
Minutes of a meeting of the Joint Shareholders Committee

Held in the Council Chamber, Civic House, Trafalgar Street, Nelson

On Friday 13 September 2013, commencing at 1.39pm

Present: His Worship the Mayor of Nelson A Miccio (Chairperson), His Worship the Mayor of Tasman R Kempthorne, Nelson City Councillors A Boswijk and D Shaw, Tasman District Councillors T King and G Glover

In Attendance: Nelson City Council: Chief Executive (C Hadley), Executive Manager Support Services (H Kettlewell), and Administration Adviser (E-J Ruthven)

Tasman District Council: Chief Executive (L McKenzie), Corporate Services Manager (M Drummond)

1. Apologies

There were no apologies.

2. Interests

There were no updates to the Interests Register.

His Worship Mayor Miccio asked Committee members to declare any conflicts of interest with agenda items as they arose over the course of the meeting.

3. Confirmation of Order of Business

His Worship the Mayor explained that the meeting would consider the agenda items in the following order:

- Port Nelson Limited Draft Statement of Corporate Intent 2013/14
- Port Nelson Directors' Fees and Appointment of Directors Policy 2013
- Nelson Tasman Tourism Limited – Appointment of Directors
- Nelson Airport Limited – Appointment of Directors
- Nelson Airport Limited – Directors' Fees

4. Confirmation of Minutes – 5 April 2013

Document number 1488174, agenda pages 7-13 refer.

Resolved

THAT the minutes of a meeting of the Joint Shareholders Committee, held on 5 April 2013, be confirmed as a true and correct record.

His Worship Mayor Miccio/Shaw

Carried

5. Port Nelson Limited Draft Statement of Corporate Intent 2013/14

Document number 1569489, agenda pages 14-26 refer.

Attendance: Councillor King declared an interest and took no part in the discussion or decision-making relating to this item.

Port Nelson Limited representatives Nick Patterson, Martin Byrne, and Daryl Wehner joined the meeting, and tabled an updated copy of the draft statement of corporate intent (1595202). Mr Patterson noted that the updated draft statement included minor adjustments to the shareholder equity ratio target, return on shareholder funds and the return on funds employed as a result of finalisation of valuations.

In response to a question, Mr Patterson said that the upcoming Annual General Meeting would address insurance and earthquake-related risks.

In response to a further question, Mr Wehner explained the Port's focus on health and safety, and added that the 2013/14 target included within the draft statement reflected the focus in this area.

Nelson City Council Executive Manager Support Services, Hugh Kettlewell, explained to the Committee that, as the updated draft Statement of Corporate Intent had been received, the third clause of the officer recommendation was now redundant.

Resolved

THAT the report Port Nelson Limited Draft Statement of Corporate Intent 2013/2014 (1569489) and its attachments (1552664 and 1552665) be received.

Boswijk/His Worship Mayor Kempthorne

Carried

Recommendation to Nelson City and Tasman District Councils

THAT the Port Nelson Limited draft Statement of Corporate Intent for 2013/14 be approved for signing subject to any minor changes identified.

His Worship Mayor Miccio/His Worship Mayor Kempthorne

Carried

6. Port Nelson Directors' Fees and Appointment of Directors Policy 2013

Document number 1568159, agenda pages 31-52 refer.

It was agreed to take this item in two parts: considering the Policy for the Procedure for Joint Appointment of Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations first; and then the Port Nelson Directors' Fees.

6.1 Policy for the Procedure for Joint Appointment of Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations

It was noted that the draft Policy had previously been approved by the Joint Shareholders Committee, but that Tasman District Council had not approved the Policy as a result of concerns relating to clauses 3.1 and 5.1.

In relation to clause 3.1, there was general agreement that the importance of considering gender balance when appointing Board Directors was well supported by research. It was agreed that the wording of clause 3.1 should remain as currently within the draft Policy.

