



PROSPEROUS NAPIER COMMITTEE Open Minutes

Meeting Date: Thursday 9 June 2022

Time: 10.42am – 11.14am (*Open*)
11.20am – 12.32pm (*Public Excluded*)

Venue Small Exhibition Hall
War Memorial Centre
Marine Parade
Napier

Livestreamed via Council's Facebook site

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

In Attendance Acting Chief Executive (Richard Munneke)
Acting Executive Director Corporate Services (Caroline Thomson)
Executive Director City Services (Lance Titter)
Executive Director Infrastructure Services (Debra Stewart)
Acting Executive Director Community Services (Darran Gillies)
Manager Communications and Marketing (Julia Atkinson)
Acting Director Programme Delivery (Jamie Goodsir)
Pou Whakarae (Mōrehu Te Tomo)
Health and Safety Lead (Michelle Warren)
Investment and Funding Manager (Garry Hrustinsky)

Mr Gregg Reddington (Public Excluded Item 1)

Administration Governance Advisors (Carolyn Hunt and Anna Eady)

Karakia

Apologies

Councillors Tapine / Browne

That the apology from Councillor Simpson 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 Mawson / Price

That the Minutes of the meeting held on 28 April 2022 were taken as a true and accurate record of the meeting.

Carried

AGENDA ITEMS

1. HEALTH AND SAFETY REPORT - Q3

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1465765
<i>Reporting Officer/s & Unit:</i>	Michelle Warren, Health and Safety Lead Adele Henderson, Director Corporate Services

1.1 Purpose of Report

The purpose of this paper is to provide the Audit & Risk Committee with an overview of Health & Safety activity for the period Quarter 3 FY22.

At the meeting

The Health and Safety Lead spoke to the report and provided a brief update in relation to Covid with 24 positive cases and 3 persons isolating.

In response to questions the following was noted:

- City Services was the Depot and Infrastructure Services were employees situated in the Cape View building.
- In regard to the Leader Indicator Types there was a significant number from July to September and normally the increase in cases would be seen between December to February.
- Positive comments on competencies and recognising the skills of the trainer were received for the Aggressive Customer Training, however t in-house training would be undertaken for Hazardous Substances.
- Employees injury have halved since 2020 and this could be attributed to training and employee safety awareness with near miss reporting promoted over the last couple of years.
- That employee injuries in the attachment was reflected over a two year period split and no home injuries were recorded. Injury count by type would be included for future reports.
- Congratulations noted on the increase in near miss reporting positive safety observations.

COMMITTEE Councillors Browne / Chrystal RESOLUTION

The Prosperous Napier Committee:

- a. **Receive** the Quarter 3 Health and Safety report.

Carried

2. LOAN GUARANTEE

<i>Type of Report:</i>	Enter Significance of Report
<i>Legal Reference:</i>	Enter Legal Reference
<i>Document ID:</i>	1457973
<i>Reporting Officer/s & Unit:</i>	Adele Henderson, Director Corporate Services Caroline Thomson, Chief Financial Officer Garry Hrustinsky, Investment and Funding Manager Talia Foster, Accounting Manager

2.1 Purpose of Report

To seek Council approval to provide a loan guarantee to the Regional Indoor Sports and Events Centre Trust (RISEC Trust), who own and operate Pettigrew Green Arena (PGA).

At the meeting

The Acting Executive Director Corporate Services, Ms Thomson spoke to the report which was seeking approval for a loan guarantee up to \$2m to the Regional Indoor Sports and Events Centre Trust (RISEC Trust), who own and operate Pettigrew Green Arena (PGA). The PGA had raised significant funding for the court expansion project, plus they are now requiring to draw down a \$2m loan to complete the project.

The \$2m loan can only be drawn down once the PGA bank has security in the form of a loan guarantee. The PGA had provided financial statements for the last two years, together with financial forecasts for the years 2022 through to 2028, which shows they can comfortably meet the cost of any debt servicing.

Council currently provides financial guarantees for two other community organisations and Council's liability management policy stipulates that Council can only guarantee up to 7% of its non-targeted rate income. The \$2m guarantee would take Council up to 7%.

