

PROSPEROUS NAPIER COMMITTEE

Open Minutes

Meeting Date: Thursday 17 March 2022

Time: 10.07am-10.56am (*Open*)
11.05am-11.20am (*Public Excluded*)

Venue Via Zoom (Audio Visual Link)

Livestreamed via Council's Facebook site

Present **Chair:** Councillor Taylor
Members: Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Browne, Chrystal, Crown, Mawson, McGrath, Price, Simpson and Tapine

In Attendance Chief Executive (Steph Rotarangi)
Director City Services (Lance Titter)
Director City Strategy (Richard Munneke)
Director Community Services (Antoinette Campbell)
Manager Communications and Marketing (Julia Atkinson)
Director Corporate Services (Adele Henderson)
Director Programme Delivery (Jon Kingsford)
Acting Director Infrastructure Services (Debra Stewart)
Pou Whakarae (Mōrehu Te Tomo)
Chief Financial Officer (Caroline Thomson)
Manager Property (Bryan Faulknor)

Also Present Wendie Harvey (Chair, Hawke's Bay Airport Limited)
Stephanie Murphy (Acting Chief Executive, Hawke's Bay Airport Limited)

Administration Governance Advisors (Carolyn Hunt and Anna Eady)

Karakia

Apologies

Councillors Price / Boag

That the apology from Councillor Wright be accepted.

Carried

Conflicts of interest - Nil

Public forum - Nil

Announcements by the Mayor - Nil

Announcements by the Chairperson - Nil

Announcements by the management – Nil

Confirmation of minutes

Councillors Chrystal / Mawson

That the Minutes of the meeting held on 3 February 2022 were taken as a true and accurate record of the meeting.

Carried

AGENDA ITEMS

1. QUARTERLY REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1421309
<i>Reporting Officer/s & Unit:</i>	Caroline Thomson, Chief Financial Officer

1.1 Purpose of Report

To consider the Quarterly Report for the six months (*Doc Id 1439805*) ended 31 December 2021.

At the Meeting

The Chief Financial Officer spoke to the report, providing a brief overview summarising the Council's progress in the second quarter of 2021/22 towards fulfilling the intentions outlined in the Annual Plan. Quarterly performance is assessed against income, total operating expenditure, and capital expenditure. No allowance for COVID 19 impacts on revenue had been included in the 2021/22 budget.

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

- Ms Thomson explained that when setting the Annual Plan budget for 2021/22 it was at the end of the first COVID lockdown and the business tourism activities had bounced back and performed significantly better than predicted and based on that continued with the Annual Plan budgets and assumed no allowance for COVID impacts.
- It was noted that both the variances for the stormwater and special rates of \$4.1m offset each other as prior to the Revenue and Finance review the stormwater activity was funded through the general rate and now this rate was collected through the targeted rate. In effect the general rate reduced by \$4.1m and the targeted rate for stormwater has increased by the same amount. This will be rectified in the next year's budget.
- Council's contribution towards the property purchase for the Hawke's Bay Museums Trust storage facility of \$1.8m for 2021/22 is reported under the MTG section of the quarterly report.

Committee's recommendation

Councillor Chrystal / Mayor Wise

The Prosperous Napier Committee:

- a. Receive the Quarterly Report for the six months ended 31 December 2021.
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Carried

2. HAWKE'S BAY AIRPORT LIMITED INTERIM REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1436783
<i>Reporting Officer/s & Unit:</i>	Caroline Thomson, Chief Financial Officer

2.1 Purpose of Report

To receive the interim report for the six months ended 31 December 2021 from Hawke's Bay Airport Limited.

At the Meeting

The Acting Chief Executive, Stephanie Murphy and the Chair of the Board, Wendie Harvey from the Hawke's Bay Airport Limited addressed the meeting and gave a comprehensive power point presentation (*Doc Id 1444975*) providing an overview of the airport's half yearly operations, Draft Statement of Intent and Shareholders report.

