

Minutes of a meeting of the Governance Committee

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

On Thursday 16 April 2015, commencing at 9.00am

Present: Councillor I Barker (Chairperson), Councillor L Acland, E Davy, B McGurk, P Matheson, G Noonan, P Rainey, Mr J Murray and Mr J Peters

In Attendance: Group Manager Corporate Services (N Harrison), Group Manager Community Services (C Ward), Group Manager Infrastructure (A Louverdis), Manager Administration (P Langley) and Administration Adviser (G Brown)

Apologies: Her Worship the Mayor R Reese and Councillor K Fulton

1. Apologies

Resolved

THAT apologies be received and accepted from Her Worship the Mayor and Councillor Fulton for attendance and Councillor Matheson for lateness.

Acland/McGurk

Carried

2. Confirmation of Order of Business

The Chairperson advised that due to key representatives being unable to attend the meeting, items 10, 11 and 12 would be adjourned and discussed at a reconvened meeting on 23 April 2015.

The following resolution was passed:

Resolved

THAT item 10 (Tourism Nelson Tasman Ltd draft Statement of Intent 2015/16 and Half Yearly Report), item 11 (The Nelson Regional Economic Development Agency draft Statement of Intent 2015/16 and Half Yearly Report) and item 12 (Economic Services Delivery Outcomes 2015-2018) in the public agenda, be adjourned until the Governance Committee meeting to be held on the 23 April 2015 at 9.00am.

Murray/Barker

Carried

3. Interests

Mr Murray declared an interest with item 8 on the agenda, The Bishop Suter Trust draft Statement of Intent 2015/2016 and Half Yearly Report.

Councillor Rainey declared an interest with item 7 on the agenda, Procurement Policy and Debt Management Process.

4. Public Forum

There was no public forum.

5. Confirmation of Minutes – 3 March 2015

Document number A1325357, agenda pages 10-17 refer.

Resolved

THAT the minutes of a meeting of the Governance Committee, held on 3 March 2015, be confirmed as a true and correct record.

Davy/Peters

Carried

6. Status Report – 16 April 2015

Document number A1160658, tabled document.

There was a concern raised that the Everyman Records Ltd debt item needed to be monitored by Council. It was advised the item was a Governance Committee delegation and was discussed at the Governance meeting on 3 March 2015 when an opportunity for questions was presented.

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In response to a question, Group Manager Corporate Services, Nikki Harrison advised the additional information referred to in the status report related only to the identification of a point of contact at Nelson City Council for the Police.

Resolved

THAT the Status Report – Governance Committee 16 April 2015 (A1150321) be received.

Davy/Noonan

Carried

7. Chairperson's Report

There was no Chairperson's Report.

Attendance: Councillor Rainey declared an interest with item 8 and sat away from the table at 9.08am.

FINANCE

8. Procurement Policy and Debt Management Process

Document number A1338718, agenda pages 18-30 refer.

Group Manager Corporate Services, Nikki Harrison presented.

In response to a question, Ms Harrison clarified that page 19, clause 4.5 in relation to referring debt to a debt collection agency after more than 14 days overdue, was only the ability to and provided flexibility.

Ms Harrison added that the Debt Management Process would be considered at the Audit Risk and Finance subcommittee.

Resolved

THAT the report Procurement Policy and Debt Management Process (A1338718) and its attachments (A1293789, A1316053 and A1324271) be received.

Recommendation to Council

THAT the Nelson City Council Procurement Policy January 2015 (A1293789) be approved.

Noonan/Davy

Carried

Attendance: Councillor Rainey returned to the table at 9.14am. Mr John Murray declared an interest with item 9 and sat away from the table at 9.14am.

9. **The Bishop Suter Trust draft Statement of Intent 2015/2016 and Half Yearly Report**

Document number A1327756, agenda pages 31-76 refer.

Group Manager Community Services, Chris Ward, Director of the Suter Art Gallery, Julie Catchpole and Mr John Hambleton presented.

It was discussed that with the current situation of the Suter Art Gallery and their temporary premises it was difficult to review the Statement of Intent. Ms Catchpole advised that opportunities existed with the relocation to Halifax Street as the Suter Art Gallery was building new relationships in this area.

