatever that might be.

The meeting was adjourned at 12.58pm, in order to allow the Audit and Risk Committee meeting to be opened on time and adjourned until after the Council meeting had closed, and to allow for a brief lunch break.

The meeting reconvened at 1.31pm.

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

- Council officers did not believe there would be any harm in deferring a decision at this stage; however, the longer the building remains on the site, the more this contributes to the "ghost town" effect to this part of the CBD.
- There is not requirement to do anything with the Civic building from a safety point of view currently.
- The business case referred to the latest report, as a matter of standard practice. It would be unusual to include every report over all time on the same subject matter.

The latest report is assumed to cover all issues up to that moment in time, including issues raised previously.

- Council officers were unaware that the Strata Group report might be considered contentious. As far as the library building only being peer reviewed, this was due to timing and what was able to be done overnight as the matter was only raised with officers the day before. The focus was particularly on the library building as officers were shocked at how low the building had rated.

It was proposed that the item lay on the table for the next Council meeting scheduled for 19 December 2019, to allow Council officers to provide further background information to Councillors ahead of making the decision.

ACTION: Costings around refurbishment of the Civic Building to be provided to Councillors, ie. why was refurbishment ruled out.

Officer's Recommendation

That Council:

- a. Approve going to tender for the demolition of the Council Civic Administration building in 2020 and ring-fence the associated costs of demolition to be recovered from the future use of the site either through the sale or a long term lease.

Council resolution

Councillor Wright / Mayor Wise

Substitute motion

That Council:

- a. Agree that the Civic Building Demolition report should lie on the table to be brought to the next ordinary meeting of Council, set down for 19 December 2019.

Carried

6. BUDGETS TO BE CARRIED FORWARD TO 2019/20

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	832927
<i>Reporting Officer/s & Unit:</i>	Caroline Thomson, Chief Financial Officer

6.1 Purpose of Report

To seek Council approval to carry forward budgets into 2019/20.

At the Meeting

The Chief Financial Officer spoke to the report and provided a brief overview. Councillors acknowledged that Council has a large capital programme and asked officers to consider whether this could be better aligned each year with what can actually be achieved.

Council resolution

Councillors Taylor / Tapine

That Council:

- a. Approve total Capital carry forward budgeted expenditure of \$15,485,128 split as follows: \$8,557,230 from 2018/19 into 2019/20 and \$6,927,898 from 2018/19 into 2020/21.
- b. Approve total Operational Expenditure carry forward budgeted expenditure of \$2,916,782 split as follows: \$1,916,782 from 2018/19 into 2019/20 and \$1,000,000 from 2018/19 into 2020/21.

Carried

7. QUARTERLY REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2019

Type of Report: Legal and Operational

Legal Reference: Enter Legal Reference

Document ID: 863933

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

7.1 Purpose of Report

To consider the Quarterly Report for the nine months ended 30 September 2019.

At the Meeting

The Chief Financial Officer spoke to the report, again providing a brief overview for Councillors. It was noted that the carry forwards in the previous agenda item are not included in the budgeted figures for this quarterly report, and these will improve Council's budgeted position once included.

The Mayor noted she was pleased to see Napier above average for voter enrolments, particularly for youth, and congratulated the Customer Services team for being ranked fifth out of 78 Councils for customer experience.

Council resolution Councillors Tapine / Mawson

That Council:

- a. Receive the Quarterly Report for the three months ended 30 September 2019.

Carried

9. NCC AND NAPIER CITY BUSINESS INC EVENTS

<i>Type of Report:</i>	Procedural
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	874487
<i>Reporting Officer/s & Unit:</i>	Fleur Lincoln, Strategic Planning Lead

9.1 Purpose of Report

The purpose of this report is to obtain a resolution of Council to allow trading in a public place to occur at Napier City Council, Napier City Business Inc and Art Deco Trust events in Napier city until the end of October 2022.

At the Meeting

The Strategic Planning Lead spoke to the report, noting it is an extension of the resolution made in February 2019, allowing trading at events held by Council, Napier City Business Inc. or Art Deco Trust within the City centre.

It was suggested that Dickens Street be included in the resolution; it was noted that this had only been omitted due to there being no request for events held in this location to date.