Some points highlighted included:

- A half year after tax loss of \$412,821 which is significantly worse than the budgeted loss of \$21,738 for the same period.
- This has largely been driven by reduced airside and car parking revenue reflecting the impacts of the August and September 2021 lockdown restrictions.
- Passenger movements at 171,851 are 15% down on last year and 32% less than budget. Despite the 15% reduction in passenger movements, total revenues are only 5% behind the same period last year due to increased passenger charges
- Bank borrowings have increased to \$26m as at 31 December primarily relating to the Terminal redevelopment project which is nearing completion.
- The Statement of Intent is comprehensive and details its key objectives across their 5 strategic pou.
- Forecasting a modest net profit after tax of \$257,541 in 2022/23 when compared to pre-covid times with that forecast Net profit after tax improving to \$1.2m by June 2025.
- The key focus for the next quarter was the forecourt project, revenue diversification, the solar farm project and prudent fiscal management in the current COVID environment.
- Councillors were invited to the opening of the forecourt towards end of May and a tour of the airport and hopefully a completed terminal and forecourt.

On a procedural note the Chair advised that the Shareholders Report from the Hawke's Bay Airport Limited was to have been held in Public Excluded. The presentation had encompassed all three reports including the Shareholders information (*Doc Id 1439102*) and had been presented to the Hasting District Council in the open section of the meeting. Ms Harvey and Ms Murphy confirmed that there was nothing further to add and no requirement to address the Shareholders Report in Public Excluded.

It was agreed that all three reports be contained in one recommendation and that the Hawke's Bay Airport Limited Shareholders report be included in the attachments.

Committee's recommendation

Councillors Simpson / Tapine

The Prosperous Napier Committee:

- a. Receive the Hawke's Bay Airport Limited interim report for the six months ended 31 December 2021 (*Doc Id 1439100*).
 - b. Receive the Hawke's Bay Airport Limited Draft Statement of Intent for the 2022/23 year (*Doc Id 1442854*)
 - c. Receive the Hawke's Bay Airport Limited half year report to shareholders, to December 2021 (*Doc Id 1439102*).
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Carried

Attachments

- 1 Powerpoint presentation Statement of Intent and Half Yearly Report (*Doc Id 1444975*)
 - 2 Hawke's Bay Airport Limited Report to Shareholders to 31 December 2021 (*Doc Id 1439102*)
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3. HAWKE'S BAY AIRPORT LIMITED - DRAFT STATEMENT OF INTENT 2022/23

Type of Report: Legal and Operational

Legal Reference: Local Government Act 2002

Document ID: 1442532

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

3.1 Purpose of Report

To present the Hawke's Bay Airport Limited Draft Statement of Intent for the 2022/23 year.

At the Meeting

Wendie Harvey and Stephanie Murphy from the Hawke's Bay Airport had provided an overview of the Draft Statement of Intent in the comprehensive powerpoint presentation (*Doc Id 1444975*) displayed in the previous item.

The recommendation to receive the report was included in the recommendation for Item 2.

4. HAWKE'S BAY AIRPORT LTD HALF YEAR REPORT TO SHAREHOLDERS TO 31 DECEMBER 2021

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1421310
<i>Reporting Officer/s & Unit:</i>	Caroline Thomson, Chief Financial Officer
Reason for Exclusion	<i>Section 7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</i>

1.1 Purpose of Report

To receive the half year report to shareholders from Hawke's Bay Airport Limited to 31 December 2021.

At the Meeting

As confirmed in the Open Section of the meeting the Shareholders Report was addressed in the presentation by Wendie Harvey and Stephanie Murphy from the Hawke's Bay Airport Limited. It was noted that the Hastings District Council had included this report in the Open section of their Agenda and details had been released in the media.

PUBLIC EXCLUDED ITEMS

Councillors Crown / Price

- a) That the public be excluded from the following parts of the proceedings of this meeting, namely:
1. Hawke's Bay Airport Ltd Half Year Report to Shareholders to 31 December 2021
(this item was addressed in the Open Part of the meeting)
 2. Doubtful Debt

Carried

The general subject of each matter to be considered while the public was excluded, the reasons for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution were as follows:

General subject of each matter to be considered.	Reason for passing this resolution in relation to each matter.	Ground(s) under section 48(1) to the passing of this resolution.
2. Doubtful Debt	7(2)(a) Protect the privacy of natural persons, including that of a deceased person	48(1)A That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which 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 adjourned at 10.56am and reconvened
in Public Excluded at 11.05am*

Councillor Tapine closed the meeting with a karakia at 11.20am

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

Chairperson

Date of approval