In response to a question, Ms Catchpole said that emerging artists could join the Nelson Suter Artists Society, however she indicated that many artists utilise the Refinery Artspace and that it was always a challenge for new artists to exhibit their artworks.

In response to a further question, Ms Catchpole advised that the Suter Trust Board had considered free admission to the public in the past, but it would mean the \$16,000 admission revenue would need to be replaced from elsewhere. Mr Hambleton added that the Suter Trust Board raised 50% of its revenue outside of grants.

Ms Catchpole informed the Committee that the Suter Trust Board was looking at a strategy to grow the Friends of the Suter membership.

Resolved

THAT the report The Bishop Suter Trust draft Statement of Intent 2015/16 and Half Yearly Report (A1327756) and its attachments (A1325270, A1327762 and A1334741) be received;

Davy/Rainey

Carried

Recommendation to Council

THAT the draft Bishop Suter Trust Statement of Intent 2015/16 (A1327762) be approved as the final version.

Davy/Noonan

Carried

Attendance: Mr John Murray returned to the table at 9.31am.

10. Nelson Events Strategy Funding Application South Island Masters Games

Document number A1339394, agenda pages 77-96 refer.

Attendance: Councillor Rainey left the meeting at 9.32am.

Group Manager Community Services, Chris Ward, presented.

The Chairperson advised this was a large event and the benefits to the region were illustrated in the report.

Attendance: Councillor Rainey returned to the meeting at 9.33am.

In response to a question, Mr Ward advised that the Events Management Committee was organised by the Economic Development Agency. He added that Tasman District Council was not contributing to the event.

There was some concern raised that there would not be a significant impact to Nelson City in relation to financial benefits as the event was held at Saxton Field. Mr Ward advised that it would be the standard charging regime and that organisers had shown that there were benefits for the economy.

There was a varying opinion as to whether or not Council should be operating as a commercial enterprise.

In response to a question, Mr Ward advised that the \$65,000 figure was to match the contribution of the Canterbury Community Trust.

There was general support that the region benefited from these events.

Resolved

THAT the report Nelson Events Strategy Funding Application South Island Masters Games (A1339394) and its attachments (A1341230, A1341271 and A1340067) be received;

AND THAT Tasman Regional Sports Event Trust receive \$65,000 sponsorship through the Events Marketing and Development Fund for the 2015 South Island Masters Games subject to all contractual conditions being agreed to.

Davy/Noonan

Carried

REPORTS FROM COMMITTEES

11. Audit, Risk and Finance Subcommittee – 10 March 2015

Document number A1327326, agenda pages 173-180 refer.

Mr John Peters advised that this was the first meeting of the Audit, Risk and Finance subcommittee and the subcommittee was establishing a work programme.

Resolved

THAT the unconfirmed minutes of a meeting of the Audit, Risk and Finance Subcommittee, held on 10 March 2015, be received.

Peters/Murray

Carried

11.1 Corporate Report for the Period Ending 31 January 2015

In response to a question, Group Manager Infrastructure, Alec Louverdis, advised that the two week's notice referred to in clause 2 of the recommendation was adequate and that the increased charges would be effective from 1 July.

Recommendation to Council

THAT the landfill charges be increased from \$114 per tonnes (inclusive of GST) to \$121 (inclusive of GST) effective 15 May 2015;

AND THAT landfill users be given two weeks notice of the increase in landfill charges;

AND THAT approval is given for a transfer of all capital expenditure and debt relating to the Maitai Walkway to be made from the Inner City Enhancement account to the Unsubsidised Roding account in order to properly account for interest and debt in future years.

Peters/McGurk

Carried

11.2 Liability Management and Investment Policies

Recommendation to Council

THAT the Liability Management and Investment Policies, with amendments from the Audit, Risk and Finance Subcommittee, be adopted.

