
Minutes of a meeting of the Governance Committee

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

On Thursday 25 August 2016, commencing at 9.00am

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

In Attendance: Councillor T Skinner, Acting Chief Executive and Group Manager Community Services (C Ward), Group Manager Infrastructure (A Louverdis), Group Manager Strategy and Environment (C Barton), Group Manager Corporate Services (N Harrison), Senior Strategic Adviser (N McDonald), Senior Accountant (T Hughes), Manager Communication and Acting Manager Libraries and Heritage Facilities (P Shattock), Manager Administration (P Langley) and Administration Advisor (J McDougall)

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

1. Apologies

Resolved GOV/2016/096

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

Davy/Rainey

Carried

2. Confirmation of Order of Business

2.1 Forestry Review - Supplementary Information – M2117

The Chairperson noted that a late item was to be considered in Public Excluded and therefore the following resolution was to be passed.

Resolved GOV/2016/097

THAT the public excluded item regarding Forestry Review - Supplementary Information 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.

Murray/Matheson

Carried

3. Interests

There were no updates to the Interests Register requested.

Councillor Rainey declared an interest with item 8, Nelson Cycle Lift Society – approval of project plan.

4. Public Forum

There was no public forum.

5. Confirmation of Minutes

5.1 14 July 2016

Document number M1999, agenda pages 11 - 19 refer.

Resolved GOV/2016/098

THAT the minutes of the meeting of the Governance Committee, held on 14 July 2016, be confirmed as a true and correct record.

Murray/McGurk

Carried

6. Status Report - Governance Committee - 25 August 2016

Document number R6468, agenda pages 20 - 21 refer.

Resolved GOV/2016/099

THAT the Status Report Governance Committee 25 August 2016 (R6468) and its attachment (A1160658) be received.

Davy/McGurk

Carried

7. Chairperson's Report

Document number R6467, agenda pages 22 - 23 refer.

Resolved GOV/2016/100

THAT the Chairperson's Report (R6467) be received.

Barker/Acland

Carried

Attendance: Councillor Fulton joined the meeting at 9.06am.

The Chairperson thanked Committee members and councillors, senior management and staff. He noted that both the Audit, Risk and Finance Subcommittee and the Commerce Subcommittee had been set up at the beginning of the triennium and that this had been a valuable exercise. The Chairperson added that Nelson City had benefited from the expertise of the two external appointees, John Murray and John Peters, and thanked them for their contribution.

Councillors echoed the Chairperson's comments.

8. The Nelson Regional Development Agency (NRDA) draft Statement of Intent 2016/17

Document number R5353, agenda pages 30 - 47 refer.

Group Manager Community Services, Chris Ward, presented the report and introduced NRDA Chair, John Palmer, and NRDA Chief Executive Officer, Mark Rawson, who both spoke to the meeting about the Statement of Intent 2016/17.

Mr Ward advised that there were no issues at present with the formal winding up of the Economic Development Agency.

Mr Palmer advised that the NRDA budget was tight, meaning additional funding would be needed for any projects that were not already part of the work programme. He said that any such funding requests would come to Council for consideration. Mr Palmer added that the NRDA hoped to attract third party funding for some projects.

In response to a query, Mr Palmer noted that the quarterly reports prepared by the NRDA were prepared primarily for stakeholders, including the Tasman District Council.

In response to a query, Mr Rawson agreed that NRDA would be looking for investment from the private sector, including the tourism industry.

Resolved GOV/2016/101

THAT the report The Nelson Regional Development Agency draft Statement of Intent 2016/17 (R5353) and its attachment (A1603844) be received.

Noonan/Davy

Carried

Recommendation to Council GOV/2016/102

THAT the Nelson Regional Development Agency Statement of Intent 2016/17 (A1603844) be approved subject to any minor edits.

Noonan/McGurk

Carried

Attendance: Councillor Rainey left the table at 9.44am.

GOVERNANCE

8. Nelson Cycle Lift Society - approval of project plan

Document number R6070, agenda pages 24 - 29 refer.

Group Manager Community Services, Chris Ward, presented the report.

Attendance: Councillor Matheson left the meeting from 9.44am to 9.46am.

In answer to a query, Mr Ward advised that feedback had been received from local residents through the annual plan process and there had been general support for the concept. He said there would be further opportunities for community feedback as part of the resource consent process and when Council considered the lease of the land.

Attendance: Her Worship the Mayor joined the meeting at 10.05am.

In response to questions, Mr Ward:

- noted the support from the community for the project was for Council to act as a facilitator not an investor.
- advised that Stage one, project focus, was expected to be completed in February 2017.

Attendance: The meeting adjourned for morning tea from 10.22am to 10.35am.

Mark Rawson, CEO, Nelson Regional Development Agency, joined the meeting to provide advice. Mr Rawson suggested that the project plan be considered as a type of pre-commercial business case which would provide the key parameters for any investor.

He noted that there was likely to be only a small number of investors in New Zealand that would be interested in this type of project and have the capacity to take it forward. The investment would need to be attractive for investors to consider becoming involved with the project and Nelson was competing with other regions which had similar projects. He said that the project plan would provide a tool to start the conversation with investors on barriers to investment, keys to success and other relevant issues.

Resolved GOV/2016/103

THAT the report Nelson Cycle Lift Society - approval of project plan (R6070) and its attachment (A1575700) be received.

Her Worship the Mayor/Fulton

Carried

Recommendation to Council GOV/2016/104

THAT the \$50,000 of funding allocated in the 2016/17 Annual Plan be released to the Nelson Cycle Lift Society for further development of the business case and for advice on the economic contribution of a gondola to mountain biking and the city, with the following condition:

THAT the brief for the economic assessment be signed off by the Chief Executives of Nelson City Council and the Nelson Regional Development Agency.

