

Northland Regional Council Minutes

Meeting held remotely
on Tuesday 18 August 2020, commencing at 10.30am

Present:

Chairperson, Penny Smart

Councillors:

John Bain

Justin Blaikie

Jack Crow

Colin Kitchen

Amy Macdonald

Marty Robinson

Rick Stolwerk

Joce Yeoman

In Attendance:

Part or Full Meeting

Independent Financial Advisor

Independent Audit & Risk Advisor

Northland Inc. Limited GM Investment and Infrastructure

Chief Executive Officer

GM - Environmental Services

GM - Strategy, Governance and Engagement

GM – Regulatory Services

GM – Corporate Excellence

Finance Manager

Regional Harbourmaster

Financial Accountant

Resource Management – Strategic Policy Specialist

Eastern Coast Land Manager

Acting Strategy, Policy and Planning Manager

Economist

Policy Specialist

Governance Support Manager

The Chair declared the meeting open at 10.35am and proceedings commenced with a karakia by Councillor Macdonald.

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.

Secretarial Note: The Supplementary Confidential Report pertaining to Item 9.3 was noted.

Health and Safety Report (Item 3.0)

ID: A1348122

Report from Kelcie Mills, Health and Safety Advisor

Moved (Kitchen/Stolwerk)

That the report 'Health and Safety Report' by Kelcie Mills, Health and Safety Advisor and dated 4 August 2020, be received.

Carried

Confirmation of Minutes - 21 July 2020 and 29 July 2020 (Item 4.1)

ID: A1347107

Report from Chris Taylor, Governance Support Manager

Moved (Craw/Stolwerk)

That the minutes of the council meeting held on 21 July 2020, and the extraordinary council meeting held on 29 July 2020, be confirmed as a true and correct record.

Carried

Working Party Updates and Chairpersons' Briefings (Item 4.2)

ID: A1347780

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

Moved (Robinson/Macdonald)

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

Carried

Secretarial Note: The Te Taitokerau Māori and Council Working Party to review its representatives on council's working parties in due course.

Council River Working Group and Council Catchment Group Updates (Item 4.3)

ID: A1339431

Report from Leah Porter, PA/Administrator Environmental Services

Moved (Yeoman/Blaikie)

That the report 'Council River Working Group and Council Catchment Group Updates' be received.

Carried

Externally Managed Investment Funds: 2019/20 Performance and Proposed Allocation of Gains (Item 5.1)

ID: A1347497

Report from Simon Crabb, Finance Manager

Moved (Stolwerk/Bain)

1. That the report 'Externally Managed Investment Funds: 2019/20 Performance and Proposed Allocation of Gains' by Simon Crabb, Finance Manager and dated 2 August 2020, be received.
2. That \$368,587 of the Long-Term Investment Fund gains earned in 2019/20 is reinvested and attributed to the Community Investment Fund Reserve, and \$72,148 of the Long-Term Investment Fund gains earned in 2019/20 is allocated to the Investment and Growth Reserve.
3. That NO Long-Term Investment Fund gains attributable to the Property Reinvestment Fund Reserve are reinvested in 2019/20.
4. That NO Long-Term Investment Fund gains attributable to the Infrastructure Investment Fund Reserve are reinvested in 2019/20.
5. That \$167,777 of depreciation funding is invested into the Long-Term Fund and attributed to the Infrastructure Investment Fund Reserve.
6. That \$53,403 is withdrawn from the Long-Term Investment Fund to reimburse council's working capital for the 2019/20 investment management fees.

