

Minutes of a meeting of the Governance Committee

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

On Tuesday 3 March 2015, commencing at 9.02am

Present: Councillor I Barker (Chairperson), Her Worship the Mayor Rachel Reese, Councillors L Acland (Deputy Chairperson), E Davy, B McGurk, P Matheson, G Noonan, Mr J Murray and Mr J Peters

In Attendance: Chief Executive (C Hadley), Youth Councillor (A Patterson), Group Manager Corporate Services (N Harrison), Group Manager (Chris Ward), Senior Strategic Adviser (Nicky McDonald), Manager Administration (P Langley) and Administration Adviser (F O'Brien)

Apologies: Councillors Fulton and Rainey

1. Apologies

Resolved

THAT apologies be received and accepted from Councillors Fulton and Rainey.

Acland/Davy

Carried

2. Confirmation of Order of Business

Resolved

THAT the item regarding the Transfer of Delegated Authority to Council 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 decision to be made with respect to the Development Contributions Policy 2015.

Barker/Davy

Carried

The Chairperson advised the late item titled Transfer of Delegated Authority to Council was to be dealt with first. This referred the draft Development Contributions Policy to Council therefore item 9 would not be dealt with at this meeting.

3. **Transfer of Delegated Authority to Council**

Document number A303404, late item refers.

In answer to a query, Chief Executive Clare Hadley, confirmed that the draft Development Contributions Policy needed to be consulted on as part of the Long Term Plan 2015 consultation.

Resolved

THAT the report Transfer of Delegated Authority to Council (A1323404) be received;

Barker/Noonan

AND THAT the Governance Committee refer the item regarding Draft Development Contributions Policy 2015 to Council.

Acland/McGurk

Carried

4. **Interests**

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

5. **Public Forum**

There was no public forum.

6. **Confirmation of Minutes – 4 December 2014**

Document number A1285209, agenda pages 7-19 refer.

Resolved

THAT the minutes of a meeting of the Governance Committee, held on 4 December 2014, be confirmed as a true and correct record.

McGurk/Peters

Carried

7. **Status Report – Governance Committee 3 March 2015**

There was no status report.

8. Chairperson's Report

There was no Chairperson's report.

9. Endorsement of Sister City Trip to China

Document number A1312069, agenda pages 20-21 refer.

Manager Administration, Penny Langley, presented the report.

In answer to a query, Ms Langley clarified that the purpose of the Mayoral visits to sister cities was to maintain and enhance sister city relationships. Councillors added that this was a valuable conduit to progress trade.

Group Manager Community Services, Chris Ward, noted that Nelson was already seeing the benefits of previous visits. These included the number of Chinese students at Nelson Marlborough Institute of Technology, trade links with Cawthron Institute as well as socio-cultural benefits.

Resolved

THAT the report Sister City Trip to China (A1312069) be received;

Davy/McGurk

Carried

AND THAT Her Worship the Mayor and Chief Executive, Clare Hadley's, travel to China in April 2015 be endorsed.

Davy/McGurk

Carried

Her Worship the Mayor stated that she weighed the costs and value of sister city trips carefully. She noted the importance of attending the 20 year sister city anniversary in Huangshi and development of the fledgling relationship with Yangjiang. Councillors discussed the new airline route, establishing Huangshi as a direct gateway into China and the importance of Nelson as a sister city.

In answer to a query regarding Nelson businesses joining delegate visits, Mr Ward clarified that the Economic Development Agency worked to represent local business in this regard.

10. Subcommittee Chairpersons and Delegations

Document number A1314259, agenda pages 22-27 refer.

Manager Administration, Penny Langley, presented the report.

John Peters discussed his support of the Audit Risk and Finance Subcommittee establishment.

John Murray noted his support of the Commercial Subcommittee establishment and suggested a more regular meeting pattern.

Her Worship the Mayor agreed that a 6 weekly meeting pattern would be more suitable. She thanked Mr Murray and Mr Peters for accepting Chairpersons roles of these subcommittees.

Resolved

THAT the report Subcommittee Chairpersons and Delegations (A1314259) and its attachments (A1297307 and A1312225) be received;

AND THAT Mr John Peters be appointed as Chairperson of the Audit, Risk and Finance Subcommittee;

AND THAT Mr John Murray be appointed as Chairperson of the Commercial Subcommittee;

AND THAT the draft delegations for the Audit, Risk and Finance Subcommittee and the Commercial Subcommittee as shown in Attachment 1 (A1297307) and Attachment 2 (A1312225) be approved and incorporated into the Delegations Register.

