

Northland Regional Council Minutes

Meeting held in the Council Chamber
36 Water Street, Whangārei
on Tuesday 19 February 2019, commencing at 10.30 am

Present:

Chairman, Bill Shepherd
Deputy Chairman, David Sinclair
Councillors:
John Bain
Justin Blaikie
Paul Dimery
Mike Finlayson
Penny Smart
Rick Stolwerk
Joce Yeoman

In Attendance:

Full Meeting

Independent Financial Advisor
NRC Chief Executive
GM – Strategy, Governance and Engagement
GM - Customer Service - Community Resilience
GM - Environmental Services
GM, Corporate Excellence
GM - Regulatory Services
Chairman's Personal Assistant

Part Meeting

Finance Manager
Financial Accountant
Accounts Assistant Treasury and Projects
Chief Financial Officer – Far North District Council
Manager Transaction Services – Far North District Council
Māori Relationships Manager
Corporate Planning Manager
Policy Analyst
Economic Policy Advisor
Strategic Policy Specialist
Biosecurity Manager
CEO – Northland Inc.
GM – Investment and Infrastructure – Northland Inc.
Northland Inc. Directors (2)

The Chair declared the meeting open at 10.30 am.

Apologies (Item 1.0)

There were no apologies.

Declarations of Conflicts of Interest (Item 2.0)

It was advised that councillors should make declarations item-by-item as the meeting progressed.

Secretarial Note: The Chief Executive Officer advised that Item 9.5 in the Confidential Agenda had been withdrawn from the agenda based on additional information that had been received. Further work would be done and the item would be brought back to council at a later date.

The Chairman advised that additional pages would be tabled for Item 6.3. The additional pages were minor corrections for the Annual Plan 2019/20 Supporting Information.

Health and Safety Report for December 2018 and January 2019 (Item 3.0)

ID: A1159977

Report from Tracey Warboys, Health and Safety Specialist

Moved (Blaikie/Sinclair)

That the report 'Health and Safety Report for December 2018 and January 2019' by Tracey Warboys, Health and Safety Specialist and dated 4 February 2019, be received.

Carried

Confirmation of Minutes - 11 December 2018 (Item 4.1)

ID: A1158038

Report from Chris Taylor, Governance Support Manager

Moved (Shepherd/Dimery)

That the minutes of the council meeting held on 11 December 2018 be confirmed as a true and correct record.

Carried

Receipt of Action Sheet (Item 4.2)

ID: A1157209

Report from Chris Taylor, Governance Support Manager

Moved (Stolwerk/Finlayson)

That the action sheet be received.

Carried

Secretarial Note: A council workshop to be scheduled within the next two weeks to discuss plans for addressing the shortfall in general funding.

Working Party Updates and Chairpersons' Briefings (Item 4.3)

ID: A1154691

Report from Chris Taylor, Governance Support Manager

Moved (Blaikie/Smart)

That the report 'Working Party Updates and Chairpersons' Briefings' be received.

Carried

Secretarial Note: The Land Management team were congratulated on their successful application to the Hill Country Erosion Fund.

Council Working Group Updates (Item 4.4)

ID: A1159587

Report from Nola Sooner, Land and Rivers Team Administrator/PA

Moved (Finlayson/Yeoman)

That the report 'Council Working Group Updates' be received.

Carried

Financial Report to 31 January 2019 (Item 5.1)

ID: A1161254

Report from Vincent McColl, Financial Accountant

Moved (Yeoman/Sinclair)

That the report 'Financial Report to 31 January 2019' by Vincent McColl, Financial Accountant and dated 7 February 2019, be received.

Carried

Secretarial Note: The Chief Executive Officer explained the reasons for the large negative variances to budget.

The council's Independent Financial Advisor confirmed that volatile markets can be expected. The response from management had helped and proved that council is able to respond appropriately.

Credit note for approval (Item 5.2)

ID: A1136567

Report from Trish Wells, Accounts Receivable Officer

Moved (Stolwerk/Yeoman)

1. That the report 'Credit note for approval' by Trish Wells, Accounts Receivable Officer and dated 10 December 2018, be received.
2. That the issue of credit note 7403973 to the value of \$8,441.32 including GST (as detailed in the report from the Accounts Receivable Officer, Trish Wells, dated 10 December 2018) be approved.

