

PROSPEROUS NAPIER COMMITTEE Open Minutes

Meeting Date: Thursday 29 August 2024

Time: 10.10am – 11.05 (*Open*)
3.09pm – 3.30pm - (*Open*)
3.33pm – 4.15pm (*Public Excluded*)

Venue Ocean Suite
East Pier Hotel
Nelson Quay
Ahuriri
Napier

Livestreamed via Council's Facebook page

Present **Chair:** Councillor Crown
Members: Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Chrystal, Greig, McGrath, Simpson and Taylor (Deputy Chair)
Councillors Mawson, Price and Tareha (*present until 11.05am*)

In Attendance Chief Executive (Louise Miller) [via Zoom]
Acting Executive Director Corporate Services (Caroline Thomson)
Acting Executive Director City Services (Jessica Ellerm)
Executive Director Community Services (Thunes Cloete)
Procurement Manager (Sharon O'Toole)
Senior Procurement Advisor (Bex Smiley)
Commercial Director (Richard Munneke)
Manager Arts, Culture and Heritage (Elizabeth Caldwell)
Manager Communications and Marketing (Julia Stevens) [via Zoom]
Manager Strategy and Transformation (Stephanie Murphy)
Corporate Finance Manager (Garry Hrustinsky)
Carbon Emissions Advisor (Michelle Duncan)

Administration Governance Advisors (Carolyn Hunt and Jemma McDade)

PROSPEROUS NAPIER COMMITTEE – Open Minutes

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. Verbal Update.....	4
2. Procurement Policy Review.....	4
3. Ahuriri Investments Ltd.....	6
4. Hawke's Bay Museums Trust Collection Management Agreement.....	8
5. Submission Process	9
6. Digital Business Strategy - update	10
7. Emission reduction targets and plan	10
8. Treasury Activity and Funding Update	11
9. Rates Remission in Response to Significant Extraordinary Circumstances (Voluntary Buy-Out Programme).....	12
Minor matters.....	13
Resolution to Exclude the Public	13

ORDER OF BUSINESS

Apologies

Deputy Mayor Brosnan / Councillor Tareha

That the apology for absence from Councillor Browne be accepted.

Carried

It was noted that Ngā Mānukanuka o te Iwi representative, Evelyn Ratima was not present at the meeting.

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 / Tareha

That the Minutes of the Prosperous Napier Committee meeting held on Thursday, 18 July 2024 were taken as a true and accurate record of the meeting.

Carried

AGENDA ITEMS

1. VERBAL UPDATE

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1785833
<i>Reporting Officer/s & Unit:</i>	Bill Roberts, Economic Development Manager

1.1 Purpose of Report

The purpose of the report is to provide a verbal update to the Committee on the following items:

- The Pulse Dashboard – Relocation
- Regional Infrastructure Fund

At the meeting

The Chair advised that due to timing constraints on the day the meeting agreed that the verbal updates on the Pulse Dashboard and the Relocation and Regional Infrastructure Fund would be deferred to the Council meeting to be held on 26 September 2024.

2. PROCUREMENT POLICY REVIEW

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1780529
<i>Reporting Officer/s & Unit:</i>	Sharon O'Toole, Procurement Manager

2.1 Purpose of Report

The current Procurement Policy was adopted 5 August 2021. The policy is required to be reviewed every three years. This report outlines the review and recommendations from the review.

At the meeting

The Procurement Manager, Ms O’Toole provided a brief summary of the report. The officer advised that the current policy still remains fit for purpose and moving the policy review date to November 2025 would enable sufficient time to allow changes to the Policy to be incorporated into the Procurement Transportation Strategy.

