

PROSPEROUS NAPIER COMMITTEE

Open Minutes

Meeting Date: Thursday 23 March 2023

Time: 9.45am – 10.05am

Venue The Ballroom
War Memorial Centre
Marine Parade
Napier

Livestreamed via Council's Facebook site

Present **Chair:** Crown
Members: Mayor Wise, Councillors Boag, Browne, Chrystal, Greig, Mawson, McGrath, Price, Simpson, Tareha and Taylor (Deputy Chair)

In Attendance Chief Executive (Louise Miller)
Deputy Chief Executive / Executive Director Corporate Services (Jessica Ellerm)
Acting Executive Director City Strategy (Rachael Bailey)
Executive Director Community Services (Thunes Cloete)
Manager Communications and Marketing (Julia Atkinson)
Pou Whakarae (Mōrehu Te Tomo)
Chief Financial Officer (Caroline Thomson)
Manager Governance (Andrew Springett)

Public Forum: Mr Gerald Grocott

Administration Governance Advisors (Carolyn Hunt and Anna Eady)

Karakia

Apologies

Councillors Mawson / Browne

That the apology from Deputy Mayor Brosnan for absence be accepted.

Carried

Conflicts of interest

Nil

Public forum

Mr Gerald Grocott - Napier's Airport Current and Future Operations spoke to the meeting in regard to his concerns about the operational importance of the Napier airport being downgraded to allow a solar farm on site. Existing runways should neither be shortened nor removed to allow future development if those moves degrade the operational importance of the facility.

In westerly conditions the cross runway, which is partly grassed and partly sealed cannot be used by Air New Zealand as it requires a sealed runway.

Mr Grocott advised that he would like to see a plan to have decent taxi ways and did not support the solar farm if it closed or shortened the runway.

Air New Zealand had been guarded in their response to him in regard to statistics relating to the number of flights that were being turned back as they were unable to land due to the westerly conditions.

Announcements by the Mayor

Nil

Announcements by the Chairperson

Nil

Announcements by the management

Nil

Minor Matters

Nil

Confirmation of minutes - This was the first meeting of the Prosperous Napier Committee following the triennial elections and therefore there were no minutes to confirm.

AGENDA ITEMS

1. QUARTERLY REPORT FOR THE 6 MONTHS ENDED 31 DECEMBER 2022

Type of Report: Legal and Operational

Legal Reference: N/A

Document ID: 1637612

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

1.1 Purpose of Report

To consider the Quarterly Report for the six months ended 31 December 2022.

At the meeting

The Chief Financial Officer, Ms Thomson spoke to the quarterly report for the six months ended 31 December 2022. The year-to-date operating surplus is \$7.6m favourable to the budgeted deficit of \$3.6m.

Favourable variances for financial contributions, subsidies and grants revenue, and depreciation and labour expenditure have offset the unfavourable variance compared to budget for revenue received from the sale of Parklands sections.

Ms Thomson provided an update on the Parklands development advising that 29 sections in stage 8 at Parklands have been developed year-to-date with 10 sections sold against a target of 61 for the full year.

The average price for the 10 sections sold in stage 8 was \$415,000 (excluding GST) compared to budget of \$364,000. The remaining unsold sections in stage 8 will go to tender in May.

It was noted that the Parklands development had experienced delays over the past 12 to 18 months due to Covid and supply chain issues relating to sourcing street lights.

Ms Thomson advised that the delay in adopting the 2021/22 Annual Report has meant that the depreciation costs for the 6 months ended 31 December are based on estimates. This will be adjusted in the next quarter ended 31 March.

Officers have engaged valuers to carry out full revaluations of the 3Waters above and below ground assets and condition assessments as recommended by Audit New Zealand. However, the cyclone may have impacted the value of some assets and the ability to value them. Officers are working with the valuers to ensure any issues are identified early so that end of year end time frame can be met.

Ms Thomson also advised that the Department of Internal Affairs have indicated there may be some announcements in April on extending legislative deadlines for adopting Annual plans, Annual Reports and Long Term Plans.

It was noted that the information included in the quarterly report was prepared before the Cyclone Gabrielle event on 14 February 2023 and therefore did not take into account any financial impacts from the cyclone. This will be reported in the quarter 3 report ended 31 March 2023.

In response to questions the following was clarified:

- The following progress on healthy homes compliance was noted:
 - Bathroom ventilation is complete in 9 out of 12 of the villages and work was on track to complete the other 2 villages by the end of the financial year.
 - The majority of the kitchen rangehood work is complete.
 - The deadline had passed for draught stopping, however, all work was on track for completion by the end of the financial year.
- Currently investments were on short term tenure due to the Cyclone Gabrielle and possible need to access funds. Officers would be working on an investment policy in the coming months.

COMMITTEE Councillors Mawson / Boag

RESOLUTION

The Prosperous Napier Committee:

- a. **Receive** the Quarterly Report for the six months ended 31 December 2022 (*Doc Id 1643242*).

Carried

The meeting closed with a karakia at 10.05am

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

Chairperson

Date of approval