Carried

Secretarial Note:

- *The Independent Financial Advisor provided commentary on the current 'rapidly moving [financial] environment'. Key elements included:*
 - *Council had responded well to the downturn in equity markets resulting in a 'significant reversal' in gains on council's managed funds.*
 - *The organisation needed to remain 'agile, lean and fast' given that volatility was becoming the 'new normal'.*
 - *It was suggested that council should take a deeper strategic level look at its systems/processes to ensure it was prepared for 'ongoing crises'. As part of this, council should develop a strategy regarding the appropriate balance between building up an 'income generating balance sheet' and investing in 'the urgent needs of the community'.*
- *The Independent Audit and Risk Advisor also provided commentary, focussing on:*
 - *The recent drought and COVID-19 had resulted in unprecedented circumstances.*
 - *The current market volatility highlighted the need for 'due consideration in reducing risk and exercising caution', and the need for council to prepare itself for 'the long game'.*
 - *in such times the community would 'increasingly look to council to provide regional leadership'.*
- *Appreciation was extended to the finance team, the independent advisors and council's subcommittees overseeing its finances, for their guidance through such challenging times.*

Allocation of 2019/20 Surplus to the Opex Reserve and COVID-19 Reinstatement Reserve (Item 5.2)

ID: A1349610

Report from Simon Crabb, Finance Manager

Moved (Craw/Stolwerk)

1. That the report 'Allocation of 2019/20 Surplus to the Opex Reserve and COVID-19 Reinstatement Reserve' by Simon Crabb, Finance Manager and dated 7 August 2020, be received.
2. That \$467,695 of the 2019/20 operating surplus is allocated to the Opex Reserve, and funding representing the Opex Reserve is invested into NZ registered bank fixed rate term deposits with rolling maturity profiles ranging from 30 to 180 days.
3. That a COVID-19 Reinstatement Reserve is established, and \$1.7M of the 2019/20 operating surplus is allocated to this Reserve, and funding representing the COVID-19 Reinstatement Reserve is invested into NZ registered bank fixed rate term deposits with rolling maturity profiles ranging from 30 to 180 days.
4. That budgets of \$30,000 for Tangata whenua capability and capacity, \$100,000 for Modelling highly allocated aquifers, and \$86,385 for Enviroschools staff and seminars are reinstated in 2020/21 and funded from the COVID-19 Reinstatement Reserve.
5. That the CEO is delegated the authority to reinstate any work programmes presented in **Attachment One** when appropriate, and funding becomes available, from the COVID-19 Reinstatement Reserve.
6. That budgets of \$58,000 for Bay of Islands harbour modelling and \$100,617 for committed obligations to the Regional Council collaboration are introduced into 2020/21 with corresponding funding transferred from the COVID-19 Reinstatement Reserve.
7. That any 2020/21 investment income in excess of budget is transferred to the COVID-19 Reinstatement Reserve, and any balance remaining in the COVID-19 Reinstatement Reserve at 30 June 2021 is transferred back to council's general funding, and that the Opex Reserve Policy is updated to reflect that the target amount of the Opex Reserve includes Investment Management fees.

Carried

Secretarial Note:

- *A correction was noted to recommendation four that the budget for Enviroschools was \$86,385 (not \$100,617 as detailed in the agenda). There was also a formatting error with regard to recommendation 7.*
- *Due to technical issues the meeting adjourned at 11.40am and reconvened at 11.50am.*

Request for Approval to Carry Forward Operational Budget from the 2019/20 Financial Year into the 2020/21 Financial Year (Item 5.3)

ID: A1348582

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

Moved (Kitchen/Stolwerk)

1. That the report 'Request for Approval to Carry Forward Operational Budget from the 2019/20 Financial Year into the 2020/21 Financial Year' by Vincent McColl, Financial Accountant and Simon Crabb, Finance Manager and dated 5 August 2020, be received.
2. That council approves the operational expenditure carry forwards from the 2019/20 financial year into the 2020/21 financial year of:
 - a. \$51,564 for the lakes survey;
 - b. \$24,241 for the wetland survey;
 - c. \$32,712 for eradication plants;
 - d. \$37,300 for roadside weeds;
 - e. \$53,200 for NIWA water quality modelling;
 - f. \$7,225 for water quality mitigation measures;
 - g. \$18,813 for lwi environment management plans;
 - h. \$19,000 for a Hokianga Harbour catchment investigation; and
 - i. \$11,500 for a Northland drought river ecosystem health impact report.

