



PROSPEROUS NAPIER COMMITTEE Open Minutes

Meeting Date: Thursday 28 March 2024

Time: 11.08am - 12.04pm (*Open*)
12.05pm - 12.15pm (*Public Excluded*)

Venue Large Exhibition Hall
War Memorial Centre
Marine Parade
Napier

Livestreamed via Council's Facebook page

Present **Chair:** Councillor Crown
Members: Mayor Wise, Deputy Mayor Brosnan, Councillors Boag, Browne, Greig, Mawson, McGrath, Price, Simpson and Taylor
Ngā Mānukanuka o te Iwi representatives – Joe Tareha and Evelyn Ratima

In Attendance Acting Chief Executive (Jessica Ellerm)
Executive Director City Services (Lance Titter)
Acting Executive Director Infrastructure Services (Jamie Goodsir)
Executive Director Community Services (Thunes Cloete)
Manager Communications and Marketing (Julia Stevens)
Pou Whakarae (Mōrehu Te Tomo)
MTG Director (Laura Vodanovich)
Chief Financial Officer (Caroline Thomson)
Financial Controller (Talia Foster) [via zoom link]
Corporate Finance Manager (Garry Hrustinsky)
Commercial Director (Richard Munneke)
Manager Community Strategies (Anne Bradbury)
Emergency Management Officer (Blake McDavitt)
Manager Regulatory Solutions (Luke Johnson)
Principal Resource Consents Planner (Nick McCool)

Also in attendance Dr Richard Grant, Chair, Hawke’s Bay Musuem Trust
 Gus Charteris, Recovery and Special Projects, Hastings District
 Council

Administration Governance Advisors (Carolyn Hunt and Jemma McDade)

PROSPEROUS NAPIER COMMITTEE – Open Minutes

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ORDER OF BUSINESS

Apologies

Councillors Greig / Browne

That the apologies for absence from Councillor Chrystal and Councillor Tareha 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 Greig / Taylor

That the Minutes of the Prosperous Napier Committee meeting held on 8 February 2024 were taken as a true and accurate record of the meeting.

Carried

AGENDA ITEMS

1. HAWKE'S BAY MUSEUMS TRUST DRAFT STATEMENT OF INTENT AND FINANCIAL REPORTING

Type of Report: Operational

Legal Reference: Local Government Act 2002

Document ID: 1744727

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

1.1 Purpose of Report

To receive the Hawke's Bay Museums Trust Financial Report for the six months ended 31 December 2023 and draft Statement of Intent 2025-2027.

At the meeting

The Chief Financial Officer, Ms Thomson spoke to the report advising that the Hawke's Bay Museum Trust had adopted the financial report for the six months ended 31 December 2023 on 1 March 2024, and also accepted the 2025-2027 draft Statement of Intent.

Dr Grant, Chair of the Hawke's Bay Museum Trust advised, with the agreement of Napier City Council (NCC) and Hastings District Council (HDC), the creation of a new Statement of Intent would not be undertaken until the new governance structure for the Trust had been agreed upon.

It was noted that the refurbishment of the Briscoes Building in Hastings, to be the new storage facility for the collection, is now underway and proceeding under-budget with an anticipated opening date of August 2025.

In response to questions it was clarified:

- The conservation fund in the Statement of Financial Performance relates to a number of works in the collection that had been acquired over a long period which are in less than great condition, deteriorated or damaged and in need of repair. The conservation fund allows for this work to be undertaken.
- The Trust has a management agreement with NCC to provide the building and staff that look after the collection. Despite the arrangement being with NCC only, HDC and NCC jointly fund it.
- The Statement of Intent is to 2027, however it is likely to be superseded with the formation of a new Trust which will facilitate the move to the new storage facility and reciprocal equal share.

COMMITTEE Councillors Greig / Simpson

RESOLUTION

The Prosperous Napier Committee:

- a. **Receive** the Hawke's Bay Museums Trust Financial Report for the six months ended 31 December 2023.
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- b. **Receive** the Hawke's Bay Museums Trust draft Statement of Intent 2025-2027 and provide any feedback to the Trust prior to the Statement of Intent being brought back to Council for adoption.