A number of Councillors raised concerns around waste disposal at these events and a discussion was held around the challenges faced by event organisers in the waste minimisation space.

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

- As the sound shell is reserve land, applications for events in this area should be considered on a case by case basis.
- It was noted that any specific events held under this authorisation where there were problems could be reported back to Council.
- d.

ACTION: That Council officers communicate Council's expectations around waste management with event organisers.

Officer's Recommendation

That Council:

- a. Resolve to allow the sale of food and beverages to the public on public land within the city centre as part of events held by either Napier City Council, Napier City Business Inc or Art Deco Trust for a maximum of 18 events per year until 31st October 2022 in accordance with the criteria below:
 - i. Trading must occur as part of an event or pop-up event.
 - ii. Trading must not occur for more than five hours at any one time, with the exception of events held by the Art Deco Trust where trading is limited to the length of the festival.
 - iii. Trading must only occur within the street reserve (not on reserve land).

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- iv. Trading of food and beverages only.
 - v. Permission must be obtained from both the Transportation Team Leader and Napier City Council Chief Executive.
 - vi. The views of retailers will be taken into consideration prior to approving an event.
 - vii. Trading is limited to the following streets: Hastings Street; Market Street; Tennyson Street; Emerson Street; Dalton Street; Clive Square East; Herschell Street; Marine Parade.
 - viii. The usual road closure procedures will be followed if road closures are deemed necessary.
 - ix. Council will operate within the Joint Alcohol Strategy and will use the Alcohol Decision Matrix in considering whether it is appropriate to allow the sale of alcohol at these events.
 - x. Trading must comply with all regulations including the Food Act 2014 and the Sale and Supply of Alcohol 2012, as well as Council regulations and policies.

**Council
resolution**

Councillors Wright / Chrystal

Substitute Motion

That Council:

- a. Resolve to allow the sale of food and beverages to the public on public land within the city centre as part of events held by either Napier City Council, Napier City Business Inc or Art Deco Trust for a maximum of 18 events per year until 31st October 2022 in accordance with the criteria below:
 - i. Trading must occur as part of an event or pop-up event.
 - ii. Trading must not occur for more than five hours at any one time, with the exception of events held by the Art Deco Trust where trading is limited to the length of the festival.
 - iii. Trading must only occur within the street reserve (not on reserve land).
 - iv. Trading of food and beverages only.
 - v. Permission must be obtained from both the Transportation Team Leader and Napier City Council Chief Executive.
 - vi. The views of retailers will be taken into consideration prior to approving an event.
 - vii. Trading is limited to the following streets: Hastings Street; Dickens Street; Market Street; Tennyson Street; Emerson Street; Dalton Street; Clive Square East; Herschell Street; Marine Parade.
 - viii. The usual road closure procedures will be followed if road closures are deemed necessary.
 - ix. Council will operate within the Joint Alcohol Strategy and will use the Alcohol Decision Matrix in considering whether it is appropriate to allow the sale of alcohol at these events.
 - x. Trading must comply with all regulations including the Food Act 2014 and the Sale and Supply of Alcohol 2012, as well as Council regulations and policies.

*Councillor Browne did not participate in the discussion
or vote due to her declared conflict of interest.*

Carried

10. ACTIONS FROM PREVIOUS MEETINGS

Type of Report: Procedural

Legal Reference: N/A

Document ID: 873456

Reporting Officer/s & Unit: Devorah Nicuarta-Smith, Team Leader Governance

10.1 Purpose of Report

To present the actions from previous meetings for awareness.

At the Meeting

The Team Leader Governance spoke to the report, confirming that action reports will come through to Council meetings, and will include actions from standing committees. The presentation and approach to the report was confirmed by the Council.

Councillor Taylor noted that he would raise the constitution matter with Sport HB at his next meeting and will keep officers updated.

Council resolution

Councillors Tapine / Boag

That Council:

- a. Note the actions from previous meetings along with their current status.

Carried

MINOR MATTERS NOT ON THE AGENDA

Waipatiki Project

Deputy Mayor Brosnan provided an update to Councillors in relation to the Waipatiki Project, noting that she and Councillor Price had met with the group working with Hastings District Council, and had asked them to come and speak to Napier City Council at some stage.

