



*Unconfirmed*

## MINUTES OF A MEETING OF THE REGIONAL COUNCIL

**Date:** Wednesday 27 May 2009

**Time:** 9.00am

**Venue:** Council Chamber  
Hawke's Bay Regional Council  
159 Dalton Street  
Napier

**Present:** A J Dick - Chairman  
T Gilbertson  
N Kirton  
E McGregor  
L Remmerswaal  
K Rose  
E von Dadelszen  
F Wilson

**In Attendance:** A Newman – Chief Executive  
P Drury – Group Manager Corporate Services  
M Adye – Group Manager Asset Management  
M Mohi – Chairman – Maori Committee  
C Gilbertson – Administration Manager

## 1. WELCOME/PRAYER/APOLOGIES

Chairman Dick welcomed everyone to the meeting and called upon Councillor Kirton to deliver the prayer.

The leave of absence previously granted to Councillor Scott was noted.

The Chairman advised a Workshop would be held on the following issues during June:

- Risk Management
- Hawke's Bay Inc Business Plan
- Communications and Marketing Strategy

## 2. CONFLICT OF INTEREST DECLARATIONS

There were no conflicts of interest declared.

## 3. CONFIRMATION OF MINUTES OF THE MEETING HELD ON WEDNESDAY 22 APRIL AND TUESDAY 12 MAY 2009

Minutes of the meeting held on Wednesday 22 April, a copy having been circulated prior to the meeting, were taken as read and confirmed.

**von Dadelszen/McGregor  
CARRIED**

Minutes of the meeting held on Tuesday 12 May, a copy having been circulated prior to the meeting, were taken as read and confirmed.

**Rose/von Dadelszen  
CARRIED**

## 4. MATTERS ARISING FROM MINUTES HELD ON WEDNESDAY, 22 APRIL 2009 AND TUESDAY 12 MAY 2009

There were no matters arising from the minutes.

## 5. ACTION ITEMS FROM COUNCIL MEETINGS

**Te Awanga/Haumoana Update:** The Chairman advised he was still trying to follow up this issue with the Mayor of Hastings following the public meeting and would keep pursuing this.

**Water Meter Business Unit:** The Chief Executive advised that a public media release was due to go out on this issue.

**Wharerangi/Turirau Submissions:** Mr Adye advised there had been an error when the information was sent out to the affected parties for this submission and revised information and letters had subsequently been sent out. Due to this error, submissions had been extended until 29 May 2009.

### **Resolution:**

That Council receives the report "Action Items from Council Meetings".

**Gilbertson/Remmerswaal  
CARRIED**

## 6. CONSIDERATION OF GENERAL BUSINESS

1. **Haumoana Erosion.**
2. **Leave of Absence.**
3. **Taharua Hearing.**
4. **Dalton Street Building Repairs.**

5. **Meeting Effectiveness.**
6. **Maori Committee Representative.**
7. **Te Reo.**

## 7. AFFIXING OF COMMON SEAL

The Common Seal has been affixed to the following documents and signed by the Chairman or Deputy Chairman and Chief Executive or a Group Manager.

### Comment:

1. The Common Seal of the Council has been affixed to the following documents and signed by the Chairman or Deputy Chairman and Chief Executive or a Group Manager.

