



PROSPEROUS NAPIER COMMITTEE

Open Minutes

Meeting Date: Thursday 18 July 2024

Time: 9.38am – 10.05am (*Open*)
10.08am – 10.19am (*Public Excluded*)

Venue Chapman Room
Level 1, Chapman Pavilion
Latham Street
Napier

Livestreamed via Council's Facebook page

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

In Attendance Acting Deputy Chief Executive (Jessica Ellerm)
Executive Director City Strategies (Rachael Bailey) [via Zoom]
Executive Director Community Services (Thunes Cloete)
Procurement Manager (Sharon O'Toole)
Chief Financial Officer (Caroline Thomson)
Commercial Director (Richard Munneke)
Manager Strategy and Transformation (Stephanie Murphy)

Administration Governance Advisors (Carolyn Hunt and Jemma McDade)

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TABLE OF CONTENTS

Order of Business	Page No.
Apologies.....	3
Conflicts of interest.....	3
Public forum.....	3
Announcements by the Mayor.....	3
Announcements by the Chairperson.....	3
Announcements by the management	3
Confirmation of minutes	3
 Agenda Items	
1. Treasury Activity and Funding Update	4
2. Standing up a Council Controlled Trading Organisation to manage Councils investment Assets.....	5
3. Amendment to the 2024 Meeting Schedule	6
4. Procurement and Contract Management Update	6
Minor matters.....	7
Resolution to Exclude the Public	8

ORDER OF BUSINESS

Apologies

Councillors Crown / Greig

That the apologies for absence from Councillor Price and Evelyn Ratima (Ngā Mānukanuka o te Iwi representative) be accepted.

Carried

Conflicts of interest

Nil

Public forum

Nil

Announcements by the Mayor

Nil

Announcements by the Chairperson

Tribute – Norm Hewitt – Councillor Taylor acknowledged and paid tribute to Norm Hewitt who passed away on 16 July 2024 at the age of 55 years after battling motor neurone disease. He was a local Hawke's Bay rugby identity and captained the Hawke's Bay Rugby team in the late 1990's. He also played for the Māori All Blacks and All Blacks teams.

Councillor Taylor also acknowledged the contribution Norm made post-rugby having changed his life and was able to change the lives of many young people. Sincere condolences were conveyed to his whānau.

Announcements by the management

Nil

Confirmation of minutes

Councillors Chrystal / Greig

That the Minutes of the Prosperous Napier Committee meeting held on 6 June 2024 were taken as a true and accurate record of the meeting.

Carried

AGENDA ITEMS

1. TREASURY ACTIVITY AND FUNDING UPDATE

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1743051
<i>Reporting Officer/s & Unit:</i>	Garry Hrustinsky, Corporate Finance Manager

1.1 Purpose of Report

The purpose of this report is to update the Prosperous Napier Committee on Council's treasury activity.

At the meeting

The Chief Financial Officer, Ms Thomson spoke to the report which provided an update on Council's treasury activity. Due to timing requirements for future expenditure all Council's term deposits will be maturing within the next six months.

External debt is where Council borrows from an institution such as the Local Government Funding Agency or a Bank. Internal debt is where Council uses its own cash or reserves to finance capital expenditure.

Since the report was written there has been a further OCR announcement. On 10 July the Reserve Bank left the OCR rate unchanged at 5.5% commenting that the restrictive monetary policy is impacting to the extent that they are forecasting inflation to approach the targeted range of 1-3% in the second half of the year.

The latest CPI figures released on 17 July 2024 show the annual percentage change for June is 3.3%, which is down from 4% in March.

COMMITTEE Councillor Simpson / Mayor Wise

RESOLUTION

The Prosperous Napier Committee:

- Receive** the report titled Treasury Activity and Funding Update dated 18 July 2024.

Carried

2. STANDING UP A COUNCIL CONTROLLED TRADING ORGANISATION TO MANAGE COUNCILS INVESTMENT ASSETS

Type of Report:	Operational
Legal Reference:	Local Government Act 2002
Document ID:	1772722
Reporting Officer/s & Unit:	Richard Munneke, Commercial Director

2.1 Purpose of Report

Following decisions made as part of the 3-year LTP adoption the purpose of this report is to provide elected members with a programme to stand up a Council Controlled Trading Organisation.