Her Worship the Mayor/Fulton

Carried

9. Review of Audit, Risk and Finance - survey results

Document number R6474, agenda pages 48 - 55 refer.

John Peters, Chair, Audit, Risk and Finance Subcommittee presented the report.

Attendance: Councillor Rainey returned to the meeting, and Councillor Skinner left the meeting, at 10.54am. Her Worship the Mayor and Councillor Fulton left the meeting from 10.54am to 10.56am.

Resolved GOV/2016/105

Receives the report Review of Audit, Risk and Finance - survey results (R6474) and its attachment (A1605386).

Peters/Acland

Carried

10. Draft Annual Report 2015/16

Document number R6401, agenda pages 56 - 244 refer.

Senior Strategic Advisor, Nicky McDonald and Senior Accountant, Tracey Hughes, presented the report. The Audit Director, Bede Kearney joined the meeting.

In answer to a query, Ms Hughes advised that the change in the revaluation was due to the fact that the Council annual revaluation was not yet completed and to a revaluation of assets undertaken by Nelson Airport Ltd.

In response to a query, Ms McDonald said more explanation would be provided to explain the water quality results. She added that for solid waste, the long run trend was a reduction but the most recent year had a slight increase.

In response to a query about the City's water supply in relation to the water quality issues in Havelock North, Group Manager Infrastructure, Alec Louverdis, provided a summary of the differences between Nelson and Hastings' water supply and the testing regime employed in Nelson for our reticulation system and reservoirs.

Resolved GOV/2016/106

Receive the report Draft Annual Report 2015/16 and its attachments (R6401);

Refer to Council the delegation to consider the final Annual Report 2015/16.

Davy/Acland

Carried

Recommendation to Council GOV/2016/107

Note the draft Annual Report 2015/16 has been prepared and will be audited before being presented to Council for adoption.

Davy/Acland

Carried

Attendance: Councillor Fulton left the meeting from 11.17am to 11.19am.

FINANCE

11. Rates remissions for Year ending 30 June 2016

Document number R5509, agenda pages 245 - 256 refer.

Group Manager Corporate Services, Nikki Harrison, and Rates Officer, Theo Aitken, presented the report.

Resolved GOV/2016/108

THAT the report Rates remissions for Year ending 30 June 2016 (R5509) and its attachments (A1383906 and A1575764) be received.

Davy/McGurk

Carried

12. Carry Forwards from 2015/16

Document number R6442, agenda pages 257 - 263 refer.

Senior Accountant, Tracey Hughes, and Manager Capital Projects, Shane Davies, presented the report.

In response to a query, Mr Davies advised that monthly reporting had replaced the previous projection process as the monthly reports provided more accurate and up to date information.

In answer to a query, Ms Hughes noted that an item of operational expenditure could be carried forward if it was an ongoing project, rather than an item which received an annual funding line, such as for maintenance.

Resolved GOV/2016/109

Receive the report Carry Forwards from 2015/16 (R6442).

Peters/Rainey

Carried

Recommendation to Council GOV/2016/110

Approve the carry forward of \$16,029,000 unspent capital budget for use in 2016/17;

Approve the offsetting of \$219,000 of capital spent in 2015/16 against 2016/17 budgets;

Approve the carry forward of \$3,085,203 of unspent operating budget for use in 2016/17.

Note savings in 2015/16 capital expenditure of \$2,619,000.

Peters/Rainey

Carried

REPORTS FROM COMMITTEES

13. Audit, Risk and Finance Subcommittee - 4 August 2016

Document number M2061, agenda pages 264 - 269 refer.

Resolved GOV/2016/111

THAT the unconfirmed minutes of a meeting of the Audit, Risk and Finance Subcommittee, held on 4 August 2016, be received.

Peters/McGurk

Carried

13.1 Corporate Report to 31 May 2016

Recommendation to Council GOV/2016/112

THAT unbudgeted expenditure of \$50,000 be approved for engaging external resource to assist delivering the Internal Audit Plan 2016/17.

Peters/McGurk

Carried

13.2 Internal Audit Report to 30 June 2016

Recommendation to Council GOV/2016/113

NOTE the internal audit findings, recommendations and status of action plans up to 30 June 2016.

Peters/McGurk

Carried

14. Commercial Subcommittee - 4 August 2016

Document number M2063, agenda pages 270 - 273 refer.

Resolved GOV/2016/114

THAT the unconfirmed minutes of a meeting of the Commercial Subcommittee, held on 4 August 2016, be received.

Murray/Noonan

Carried

15. Exclusion of the Public

Resolved GOV/2016/115

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:

Peters/Davy

Carried

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 Meeting - Public Excluded Minutes - 14 July 2016	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)(a) To protect the privacy of natural persons, including that of a deceased person. • Section 7(2)(i) To enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).
2	Status Report - Governance Committee - 25 August 2016	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 enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)
3	Events Fund application Marchfest 2017 - Supplementary Information	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)(b)(ii) To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
			supplied or who is the subject of the information
4	Land Purchase - Nelson Marina	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 enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)
5	Forestry Review - Supplementary Information	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)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities
6	Audit, Risk and Finance Subcommittee Meeting - Public Excluded Minutes - 4 August 2016	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)(j) To prevent the disclosure or use of official information for improper gain or improper advantage.
7	Commercial Subcommittee Meeting - Public Excluded Minutes - 4 August 2016	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)(h) To enable the local authority to carry out, without prejudice or disadvantage, commercial activities.

The meeting went into public excluded session at 11.37am and resumed in public session at 1.04pm.

16. Re-admittance of the Public

Resolved GOV/2016/116

THAT the public be re-admitted to the meeting.

Acland/Noonan

Carried

There being no further business the meeting ended at 1.05pm.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

last meeting of triennium