In response to questions the following was clarified:

- It was noted that the four wellbeings were currently referred to in the Policy and any legislation changes would be reflected in the review of the Policy.
- The content of the current Policy allows for environmental wellbeing which would include the Emission Reduction Plan, and targets would be achieved through this.
- To reflect the community’s expectation for locally procured suppliers there is a separate Procurement Guide which provides baseline guidance for procurement. Review of the Policy will provide an opportunity to remove operational material from the Policy and reflect it in the Guide for those planning procurement activities. The focus currently is on making changes to the operational support tool.
- The Policy outlines the expectations rather than the processes and currently work is underway to look at systems, processes and documents and how they can be tailored to cover small and large procurements and specialised procurements.
- There is a programme of work underway to look at operational support in regard to tenders and contracts, which is a large piece of work.
- Primarily the reason for delaying the review date was to enable alignment to the Procurement Transportation Strategy, which was a requirement from New Zealand Transport Agency (Waka Kotahi). The Transportation Strategy is due for review in 2026.
- The Chief Executive advised the current priority for the Procurement Team was around capital projects, as the strategic projects and delivery of the capital programme had been set as a priority by Council. In order to accelerate the capital delivery there was a need to improve procurement processes.

COMMITTEE RESOLUTION

Councillors Simpson / Greig

The Prosperous Napier Committee:

- a. **Approve** the recommendation to retain the current Procurement Policy and revise the next review date to November 2025.

Carried

3. AHURIRI INVESTMENTS LTD.

Type of Report:	Operational and Procedural
Legal Reference:	N/A
Document ID:	1782274
Reporting Officer/s & Unit:	Richard Munneke, Commercial Director

3.1 Purpose of Report

The purpose of this report is to clarify and resolve:

- the name of the proposed Napier City Council Controlled Trading Organisation
- the number and composition on the board including the mix of independent and Napier City Councilor directorships.
- the Investment portfolio that will be managed by the CCTO through a statement of expectation and accompanying delegations from Council.
- Protection of the intergenerational inflation proofed value of the investment as a strategic asset of Council.
- And to adopt an amended Appointment and Remuneration of Directors Policy.

Ruling of the Chair: *At this point the Chair advised that for the remainder of the items once the resolution had been moved and seconded she would not be accepting questions from the meeting. Any questions would need to be made prior to and during debate.*

At the meeting

The Corporate Director, Mr Munneke provided a brief summary of the report outlining the scope and issues which formed part of the recommendations in relation to the setting up of a Council Controlled Trading Organisation.

In response to questions the following was clarified:

- Ms Thomson advised that in regard to appointments to the Board the Policy referred to elected members having served three years in office, however it also included flexibility to appoint an elected member after one year in the event of an appointment having to be made mid-way through a period.
 - Recommendation (b)(ii) refers to “select surplus NCC property” and refers to property surplus to Council’s requirements, with no understood or recorded purpose. The recommendation is “in principle”, enabling officers to investigate surplus land and come back to Council for a decision.
 - It is intended that in setting up the CCTO, workshops would be open to the public for transparency, except for commercially sensitive matters requiring discussion. . Once the entity is formed the business would be conducted by the CCTO outside of public scrutiny.
 - Part of the process includes a letter of expectation on the assets provided to the CCTO outlining what Council requires, and divestment of an asset would need to be included as a delegation of Council to the CCTO.
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- The current draft Policy does not clearly outline processes for remuneration and appointment. Approving the draft Policy will allow momentum to continue and any further changes can be made and brought back for approval.
 - The Policy includes three parts covering remuneration and skillsets for different types of Council Organisations. Part One refers to Council Controlled Organisations where the Council could be involved with another Council and organisation, remuneration and skills are set out. Part Two relates to a wholly owned Controlled Council Organisation, where NCC fully owns the CCO or CCTO and sets out the board appointments and remuneration. Part Three relates to a Council Organisation. There are slight differences in the structure of CCTOs.

**COMMITTEE
RESOLUTION**

Councillors Simpson / Taylor

The Prosperous Napier Committee:

- a) **Approve *Ahuriri Investments Management Limited*** (AIM) as the official name of the Council Controlled Trading Organisation to manage Napier City Council's Investments.
- b) **Endorse** in principle the Investment Portfolio, being the investment asset classes that are suitable for the CCTO to manage to include:
 - i. Parklands
 - ii. Select surplus NCC property
 - iii. Leasehold land portfolio
 - iv. Shareholding in Hawke's Bay Airport Limited
 - v. Managed Funds
- c) **Approve** a maximum of 5 directors be appointed to the CCTO board of directors constituting:
 - 3 independent Directors including the Chair.
 - 2 elected members as directors only
- d) **Adopt** the amended Appointment and Remuneration of Directors Policy (Doc Id 1786178)

Carried

Councillor McGrath voted AGAINST the Motion

Point of Order raised in regard to elected members not being able to question during debate and breach of SO 21.3.