Carried

Request for Approval to Carry Forward Capital Expenditure Budget from the 2019/20 Financial Year into the 2020/21 Financial Year (Item 5.4)

ID: A1348437

Report from Vincent McColl, Financial Accountant

Moved (Stolwerk/Blaikie)

1. That the report 'Request for Approval to Carry Forward Capital Expenditure Budget from the 2019/20 Financial Year into the 2020/21 Financial Year' by Vincent McColl, Financial Accountant and dated 4 August 2020, be received.
2. That council approves the carry forward of \$234,624 capital expenditure budget from the 2019/20 financial year into the 2020/21 financial year.

Carried

Special Reserves at 30 June 2020 (Item 5.5)

ID: A1348147

Report from Vincent McColl, Financial Accountant

Moved (Bain/Stolwerk)

That the report 'Special Reserves at 30 June 2020' by Vincent McColl, Financial Accountant and dated 4 August 2020, be received.

Carried

Secretarial Note: A correction was noted to the Executive Summary of the report; that at 30 June 2020, council had \$39.9M (not \$52.5M as detailed in the agenda) of special reserves set aside to cover expenditure on specific projects and work programmes.

Regional Rates Collection - 2019/20 (Item 5.6)

ID: A1347485

Report from Simon Crabb, Finance Manager

Moved (Macdonald/Stolwerk)

That the report 'Regional Rates Collection - 2019/20' by Simon Crabb, Finance Manager and dated 1 August 2020, be received.

Carried

Draft Financial Result to 30 June 2020 (Item 5.7)

ID: A1346538

Report from Vincent McColl, Financial Accountant

Moved (Bain/Stolwerk)

That the report 'Draft Financial Result to 30 June 2020' by Vincent McColl, Financial Accountant and dated 29 July 2020, be received.

Carried

Secretarial Note: A correction was noted to the table included as Attachment One to the report; with the column titles to read 30 June 2020 (not 30 June 1919 as detailed in the agenda).

Joint Climate Change Adaptation Committee (Item 6.1)

ID: A1336874

Report from Justin Murfitt, Strategic Policy Specialist

Moved (Macdonald/Kitchen)

1. That the report 'Joint Climate Change Adaptation Committee' by Justin Murfitt, Strategic Policy Specialist and dated 7 July 2020, be received.

Carried

It was further moved (Stolwerk/Yeoman)

2. That council authorises the establishment of a Joint Climate Change Adaptation Committee with Far North District Council, Whangarei District Council and Kaipara District Council, pursuant to clause 30(1)(b) and 30A of Schedule 7 of the Local Government Act 2002.

Carried

It was further moved (Macdonald/Robinson)

3. That council nominates two elected members to the joint committee one as primary member being Councillor Amy McDonald and Councillor Craw to act as back up.

Carried

It was further moved (Macdonald/Blaikie)

4. That council endorse the two nominations to the committee by Te Taitokerau Māori and Council Working Party, being Toa Faneva as primary member and Thomas Hohaia as alternate to act as back up, on the basis that they have skills and knowledge that will assist the committee.

Carried

Secretarial Note:

- *Two corrections were noted to the draft terms of reference as follows:*
 - *The title to read Joint Climate Change Adaptation Committee Terms of Reference 10 August 2020 (not 10 February 2020 as detailed in the agenda); and*
 - *The remuneration section to be amended with regard to non-elected members as follows:*

Remuneration
Remuneration and / or reimbursement for costs incurred by council members is the responsibility of each council.

*Respective iwi / hapū representatives will be remunerated and reimbursed by the nominating council in accordance with **the non-elected members' remuneration policy of that council** (not the Northland Regional Council Non-Elected Members' Remuneration Policy as detailed in the agenda).*
- The Joint Climate Change Adaptation Committee to consider whether it be appropriate to include climate change mitigation and provide a recommendation back to the councils if necessary.

It was further moved (Robinson/Blaikie)

5. That council adopt the Terms of Reference for the Joint Climate Change Adaptation Committee (with the amendments identified at the meeting), delegates those responsibilities and duties to the Joint Climate Change Adaptation Committee and acknowledges that this fulfils the requirements of 30A(1).

