

## Northland Regional Council Minutes

Meeting held in the Council Chamber  
36 Water Street, Whangārei  
on Tuesday 20 August 2019, commencing at 10.30am

### 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  
Chief Executive Officer  
GM - Environmental Services  
Governance Support Manager

#### Part Meeting

GM - Corporate Excellence  
GM – Strategy, Governance and Engagement  
Finance Manager  
Compliance Monitoring Manager  
Natural Resources Monitoring Manager  
Strategy Policy and Planning Manager  
Financial Accountant  
Policy Specialist

The Chair declared the meeting open at 10.30am.

### Apologies (Ngā whakapahā) (Item 1.0)

There were no apologies.

### Declarations of Conflicts of Interest (Nga whakapuakanga) (Item 2.0)

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

### **Health and Safety Report (Item 3.0)**

**ID: A1224420**

**Report from Beryl Steele, Human Resources Manager**

**Moved (Dimery/Yeoman)**

That the report 'Health and Safety Report' by Beryl Steele, Human Resources Manager and dated 2 August 2019, be received.

**Carried**

### **Confirmation of Minutes - 16 July 2019 (Item 4.1)**

**ID: A1221472**

**Report from Chris Taylor, Governance Support Manager**

**Moved (Sinclair/Stolwerk)**

That the minutes of the council meeting held on 16 July 2019 be confirmed as a true and correct record (subject to the inclusion of Councillor Smart's reason for abstaining from voting being included in all three resolutions pertaining to Item 5.1: Proposed Regional Plan – Decisions on Genetically Modified Organisms Submissions).

**Carried**

### **Working Party Updates and Chairpersons' Briefings (Item 4.2)**

**ID: A1197721**

**Report from Sally Bowron, Strategy, Governance and Engagement Team Admin/PA**

**Moved (Bain/Yeoman)**

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

**Carried**

*Secretarial Note: Council extended praise to staff involved in securing funding for the Sustainable Hill Country and Regional Priorities (SHaRP) project.*

### **Council Working Group Update (Item 4.3)**

**ID: A1227847**

**Report from Bruce Howse, Group Manager - Environmental Services**

**Moved (Blaikie/Finlayson)**

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

**Carried**

### **Receipt of Action Sheet (Item 4.4)**

**ID: A1227892**

**Report from Chris Taylor, Governance Support Manager**

**Moved (Shepherd/Stolwerk)**

That the action sheet be received.

**Carried**

## **Externally Managed Investment Funds: 2018/19 Performance and Proposed Allocation of Gains (Item 5.1)**

**ID: A1221565**

**Report from Simon Crabb, Finance Manager**

**Moved (Sinclair/Bain)**

1. That the report 'Externally Managed Investment Funds: 2018/19 Performance and Proposed Allocation of Gains' by Simon Crabb, Finance Manager and dated 30 July 2019, be received.
2. That \$854,205 of Community Investment Fund gains earned in 2018/19 is reinvested into the Community Investment Fund and \$34,000 of Community Investment Fund gains earned in 2018/19 is allocated to the Investment and Growth Reserve.
3. That \$160,669 of Property Reinvestment Fund gains earned in 2018/19 is reinvested into the Property Reinvestment Fund, and \$612,096 of Property Reinvestment Fund gains earned in 2018/19 is allocated to the Operating Costs Reserve.
4. That \$519,101 of Infrastructure Investment Fund gains earned in 2018/19 is allocated to the Operating Costs Reserve, and no Infrastructure Investment Fund gains earned in 2018/19 are reinvested back into the Infrastructure Investment Fund.
5. That \$66,826 of net depreciation funding and \$853,499 of debt repayment funding are transferred into the Infrastructure Investment Fund.
6. That \$1,131,196 of funding representing the Operating Costs Reserve is invested into NZ registered bank fixed rate term deposits with rolling maturity profiles ranging from 30 to 180 days.
7. That the Operating Costs Reserve is renamed to the Opex Reserve.

**Carried**

## **Resource Enterprises Limited (REL) - Loan Impairment (Item 5.2)**

**ID: A1221898**

**Report from Simon Crabb, Finance Manager**

**Moved (Shepherd/Bain)**

1. That the report 'Resource Enterprises Limited (REL) - Loan Impairment' by Simon Crabb, Finance Manager and dated 30 July 2019, be received.
2. That an impairment loss of \$819,933 is recorded in the 2018/19 accounts to reflect that there are sufficient indicators of impairment as meeting the requirements to be assessed under the reporting standards.