Carried

Approval to Borrow to Fund Flood Protection Infrastructure (Item 5.3)

ID: A1156622

Report from Simon Crabb, Finance Manager

Moved (Finlayson/Blaikie)

1. That the report 'Approval to Borrow to Fund Flood Protection Infrastructure' by Simon Crabb, Finance Manager and dated 25 January 2019, be received.
2. That council enters into a loan from the Local Government Funding Agency of \$1,016,260 (inclusive of 1.6% Borrower Notes) at a fixed borrowing cost in the range of 4% pa and 4.25% pa for a term of 14 years, to fund Awanui flood protection infrastructure capital works, and be repaid from the Awanui River Targeted Rates and the Regional Wide Flood Infrastructure Rates.

Carried

Secretarial Note: Council is monitoring closely with each recommendation that comes through.

Regional Rates Collection - Update to 31 December 2018 (Item 5.4)

ID: A1156884

Report from Simon Crabb, Finance Manager

Moved (Stolwerk/Yeoman)

That the report 'Regional Rates Collection - Update to 31 December 2018' by Simon Crabb, Finance Manager and dated 25 January 2019, be received.

Carried

Secretarial Note: The Chief Financial Officer and Manager Transaction Services from Far North District Council were in attendance to answer any questions from councillors.

It was requested that Far North District Council put in place a process to notify Northland Regional Council about details of abandoned land.

Externally Managed Funds: Transfer of Private Equity Funds from PRF to CIF (Item 5.5)

ID: A1156890

Report from Simon Crabb, Finance Manager

Moved (Stolwerk/Bain)

1. That the report 'Externally Managed Funds: Transfer of Private Equity Funds from PRF to CIF' by Simon Crabb, Finance Manager and dated 25 January 2019, be received.
2. That the private equity funds held in the Property Reinvestment Fund are transferred to the Community Investment Fund and reimbursed with cash redeemed from Community Investment Fund Income assets, in line with the recommendations provided by EriksensGlobal.
3. That growth assets held in the Property Reinvestment Fund are transferred to Income assets as necessary to provide funding certainty for the costs of the Kensington and Kaipara Service Centre development projects, in line with the recommendations provided by EriksensGlobal.

Carried

Emergency Services Fund Update - Funding Uptake, Engagement and Promotion Plan and Reserve (Item 5.6)

ID: A1160121

Report from Tony Phipps, Group Manager - Customer Services - Community Resilience and Natasha Stubbing, Marketing and Engagement Manager

Recommendation

Moved (Shepherd/Sinclair)

1. That the report 'Emergency Services Fund Update - Funding Uptake, Engagement and Promotion Plan and Reserve ' by Tony Phipps, Group Manager - Customer Services - Community Resilience and Natasha Stubbing, Marketing and Engagement Manager and dated 5 February 2019, be received.

Carried

It was further moved (Dimery/Bain)

2. That council approves the use and distribution of the Emergency Services Fund Reserve as follows: up to \$10,000 a year can be spent on ESF engagement and promotion, and the remainder distributed to ESF recipients in direct proportion to current allocation.

Carried

Treasury Management Policy (Item 6.1)

ID: A1102988

Report from Dave Tams, Group Manager, Corporate Excellence

Moved (Sinclair/Stolwerk)

1. That the report 'Treasury Management Policy' by Dave Tams, Group Manager Corporate Excellence and dated 3 December 2018 be received.
2. That an update to the Terms of Reference of the Audit and Finance Working Party to include 'recommend new borrowing to council' be approved.
3. That the following updates to the Financial Delegations from the council to officers be approved:
 - a. Change the 'Overall management' delegation to 'Overall responsibility for day to day treasury management activities including establishing appropriate structures, procedures and controls' and delegate this to the General Manager – Corporate Excellence.
 - b. Delegate the General Manager – Corporate Excellence to ensure financial policies comply with legislation.
 - c. Remove the delegation to the Chief Executive Officer to approve new counterparties and counterparty limits.
 - d. Remove the delegation to the Chief Executive Officer to enter international swaps and derivatives.
4. That the Delegations Manual be amended accordingly to reflect recommendation 2 above and to make other minor changes for consistency and clarity, including updating references to Treasury Management policies.
5. That the financial instruments be approved:

Category	Financial instrument
6. Cash management and borrowing	Bank overdraft Committed cash advance and bank accepted bill facilities (short term and long-term loan facilities) Floating rate note (FRN) Fixed rate note (MTN)
Investments <181 days	Short term bank deposits Bank registered certificates of deposit (RCDs)
Investments (other)	LGFA borrower notes Bank term deposits linked to pre-funding maturing debt
Interest rate risk management	Forward rate agreements (FRAs) on bank bills Interest rate options on: <ul style="list-style-type: none"> • Bank bills (purchased caps and one for one collars) • Interest rate swaptions (purchased swaptions and one for one collars only)