ACTION: *Officers to provide confirmation on the Special Note 11 of the Financial Statements in regard to Trusts and the total of funds held.*

Carried

2. CYCLONE GABRIELLE CATEGORY 3 VOLUNTARY BUY-OUT PROGRESS UPDATE

Type of Report: Operational

Legal Reference: Local Government Act 2002

Document ID: 1738388

Reporting Officer/s & Unit: Richard Munneke, Commercial Director
Anne Bradbury, Manager Community Strategies

2.1 Purpose of Report

The purpose of this report is to update Council on the progress made by Napier City Council (NCC) and Hastings District Council (HDC) with the category 3 voluntary buyout activity and report the current financial status of the buyout within the crown funding cap.

The report also seeks to obtain Council approval to make minor policy changes to the Category 3 Voluntary Buyout Policy being:

- 1) a change to better support the Council offer process with the Offer letter marking the commencement of the 3-month period in which property owners can consider the offer options; and
- 2) a change to the language on GST which would provide flexibility for Council to consider whether a specific offer should be made plus GST, if any, in very specific situations.

Note: These changes have already been adopted by Hastings District Council

At the meeting

The Commercial Director, Mr Munneke, accompanied by Gus Charteris, Recovery and Special Projects (HDC) provided a summary of the report in regard to the voluntary buy-out and minor changes to the Policy.

In response to questions the following was clarified:

- Every effort was being made to communicate with those affected and assist where possible, with valuations and getting results.
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- The eligibility criteria for the Policy to apply requires property owners to have residential dwellings on their property. Some of the people owning those dwellings are registered for GST with some properties being used for orcharding or commercial operations.
 - The other eligibility criteria are that people are living on a property with family in a residential dwelling, or have been operating a commercial business on the property separate to the dwelling which involves GST.
 - In regards to timeframes for the voluntary buy-out, the Policy requires a review before 30 June 2025, and councils will need to re-evaluate how to move through the programme. Offers for property owners who have chosen to engage will be prepared and presented to them in September 2024.
 - The Crown is very keen for the process to be undertaken quickly, however some patience and time is required to manage those people affected to get the best results.
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COMMITTEE Councillors Simpson / Crown

RESOLUTION

The Prosperous Napier Committee:

- a. **Receive** the report noting:
 - i. Progress with the Category 3 voluntary residential buyout programme
 - ii. That the category 3 buyout actual expenditure and forecast is expected to use most of the contingency but remain within the \$5m cap specified in the Crown Agreement.
- b. **Amend** the Category 3 Buy-out Policy and insert replacement clause for Clause 4.12:
 - 1) **Clause 4.12** - Offers will include GST, if any, unless Council determines that a specific Offer should be made plus GST, if any, while considering the Policy objective of affordability for ratepayers
- c. **Amend** the Category 3 Buy-out Policy and insert replacement clauses for Clauses 5.1(b)(i) and 5.1(c)(i) and 5.1(c)(ii):
 - 1) **Clause 5.1(b)(i)** - The Council will prepare an Offer Letter summarising the outcome of the Valuation Process and relevant buy-out options under sections 4.4 and 4.5 of the Policy.
 - 2) **Clause 5.1(c)(i)** - The Council's Representative will present the Owner with the Offer Letter for the Owner's consideration.
 - 3) **Clause 5.1(c)(ii)** - The offer will remain open for 3 months after the owner receives the Offer letter and the owner shall advise Council whether they wish to proceed to receiving a formal sale and purchase agreement from Council within that time. Agreements to an extension of time will not be unreasonably withheld where, in the Council's reasonable opinion, substantive progress is being made towards an agreement.

Carried

3. STREET NAMING - MISSION HILLS

Type of Report: Procedural

Legal Reference: N/A

Document ID: 1745256

Reporting Officer/s & Unit: Nick McCool, Principal Resource Consents Planner

3.1 Purpose of Report

To obtain Council approval for new street names for Stage 1 of the Mission Hills Residential Subdivision Development.

At the meeting

The Acting Team Leader Resource Consents, Mr McCool summarised the report and process undertaken in selecting the Mission Hills Residential Subdivision Development ten street names, including consultation with Te Taiwhenua o Te Whanganui ā Orotū and Mana Ahuriri Trust and meeting the New Zealand standards.

COMMITTEE Deputy Mayor Brosnan / Councillor Boag

RESOLUTION

That Council:

Approve the use of the following road names for the Mission Hills Residential Subdivision Development:

- Mission Hills Avenue;
- Mission Hills Drive;
- Annie Aranui Drive;
- Legacy Drive;
- Tapoanui Place;
- Tupai Place;
- Abbey Way;
- Heritage Place;
- Priory Drive and
- Tara Place.