Carried

Environmental Fund Changes (Item 6.2)

ID: A1338269

Report from Duncan Kervell, Land Manager

Moved (Stolwerk/Macdonald)

1. That the report 'Environmental Fund Changes' by Duncan Kervell, Land Manager and dated 9 July 2020, be received.

2. That for 2020/21 council approves an over-allocation of the general Land/Biodiversity component of the Environment Fund (not including commitments to Kaipara Moana, IKHMG and Coast Care) budget (\$672K) by up to 20% (\$134.4 K).
3. That council approves other changes to Environment Fund allocation:
 - a. The funding cap for projects is increased to \$40,000 through delegated authority approval;
 - b. That coastal marine area fencing is no longer funded; and
 - c. That a 3m buffer for all riparian fencing is strictly enforced with no payment for non-compliant fencing.

Carried

Changing Focus of the Land Management Team (Item 6.3)

ID: A1348914

Report from Duncan Kervell, Land Manager

Moved (Macdonald/Blaikie)

1. That the report 'Changing Focus of the Land Management Team' by Duncan Kervell, Land Manager and dated 5 August 2020, be received.
2. That council supports the adaptive approach and change in focus for the Land Management Team and notes the negative impact on council's ability to achieve its Long Term Plan 2018–2028 key performance indicator relating to the area of land under farm environment plans.

Carried

Investment and Growth Reserve: Project Development Funding - COVID-19 Economic Recovery Plan for Northland (Item 6.4)

ID: A1337509

Report from Darryl Jones, Economist

Moved (Kitchen/Bain)

1. That the report 'Investment and Growth Reserve: Project Development Funding - COVID-19 Economic Recovery Plan for Northland' by Darryl Jones, Economist and dated 8 July 2020, be received.
2. That council agree to allocate \$25,000 (plus GST if any) from the Project Development funding category of the Investment and Growth Reserve to Northland Inc. Limited to support the development of a COVID-19 economic recovery plan for Northland.
3. That council records that the allocation of this funding is inconsistent with the criteria and procedures for the allocation of funding from the Investment and Growth Reserve but that the exceptional nature of the COVID-19 crisis requires a one-off response.
4. That \$25,000 be transferred from the Community Investment Fund into the Investment and Growth Reserve to fund this allocation.
5. That the allocation be provided to Northland Inc. once the Chief Executive Officer is satisfied that the funding will be used for the development of a COVID-19 economic recovery plan rather than a regional economic development strategy.

Carried

Tāngata Whenua Water Advisory Group (Item 6.5)

ID: A1347155

Report from Ben Lee, GM - Strategy, Governance and Engagement

Moved (Macdonald/Yeoman)

1. That the report 'Tāngata Whenua Water Advisory Group' by Ben Lee, GM - Strategy, Governance and Engagement and dated 31 July 2020, be received.
2. That a "Tāngata Whenua Water Advisory Group" be formed to provide tāngata whenua-led analysis, feedback and advice on the development of the plan change to give effect to the water quality planning requirements of the National Policy Statement for Freshwater Management, as outlined in the attached Māori engagement approach: Water quality plan change.
3. That the following be appointed as the selection panel for considering and appointing the members of the Tāngata Whenua Water Advisory Group:
 - a. Mira Norris (tāngata whenua member of Te Taitokerau Māori and Council Working Party);
 - b. Juliane Chetham, or Janelle Beazley if Juliane Chetham is unavailable (tāngata whenua members of Te Taitokerau Māori and Council Working Party);
 - c. Councillor Blaikie; and
 - d. Councillor Yeoman.
4. That Te Taitokerau Māori and Council Working Party Māori members Nora Rameka, Rowan Tautari and Alan Riwaka (and Antony Thompson as an alternative to Alan Riwaka) be appointed to the Tāngata Whenua Water Advisory Group and be invited to attend all council workshops on the content of the plan change that gives effect to the water quality planning requirements of the National Policy Statement for Freshwater Management.

Carried

Secretarial Note: The associated communications plan to be provided to the September 2020 meeting of Te Taitokerau Māori and Council Advisory Working Party.

