

Minutes of a meeting of the Governance Committee

Held in the Council Chamber, Civic House, 110 Trafalgar Street,
Nelson

On 4 December 2014, commencing at 1.02pm

Present: Councillor I Barker (Chairperson), Her Worship the Mayor (R Reese), Councillors L Acland (Deputy Chairperson), E Davy, K Fulton, P Matheson, B McGurk, G Noonan, P Rainey, John Peters, and John Murray

In Attendance: Chief Executive (C Hadley), Group Manager Corporate Services (N Harrison), Senior Strategic Advisor (N McDonald), Group Manager Infrastructure (A Louverdis), Group Manager Community Services (C Ward), Manager Administration (P Langley), and Administration Adviser (S McLean)

Apologies: Councillor E Davy for lateness, Councillors G Noonan and P Rainey for early departure

1. Apologies

Resolved

THAT apologies be received and accepted from Councillor Davy for lateness, and Councillors Noonan and Rainey for early departure.

Acland/Rainey

Carried

2. Confirmation of Order of Business

Attendance: Councillor Fulton joined the meeting at 1.03pm

The Chair provided an update to the order of business, being that Graeme O'Brien no longer wished to speak the public forum.

2.1 Chairperson's Report

Resolved

THAT the item regarding Chairperson's Report be considered at this meeting as a major item not on the agenda, pursuant to Section 46A(7)(a) of the Local Government Official Information and Meetings Act 1987, to enable a

timely response to the request received regarding the naming of the walkway.

Barker/Noonan

Carried

2.2 Reappointment of Trustees to the City of Nelson Civic Trust

Resolved

THAT the item regarding Reappointment of Trustees to the City of Nelson Civic Trust be considered at this meeting as a major item not on the agenda, pursuant to Section 46A(7)(a) of the Local Government Official Information and Meetings Act 1987, to enable the timely election of officers to the City of Nelson Civic Trust.

McGurk/Rainey

Carried

3. Interests

There were no updates to the Interests Register, and no interests with agenda items were declared.

4. Annual Friendship Forum Update

Carla Lindley of the Nelson Youth Council spoke about her recent visit to China to attend the Annual Friendship Forum.

Attendance: Councillors Matheson and Reese joined the meeting at 1.05 pm

Ms Lindley spoke about cultural differences, diversity, architecture and standards of living. She expressed her gratitude to Council for sponsorship.

Ms Lindley agreed to provide the Mayor with ideas on opportunities for Council to strengthen relationships with China.

5. Public Forum

There was no public forum presentation due to an apology from Graeme O'Brien for the item 'Letter to NZLG regarding the TPP agreement'.

6. Confirmation of Minutes – 6 November 2014

Document number A1272971, agenda pages 8-17 refer.

It was agreed that an amendment be made in the first paragraph on page 6 of the minutes. Instead of 'that Saxton Stadium not be developed in exchange for Bank Lane Canopy', it would be 'that the funding assigned to Bank Lane Canopy not be used for the development of buildings at Saxton Field'.

Resolved

THAT the amended minutes of the meeting of the Governance Committee, held on 6 November 2014, be confirmed as a true and correct record.

Barker/Her Worship the Mayor

Carried

7. Status Report – Governance Committee 4 December 2014

There was no status report.

There was discussion on the content of status reports and their purpose, with some concern raised that items were being missed. It was clarified that the purpose of a status report was to track resolutions which contained items that should be reported back to the Committee, with no other means of doing so. The Chairperson agreed to look into this process.

8. Chairperson's Report

Document number A1283907, late item A1284025 refers.

The Chairperson summarised the report and pointed out that it focussed on the first suggestion in Mr Ramsay's letter. He added that the second suggestion regarding secondary schools would be taken to the WW100 Committee, with the view to bring the request back to Council for inclusion in the Long Term Plan 2015-2025.

Resolved

THAT the Chairperson's Report (A1283907) and its attachment (A1284543) be received.

Barker/Noonan

Carried

The Recommendation to Council in the Chairperson's Report was moved by the Chairperson and seconded by Councillor Noonan.

There was discussion on the procedure for naming an area. It was clarified that only street naming went to a Hearings Panel. Group Manager Community Services, Chris Ward, said that further information on reserves naming could be provided by officers if required.