Carried

4. PROCUREMENT PLANNING REPORTING

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|--|------------------------------------|
| <i>Type of Report:</i> | Information |
| <i>Legal Reference:</i> | N/A |
| <i>Document ID:</i> | 1740016 |
| <i>Reporting Officer/s & Unit:</i> | Sharon OToole, Procurement Manager |

4.1 Purpose of Report

The purpose of this report is to outline the process for the approval of procurement planning documents and how to improve the visibility of significant projects and contracts to Council through regular reporting.

At the meeting

The Chief Financial Officer, Ms Thomson spoke to the report which outlined a new process for Chief Executive procurement approval that would be included in a quarterly financial report to Council.

COMMITTEE Councillors Crown / Mawson

RESOLUTION

The Prosperous Napier Committee:

- a. **Receive** the report titled Procurement Planning Reporting.
- b. **Note** the process for approval and reporting of procurement planning to ensure improved visibility of significant projects and contracts.

Carried

5. TREASURY ACTIVITY AND FUNDING UPDATE

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|--|--|
| <i>Type of Report:</i> | Procedural |
| <i>Legal Reference:</i> | N/A |
| <i>Document ID:</i> | 1742954 |
| <i>Reporting Officer/s & Unit:</i> | Garry Hrustinsky, Corporate Finance Manager Caroline Thomson, Chief Financial Officer |

5.1 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 advising that as at 8 March 2024, Council held \$14m on term deposit and \$4m cash on call. Council borrowed \$10m from the Local Government Funding Agency in June 2023 and this position remains unchanged. As of the Annual Plan last year external debt was forecast to be \$67m by the end of June 2024.

COMMITTEE Councillors Crown / Taylor

RESOLUTION

The Prosperous Napier Committee:

6. **Receive** the report titled Treasury Activity and Funding Update dated 28 March 2024.

Carried

6. FINANCIAL FORECAST TO 30 JUNE 2024

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|--|---|
| <i>Type of Report:</i> | Operational and Procedural |
| <i>Legal Reference:</i> | N/A |
| <i>Document ID:</i> | 1739748 |
| <i>Reporting Officer/s & Unit:</i> | Caroline Thomson, Chief Financial Officer Talia Foster, Financial Controller |

6.1 Purpose of Report

To report to Council the financial forecast to the 30 June 2024 for the whole of Council.

At the meeting

The Chief Financial Officer, Ms Thomson spoke to the report advising that the operating forecast showed a net deficit of \$17m compared to the revised budget deficit of \$24.8m, and compared to the Annual Plan forecast deficit of \$14.1m. It was noted that the net operating deficits were a result of an unbalanced budget and Council borrowing for operating costs.

In response to questions the following was clarified:

- The capital forecast for the year end shows that Council's capital expenditure would be \$52m, which is significantly different to the year 1 spend in the three year plan.
 - Year 1 of the Long Term Plan has a capital expenditure of \$87m, with approximately \$9m requiring low resource, vested assets, property purchases and joint landfill requirements. This would bring the total down to approximately \$78m. The \$78m is split with \$27m allocated to Community Services (broken down into \$3m for the MTG, \$2m for the Napier Aquatic Centre and \$3m for building renewals), \$37m allocated to 3waters, and \$14m allocated to Transportation.
 - There are 271 projects in the capital programme and all directorates have confirmed their programmes are deliverable and achievable.
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- The capital delivery programme is continuing to work on organisational improvements, with the Sycle project management tool is being upgraded which will provide better information and data, active recruitment for roles as good staff are required to achieve results, and programme management skills needed to improve projects outcomes.
 - The programme is a challenging target however, with a number of initiatives that are underway the programme is achievable.
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COMMITTEE Councillors Simpson / Price

RESOLUTION

The Prosperous Napier Committee:

- a. **Receive** the report titled Financial Forecast to 30 June 2024.

Carried

Tribute - Neil Thimbleby – Councillor Taylor acknowledged and paid tribute to Neil Thimbleby who passed away on 19 March 2024. He was a local Hawke’s Bay rugby identity and a member of the Ranfurly Shield Magpies team in the late 1960’s. He toured South Africa in 1970 playing one test match and 12 other tour matches. He was a well-respected man and a legend in rugby with condolences conveyed to the family .

Minor matters

There were no minor matters.

RESOLUTION TO EXCLUDE THE PUBLIC

Councillors Taylor / Mawson

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 adjourned at 12.04pm and reconvened in Public Excluded at 12.05pm

The meeting closed with a karakia at 12.15pm

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

Chairperson

Date of approval