At the meeting

The Commercial Director, Mr Munneke spoke to the report which followed a decision by Council during the 3 Year Long Term Plan hearings for the establishment of a Council Controlled Trading Organisation (CCTO), with a view to trying to achieve an intergenerational return on its commercial assets.

Mr Munneke highlighted the need for transparency with the public in regard to the setting up of a CCTO, due to future CCTOs having delegated powers and the ability to make commercial decisions that would not be in the public arena.

In response to questions the following was clarified:

- Two public scoping workshops will be held to discuss principles and purpose in the first workshop, with the second workshop focussing on governance and operations.
- Scope of the assets to be considered for a CCTO should be conservative, in that they are assets that could be sold without going back to Council. These could be land assets in Parklands and the future stages, and the leasehold land portfolio.
- Mr Munneke advised that the workshop being held after the meeting would be in public and would be an opportunity to discuss this in more detail.
- The principles for the draft statement of expectations will be discussed at the first workshop and would be brought back to the second workshop at the end of the month. They will then be brought back to the Committee for final approval.
- Key milestones and a detailed programme will be available following the workshops when Council has determined what further work or areas of concerns officers may need to investigate.

COMMITTEE RESOLUTION

Councillors Crown / Simpson

The Prosperous Napier Committee:

- Endorse** the process and key milestones as described to stand up a Council Controlled Trading Organisation.

Councillor McGrath abstained from voting

Carried

3. AMENDMENT TO THE 2024 MEETING SCHEDULE

<i>Type of Report:</i>	Procedural
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1774628
<i>Reporting Officer/s & Unit:</i>	Anna Eady, Team Leader Governance

3.1 Purpose of Report

The purpose of this report is to consider an amendment to the 2024 meeting schedule, which was adopted on 12 October 2023.

It is proposed that the meeting schedule be amended as outlined in the recommendation of this report.

At the meeting

The Chair introduced the procedural report. There was no discussion on this report.

COMMITTEE Councillors Chrystal / Mawson
RESOLUTION

The Prosperous Napier Committee:

a) **Adopt** the following amendment to the 2024 meeting schedule:

- Hearings Committee (District Plan) New Date 18 July 2024 – 10.45am
- Council New Date 1 August 2024 – 9.30am
- Sustainable Napier Committee Time change 1 August 2024 following Council

Carried

4. PROCUREMENT AND CONTRACT MANAGEMENT UPDATE

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1773187
<i>Reporting Officer/s & Unit:</i>	Sharon O'Toole, Procurement Manager

4.1 Purpose of Report

The purpose of this report is to outline the various improvements required to help Council develop procurement and contract management into strategic tools that will help deliver the capital programme, better manage Council assets, and address the findings and recommendations from the recent Internal Audit Report: Contract Management Report completed by Crowe April 2024.

At the meeting

The Procurement Manager, Ms O'Toole provided a brief summary of the report highlighting some of the work underway to improve and develop procurement and contract management in Council.

In response to questions the following was clarified:

- Systems, training and processes are being improved to assist with compliance and standardisation.
- Regular reporting and updates would be through the Audit and Risk Committee and it was noted that all elected members could attend those meetings.
- There is triaging that occurs on each project through Cycle which has three key areas ranging in scale from simple to complex, noting that procurement in different areas have different scales and complexities.
- Expediency may be best for a project or team, but is not always best for Council. It is not just about doing things fast, it is about doing things right.

COMMITTEE Councillors Simpson / Browne

RESOLUTION

The Prosperous Napier Committee:

- a. **Receive** the Procurement and Contract Management update.

ACTION: **Direct** officers to provide a way to enable continued oversight of this work as it is integral to delivering Council's strategic priorities.

Carried

Minor matters

There were no minor matters to discuss.

RESOLUTION TO EXCLUDE THE PUBLIC

Councillors Chrystal / Tareha

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

1. Debt Write Off

Carried

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

General subject of each matter to be considered.	Reason for passing this resolution in relation to each matter.	Ground(s) under section 48(1) to the passing of this resolution.
1. Debt Write Off	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 moved into Public Excluded at 10.08am

The meeting closed at 10.19am

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

Chairperson

Date of approval