

PROSPEROUS NAPIER COMMITTEE Open Minutes

Meeting Date: Thursday 10 October 2024

Time: 9:30am – 10:47am

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, Browne, Greig, Mawson, McGrath, Price, Simpson [online] and Tareha
Ngā Mānukanuka o te Iwi representative – Evelyn Ratima

In Attendance Chief Executive (Louise Miller)[online]
Acting Executive Director Corporate Services (Caroline Thomson)
Acting Executive Director City Services (Jessica Ellerm)
Executive Director City Strategies (Rachael Bailey)
Executive Director Infrastructure Services (Russell Bond)
Executive Director Community Services (Thunes Cloete)
Corporate Finance Manager (Garry Hrustinsky)
Commercial Director (Richard Munneke)
Financial Controller (Talia Foster)
Manager Strategy and Transformation (Stephanie Murphy)
Senior Advisor Corporate Planning (Danica Rio)
Manager Community Strategies (Anne Bradbury)

Also in attendance Jon Nichols (Director) and Rochelle Ham (Chief Financial Officer)
– Hawke's Bay Airport Limited

Administration Governance Advisors (Carolyn Hunt and Jemma McDade)

PROSPEROUS NAPIER COMMITTEE – Open Minutes

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ORDER OF BUSINESS

Karakia

The meeting opened with the Council karakia.

Apologies

Councillors Mawson / Tareha

That the apologies for absence from Councillors Taylor, Chrystal and Boag 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 Tareha / Crown

That the Minutes of the Prosperous Napier Committee meeting held on 29 August 2024 were taken as a true and accurate record of the meeting.

Carried

AGENDA ITEMS

1. HAWKE'S BAY AIRPORT LIMITED ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

Type of Report: Legal

Legal Reference: Local Government Act 2002

Document ID: 1792950

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

1.1 Purpose of Report

To present to Council the Hawke's Bay Airport Limited Annual Report for the year ended 30 June 2024.

At the meeting

Jon Nichols (Director) and Rochelle Ham (Chief Financial Officer) of the Hawke's Bay Airport presented to the meeting. Rochelle added a further two items to the highlights update; the naming of the new Fire Truck and the successful ambassador programme. The naming of the fire truck garnered a high level of community engagement. Jon provided the update that the Board is proud to be delivering on the Digital Strategy.

Questions were answered clarifying:

- The Board is actively engaging with Air New Zealand regarding future planning. Air New Zealand have requested increased awareness of events across the region, even smaller events, to enable them to efficiently plan their service. Napier has been identified as one of the main trunk routes. The Board is working with Air New Zealand to maximise opportunities for Hawke's Bay.
 - The Board is aware that no recent dividend has been paid as the focus has been on repaying debt. This position is under review.
 - The apron is renewed on a five yearly basis, with some delay due to Cyclone Gabrielle. The runway renewal is the next big project.
 - First arrivals certification would require international service. The Board is focusing on the future of the domestic service, promoting Napier as a key 'spoke' port for Air New Zealand. The significant costings, both to the runways and from the CAA to support international services put this out of reach.
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COMMITTEE Mayor Wise / Councillor Mawson

RESOLUTION

The Prosperous Napier Committee:

- a. **Receive** the Hawke's Bay Airport Limited Annual Report and Auditors Report for the year ended 30 June 2024.
-

Carried

Attachments

- 1 HB Airport presentation (Doc Id 1736691)
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2. BUDGETS TO BE CARRIED FORWARD TO 2024/25

Type of Report:	Operational
Legal Reference:	Local Government Act 2002
Document ID:	1791694
Reporting Officer/s & Unit:	Caroline Thomson, Chief Financial Officer Steve Walling, Senior Management Accountant Talia Foster, Financial Controller

2.1 Purpose of Report

To seek Council approval to carry forward budgets from 2023/24 into 2024/25.

At the meeting

The Officer presented the report, noting changes to the Capex carry forward which will affect community and visitor experiences, property assets, storm and wastewater. The Opex total carry forward has also been updated which will affect community and visitor experiences, other infrastructure and support units.

Questions were answered clarifying:

- The Capex items were removed due to timing regarding the budgeting. These are to be moved into the next annual plan. The rationale was to be realistic with what can be achieved, due to the size of the capital programme, with the aim of reducing carry forwards.
- The Surface Water Quality Masterplan is reinstated in the capital carry forward budgeted expenditure.
- The approximately \$26 million difference between total spend for completed capital projects compared to the spend for delivered capital projects, is for projects that are still being progressed.
- Gifted/vested assets are typically from developers. They create assets as part of a development and these are vested back to Council.

COMMITTEE Deputy Mayor Brosnan / Councillor Crown
RESOLUTION

The Prosperous Napier Committee:

- a) **Approve** capital carry forward budgeted expenditure of \$19,903,077 from 2023/24 into 2024/25.
- b) **Approve** operational carry forward budgeted expenditure of \$3,158,607 from 2023/24 into 2024/25.

ACTION: To provide information to show which of the carried forward Capex funded projects would have been one year projects and how many are multi year.

ACTION: To provide information to show which of these projects should have been completed in this financial year and the reasons that they haven't been completed.

ACTION: To provide detail for gifted/vested assets to show the asset which relates to the figures.