In accordance with Standing Order 3.9.2 the Recommendation to Council was withdrawn.

It was suggested that Live Nelson be used as a medium to notify the community about the potential name change. It was also noted that there could be confusion as the walkway was near ANZAC Park.

The Committee agreed to the idea in principle, but asked that Council officers look into reserve matters, significance, consultation requirements, and engagement with iwi and private land holders.

A new motion to call for an officer report was proposed.

Resolved

THAT the request to name the new Maitai Walkway adjacent to Rutherford Park “the ANZAC Walkway”, to take effect from 25 April 2015, be supported in principle and a report from staff on the matter be brought back to Council in early 2015.

McGurk/Matheson

Carried

GOVERNANCE

9. Reappointment of Trustees to the City of Nelson Civic Trust

Document number A1284239, late item A1284025 refers.

There was discussion on Council’s involvement in appointing trustees, and receiving financial results.

There was discussion on trust deeds, risks to trustees and the original formation of the City of Nelson Civic Trust.

In response to concerns about why the matter of appointing trustees to the City of Nelson Civic Trust had come to the Governance Committee, it was indicated that this could be raised during the review of external appointments to be undertaken in 2015.

Resolved

THAT the report Reappointment of Trustees to the City of Nelson Civic Trust (A1284239) be received;

AND THAT the matter of reappointment of trustees to the City of Nelson Civic Trust be referred to Council to be considered at its meeting on 11 December 2014.

Noonan/Murray

Carried

10. Appointment of Trustee to the Nelson Municipal Band Trust

Document number A1271779, agenda pages 18-19 refer.

Attendance: Her Worship the Mayor declared an interest in the matter and left the meeting from 1.55pm to 1.56pm.

Resolved

THAT the report Appointment of Trustee to the Nelson Municipal Band Trust (A1271779) be received.

Recommendation to Council

THAT pursuant to the terms of the Trust Deed dated 14th July 2008, the Council hereby appoints Fiona Webster, Manager Westpac Bank Nelson to act as a Trustee for the administration of the Fund in accordance with the terms of the Deed.

Matheson/Noonan

Carried

11. Sister Cities Conference 2016

Document number A1265372, agenda pages 20-22 refer.

Group Manager Community Services, Chris Ward, presented the report.

In response to a question, Mr Ward advised that the fixed costs were based on an appropriate venue and appropriate level of catering. He added that higher delegate numbers were expected due to the nature of Nelson as a destination. Mr Ward provided details on the standard return to the local economy for domestic visitors and conference delegates.

Resolved

THAT the report Sister Cities Conference 2016 (A1265372) be received.

Recommendation to Council

THAT provision of \$20,000 is made in the draft Long Term Plan 2015-2025 for hosting the 2016 Sister Cities Conference.

Matheson/Noonan

Carried

12. Council Risk Register

Document number A1276686, agenda pages 23-31 refer.

Group Manager Corporate Services, Nikki Harrison presented the report.

It was noted that several columns in the Risk Register did not have details in the Responsibility column. It was also pointed out that several risks in the draft Long Term Plan criteria were not included in the Risk Register.

It was agreed that the Risk Register signalled a starting point in terms of risk management and that it was a living document.

A suggestion was made for work to be done on establishing a risk management framework. Committee Member John Peters agreed to distribute a one page document on risk management framework to the Committee.

Attendance: Councillor Fulton left the meeting at 2.04pm

There was discussion on several mitigation strategies and the likelihood of risks. It was agreed that the focus should be on risks that would cause the most harm to Council.

Attendance: Councillor Rainey left the meeting 2.13pm

There was agreement that the definition of reputational damage was broader than that in the Risk Register, and could be changed to 'reputational damage to Council'. It was noted that the mitigation strategies acted as a trigger, and that an action column would be a useful addition.

Attendance: Councillors Davy and Rainey joined the meeting at 2.18pm

It was suggested that reverse sensitivities with regards to iwi relationships should be added to the Risk Register.

The Chief Executive highlighted the potential confusion between the Risk Register and Compliance Register. She added that the current intention was to phase out the Compliance Register. Mrs Hadley suggested the Risk Register could benefit from a high/medium/low scoring system and the use of a coloured matrix.