The Committee turned to consider clause 5.1. There was general agreement that including a limit on the number of terms to be served was appropriate to ensure effective governance. A variety of views were expressed as to whether the appropriate cap should be three or four terms, and it was noted that each Council would likely support a different view on the matter.

A suggestion was made that the wording of clause 5.1 be altered to read "*No Director/Trustee may be reappointed for a fifth consecutive term unless there are special circumstances*" and that a joint committee of Nelson City and Tasman District Councils reconsider this issue again next year.

Recommendation to Nelson City and Tasman District Councils

THAT the amended Policy for the Procedure for Joint Appointment of Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations (1295787) be adopted, with the amendment to clause 5.1.

His Worship Mayor Kempthorne/Boswijk

Carried

6.2 Port Nelson Directors' Fees

Attendance: Councillor King declared a conflict of interest and left the room for the duration of this item.

Mr Kettlewell explained that, if there was no agreement on an appropriate level of increase, this would be the third year with no increase.

The Committee noted that Port Nelson had requested a 5% increase last year, which had not been approved, and that an 8% increase had been requested this year.

There was general agreement that an increase in directors' fees was appropriate, and it was suggested that 4.8% was a suitable increase. Tasman District Council representatives noted that their Council would likely support a higher increase.

Resolved

THAT the report Port Nelson Directors' Fees and Appointment of Directors Policy 2013 (1568159) and its attachments (1552640, 1552645, 1295787 and 1295797) be received

His Worship Mayor Miccio/His Worship Mayor Kempthorne Carried

Recommendation to Nelson City and Tasman District Councils:

THAT the Port Nelson Limited Directors' fees are increased by 4.8% to a total pool of \$230,560 for the next 12 months.

His Worship Mayor Miccio/Shaw Carried

7. Nelson Tasman Tourism Limited – Appointment of Directors

Document number 1574748, agenda pages 27-28 refer.

Resolved

THAT the Joint Shareholders Committee receive the report Nelson Tasman Tourism Limited – Appointment of Directors (1574748).

His Worship Mayor Miccio/His Worship Mayor Kempthorne Carried

Recommendations to Nelson City and Tasman District Councils

THAT Sharon McGuire and Terry Horne be re-appointed as Directors of Nelson Tasman Tourism for a three year term.

His Worship Mayor Miccio/Shaw Carried

THAT the proposed Directors fees, which remain unchanged from the 2012/2013 year, be confirmed.

His Worship Mayor Miccio/Glover

Carried

8. Nelson Airport Limited – Appointment of Directors

Document number 1574744, agenda pages 29-30 refer.

It was noted that the officer recommendation would result in Annette Milligan being re-appointed for a fifth term, which would contradict clause 5.1 of the Policy as agreed to earlier in the meeting.

It was also noted that the previous recruitment for a director of Nelson Airport Limited, carried out within the last six months, had highlighted a number of strong candidates.

It was agreed that clause 5.1 of the Policy, as agreed at the meeting, be communicated to the Chair of the Nelson Airport Limited Board, and that further discussion on this matter should be had in the public excluded part of the meeting, in order to protect the privacy of natural persons in accordance with section 7(2)(a) of the Local Government Official Information and Meetings Act 1987.

Resolved

THAT the Joint Shareholders Committee receives the Nelson Airport Ltd – Appointment of Directors Report (1574744).

His Worship Mayor Miccio/His Worship Mayor Kempthorne

Carried

9. Nelson Airport Limited – Directors' Fees

Document number 1587325, agenda pages 53-58 refer.

There was general agreement that an increased in directors' fees was appropriate.

Resolved

THAT the Joint Shareholders Committee receives the Nelson Airport Ltd – Directors' Fees Report (1587325) and its attachment (1576247).

His Worship Mayor Miccio/Boswijk

Carried

THAT the Joint Shareholders Committee agrees that an increase in directors fees for Nelson Airport Ltd is appropriate.