Matheson/Her Worship the Mayor

Carried

11. LGNZ Discussion Paper on the Local Government Funding Review

Document number A1309396, agenda pages 28-30 refer.

Manager Administration, Penny Langley, presented the report.

Councillors commended LGNZ for the thorough investigation of local and central government roles and suggested that this process was overdue. It was noted that it was a clear, concise and well researched document but clarity was needed in certain areas.

Her Worship the Mayor suggested contacting the Regional Sector Group to draw attention to these issues in their submission.

Resolved

THAT the report Local Government Funding Review (A1309396) and its attachment (A1311529) be received;

Davy/Matheson

Carried

AND THAT officers prepare a letter to LGNZ for signing by the Mayor and the Chairperson of the Governance Committee, covering the following points:

- ***Congratulations on a proactive approach***
- ***Demographic analysis around declining and aging population and rural/urban interaction***
- ***The functions of a unitary authority***
- ***Implications of lack of a funding stream for National Policy Statements/National Environmental Standards***
- ***The role of councils in business and economic development***
- ***Alternative avenues of finance***

Barker/Her Worship The Mayor

Carried

12. Everyman Records Limited Debt

Document number A1303283, agenda pages 31-59 refer.

Group Manager Community Services, Chris Ward, presented the report. Mr Ward advised that it was being brought back to the Committee following the auditor's reply on the matter. He clarified that the organisation, officers, and Council had changed since this event and that officers had upgraded risk procedures.

In answer to a query regarding reporting back of vital information Mr Ward clarified that this would take place through regular reporting to the Audit, Risk and Finance Subcommittee. In answer to a question regarding when significant debt would be reported back to the Audit, Risk and Finance Subcommittee, Mr Ward stated that following 90 day period of non-payment, the Audit, Risk and Finance Subcommittee would be made aware of the situation.

Chief Executive, Clare Hadley, clarified that there was now a thorough process in place and that the Everyman Records Limited case had been unique as it dealt in cash accounts which skewed the level of visibility at the time.

Councillors referenced the letter on agenda page 57 which noted police contact and queried whether the Police should be involved in the matter again.

In answer to a query about financial status investigation it was clarified that Everyman Record Limited's legal representative had advised that they were solvent. It was advised that Council had changed significantly since the time of this event, now having a comprehensive method of tracking payments and a resolution tracking system in development.

Councillor Davy proposed the following motion:

***THAT** the Chief Executive and Mayor be instructed to ask Police to reconsider whether any action could be taken against Mr Shaw or Everyman Records in regards to the non payment of the debt.*

Attendance: The meeting adjourned for morning tea at 10.21am until 10.34am.

Regarding next steps, it was advised that preliminary discussions had taken place with the Police. Councillors who were party to the discussion stated that conversation revolved around establishing where the money went and a new process to ensure transparency.

Some concerns were raised about the value of pursuing the matter at this late stage and that it was not Mr Shaw but Everyman Records Limited that needed to be pursued.

A division was called.

Councillor Acland	No
Councillor Barker	Aye
Councillor Davy	Aye
Councillor Fulton	Apology
Councillor Matheson	Aye
Councillor McGurk	No
Councillor Noonan	Aye
Her Worship the Mayor	Aye
External Appointee – John Peters	No
Councillor Rainey	Apology
External Appointee – John Murray	Aye

The motion was passed, 6-3.

Resolved

***THAT** the report Everyman Records Limited Debt (A1303283) and its attachments (A1250000, A1306795, A1306797, and A1306234) be received.*

THAT the Chief Executive and Mayor be instructed to ask Police to reconsider whether any action could be taken against Mr Shaw or Everyman Records in regards to the non payment of the debt.

Davy/Her Worship the Mayor

Carried

13. 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 – Public Excluded Minutes – 4 December 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)(i) To carry out negotiations

Davy/Barker

Carried

The meeting went into public excluded session at 10.36am.

Please note that as the only business transacted in public excluded was to confirm the minutes, this business has been recorded in the public minutes. In accordance with the Local Government Official Information and Meetings Act 1987, no reason for withholding this information from the public exists.

14. Confirmation of Minutes – 4 December 2014

Document number A1285208, agenda pages 3-4 refer.

Resolved

THAT the minutes of the part of a meeting of the Governance Committee, held with the public excluded on 4 December 2014, be confirmed as a true and correct record.

Peters/Davy

Carried

There being no further business this part of the meeting ended at 10.37am.

15. Re-admittance of the Public

Resolved

THAT the public be re-admitted to the meeting.

Noonan/McGurk

Carried

Attendance: The meeting resumed in public session at 10.37am and there being no further business the meeting ended at 10.37am.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date