Point of Order not upheld - the Chair using her discretion provided clarity in relation to her ruling that questioning would take place during debate only and that following a Motion being moved and seconded there would be no questions. This was in order to keep the flow of the decision-making clear.

4. HAWKE'S BAY MUSEUMS TRUST COLLECTION MANAGEMENT AGREEMENT

Type of Report:	Contractual
Legal Reference:	N/A
Document ID:	1784019
Reporting Officer/s & Unit:	Elizabeth Caldwell, Manager Arts, Culture and Heritage

4.1 Purpose of Report

To seek Napier City Council approval to enter into a new Management Agreement with the Hawke's Bay Museums Trust (HBMT) for two years, expiring 30 June 2026 while the Hawke's Bay Regional Collection Joint Working Group concludes its review of governance and operational arrangements for how the collection is to be maintained and governed.

At the meeting

The Manager Arts, Culture and Heritage, Ms Caldwell spoke to the report for the roll over and renewal of the Hawke's Bay Museums Trust Agreement for a two year period to enable the Joint Working Group to complete its work.

Ms Caldwell advised that presentation by the Trust could be arranged for a future meeting and confirmed that a workshop was scheduled for September 2024 in regard to the new storage facility in Hastings.

COMMITTEE Councillor Crown / Deputy Mayor Brosnan

RESOLUTION

The Prosperous Napier Committee:

- a) **Approve** that Napier City Council enter into a Management Agreement (Doc Id 1784024) with the Hawke's Bay Museums Trust for two years expiring 30 June 2026.

Carried

Councillors Mawson, Price and Tareha left the meeting at 11.05am

The meeting adjourned at 11.05am and reconvened at 3.09pm

5. SUBMISSION PROCESS

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1783644
<i>Reporting Officer/s & Unit:</i>	Stephanie Murphy, Manager Strategy and Transformation Jemma McDade, Governance Advisor

5.1 Purpose of Report

This report seeks to provide information regarding the improved Council process for submitting on current initiatives open for consultation.

At the meeting

The Governance Advisor, Ms McDade took the report as read. The main purpose of the submission process was to ensure that all the opportunities and initiatives that are open for submission are captured by Council and considered for submission.

In response to questions the following was clarified:

- The submission process is already undertaken through the Governance Team and this process will ensure that a greater number of initiatives will be captured.
- The flowchart can be amended to include Ngā Mānukanuka o te Iwi members when submissions are forwarded to elected members for feedback.
- The list of agencies for sourcing initiatives is expanding all the time and will be updated regularly. Elected members can provide additional agencies to be added to the list.

Councillor Taylor joined the meeting at 3.13pm.

COMMITTEE RESOLUTION

Mayor Wise / Councillor Greig

The Prosperous Napier Committee:

- a. **Endorse** the centralized process for monitoring and reporting submissions made by Napier City Council on initiatives that are open for consultation.

Carried

6. DIGITAL BUSINESS STRATEGY - UPDATE

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1783045
<i>Reporting Officer/s & Unit:</i>	Duncan Barr, Chief Information Officer

6.1 Purpose of Report

This report provides an update of the work being undertaken on the Digital Business Strategy.

At the meeting

The Acting Executive Director Corporate Services, Ms Thomson took the report as read. The plan has been discussed at length with the Executive Leadership Team in regard to priorities and workload.

COMMITTEE RESOLUTION

Councillors Taylor / Chrystal

The Prosperous Napier Committee:

- a. **Note** the actions and progress as outlined in the report “Digital Business Strategy – Update”.

Carried

7. EMISSION REDUCTION TARGETS AND PLAN

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1783971
<i>Reporting Officer/s & Unit:</i>	Michelle Duncan, Carbon Emissions Advisor

7.1 Purpose of Report

The purpose of this report is to recommend emission reduction targets for Napier City Council and share the draft Emission Reduction Plan (ERP) setting out how NCC will reduce its own emissions and facilitate a reduction in community emissions.

This follows on from the paper presented at the June Prosperous Napier Committee meeting and elected members support for planned approach. ELT has reviewed the draft emission reduction plan twice and this is our recommended approach.