|     | 1.1.1  | Seal No.      | Date                        |
|-----|--|---------------|-----------------------------|
| 1.1 | <b>Leasehold Land Sales</b>  |               |                             |
|     | 1.1.1 Lot 51<br>DP 13039<br>CT E2/1228<br>- Transfer                                     | 2847          | 21 April 2009               |
|     | 1.1.2 Lot 43<br>DP 10246<br>CT C2/287<br>- Agreement for Sale and Purchase<br>- Transfer | 2848<br>2853  | 21 April 2009<br>6 May 2009 |
|     | 1.1.3 Lot 127<br>DP 13096<br>CT E3/526<br>- Transfer                                     | 2849          | 28 April 2009               |
|     | 1.1.4 Lot 193<br>DP 11967<br>CT D1/83<br>- Agreement for Sale and Purchase               | 2850          | 30 April 2009               |
|     | 1.1.5 Lot 202<br>DP 2172<br>CT 55/227<br>- Agreement for Sale and Purchase<br>-Transfer  | 2852<br>2856  | 5 May 2009<br>19 May 2009   |
|     | 1.1.6 Lot 61<br>DP 11604<br>CT C2/571<br>- Agreement for Sale and Purchase               | 2855          | 18 May 2009                 |
| 1.2 | <b>Staff Warrants</b>  | 2834-<br>2746 | 14 April 2009               |
| 1.3 | <b>Licence to Occupy</b><br>Herehere Stream - Part Lot 2 DP8389                          | 2851          | 30 April 2009               |

|     |   |      |             |
|-----|---|------|-------------|
| 1.4 | <b>Specification for Contract – Clive River Dredging</b><br>Contact No: 07-02-3931C | 2854 | 14 May 2009 |
|-----|---|------|-------------|

### Resolution

1. That Council:
  - 1.1 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 without 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 issue to be considered and decided.
  - 1.2 Confirm the action to affix the Common Seal.

**Rose/McGregor  
CARRIED**

## 8. ELECTED MEMBERS – STAFF RELATIONSHIPS

The Chairman advised that this had previously been discussed at a Council workshop and now presented to Council for formal ratification. The purpose of the document was good to clarify relationship protocol between staff and Councillors by having it formalised.

Councillors discussed the document - there was a suggestion made that there may be some areas of Council that were not currently being reported through to Committees, an example of this was the Environmental Education section and Environmental Awards. It was agreed there needed to be better alignment of divisional management with the appropriate division and Committee Chair. It was agreed this had been an issue in the past and there will be further discussion around this over the next few months, it may also be necessary to draft a reporting flow chart to clarify some of these areas.

### Resolution

1. That the protocols for Councillor/Staff engagement embodied in this paper be adopted.
2. That reporting line of activities, through to the relevant committee, be redefined when the Executive reorganisation is in place.

**Rose/Wilson  
CARRIED**

## 9. FINANCIAL DELEGATIONS

Mr Drury advised the item sought an increase to the current financial delegations of the Chief Executive which had previously been set in March 2003. He noted that the delegation levels would achieve organisational efficiency and were consistent with current delegations of similar sized regional councils.

Council debated the appropriate delegations and said that as Council was a political organisation, it needed to have a "no surprises" approach and be given notice of any issues involving large expenditure for Council.

It was agreed that the Chief Executive would provide a monthly report to Council which would outline any contracts for the provision of goods and services signed by the Chief Executive and a Group Manager over \$200,000. It was noted that if there was expenditure over this limit that needed to be signed urgently, Council would have the ability to call a Special Council Meeting for that purpose. Councillors said that they needed to have a high degree of financial accountability within the organisation.

Councillors discussed the appropriateness of the Strategic Planning and Finance Committee and said that this may need to be reviewed as it may not be working as well as was intended. Councillors said there was merit in double debate by putting issues like large expenditure through a Committee and then to full Council for approval, and perhaps the current Committee structure did not appropriately allow for this.

### Resolution

1. That Council is required to determine financial delegations under Section 4 of the Public Bodies Contracts Act 1959 and the decision making provisions of the Local Government Act 2002 do not apply.
2. That the Council amends Section 2.1.4.1 Financial Delegations Policy as follows:
  - 2.1 Section 2.1.4.1 b) delete \$150,000 for any one commitment associated with the biosecurity activities of Council (including animal health board activities) and for all other activities up to a limit of \$100,000 and **insert "\$200,000"** and add the following:

***"And with the co-signature of the Chief Financial Officer or, in his absence, another Group Manager up to a limit of \$300,000".***