PUBLIC EXCLUDED ITEMS

Council resolution

Councillors Boag / Browne

That the public be excluded from the following parts of the proceedings of this meeting.

Carried

Agenda Items

1. Contract 1229 Parklands Area 3 Stages 6 & 7
2. Actions Report - Public Excluded Items

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.
	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 where the withholding of the information is necessary to:	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:

Agenda Items

1. Contract 1229 Parklands Area 3 Stages 6 & 7	<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</p>
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		Information and Meetings Act 1987.
2. Actions Report - Public Excluded Items	7(2)(c)(i) Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied	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 closed at 2.12pm.

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

Chairperson

Date of approval

Attachment A



**GRAEME W. ROBINSON, CONSULTING ENGINEER
CIVIL, STRUCTURAL, PUBLIC HEALTH ENGINEER**

Oral Submission to Napier City Council: Civic & Administration Building, 231 Hastings Street, Napier

My name is Graeme Robinson. I am a Chartered Professional Engineer and I established my sole-charge Consulting Engineering Practice in Napier in 1976.

I studied for my Civil Engineering Degree at Canterbury University in the era when Park & Paulay led the world in research into reinforced concrete design and when their lecture notes were compiled into a textbook that is still a reference document today.

Prior to returning to Napier, I worked in New Plymouth, where I was involved with the development of the onshore Maui Production Station. I personally planned and supervised the geotechnical investigation on the site and then assisted renowned Earthquake Engineer Latham Andrews with the preparation of a site-specific seismic (or earthquake) design standard that was a world-leading specification. I then designed foundations, plant and structures in accordance with the design standard. I contributed to a manual for the design of petrochemical plants in earthquake zones that was adopted by Shell International.

For more than 30 years, I carried out engagements for the Earthquake Commission. Between October 2010 and November 2014, I was based in Christchurch as the Commission's Structural Engineer during the Canterbury earthquake sequence. I inspected and assessed damage to some 1,500 residential buildings, from detached dwellings to multi-storey apartment buildings, and I reviewed files on another 1,000 buildings.

On 6 August 2010, Neil Taylor, the then Chief Executive Officer, instructed me to undertake a seismic assessment of the Council's Civic and Administration Centre building. The Darfield Earthquake delayed my review, but on 6 January 2011, I submitted my report and design calculations to Mr Taylor.

In short, I assessed the Main Office Building at not less than 100% of New Building Standard (100% NBS) for current earthquake design loadings, and I found that the Council Chambers had some structural limitations, so I recommended that it should be strengthened or demolished within 20 years.

I was in Christchurch in the immediate aftermath of the fatal earthquake of 22 February 2011. In reply to an enquiry from Mr Taylor, on 5 April 2011, I reported on my inspection of buildings in the Christchurch City Centre. I also reported that I had re-inspected the stairwells in the Council building and I confirmed that my earlier report was still valid in the light of what I had seen in Christchurch.

My report was reviewed by a Review Panel of three Engineers. After receiving comments from them, on 26 April 2011, I responded to points they had raised and I offered to meet with them. We met in August 2011, with Messrs Taylor and Brydon (Chief Building Inspector) in attendance.

Mr Taylor summarised our discussion in an email. I responded that I understood they had confirmed that my assessment calculations were accurate for both the gravity and earthquake forces, but their main criticism seemed to be that I had done hand-written calculations rather than producing computer print-outs.

In reply to a letter from the Council's Property Support Officer, on 11 August 2014, I summarised my findings and I attached copies of earlier correspondence to that letter.

Strata Group produced a Detailed Seismic Assessment Report dated 16 June 2017 and I obtained a copy of that on 27 June 2017. That report assessed the Council building at 10% NBS, identified it as an Earthquake-Prone Building and recommended structural strengthening or demolition be undertaken with 7.5 years.

While the Strata report contains many pages of computer-generated and hand-written calculations, I cannot find a figure that shows the level of earthquake horizontal force that was applied in the assessment.

That is a fundamental issue that I have with the Strata report. Without identifying the level of horizontal force that a new building of the same style would now be designed to resist, it is impossible to state what percentage of that horizontal force would cause the building to collapse. Strata put that figure at 10% NBS.



PRINCIPAL: GRAEME W. ROBINSON, BE (Civil), Dip PHE, CPEng, IntPE(NZ)

2.