At the meeting

The Carbon Emissions Advisor, Ms Duncan provided a brief summary of the report on emission reduction targets and the draft Emission Reduction Plan.

In response to questions the following was clarified:

- Ms Duncan confirmed that Page 81, point 30 on Low Carbon Transport could include in that box the wording “Promotion of walking, cycling and active transport.”
- There is currently no regional remission reduction plan underway by any of the Councils. The Climate Action Joint Committee was originally looking at some regional emission reduction, however the work programme for that Committee is now mainly focussed on climate adaptation.

**COMMITTEE
RESOLUTION**

Deputy Mayor Brosnan / Councillor Boag

The Prosperous Napier Committee:

- a. **Receive** the report titled “Emission Reduction Targets and Plan” dated 29 August 2024.
- b. **Approve**
 - i. The recommended Long- term Emission Reduction Target: Net Zero by 2050
 - ii. The recommended Interim Emission Reduction Targets: 63% reduction by 2035
 - iii. The draft Emission Reduction Plan (Doc Id 1784188)

Carried

8. TREASURY ACTIVITY AND FUNDING UPDATE

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1783721
<i>Reporting Officer/s & Unit:</i>	Garry Hrustinsky, Corporate Finance Manager

8.1 Purpose of Report

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

At the meeting

The Corporate Finance Manager, Mr Hrustinsky spoke to the report which provided an update on Council's treasury activity. Since the report was written the Reserve Bank has cut interest rates by 25 basis points, with the OCR rate reducing to 5.2%. This will have an impact on lower term deposit rates and borrowing rates. Further borrowing is expected in the next few months but is well within the forecast \$67m.

**COMMITTEE
RESOLUTION**

Councillors Crown / Taylor

The Prosperous Napier Committee:

- a. **Receive** the report titled Treasury Activity and Funding Update dated 29 August 2024.

Carried

9. RATES REMISSION IN RESPONSE TO SIGNIFICANT EXTRAORDINARY CIRCUMSTANCES (VOLUNTARY BUY-OUT PROGRAMME)

Type of Report: Legal and Operational

Legal Reference: Local Government (Rating) Act 2002

Document ID: 1783270

Reporting Officer/s & Unit: Garry Hrustinsky, Corporate Finance Manager

9.1 Purpose of Report

To seek approval from Prosperous Napier Committee for a rates remissions for properties involved in the Category 3 voluntary buy-out programme for the 2024/25 financial year. This is in response to Significant Extraordinary Circumstances from the impact of Cyclone Gabrielle on Tuesday 14 February 2023.

At the meeting

The Corporate Finance Manager, Mr Hrustinsky spoke to the report seeking an extension of rates remission for extraordinary circumstances involved in the Category 3 buy-outs. The remission was requested last year so NCC was consistent with Hastings District Council, who were managing negotiations on behalf of both Councils.

The remission will cost approximately \$13,133 for the 2024/25 financial year and would be sourced from unbudgeted funding. The remission relates to eleven properties that are uninhabitable.

**COMMITTEE
RESOLUTION**

Councillors Taylor / Chrystal

The Prosperous Napier Committee:

- a. **Approve** a remission for qualifying rating units for either the full 2024/25 year (i.e. all instalments) or if/when property buy-out occurs – whichever is earliest.
- b. **Approve** unbudgeted funding up to \$13,133 for the purpose of Rates Remission for Significant Extraordinary Circumstances (Voluntary Buy-Out Programme).
- c. **Note** that the remission will be sourced from unbudgeted funding and will impact on Council's year-end position.

Carried

Minor matters

There were no minor matters to discuss.

RESOLUTION TO EXCLUDE THE PUBLIC

Deputy Mayor Brosnan / Councillor Taylor

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

1. Rates Remission for Special Circumstances
2. Procurement Planning Report

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. Rates Remission for Special Circumstances	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.
2. Procurement Planning Report	7(2)(h) Enable the local authority to carry out, without	48(1)(a) That the public conduct of the whole or the relevant part of the

	prejudice or disadvantage, commercial activities	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 moved into the Public Excluded section at 3.33pm

The meeting closed with a karakia at 4.15pm

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

Chairperson

Date of approval