COMMITTEE Councillors Price / McGrath

RESOLUTION

The Prosperous Napier Committee:

- a. **Receive** the report titled 'Loan Guarantee'
- b. **Approve** providing a loan guarantee up to \$2,000,000 to the Regional Indoor Sports and Events Centre Trust (RISEC Trust) for a period of up to 10 years

Carried

3. PROJECTS IN DEVELOPMENT

<i>Type of Report:</i>	Legal and Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1459309
<i>Reporting Officer/s & Unit:</i>	Adele Henderson, Deputy Chief Executive / Director Corporate Services

3.1 Purpose of Report

The purpose of this report is to provide visibility of major unfunded or partially funded projects so that financial risk and implications are noted in advance of future decisions.

At the meeting

The Acting Executive Director Corporate Services, Ms Thomson spoke to the report which provided visibility of major unfunded or partially funded projects so that the financial impact of any future decisions are not considered in isolation.

Many items listed in the report are large enough to trigger the significance and engagement policy requirements should Council require these to be funded in the future. If funded as a whole these items may result in Council breaching its debt caps.

In response to questions at the meeting it was noted:

- The Matāruahou Project has already been budgeted for and included in Council's Long Term Plan, however does not include development of the land.
- When considering the various projects and funding it is important that Council looks at the whole picture and takes into account the projects on the list and how they might impact rates, loans or reserves going forward.
- Collectively all these fully funded items would amount to tens of millions.
- Central Government has indicated support packages that will be to facilitate Councils being able to produce regional spatial plans etc. However, this is still in the drafting phase of legislation but will come after the Bills have been introduced.
- A number of the projects listed are subject to decision of Council in regard to options and level of investment that may require significant budget.

COMMITTEE Councillor Crown / Mayor Wise

RESOLUTION

The Prosperous Napier Committee:

- a. **Note** the following projects of Council are currently not fully funded in the Long Term Plan 2021-31 with pre-work and scoping currently underway:
 - i. New Aquatic Facility
 - ii. Civic Building – it is unlikely the current funding can service both a new library (including Council Chambers) as well as Civic accommodation for Council officers
 - iii. Significant upgrade/new National Aquarium – recommendation to further discussions with Central Government on funding
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- iv. Housing - long term plan amendment proposed for consultation to include rates funding gap, based on community feedback to continue with social housing
 - v. Inner Harbour – the Ahuriri Masterplan is currently not fully funded
 - vi. Three Waters Transition – there are a number of work streams that have been set up that require Councils input and contribution. There may be some potential funding from Central Government to support this initiative, but will require Council approval to access this.
 - vii. Resource Management Act Reform – there is transitional funding required to support this both internally, regionally and nationally. No funded has currently been provided
 - viii. Regional Spatial Plan – currently no funding for this national initiative
 - ix. HB Museum Storage – budgets yet to be finalised
 - x. Climate Change funding – noting the national requirements moving forward
 - xi. i-Site building requirements – noting that this may form part of the new Library location
 - xii. City Vision Initiatives – funding was removed from the 2021-31 Long Term Plan, with requests coming from developers to support changes within the CBD for their projects
 - xiii. Inflation above Long Term Plan projections provided by BERL for the assumption development
 - xiv. Long Term Plan Amendment funding – audit and engagement (\$150,000).

Carried

4. LONG TERM PLAN AMENDMENT

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1459319
<i>Reporting Officer/s & Unit:</i>	Adele Henderson, Director Corporate Services

4.1 Purpose of Report

To provide Council with background information around the requirements for the preparation of a Long-Term Plan Amendment.

At the meeting

The Acting Executive Director Corporate Services, Ms Thomson spoke to the report which included a number of unfunded projects that Council are currently considering were not included in the existing Long Term Plan 2021-31.

The report outlined a number of sections of the Local Government Act and its requirements when undertaking an amendment to the Long Term Plan. It was important to note that often Long Term Plan amendments tend to be undertaken in isolation. Council needs to ensure that it provides for integrated decision making, co-ordinating its resources accordingly and provide adequate budgeting for auditing.

Ms Thomson noted that the next Long Term Plan effective from 1 July 2024 and the closer an amendment gets to the in cycle Long Term Plan the costs of an amendment start to outweigh the benefits. The general cost of undertaking an amendment to the Long Term Plan is \$150,000 regardless of the number of items and whether it was a capital or operation item.