Carried

Attachments

- 1 Amended Opex C-fwds 23-24 to 24-25 (Doc Id 1800520)
 - 2 Amended Capex C-fwds 23-24 to 24-25 (Doc Id 1800521)
 - 3 Removed by ELT Capex C-fwds 23-24 to 24-25 (Doc Id 1800519)
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3. HAWKE'S BAY MUSEUMS TRUST ANNUAL REPORT FOR YEAR ENDING 30 JUNE 2024

Type of Report: Operational

Legal Reference: Local Government Act 2002

Document ID: 1793360

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

3.1 Purpose of Report

To provide Napier City Council with the Hawke's Bay Museums Trust Annual Report for the year ended 30 June 2024.

At the meeting

The Financial Controller (Talia Foster) joined the officer to present the report.

Questions were answered clarifying:

- Insurance includes cover for the collections, and liability for the trustees.
- The increase in the insurance and energy lines are due to the increases in costs of these products.

COMMITTEE Councillors Greig / Mawson

RESOLUTION

The Prosperous Napier Committee:

- a. **Receive** the Hawke's Bay Museum Trust Annual Report (Doc Id 1798253) for the year ended 30 June 2024.

ACTION: To provide information relating to unspent grants and how many of these are targeted to a particular project or period of time.

Carried

4. TREASURY ACTIVITY AND FUNDING UPDATE

<i>Type of Report:</i>	Information
<i>Legal Reference:</i>	N/A
<i>Document ID:</i>	1796806
<i>Reporting Officer/s & Unit:</i>	Garry Hrustinsky, Corporate Finance Manager

4.1 Purpose of Report

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

At the meeting

The officer presented the report, updating the Committee that Council borrowed a further \$10million of funds on 10 October in two issues of \$5 million for between five and seven years to fill in the maturity profile. Cash balance is sitting at a little over \$15 million. Surplus balance will be reinvested.

Questions were answered clarifying:

- Term deposits are one method used to project and manage Council's cash flow.
- These are new loans to meet the timing of receipts and capital expenditure contract payments.

COMMITTEE RESOLUTION	Councillors Crown / Mawson
	The Prosperous Napier Committee:
	a. Receive the report titled Treasury Activity and Funding Update dated 10 October 2024.
	Carried

5. CYCLONE GABRIELLE CATEGORY 3 VOLUNTARY BUYOUT PROGRESS UPDATE

<i>Type of Report:</i>	Operational
<i>Legal Reference:</i>	Local Government Act 2002
<i>Document ID:</i>	1792942
<i>Reporting Officer/s & Unit:</i>	Richard Munneke, Commercial Director Anne Bradbury, Manager Community Strategies

5.1 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.

At the meeting

The officers presented the report updating the Committee that progress has been good with the voluntary buy-out process. This has been a new activity for Council. Council officers have been community facilitators for the 14 category 3 properties and these are in the final stages of the offer process. The demolition of residential buildings and site remediation is progressing and the costs are on track.

Questions were answered clarifying:

- HDC have largely led the joint process as they hold the higher quantum in terms of number and complexity.

COMMITTEE RESOLUTION

Councillors Price / Browne

The Prosperous Napier Committee:

- a. **Receive** the report noting:
 - i. Progress with the Category 3 voluntary residential buyout programme in terms offers being accepted.
 - 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.
 - iii. 5 properties are now in Council ownership.
 - iv. Progress with site remediation.

Carried

Minor matters

Fast Track Consenting Projects

Executive Director Infrastructure Services (Russell Bond) updated the Committee regarding the NCC projects which had applied for Fast Track Consenting. The Taradale/Awatoto borefield project was successful in achieving fast track status. This means that, although still carried out through Hawkes Bay Regional Council, some of the consenting process can be streamlined. This will reduce costs as the two consent processes can be combined.

ACTION: to continue to update the Sustainable Napier Committee with progress on the Fast Track process in relation to the Taradale/Awatoto borefield.

ACTION: to determine the impact on Council's Regulatory team when processing Fast Track Consenting projects.

RESOLUTION TO EXCLUDE THE PUBLIC

Councillors Tareha / Greig

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

1. Request for Rates Remission for Special Circumstances
2. Property Disposal Acquired via the Category 3 Buyout Process
3. Draft 2023/24 Annual 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.	Plain English reason for passing this resolution in relation to each matter.
1. Request for 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.	Remission applications under the Special Circumstances clause are public excluded as they include private information and potentially sensitive topics.
2. Property Disposal Acquired via the Category 3 Buyout Process	7(2)(h) Enable the local authority to carry out, without prejudice or	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	To protect Council's negotiating position with potential purchasers of Category 3 land and/or dwellings.

	disadvantage, commercial activities	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.	
3. Draft 2023/24 Annual Report	7(2)(c)(ii) Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to damage the public interest	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 information contained within is draft and still subject to audit to confirm the accuracy and completeness of the information. Until it has been verified, it should be treated as confidential.

Public Excluded Text

Council has considered the public interest in the information above and balanced those interests with the reason(s) for withholding this information. This ensures Council has met the requirements for withholding information under section 7(2) of the Local Government and Official Information and Meetings Act 1987.

The meeting moved into Public Excluded at 10:47am

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

Chairperson

Date of approval