

MINUTES OF A MEETING OF THE HAWKE'S BAY REGIONAL COUNCIL

Date: Wednesday 7 December 2005

Time: 8.30 a.m.

**Venue: Council Chamber
Hawke's Bay Regional Council
102 Vautier Street
NAPIER**

**Present: E H von Dadelszen
A J Dick
N F Kirton
E McGregor
G R McIntyre
A Olsen
K J Rose
C H Scott
A M Williams**

**In Attendance: A Caseley – Chief Executive
P Drury – Group Manager Corporate Services
M Buchanan – Group Manager Environmental Management
P Wilson – Chairman Port of Napier Ltd
G Cowie – Chief Executive Port of Napier Ltd
M Drury - Minute Secretary**

Chairman von Dadelszen opened the meeting and called upon Councillor Scott to deliver the prayer

1. **APOLOGIES**

There were no apologies but Mr Olsen sought permission to leave the meeting at 10.30am. This was granted.

2. **CONSIDERATION OF GENERAL BUSINESS**

There were no items of general business

3. **PORT OF NAPIER LIMITED (PONL) -**

iii. **Results to 30 September 2005 (Public Excluded)**

iv. **Future Trading and Developments (Public Excluded)**

v. **Recommendation from the Executive Committee on appointment of a Director (Public Excluded)**

Mr Caseley advised there were a number of issues which Council considers annually at this time of year related to PONL. These issues were

iii. Results to 30 September 2005 (Public Excluded)

iv. Future Trading and Developments (Public Excluded)

v. Recommendation from the Executive Committee on Appointment of a Director (Public Excluded)

These matters were held in Public Excluded session due to their sensitivity as detailed in the resolution.

RESOLUTION

That the Council:

- i) Exclude the public from this section of the meeting being Agenda Item 3 **Port of Napier Limited – iii. Results to 30 September 2005; iv. Future Trading and Developments; v. Recommendation from the Executive Committee on appointment of a Director** with the general subject of the items to be considered while the public is excluded; the reasons for passing the resolution and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution being as follows:

<u>GENERAL SUBJECT OF THE ITEM TO BE CONSIDERED</u>	<u>REASON FOR PASSING THIS RESOLUTION</u>	<u>GROUND UNDER SECTION 48(1) FOR THE PASSING OF THIS RESOLUTION</u>
a) Results to 30 September 2005	7(2)(c) That the public conduct of this part of the agenda item would be likely to result in the disclosure of information where the withholding of the information is necessary to honour an obligation of confidence.	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.
b) Future Trading and Developments	7(2)(b) That the public conduct of this part of the agenda item would be likely to result in the disclosure of information where the withholding of the information is necessary to protect information which otherwise would prejudice the commercial position of the Port.	The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.

c) Appointment of Director to Port of Napier Limited 7(2)(a) That the public conduct of this agenda item would be likely to result in the disclosure of information where the withholding of the information is necessary to protect the privacy of natural persons. The Council is specified, in the First Schedule to this Act, as a body to which the Act applies.

- ii) Permit the Chairman of the Board and Chief Executive of the Port of Napier Limited to be in attendance for agenda items 2iii. and iv. after the public has been excluded, because of the information and knowledge they have of the Port of Napier and its operations.

**Rose/McIntyre
CARRIED**

**Council moved into Public Excluded at 8.35am
Council moved out of Public Excluded at 10.30am**

**Scott/McIntyre
CARRIED**

i. Annual General Meeting 2005-12-06

Mr Caseley advised Council the Annual General Meeting (AGM) was to be held on Monday, 12 December 2005 at 12 noon and there were a number of matters Council was required to consider prior to this meeting. Mr Caseley then outlined the matters for Council to consider.

Replying to a question from Councillor Scott, Chairman von Dadelszen confirmed she would be available to act as Council's proxy at the 2005 Annual General Meeting of Port of Napier Ltd.

Councillor Dick queried figures as set out in the Strategic Pay Institute of Directors Fees Survey and it was agreed by Council the figures of Turnover and Assets in the Directors segment of the sample table should be reversed.

Resolution

- i. That the Chairman of the Hawke's Bay Regional Council, Mrs Eileen von Dadelszen, be appointed as Council's proxy at the 2005 Annual General Meeting of the Port of Napier Limited in accordance with the Third Schedule (Clause 34) of the Constitution for the Port of Napier Limited and to vote as proxy holder in accordance with the instructions of the Council and that Deputy Chairman of the Hawke's Bay Regional Council, Mr Alan Dick, act as her alternate.
- ii. That the Council's proxy holder at the Annual General Meeting of the Port of Napier Limited to be held on 12 December 2005 be instructed to vote as follows:
 - a. Financial Statements and Reports**
 - Vote for receipt of the Company's Financial Statements and associated Reports.
 - b. Directors:**
 - Vote in support of the appointment of the three new Directors to the Board as will have been decided by Council prior to the meeting.
 - Vote in support of the proposal to fix the total amount able to be paid as Directors' Fees at \$215,000 per annum.
 - c. Appointment of Ernst and Young as Auditors:**
 - Vote in support of the appointment of Ernst and Young as auditors.
 - d. Recommendation of the Directors as to the Final Dividend:**
 - Vote in support of the recommendation of the Directors as to the final dividend.

Dick / Kirton
CARRIED

ii. Draft Statement of Corporate Intent 2006-2008

Mr Caseley advised that Sections 8-14 of the Port Companies Act 1988 deals with the issue of Statements of Corporate Intent (SCI). Mr Caseley then summarised the requirements for the Statement of Corporate Intent and noted the proposed changes suggest by the Directors.

Replying to a question from Councillor Williams concerning cruise ships not being mentioned in the SCI, it was advised ship visits was the key interest for the Port irrespective if they were cargo or passenger.

Councillor Kirton suggested Port of Napier Limited should consider including in the Statement of Corporate Intent, Regional Council priorities on biosecurity and environmental practices. Following general discussion, Mr Wilson agreed Port of Napier Ltd could encourage environmental considerations but only as they related to Port land.

Mr Caseley queried the operating surplus after tax to Shareholder funds figures with the Budget figure for 05/06 being 7.4%. He said this did not seem to match the after tax budgeted profit as previously advised. Mr Cowie agreed to confirm the figures.

Councillor Dick noted that any recommended changes endorsed by Council would be decided by the Port of Napier Ltd Board.

Councillor Olsen left the meeting at 10.25am

RESOLUTION

That Council:

- i. Agree that the decisions to be made are not significant under the criteria contained in Council's adopted policy on significance and that Council can exercise its discretion under Sections 79(1)(a) and 82(3) of the Local Government Act 2002 and make decisions on this issue with out conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature of the issues to be considered and decided.
- ii. Make the following suggested changes to the Board for the Statement of Corporate Intent for Port of Napier Ltd 2006-2008:
 - The Vision be amended to delete reference to North island and replace it with New Zealand
 - Section 3 (6) have added to it the words "and encourage a culture of biosecurity vigilance and responsible environmental management practices by Port Users".
- iii. Seek clarification from the Board on the budgeted performance target and revenue related to operating surplus after tax to Shareholder's fees of 7.4% as this seems at odds with the advised budgeted after the profit.

Kirton/Rose
CARRIED

CLOSURE

There being no further business the Chairman declared the meeting closed at 10.45am

Signed as a true and correct record.

DATE: **CHAIRMAN:**