COMMITTEE Mayor Wise / Councillor Brosnan

RESOLUTION

The Prosperous Napier Committee:

- a. **Note** the process that is required under the Local Government Act, Section 93D for the preparation for a Long-Term Plan Amendment

Carried

5. INVESTMENT AND DEBT REPORT

Type of Report: Enter Significance of Report

Legal Reference: Enter Legal Reference

Document ID: 1467615

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

5.1 Purpose of Report

To consider the snapshot report on Napier City Council's Investment and Debt as at 30 April 2022.

At the meeting

The Acting Executive Corporate Services Director, Ms Thomson spoke to the operational and procedural report and advised that Council had \$51.2m on deposit at the end of April 2022 at an average interest rate of 1.8%.

It was noted that interests rates have started to trend back upwards on the back of increased housing demand, inflation, OCR increases and global events. Council's internal debt balance was \$65.6m at the end of April 2022.

Ms Thomson advised that Council had joined the Local Government Funding Agency however have not utilised any external borrowing through them at this stage. In the Long Term Plan there was provision to draw down on external debt but have not required to do so yet.

COMMITTEE Councillors Chrystal / Boag

RESOLUTION

The Prosperous Napier Committee:

- a. **Receive** the snapshot report on Napier City Council's Investment and Debt as at 30 April 2022.

Carried

6. PROPOSED AMENDMENT TO 2022 MEETING SCHEDULE

Type of Report: Procedural

Legal Reference: Local Government Act 2002

Document ID: 1468788

Reporting Officer/s & Unit: Helen Barbier, Team Leader Governance

6.1 Purpose of Report

The purpose of this report is to consider an amendment to the schedule of Council and Committee Meetings for the 2022 Meetings Calendar which was originally adopted by Council on 28 October 2021.

At the meeting

It was noted that there were two additional changes to include on the meeting scheduled and these were

- Napier People and Places Committee followed by Prosperous Napier Committee Rescheduled From: 21 July 2022, 9.30am To: 26 July 2022, 9.30am; and
 - Hearings Committee (for the consideration of Tenders) Rescheduled From: 12 July 2022, 1.00pm To: 28 June 2022, 1.00pm
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COMMITTEE Councillors Wright / Crown

RESOLUTION

The Prosperous Napier Committee:

- a. **Make** a Decision of Council under delegated authority for the reason that the schedule change needs to be adopted prior to the next scheduled Council meeting.
 - b. **Receive** the report titled "Proposed Amendment to the 2022 Meeting Schedule".
 - c. **Adopt** the change to the schedule of meetings 2022 as follows:
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Audit and Risk Committee	Rescheduled	From: 17 June 2022, 1pm To: Wednesday, 29 June 2022, 1pm
Napier People and Places Committee followed by Prosperous Napier Committee	Rescheduled	From: 21 July 2022, 9.30am To: 26 July 2022, 9.30am
Hearings Committee (for the consideration of Tenders)	Rescheduled	From: 12 July 2022, 1.00pm To: 28 June 2022, 1.00pm

Carried

PUBLIC EXCLUDED ITEMS

Councillors Mawson / Tapine

- a) That the public be excluded from the following parts of the proceedings of this meeting, namely:
1. Request for Rates Remission for Special Circumstances 1
 2. Request for Rates Remission for Special Circumstances (2)
 3. Hawke's Bay Airport Ltd Report to Shareholders to 31 March 2022
 4. Appointment - Audit and Risk Committee
- b) That Mr Greg Reddington be allowed to remain in the Public Excluded session to provide information in relation to a Request for Rates Remission for Special Circumstances.

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.

<p>1. Request for Rates Remission for Special Circumstances 1</p>	<p>7(2)(a) Protect the privacy of natural persons, including that of a deceased person</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>
<p>2. Request for Rates Remission for Special Circumstances (2)</p>	<p>7(2)(a) Protect the privacy of natural persons, including that of a deceased person</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>
<p>3. Hawke's Bay Airport Ltd Report to Shareholders to 31 March 2022</p>	<p>7(2)(h) Enable the local authority to carry out, without prejudice or disadvantage, commercial activities</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>

4. Appointment - Audit and Risk Committee	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.
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The meeting adjourned at 11.14am and reconvened in

Public Excluded session at 11.20am

The meeting closed with a karakia at 12.32pm

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

Chairperson

Date of approval