**Carried**

*Secretarial Note: In making its decision, council took into account it could have originally provided funding to REL in the form of a grant.*

## **Request for Approval to Carry Forward Operational Budget from the 2018/19 Financial Year into the 2019/20 Financial Year (Item 5.3)**

**ID: A1220587**

**Report from Vincent McColl, Financial Accountant and Simon Crabb, Finance Manager**

**Moved (Sinclair/Stolwerk)**

1. That the report 'Request for Approval to Carry Forward Operational Budget from the 2018/19 Financial Year into the 2019/20 Financial Year' by Vincent McColl, Financial Accountant and Simon Crabb, Finance Manager and dated 31 July 2019, be received.
2. That council approves the operational expenditure carry forwards from the 2018/19 financial year into the 2019/20 financial year of:
  - a. \$16,900 for iwi environmental management plans;
  - b. \$10,170 for the Water Street mural;
  - c. \$35,000 for Freshwater NPS implementation; and
  - d. \$10,000 for the digital asset management project.

**Carried**

## **Request for Approval to Carry Forward Capital Expenditure Budget from the 2018/19 Financial Year into the 2019/20 Financial Year (Item 5.4)**

**ID: A1220677**

**Report from Vincent McColl, Financial Accountant**

**Moved (Sinclair/Finlayson)**

1. That the report 'Request for Approval to Carry Forward Capital Expenditure Budget from the 2018/19 Financial Year into the 2019/20 Financial Year' by Vincent McColl, Financial Accountant and dated 31 July 2019, be received.
2. That council approves the carry forward of \$1.1M capital expenditure budget from the 2018/19 financial year into the 2019/20 financial year.

**Carried**

## **Special Reserves at 30 June 2019 (Item 5.5)**

**ID: A1220735**

**Report from Vincent McColl, Financial Accountant**

**Moved (Yeoman/Sinclair)**

That the report 'Special Reserves at 30 June 2019' by Vincent McColl, Financial Accountant and dated 31 July 2019, be received.

**Carried**

## **Regional Rates Collection - 2018/19 (Item 5.6)**

**ID: A1222450**

**Report from Simon Crabb, Finance Manager**

**Moved (Sinclair/Stolwerk)**

That the report 'Regional Rates Collection - 2018/19' by Simon Crabb, Finance Manager and dated 31 July 2019, be received.

**Carried**

## **Draft Financial Result to 30 June 2019 (Item 5.7)**

**ID: A1221361**

**Report from Vincent McColl, Financial Accountant**

**Moved (Sinclair/Stolwerk)**

That the report 'Draft Financial Result to 30 June 2019' by Vincent McColl, Financial Accountant and dated 31 July 2019, be received.

**Carried**

## **Update to Delegations (Item 6.1)**

**ID: A1222713**

**Report from Vincent McColl, Financial Accountant and Anan Thiru, Accounts Assistant - Treasury and Projects**

**Moved (Bain/Stolwerk)**

1. That the report 'Update to Delegations' by Vincent McColl, Financial Accountant and Anan Thiru, Accounts Assistant - Treasury and Projects and dated 1 August 2019, be received.
2. That council approve the updated bank and cheque signatory delegations, as outlined in Attachment 1 (pertaining to Item 6.1 of the 20 August 2019 council meeting agenda).

**Carried**

## **Northland Water Storage and Use Project: Council approval to progress and execute the project (Item 6.2)**

**ID: A1225761**

**Report from Darryl Jones, Economist**

**Moved (Blaikie/Yeoman)**

1. That the report 'Northland Water Storage and Use Project: Council approval to progress and execute the project' by Darryl Jones, Economist and dated 2 August 2019, be received.
2. That council provides delegated authority to the Chief Executive Officer to progress and execute the Northland Water Storage and Use Project (in accordance with the funding agreement signed between council and MBIE).

**Carried**

## **Freshwater Quality Management Units for Northland (Item 6.3)**

**ID: A1226903**

**Report from Ben Tait, Policy Specialist - Water**

**Moved (Yeoman/Smart)**

1. That the report 'Freshwater Quality Management Units for Northland' by Ben Tait, Policy Specialist - Water and dated 6 August 2019, be received.
2. That council approves the recommended (interim) freshwater quality management units, as presented in this report, for the purpose of developing a plan change to give effect to the water quality planning requirements of the National Policy Statement for Freshwater Management 2017 (NPS-FM).