Boswijk/King

Carried

There followed a discussion regarding the appropriate percentage increase in directors fees for Nelson Airport Limited. It was noted that the request for an increase in directors' fees last year was not provided with sufficient justification, but that the effects of rejecting an increase this year would result in a request for a large increase next year.

There was general agreement that an increase of 4.8% would be appropriate, and was consistent with the increase agreed upon for Port Nelson Limited directors.

Recommendation to Nelson City and Tasman District Councils

THAT the directors' fees for Nelson Airport Ltd be increased by 4.8%.

His Worship Mayor Miccio/King

Carried

There was general agreement that it was appropriate to take a consistent approach regarding increases to directors' fees across Council Controlled Organisations and Council Controlled Trading Organisations.

Recommendation to Nelson City and Tasman District Councils

THAT each Council requests staff to jointly prepare an agreed approach and methodology for a joint policy on determining the appropriate level of directors' fees for Council Controlled Organisations and Council Controlled Trading Organisations in joint ownership; for Council consideration in 2014.

His Worship Mayor Miccio/Shaw

Carried

10. Exclusion of the Public

His Worship Mayor Miccio explained that Ms Liz Richards and Mr Peter Millward would be in attendance for the public excluded agenda item regarding Proposed Changes to the Tasman Bays Heritage Trust Trust Deed, and accordingly a procedural resolution was required to be passed.

Resolved

THAT, in accordance with section 48(5) of the Local Government Official Information and Meetings Act 1987, Ms Liz Richards and Mr Peter Millward remain after the public has been excluded, for the item of the Public Excluded agenda regarding proposed Changes to the Tasman Bays Heritage Trust Trust Deed, as they have knowledge that will assist the Council;

AND THAT, in accordance with section 48(6) of the Local Government Official Information and Meetings Act 1987, the knowledge that Ms Liz Richards and Mr Peter Millward possess relates to the current Tasman Bays Heritage Trust Trust Deed and the effect of the proposed changes.

His Worship Mayor Miccio/Boswijk

Carried

Resolved

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason 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 are as follows:

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	<p>Public Excluded Minutes – Joint Shareholders Committee – 5 April 2013</p> <p>These minutes confirmed the public excluded minutes of the Joint Shareholders meeting of 23 November 2012 and also contain information regarding:</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p>
	<p>The commercial activities of Nelson Airport Limited, including its half yearly results.</p>		<ul style="list-style-type: none"> Section 7(2)(b) To protect information that may disclose a trade secret or the commercial position of a person
	<p>The commercial activities of Port Nelson Limited, including its half yearly results.</p>		<ul style="list-style-type: none"> Section 7(2)(b) To protect information that may disclose a trade secret or the commercial position of a person

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	The commercial activities of Tourism Nelson Tasman Limited, including its half yearly results.		<ul style="list-style-type: none"> • Section 7(2)(c) To protect information that is subject to an obligation of confidence • Section 7(2)(h) To carry out commercial activities
	Candidates for the Director position on the Nelson Airport Limited Board.		<ul style="list-style-type: none"> • Section 7(2)(i) To carry out negotiations • Section 7(2)(a) To protect the privacy of natural persons
2	<p>Proposed Changes to the Tasman Bays Heritage Trust Trust Deed</p> <p>This report contains information relating to proposed changes to the Trust Deed of the Tasman Bays Heritage Trust</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons
3	<p>Nelson Airport Limited – Appointment of Directors</p> <p>This discussion item contains information relating to potential directors of Nelson Airport Limited</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons

His Worship Mayor Miccio/Boswijk

Carried

The meeting went into public excluded session at 2.34pm and resumed in public session at 2.41pm.

11. Re-admittance of the Public

Resolved

THAT the public be re-admitted to the meeting.

His Worship Mayor Miccio/Boswijk

Carried

There being no further business the meeting ended at 2.41pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date