Strata appear to have identified two columns that are expected to fail in an earthquake. In an earthquake, it is the more rigid walls that will absorb the bulk of the earthquake forces and it is only after they have yielded and deflected sideways by significant distances that the flexible columns will be called upon to resist horizontal forces. The Strata assessment appears to reverse this sequence of structural failure.

In my design calculations, I had applied a seismic coefficient of 0.72, which equates to a horizontal force that is 72% of the calculated weight of the occupied building.

If the building is assessed at 10% NBS (as determined by Strata), that means that it will be likely to collapse when the horizontal force is only one-tenth of this value. Based on my calculations, this would occur at a seismic coefficient of 0.072 or about 7% of the building weight.

That is a very low level of earthquake shaking. It is about the level of shaking that might cause some cracking in wall linings in buildings, and may cause some brick chimneys on houses to break off at roof level.

Since the Council building was completed in 1968, there have been a number of earthquake events that have caused at least that level of shaking in Napier. These include earthquakes in 1980 (after which I was first engaged by the Earthquake Commission) the two Weber Earthquakes of February and May 1990 and a more recent event in 2008.

From my observations during numerous visits to the Council building, I do not recall having seen so much as a crack in the wall linings that might be attributed to any of these earthquakes.

If the Strata assessment is valid, and if the Council building is only good for 10% NBS, then I consider that it should have suffered very serious structural damage, and might have collapsed, during at least one of the earthquakes that have occurred in the past 50 years since it was constructed.

If the Council's Civic and Administration Centre building is to be demolished, then I submit that the decision should properly be made on good grounds, from a fully informed position.

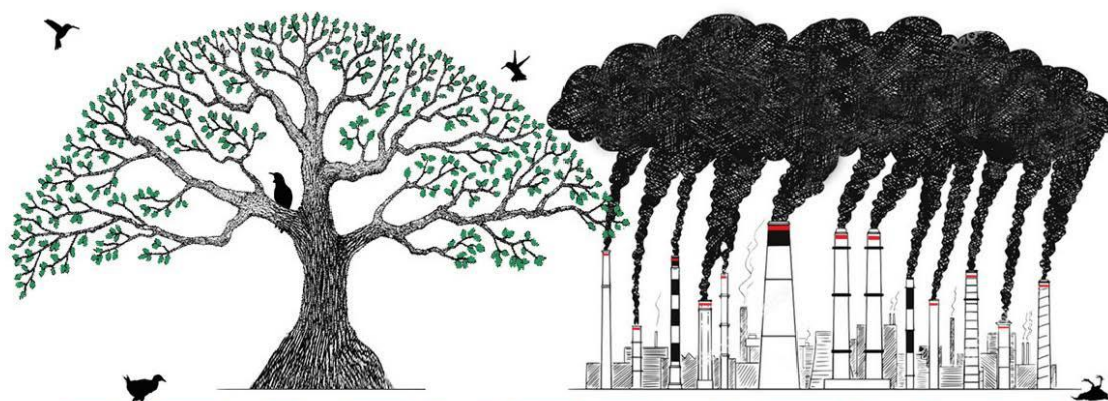
I believe that my reports and findings should be part of that discussion.

The citizens and ratepayers of Napier need to be sure that, if their money is going to be spent on demolishing this building, then it needs to be done for the right reasons.

If this building was correctly assessed in 2017 at 10% NBS, the perimeter of the site should have been secured then, so that the public was not exposed to unnecessary risk of injury or death if the building were to collapse in an earthquake.