***"And fee for service contracts with external agencies such as MAF, AHB, Min of Tourism, Min Of Economic Development up to a limit of \$400,000, subject to co-signature of the Chief Financial Officer or in his absence, another Group Manager."***
  - 2.2 Section 2.1.4.1 c) delete \$50,000 and **insert "\$75,000"**.
  - 2.3 Section 2.1.4.1 e) for operating expenditure in excess of budget provision delete \$75,000 (representing approximately 0.5% of the total operating expenditure of Council) and **insert "up to \$15,000 from the contingency provision in the Annual Plan"**.
  - 2.4 Section 2.1.4.1 e), for capital expenditure in excess of budget provision delete \$50,000 (representing approximately 4% of the total capital expenditure of Council) and **insert "\$250,000 with the proviso that the expenditure can be funded from the Asset Replacement Reserve Fund and \$15,000 if the expenditure needs to be funded from other sources"**.
  - 2.5 That a monthly report be provided to Council outlining any contracts for the provision of goods and services over \$200,000 signed by the Chief Executive and Group Manager.

**Rose/McGregor  
CARRIED**

## 10. LOCAL GOVERNMENT NZ ANNUAL CONFERENCE 2009

The Chairman advised that the Annual Conference of Local Government New Zealand was being held in Christchurch from Monday 27 July to Wednesday 29 July 2009. He advised that while it was intended that Councillor McGregor be approved to attend this Conference, other Councillors were attending conferences in the near future. These were:

- Councillor Wilson would be attending a conference with Graeme Hansen regarding quarry and aggregate management. The Conference was being run by the Ministry for the Environment.
- Councillor Remmerswaal would be attending the Environmental Defence Society conference.

**Resolution**

1. That the Chairman, Chief Executive and Councillor McGregor attend the 2009 Local Government New Zealand Conference in Christchurch at a total cost for registration of \$2,915.00.
2. That Councillor McGregor be appointed Council's presiding delegate to vote at the 2009 Annual General Meeting of Local Government New Zealand.

**Rose/McGregor  
CARRIED**

***The meeting adjourned at 10.20am and reconvened at 10.45am***

**The Council went into public excluded session at 10.45am**

**20. MANAGING INVESTMENTS THROUGH A HOLDING COMPANY STRUCTURE**

**Resolution:**

1. That the Council exclude the public from this section of the meeting being Agenda Item 20, Managing Investments Through a Holding Company Structure, with the general subject of the item 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 THE RESOLUTION</u>                              |
|--|--|--|
| 20. Managing Investments Through a Holding Company Structure | 7(2)(i) 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 information which otherwise would prejudice or disadvantage negotiations by Council. | The Council is specified, in the First Schedule to this Act, as a body to which the Act applies. |

2. That Mr Robert Philpott from McDermott Miller be allowed to remain in the meeting because of his knowledge and expertise on this subject.

**Dick/von Dadelszen  
CARRIED**

**The Council moved out of Public Excluded session at 11.40am**

## **11. RECOMMENDATIONS FROM STRATEGIC PLANNING AND FINANCE COMMITTEE**

### **Resolution**

#### **1. Corporate Risk Management Policy and Framework**

That Council:

- 1.1. 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 without conferring directly with the community and persons likely to be affected by or to have an interest in the decision due to the nature and significance of the issue to be considered and decided.
- 1.2. Adopt the Hawke's Bay Regional Council Risk Management and Policy Framework dated December 2008.
- 1.3. Adopt a complete Council risk profile by 30 June 2009 following a workshop(s) and meeting of the Strategic Planning and Finance Committee.

**Rose/Remmerswaal  
CARRIED**

## **11. III. VERBAL UPDATE FROM MAORI COMMITTEE MEETING – 26 MAY 2009**

Mr Mike Mohi, Chairman of the Maori Committee, gave a verbal update from the Maori Committee meeting held on 26 May 2009, one of the main issues discussed was land use. The Maori Committee had indicated the need to be culturally sensitive about how Iwi feel about land use issues. This issue and water were at the forefront for the Maori Committee.

Mr Mohi also gave an update from a meeting held on 26 May 2009 with Ngati Pahauwera on the water storage dams at Central Hawke's Bay. There was concern about taking water from the rivers.