Peters/McGurk

Carried

12. Exclusion of the Public

Rob Gunn and Margaret Soderberg of Nelson, were in attendance for Item 6 of the Public Excluded agenda to answer questions and, accordingly, the following resolution was passed:

Resolved

THAT, in accordance with section 48(5) of the Local Government Official Information and Meetings Act 1987, Rob Gunn and Margaret Soderberg remain after the public has been excluded, for Item 6 of the Public Excluded agenda (Nelmac Limited draft Statement of Intent 2015/16 and Half Yearly Report), 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 Rob Gunn and Margaret Soderberg possess relates to the Nelmac Limited draft Statement of Intent 2015/16 and Half Yearly Report.

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>Nelson Airport Limited Proposed Constitutional Changes</p> <p>This report contains information regarding constitutional changes of a Council</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)(h) <p>To carry out commercial activities</p>

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
	Controlled Organisation.		
2	<p>Nelson Airport Limited - Airport Land</p> <p>This report contains information regarding airport land.</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)(i) To carry out negotiations
3	<p>Nelmac Limited draft Statement of Intent 2015/2016 and Half Yearly report</p> <p>This report contains information regarding a draft statement of intent and half yearly report.</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)(h) To carry out commercial activities

Barker/McGurk

Carried

The meeting went into public excluded session at 9.54am at which time Councillor Matheson joined the meeting. The meeting resumed in public session at 11.26am.

Re-admittance of the Public

Resolved

THAT the public be re-admitted to the meeting.

Davy/Peters

Carried

As resolved in the Confirmation of Order of Business, the meeting adjourned at 11.26am with the remaining items to be considered at a reconvened meeting on 23 April 2015.

Minutes of a reconvened meeting of the Governance Committee

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

On Thursday 23 April 2015, commencing at 9.00am

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

In Attendance: Chief Executive (C Hadley), Administration Adviser (G Brown)

FINANCE

10. Tourism Nelson Tasman Ltd draft Statement of Intent 2015/16 and Half Yearly Report

Document number A1335253, agenda pages 97-129 refer.

Chief Executive, Clare Hadley, presented the report.

Phil Taylor, Chair of Tourism Nelson Tasman Ltd, and Lynda Keane, Chief Executive Officer, joined the meeting to answer any questions.

In response to a question, Ms Keane advised that Tourism Nelson Tasman had 1.2 full time employees and that they supported operators of events in the region. In addition, the same resources marketed the region domestically and internationally.

In response to a further question, Ms Keane said that over the last ten years the average length of stay for visitors was 2.16 nights and in January 2015 it was 3.05 nights. She advised the Committee that statistics were from Statistic New Zealand however, did not include B&B, holiday homes and luxury lodges.

Ms Keane advised that four cruise ships came to Nelson in 2014 and this year seven were expected. She indicated that Tourism Nelson Tasman was seeking to increase the number of ships coming to Nelson but there were limitations at the Port. She clarified that Tourism Nelson Tasman contacted cruise lines directly.

In response to a question, Ms Keane advised that Tourism Nelson Tasman selected projects carefully due to limited funding and that European markets would likely receive less resource. She added that

she would be seeking additional funding from operators and local businesses.

In response to a further question, Ms Keane clarified that the results in table 1.0 of the Six Month Report to Shareholders – 1 July to 31 December 2014 illustrated Nelson Tasman together as only one Regional Tourism Organisation (RTO) exists in this area and for each area with an RTO these are shown separately. She added that Nelson Tasman results were trending well and there was substantial growth in the West Coast.

It was discussed that Nelson should be leveraging from events such as the Cricket World Cup and encouraging visitors to stay for an extra day. It was suggested that this could be a KPI within the Statement of Intent (SOI).

The Committee agreed funding income should be shown separately for Nelson City Council funding of \$664,878 and the amount which would be utilised for contractors.

It was suggested that Nelson was not well promoted when it came to signage throughout New Zealand.

In response to a question, Ms Keane advised that Tourism Nelson Tasman worked with Online Travel Agencies to promote the region. However, it was noted that Tripadvisor only contained limited information on activities in Nelson.

It was highlighted that trending information would be useful and that negatives should also be included in the Six Month Report to Shareholders, such as the stopping of the Nelson to Palmerston North airline route.

Attendance: Councillor Fulton left the meeting at 9.50am.

Mr Taylor advised the Committee that for a small organisation it would be difficult to be more effective.