That the named counterparties and limits be approved:

Counterparty/issuer	Maximum investments per counterparty (\$m)
NZ Government	Unlimited
Local Government Funding Agency (LGFA)	20.0
NZ registered banks: <ul style="list-style-type: none">• ANZ Bank New Zealand Limited• ASB Bank Limited• Bank of New Zealand (BNZ)• Kiwibank Limited• Westpac New Zealand Limited	20.0

Carried

Adoption of Draft User Fees and Charges 2019/20 and approval to consult (Item 6.2)

ID: A1157911

Report from Robyn Broadhurst, Policy Analyst and Kyla Carlier, Corporate Planning Manager

Moved (Yeoman/Stolwerk)

1. That the report 'Adoption of Draft User Fees and Charges 2019/20 and approval to consult' by Robyn Broadhurst, Policy Analyst and Kyla Carlier, Corporate Planning Manager and dated 31 January 2019, be received.
2. That council adopts the Statement of Proposal and the Draft User Fees and Charges 2019/20 (**Attachment 1** pertaining to Item 6.2 of the 19 February 2019 council agenda) for the purposes of consultation, pursuant to section 150 of the LGA, and that this be carried out in conjunction with consultation on the Annual Plan 2019/20.
3. That council delegates to the Chief Executive the authority to make any necessary minor formatting, typographical and administrative changes to the Draft User Fees and Charges 2019/20 prior to formal public consultation.

Carried

Adoption of the Annual Plan 2019/20 Supporting Information (Item 6.3)

ID: A1159110

Report from Kyla Carlier, Corporate Planning Manager

Moved (Shepherd/Sinclair)

That the additional tabled pages be received.

Carried

Recommendations

Moved (Shepherd/Yeoman)

1. That the report 'Adoption of the Annual Plan 2019/20 Supporting Information' by Kyla Carlier, Corporate Planning Manager and dated 1 February 2019, be received.

Carried

It was further moved (Shepherd/Yeoman)

2. That council adopts the supporting information for the Annual Plan 2019/20 plus the additional tabled pages (**Attachment 1** pertaining to Item 6.3 of the 19 February 2019 council agenda) for the purposes of consultation, pursuant to sections 95 and 95A of the LGA.

Carried

It was further moved (Yeoman/Stolwerk)

3. That council delegates to the Group Manager – Strategy, Governance and Engagement the authority to make any necessary minor formatting, typographical and administrative changes to the supporting information prior to formal public consultation.

Carried

Adoption of the Annual Plan 2019/20 Consultation Document and Approval to Consult (Item 6.4)

ID: A1158997

Report from Kyla Carlier, Corporate Planning Manager

Moved (Yeoman/Blaikie)

1. That the report 'Adoption of the Annual Plan 2019/20 Consultation Document and Approval to Consult' by Kyla Carlier, Corporate Planning Manager and dated 31 January 2019, be received.
2. That council adopts and approves for release the Annual Plan 2019/20 Consultation Document (included as **Attachment 1** pertaining to Item 6.4 of the 19 February 2019 council agenda) for consultation pursuant to sections 82, 95 and 95A of the Local Government Act 2002.
3. That council delegates to the Group Manager – Strategy, Governance and Engagement the authority to make any necessary minor formatting, typographical, and administrative changes to the Consultation Document prior to formal public consultation.

Carried

Secretarial Note: Staff were complimented on producing a great document.

Manea Footprints of Kupe - Request for a funding contribution from Council (Item 6.5)

ID: A1132029

Report from Jon Trewin, Economic Policy Advisor and Darryl Jones, Economist

Moved (Sinclair/Finlayson)

1. That the report 'Manea Footprints of Kupe - Request for a funding contribution from Council' by Jon Trewin, Economic Policy Advisor and Darryl Jones, Economist and dated 22 November 2018, be received.
2. That \$500,000 be transferred from the Community Investment Fund into the Investment and Growth Reserve once the conditions of funding set out in recommendation 3 have been met.
3. That \$500,000 (excluding GST) be allocated as Enabling Investment funding from the Investment and Growth Reserve to the Manea Footprints of Kupe project subject to the following conditions being met.
 - a. All resource and building consents are obtained for all elements of the project to proceed;
 - b. Fixed price construction tenders that permits all elements of the project to proceed is secured;
 - c. All funding has been secured to cover the development of the entire project;
 - d. A funding agreement is signed between Te Hua o Te Kawariki Trust, Manea Footprints of Kupe Ltd, Far North Holdings (FNHL), and council that includes:
 - i. a list of key performance indicators;
 - ii. a schedule of payment instalments that are linked to construction milestones with the first payment not occurring prior to 1 November 2019;
 - iii. an undertaking that any cost overruns for the construction of the buildings will be covered by supplementary funding and not by reducing the experience/fit-out development; and
 - iv. an undertaking that Manea will be held in perpetuity for the benefit of the local community and that should it ever be sold into private ownership that council will be refunded its \$500,000 funding allocation.
 - e. Confirmation that an overdraft facility of \$200,000 has been secured.