**Carried**

*Secretarial Note: An error was noted in the report that the assessment and decision on modelling tool(s) for determining what catchment interventions (and costs) are needed to achieve aspirational water quality objectives would occur June – October **2020** (not 2019).*

## **Assessing Freshwater Quantity Limits for Fully Allocated Water Bodies (Item 6.4)**

**ID: A1227408**

**Report from Ben Tait, Policy Specialist - Water and Susie Osbaldiston, Groundwater Management Specialist**

**Moved (Yeoman/Stolwerk)**

1. That the report 'Assessing Freshwater Quantity Limits for Fully Allocated Water Bodies' by Ben Tait, Policy Specialist - Water and Susie Osbaldiston, Groundwater Management Specialist and dated 7 August 2019, be received.
2. That council supports this project and endorses the initial project milestones and timetable for assessing alternative freshwater quantity limits for fully allocated water bodies identified as (a) likely being under reasonably foreseeable significant future demand pressure, or (b) showing significant adverse effects resulting from current allocation.

**Carried**

## **Draft Productivity Commission Report on Local Government Funding and Financing (Item 6.5)**

**ID: A1226950**

**Report from Justin Murfitt, Strategic Policy Specialist**

**Moved (Yeoman/Blaikie)**

1. That the report 'Draft Productivity Commission Report on Local Government Funding and Financing' by Justin Murfitt, Strategic Policy Specialist and dated 6 August 2019, be received.
2. That council authorise staff to draft a submission based on key submission points outlined in this report.

3. That the submission be approved, under delegated authority by the Chief Executive Officer, and lodged with the Productivity Commission by 29 August 2019.

**Carried**

*Secretarial Note: Appreciation was extended to the Strategic Policy Specialist for collating the submission.*

## **Environment Fund Over-allocation (Item 6.6)**

**ID: A1227954**

**Report from Lorna Douglas, Eastern Coast Manager**

**Moved (Shepherd/Yeoman)**

1. That the report 'Environment Fund Over-allocation' by Lorna Douglas, Eastern Coast Land Manager and dated 8 August 2019, be received.
2. That for 2019/20 council approves an over-allocation of the Land/Biodiversity component of the Environment Fund budget (\$941.4 K) by up to 20% (\$188.3 K).
3. That council amends the current Environment Fund criteria to allow the council chairperson (or nominee) to approve up to 100% funding for Top 150 wetlands and dune lakes projects.

**Carried**

## **Initial Restructure of Managed Funds (Item 6.7)**

**ID: A1228715**

**Report from Dave Tams, Group Manager, Corporate Excellence**

**Moved (Shepherd/Bain)**

1. That the report 'Initial Restructure of Managed Funds' by Dave Tams, Group Manager, Corporate Excellence and dated 12 August 2019, be received.
2. That the managed funds be restructured into the Long Term fund and Short Term fund as per the advice from Eriksen and Associates.
3. That council, post the 2019 elections, workshop the fund manager choices with the council's independent investment advisors.
4. That council approves the initial SIPO as a means of establishing the restructured managed funds.

**Carried**

*Secretarial Note: In making its decision, council took into consideration whether this was business as usual (being within the pre-election period).*

## **Chair's Report to Council (Item 7.1)**

**ID: A1228589**

**Report from Bill Shepherd, Chairman**

**Moved (Shepherd/Sinclair)**

That the report 'Chair's Report to Council' by Bill Shepherd, Chairman and dated 12 August 2019, be received.

**Carried**

## Chief Executive's Report to Council (Item 7.2)

ID: A1221518

Report from Malcolm Nicolson, Chief Executive Officer

Moved (Shepherd/Sinclair)

That the report 'Chief Executive's Report to Council' by Malcolm Nicolson, Chief Executive Officer and dated 31 July 2019, be received.

Carried

## Reporting on Long Term Plan 2018-2028 Performance Measures for the Year Ended 30 June 2019 (Item 7.3)

ID: A1227484

Report from Kyla Carlier, Corporate Planning Manager

Moved (Finlayson/Yeoman)

That the report 'Reporting on Long Term Plan 2018-2028 Performance Measures for the Year Ended 30 June 2019' by Kyla Carlier, Corporate Planning Manager and dated 7 August 2019, be received.

Carried

## Business with Public Excluded (Item 8.0)

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
8.1	Confirmation of Confidential Minutes - 16 July 2019	The public conduct of the proceedings would be likely to result in disclosure of information, as stated in the open section of the meeting.
8.2	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).

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

Carried

## Conclusion

The meeting concluded at 11.56am.