Ms Keane said that secondary flights to Nelson was a barrier, however Nelson attracted the 7th highest number of visitors. In response to a question, she added that attractions such as the proposed Nelson Gondola project and a direct route from Auckland and Queenstown would be advantageous for the region.

It was discussed that the Statement of Intent (SOI) needed further work. It was noted that there was a review underway of Tourism Nelson Tasman.

Resolved

THAT the report Tourism Nelson Tasman Ltd draft Statement of Intent 2015/16 and Half Yearly Report (A1335253) and its attachments (A1325269, A1325267 and A1334741) be received;

Peters/Davy

Carried

Attendance: Councillor Rainey and Councillor Davy left the meeting at 10.24am.

It was discussed that due to the timelines the Committee should refer the matter back to Council for consideration.

Attendance: Councillor Rainey returned to the meeting at 10.26am.

It was highlighted that the information gathered from a review of economic development services would be distributed to councillors and could have an impact on the SOI. However, due to the legal framework for Council Controlled Organisations the current process needed to be followed.

Attendance: Councillor Davy returned to the meeting at 10.28am.

Recommendation to Council

AND THAT the Governance Committee refer back to Council the draft Statement of Intent (A1325267) for consideration.

Davy/Noonan

Carried

Attendance: The meeting adjourned for morning tea at 10.35am until 10.49am. During this time Councillor Fulton returned to the meeting.

11. The Nelson Regional Economic Development Agency draft Statement of Intent 2015/16 and Half Yearly Report

Document number A1335048, agenda pages 130-166 refer.

Chairman, Paul Dalzell, and Chief Executive of the Economic Development Agency (EDA), Bill Findlater joined the meeting to answer questions.

In response to a question, Mr Findlater advised that there was no plan to market Nelson in relation to migrants as it was a decision not to capitalise from someone's misfortune.

In response to a further question, Mr Findlater said that he could not publicly discuss potential projects relating to China. However, he added that Nelson was promoted well in some Chinese cities and there was a market for New Zealand products in China. He said supplying China was the difficulty.

There was a discussion regarding promoting career opportunities in aquaculture, seafood and marine industries.

It was agreed that reference to Horoirangi be removed from table 4 of the Half Yearly Report December 2014 and table 4.3 of the Statement of Intent.

It was agreed that on page 163 of the Statement Of Intent, under Physical Infrastructure the reference to a convention centre be removed.

Attendance: Her Worship the Mayor left the meeting at 11.18am.

Mr Findlater advised the Committee that organisations which were already established did not need the assistance of the EDA, although the EDA was comfortable assisting with funding or endorsing projects.

Attendance: Councillor Rainey left the meeting at 11.26am.

It was discussed that the EDA was part of the review of economic development services.

There was a discussion regarding the important of trending information and it was noted that part of the SOI referred to progress measurements and GDP statistics. It was highlighted that this information would be gathered over time and then the data could be analysed.

Resolved

THAT the report Nelson Regional Economic Development Agency draft Statement of Intent 2015/16 and Half Yearly Report (A1335048) and its attachments (A1323924, A1323928 and A1334741) be received;

Murray/Matheson

Carried

Recommendation to Council

THAT the draft Nelson Regional Economic Development Agency Statement of Intent (A1323928) be approved with the following amendments:

- **Removal of Horoirangi from table 4.3;**
- **Removal of the reference to the convention centre on page 163 under Physical Infrastructure.**

Noonan/McGurk

Carried

12. Economic Services Delivery Outcomes 2015-2018

Document number A1339069, agenda pages 167-172 refer.

There was a discussion in relation to the information provided. It raised many questions and it was agreed that this item needed additional time to discuss and fully understand.

It was noted that due to timeframes the item may need to be considered at an extraordinary meeting.

Resolved

THAT the report *Economic Services Delivery Outcomes 2015-2018 (A1339069)* and its attachment *(A1335085)* be received;

AND THAT a workshop be held to discuss the *Economic Services Delivery Outcomes 2015-2018 (A1339069)*.

Noonan/Matheson

Carried

There being no further business the meeting ended at 11.50am.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date