Graeme Robinson

5 December 2019



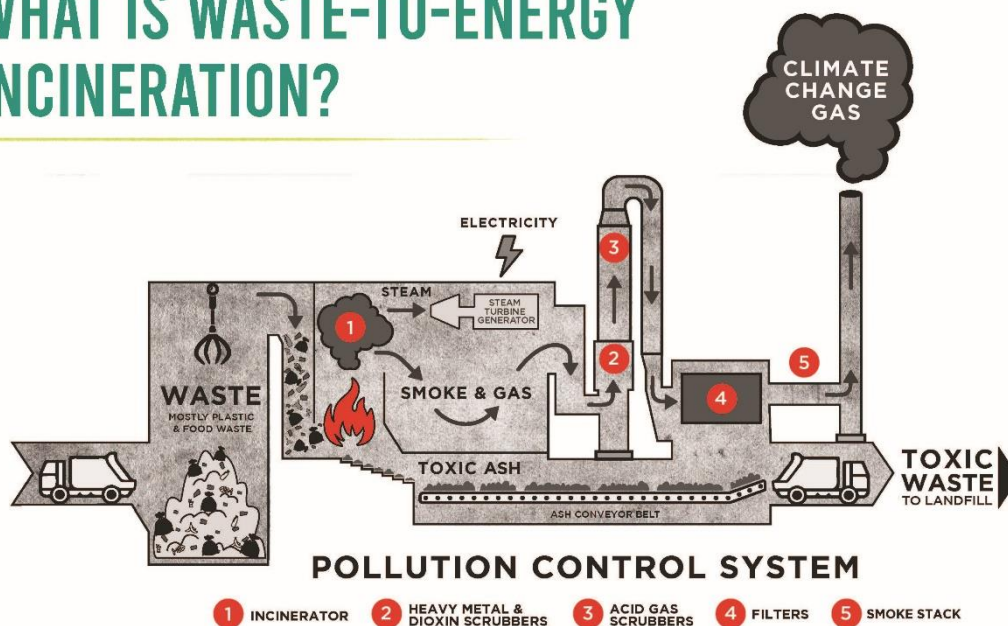
REGENERATION NOT INCINERATION

LET'S KEEP AOTEAROA NEW ZEALAND INCINERATOR FREE!

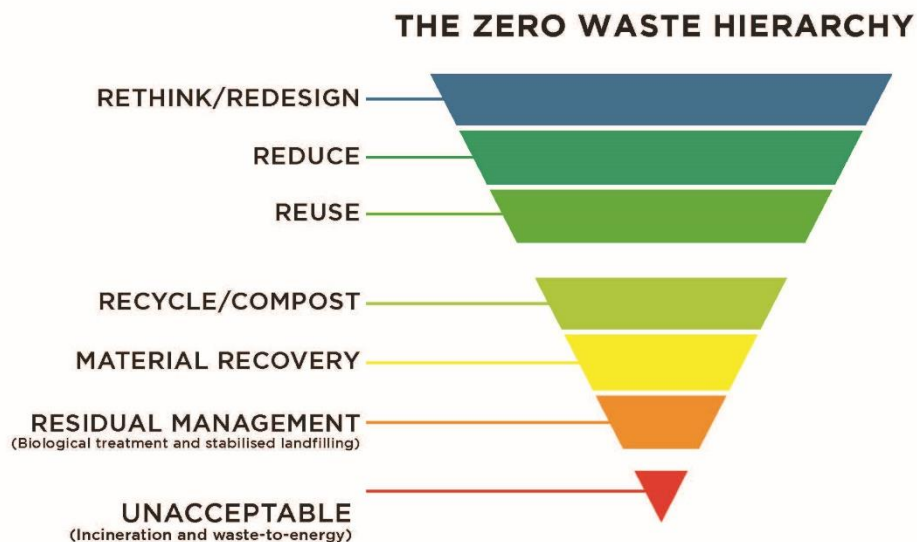
WHY ARE WE HERE?



WHAT IS WASTE-TO-ENERGY INCINERATION?



BUT DON'T OTHER COUNTRIES CLAIM THAT INCINERATION IS A SUCCESS?



WHAT'S THE SOLUTION?

1



**IMPROVE
COLLECTIONS
& SORTING**

2



**PHASE OUT
PROBLEMATIC
MATERIAL**

3



**SUPPORT
GOVERNMENT'S
PROPOSALS**

WHAT CAN WE DO TO STOP INCINERATORS BEING BUILT?

You can help prevent incinerators being built in Aotearoa New Zealand by:

- Sign the Regeneration NOT Incineration petition
- Tell others about how incineration companies are distorting the truth
- Attend incinerator promotions and ask questions
- Learn about the circular economy in Aotearoa New Zealand
- Getting together to start a waste minimisation centre
- Join the Zero Waste Network
- Learn about the circular economy
- Actively promote the protection of our beautiful environment