A motion was moved by Committee Member John Peters and seconded by Councillor McGurk.

THAT the report Council Risk register (A1276686) and its attachments (A1241121) be received;

AND THAT the attached Risk Register be endorsed in principle, including the implementation of the highlighted controls;

AND THAT a plan for the development of a full risk management framework incorporating this Risk Register be brought to this Committee by early 2015.

AND THAT the Committee agree the focus is to be on mitigation strategies, noting internal audit and other internal controls will be the priority.

The Chief Executive highlighted the need to focus on the draft Long Term Plan 2015-2025 (LTP) in early 2015. She said that the officers involved in the LTP were also involved in the Risk Register, so there would be minimal resource for further work on a risk management framework in early 2015.

The mover and seconder of the motion agreed to remove 'early 2015' and substitute 'the end of this financial year' in clause three of the motion.

Resolved

THAT the report Council Risk register (A1276686) and its attachments (A1241121) be received;

AND THAT the attached Risk Register be endorsed in principle, including the implementation of the highlighted controls;

AND THAT a plan for the development of a full risk management framework incorporating this Risk Register be brought to this Committee by the end of this financial year.

AND THAT the Committee agree the focus is to be on mitigation strategies, noting internal audit and other internal controls will be the priority.

Peters/McGurk

Carried

13. Long Term Plan 2015-25: Draft Assumptions

Document number A1274616, agenda pages 32-40 refer.

Policy Adviser, Susan Moore-Lavo, presented the report.

It was noted that an amendment was required to the assumptions as New Zealand Transport Agency has confirmed that funding assistance rates will rise by 1% per annum to reach 51%.

It was noted that the Affordability section (page 2) of the assumptions should have 'those entitled to superannuation' instead of 'those over 65 year olds'.

Resolved

THAT the report Long Term Plan 2015-25: Draft Assumptions (A1274616) and its attachment (A1238431) be received.

Recommendation to Council

THAT Council approves the draft assumptions outlined in Attachment 1 (A1238431) to be included in the Long Term Plan 2015-2025.

Davy/Rainey

Carried

FINANCE

14. Finance Report for the Period Ending 31 October 2014

Document number A1276802, agenda pages 41-55 refer.

Group Manager Corporate Services, Nikki Harrison, presented the report.

In response to a question, Ms Harrison agreed to look into data on the performance of the new parking system. She added that there had not yet been a response from the liquidator for the Everyman Records debt.

Her Worship the Mayor said that no response from the Auditor General had been received to date on the Everyman Records matter.

Ms Harrison said that debts appeared higher in some months due to the timing of the levying of rates.

In response to a question, Group Manager Infrastructure, Alec Louverdis advised that work on Haven Road had cost approximately \$90k. He added that there would be a period of time during the Cricket World Cup 2015 where roading work could not be undertaken.

In response to questions and discussion, Group Manager Community Services, Chris Ward provided further detail on funding of the business incubator and facilities marketing. It was noted that the reference to the EDA economic development fund in the report (item 5.7.2), should have been the 'economic development fund'.

Ms Harrison clarified that the current discipline was to use ordinary dividends for the rating take and special dividends to repay debts. She said that updated projections would be ready for the next finance report to the Committee.

Attendance: Councillor Noonan left the meeting from 2.51pm to 2.54pm, Councillor Rainey left the meeting at 2.56pm

The recommendation in the officers report was moved by Councillor Davy and seconded by Councillor Noonan.

Concerns were raised about debtor management systems. Ms Harrison provided a summary of the current process and agreed to provide further details in the next finance report to the Committee.

In response to a question, it was clarified that any rental debt for Council-owned facilities was managed through individual lease agreements.

The mover and seconder of the motion agreed to an additional clause to formally request that information on debt management be brought to the Committee.

Resolved

THAT the report Finance Report for the Period ending 31 October 2014 (A1276802) and its attachments (A1276805, A1277030, A1268999 and A793514) be received and the variations noted.

AND THAT information on debt management be included in an upcoming Finance Report.

Recommendation to Council

THAT the special dividend of \$500,000 from Port Nelson Ltd be used to repay debt.