Carried

Environment Fund Criteria Review (Item 6.6)

ID: A1156376

Report from Imogen Field, Land Management Advisor - Freshwater Improvement Project; Lorna Douglas, Eastern Coast Manager and Duncan Kervell, Land Manager

Moved (Bain/Yeoman)

1. That the report 'Environment Fund Criteria Review' by Imogen Field, Land Management Advisor - Freshwater Improvement Project; Lorna Douglas, Eastern Coast Manager and Duncan Kervell, Land Manager and dated 24 January 2019, be received.
2. That council approve the new Environment Fund criteria.

Carried

Inter-regional Marine Pest Management - Discussion Document (Item 6.7)

ID: A1160314

Report from Justin Murfitt, Strategic Policy Specialist and Don McKenzie, Biosecurity Manager

Recommendation(s)

Moved (Sinclair/Stolwerk)

1. That the report 'Inter-regional Marine Pest Management - Discussion Document' by Justin Murfitt, Strategic Policy Specialist and Don McKenzie, Biosecurity Manager and dated 5 February 2019, be received.
2. That council approves the release of the draft discussion document and the associated consultation process.
3. That council delegates authority to the Deputy Chief Executive to make changes to the discussion document prior to the start of the consultation to add content relating to potential pathway plan implementation costs and for the purpose of formatting, adding agency logo's and other minor changes to text for readability).

Carried

It was further moved (Bain/Yeoman)

4. That council appoint a political spokesperson for the purposes of consultation in Northland being Councillor Sinclair.

Carried

Chair's Report to Council (Item 7.1)

ID: A1156744

Report from Bill Shepherd, Chairman

Moved (Shepherd/Sinclair)

That the report 'Chair's Report to Council' by Bill Shepherd, Chairman and dated 31 January 2019, be received.

Carried

Secretarial Note: Councillor Dimery asked for it to be noted that he had also attended the Northland Inc. AGM.

Secretarial Note: Councillor Bain left the meeting at 11.42 am.

Chief Executive's Report to Council (Item 7.2)

ID: A1156933

Report from Malcolm Nicolson, Chief Executive Officer

Moved (Shepherd/Stolwerk)

That the report 'Chief Executive's Report to Council' by Malcolm Nicolson, Chief Executive Officer and dated 29 January 2019, be received.

Carried

Secretarial Note: GM – Enviromental Services to circulate LiDAR report to councillors.

Councillor Yeoman congratulated staff on the scope of work council is doing and the effort being put in by staff.

Secretarial Note: Councillor Bain returned to the meeting at 11:46 am.

Receipt of Committee Minutes (Item 8.0)

ID: A1158061

Report from Chris Taylor, Governance Support Manager

Moved (Stolwerk/Bain)

That the unconfirmed minutes of the:

- Investment Subcommittee - 28 November 2018
- Civil Defence Emergency Management - 4 December 2018
- Regional Transport Committee - 5 December 2018
- Property Subcommittee - 5 December 2018

be received.

Carried

Business with Public Excluded (Item 9.0)

Moved (Shepherd/Sinclair)

1. That the public be excluded from the proceedings of this meeting to consider confidential matters.
2. That the general subject of the matters to be considered whilst the public is excluded, the reasons for passing this resolution in relation to this matter, and the specific grounds under the Local Government Official Information and Meetings Act 1987 for the passing of this resolution, are as follows:

Item No.	Item Issue	Reasons/Grounds
9.1	Confirmation of Confidential Minutes - 11 December 2018	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting -.
9.2	Receipt of Confidential Committee Minutes	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting -.
9.3	Human Resources Report	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(a).
9.4	Sale of Council's Lessor's Interest in a CBD Property	The public conduct of the proceedings would be likely to result in disclosure of information, the withholding of which is necessary to enable council to carry out, without prejudice or disadvantage, commercial activities s7(2)(h) and the withholding of which is necessary to enable council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).

3. That the Independent Financial Advisor be permitted to stay during business with the public excluded

.Carried

Conclusion

The meeting concluded at 12.01 pm

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