Delegation to Make Expert Consenting Panel Nominations Under the COVID-19 Recovery (Fast-track Consenting) Act 2020 (Item 6.6)

ID: A1347472

Report from Colin Dall, Group Manager - Regulatory Services

Moved (Yeoman/Bain)

1. That the report 'Delegation to Make Expert Consenting Panel Nominations Under the COVID-19 Recovery (Fast-track Consenting) Act 2020' by Colin Dall, Group Manager - Regulatory Services and dated 31 July 2020, be received.
2. That pursuant to Schedule 7 clause 32(1) of the Local Government Act 2002, the council delegate to the Chief Executive Officer and Group Manager – Regulatory Services the power to nominate a person or persons to be a member of an expert consenting panel

appointed under Schedule 5 of the COVID-19 Recovery (Fast-track Consenting) Act 2020.

Carried

Marsden Maritime Holdings Interview Panel (Item 6.7)

ID: A1351304

Report from Jessica Matson, Human Resources Advisor

Moved (Craw/Kitchen)

1. That the report 'Marsden Maritime Holdings Interview Panel' by Jessica Matson, Human Resources Advisor and dated 12 August 2020, be received.
2. That council nominates Councillor Smart, Councillor Bain and Councillor Stolwerk for the interview panel for the Marsden Maritime Holdings Director appointments.

Carried

Chair's Report to Council (Item 7.1)

ID: A1346558

Report from Penny Smart, Chair

Moved (Smart/Yeoman)

That the report 'Chair's Report to Council' by Penny Smart, Chair and dated 3 August 2020, be received.

Carried

Chief Executive's Report to Council (Item 7.2)

ID: A1346416

Report from Malcolm Nicolson, Chief Executive Officer

Moved (Stolwerk/Macdonald)

That the report 'Chief Executive's Report to Council' by Malcolm Nicolson, Chief Executive Officer and dated 31 July 2020, be received.

Carried

Secretarial Note:

- *The Chief Executive highlighted that the funding secured from central government to support activities also presented a financial risk; given it would have a significant impact on council's operations when it ceased.*
- *Appreciation was extended to the Biodiversity Team, particularly for their efforts in the FIF Dune Lakes Project and broader lakes programme.*
- *Appreciation was also extended to the Chief Executive Officer and the team for its response to the recent flooding.*

Code of Conduct Complaint (Item 7.3)

ID: A1348224

Report from Malcolm Nicolson, Chief Executive Officer

Moved (Bain/Macdonald)

That the report 'Code of Conduct Complaint' by Malcolm Nicolson, Chief Executive Officer and dated 4 August 2020, be received and councillors take cognisance of its recommendation.

Carried

Reporting on Long Term Plan 2018-2028 Performance Measures for the Year Ended 30 June 2020 (Item 7.4)

ID: A1347486

Report from Robyn Broadhurst, Policy Specialist

Moved (Yeoman/Macdonald)

That the report 'Reporting on Long Term Plan 2018-2028 Performance Measures for the Year Ended 30 June 2020' by Robyn Broadhurst, Policy Specialist and dated 1 August 2020, be received.

Carried

Legislative Compliance for the Period 1 January - 30 June 2020 (Item 7.5)

ID: A1347548

Report from Kyla Carlier, Acting Strategic Policy and Planning Manager

Moved (Bain/Stolwerk)

That the report 'Legislative Compliance for the Period 1 January - 30 June 2020' by Kyla Carlier, Acting Strategic Policy and Planning Manager and dated 3 August 2020, be received.

Carried

Receipt of Committee Minutes (Item 8.0)

ID: A1348386

Report from Chris Taylor, Governance Support Manager

Moved (Stolwerk/Bain)

That the unconfirmed minutes of the:

- Regional Transport Committee – 10 June 2020; and
- Civil Defence and Emergency Management Group – 17 June 2020

be received.

Carried

Business with Public Excluded (Item 9.0)

Moved (Bain/Macdonald)

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 - 21 July 2020	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	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).
9.3 and Supplementary 9.3	Shovel Ready Project for Public Consultation	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 on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) s7(2)(i).

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

Carried

Conclusion

The meeting concluded at 1.22pm.