Davy/Noonan

Carried

15. Progress of Draft Development Contributions Policy

Document number A1275129, agenda pages 56-60 refer.

Policy Adviser, Susan Moore-Lavo, presented the report and provided further clarity on the one-catchment approach.

In response to a question, Ms Moore-Lavo said that at the workshop with representatives of the development community there had not been a consensus as to the type of catchment, and that comments focussed on other issues they regarded as more important, such as timing of payments.

There was discussion on intensification, affordable housing and greenfield development. It was noted that these areas could be looked at in more detail at future workshops.

In response to a question, Ms Moore-Lavo confirmed that the draft Development Contributions Policy would be consulted on through the Long Term Plan 2015-2025 process. She added that a resolution was required today due to the timing of the next Committee meeting.

Senior Strategic Adviser, Nicky McDonald, clarified that the purpose of the workshops held with the development community representatives

had been to hear their thoughts on how the current policy worked and what the main concerns of developers were.

Attendance: Councillor Noonan left the meeting at 3.19pm

There was discussion on maximising infrastructure capacity and the application of incentives.

Resolved

THAT the report Draft Development Contributions Policy (A1275129) be received;

AND THAT a one-catchment approach for the calculation of the level of development contributions charged is approved as the preferred approach;

AND THAT inclusion of incentives to support Council's strategic objectives including for affordable housing and intensification is approved.

Davy/Barker

Carried

16. Revenue and Financing Policy

Document number A1276610, agenda pages 61-100 refer.

Group Manager Corporate Services, Nikki Harrison, presented the report and summarised the updates to the Policy. She tabled documents (A1285965) that compared stormwater and flood protection rates based on capital value.

Ms Harrison summarised feedback received from rating review workshops. She said that Council needed to provide direction on the method of charging for stormwater and flood protection to inform work on the Long Term Plan 2015-2025.

Concern was raised that disruption from the change in charging would outweigh the benefits from conforming to best practice.

In response to a question, Ms Harrison advised that the stormwater and flood protection rate could not be calculated on the basis of risk associated with a particular area.

There was discussion on targeted rates and their methods. It was suggested that a minimum fixed charge be put in place if the capital value basis was to be used.

There was some agreement that the capital value basis would reduce risk to Council. There was also agreement that the change in charges, as per tabled document (A1285965), would cause some hardship in the community.

Resolved

THAT the report A1276610 Revenue and Financing Policy and its attachment (Revenue and Financing Policy (A1272405) be received.

McGurk/Matheson

Carried

The Chairperson moved, seconded by Councillor Davy:

Recommendation to Council

THAT following further modelling, the Council determine targeted rates for stormwater and flood protection to remain as a fixed charge.

After further discussion, there was favour to keep the capital value basis option and to include the possibility of a fixed charge. It was agreed that further information on the capital value option would allow for improved decision making.

The mover and seconder of the motion agreed to withdraw the motion in accordance with Standing Order 3.9.2.

Recommendation to Council

THAT following further modelling the Council determine either:

- a) Targeted rates for stormwater and flood protection be based on capital value including consideration of incorporation of a fixed charge in the Long Term Plan 2015-25;**
- or**
- b) Targeted rates for stormwater and flood protection to remain as a fixed charge;**

Barker/Davy

Carried

AND THAT the updated Revenue and Financing Policy be adopted for inclusion in the Long Term Plan 2015-25.

Matheson/McGurk

Carried

17. Exclusion of the Public

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	Governance Committee Minutes – Public Excluded – 6 November 2014	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons
2	Procedure for Setting Remuneration for Directors of Council Controlled Trading Organisations This report contains information regarding: <ul style="list-style-type: none"> • Setting remuneration for Directors of CCTO's 	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> • Section 7(2)(i) To carry out negotiations

Davy/Barker

Carried

Attendance: Councillor Matheson left the meeting at 4.04pm.

The meeting went into public excluded session at 4.04pm and resumed in public session at 4.10pm, during which time Councillor Matheson rejoined the meeting.

18. Re-admittance of the Public

Resolved

THAT the public be re-admitted to the meeting.

Matheson/Davy

Carried

There being no further business the meeting ended at 4.11pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date