### **Resolution**

That Council receive the verbal update from the Maori Committee meeting on 26 May 2009.

**Remmerswaal/Wilson  
CARRIED**

## **12. UPDATE ON PASSENGER TRANSPORT ISSUES**

Mrs Gilbertson provided Councillors with an update on passenger transport issues and noted that Council's new bus service provider, Go Bus, had been in place for over three months.

In response to a question about the comparison of total passenger numbers this year than to the previous year, Mrs Gilbertson advised that average passenger numbers have appeared to increase since 2008 where there was an average from May to November of approximately 22,300 passengers and this figure had increased since February, March and April this year. This had not been expected as the figures for 2009 did not include the school services that are now run under private contract with Nimons, and it was pleasing to see the increase in patronage.

Councillors discussed the assistance provided to schools for Term 1 of the 2009 year and said they were pleased that Council had been able to assist in getting a good result and avoiding a potential negative issue for Council.

## **Resolution**

That Council receives the report "Update on Passenger Transport Issues".

**Kirton/von Dadelszen  
CARRIED**

### **13. PROGRESS REPORT – COUNCIL'S PROPOSED SYSTEMS INTEGRATION PROGRAMME**

Mr Drury advised the item was to update Council on progress and timelines proposed for the evaluation and selection of suitable hardware and software for the upgrade of Council's computer based information systems.

Mr Dave Fulton gave Councillors a presentation on the systems integration programme.

During discussion Councillors asked that shared services with Hawke's Bay Councils be looked at to see if it was feasible that any of the required systems could become a shared service arrangement with the Regional Council. Mr Fulton advised that this had been looked at previously and noted that the territorial local authorities in Hastings and Napier did have different issues for their systems requirements which included dog registers, building consents etc. However he acknowledged there were some common areas like rates that could be looked at on a shared service arrangement, and he would provide something for Councillors' consideration at a future meeting.

Mr Newman advised that the Council needed to replace its 25 year old finance system and there was an urgent need to do this. He also advised that the feasibility of systems integration had been discussed between the CEO's of the territorial authorities at their meeting.

## **Resolution**

1. That Council receive this paper.
2. Request the Chief Executive to report back to the June Council meeting on opportunities and willingness of the Local Councils in this region to collaborate and share data processing services.

**Dick/McGregor  
CARRIED**

**The meeting adjourned at 12.45pm and reconvened at 1.20pm  
Councillor Rose left the meeting at 12.45pm**

### **14. OUR SUBMISSIONS TO LOCAL TERRITORIAL AUTHORITY'S TEN YEAR PLAN**

The Chief Executive advised that submissions from the Regional Council had been prepared and submitted to the four territorial authorities on their 10 Year Plans. These submissions would be presented verbally on behalf of Council.

Councillors discussed the issue of timing of the submission process and the final adoption of 10 Year Plans and the tight timeframes that Councils have to adhere to and said that while this had been raised previously with Local Government New Zealand, no changes had been made to date before it was suggested that the Chairman write to the President of Local Government New Zealand, Lawrence Yule, and raise this issue again.

## **Resolution**

That the report on Council's submissions to other Ten Year Plans be received

**Gilbertson/von Dadelszen  
CARRIED**

## 15. CHAIRMAN'S MONTHLY REPORT

The Chairman provided his report on issues, meetings, relationship meetings and meetings he had attended for the period 27 April to 27 May 2009.

### Resolution

That Council receive the Chairman's Report.

**McGregor/Gilbertson  
CARRIED**

## 16. GENERAL BUSINESS

1. **Haumoana Erosion:** Councillor McGregor tabled a book for all Councillors' information on the history of the Hawke's Bay Catchment Board and Regional Water Board.
2. **Leave of Absence:** As Councillor Remmerswaal would be attending a Conference on Tuesday 9 June 2009, she was granted leave of absence from the LTCCP hearings on that date.
3. **Taharua Hearing:** In relation to a question asked about the six month consent on the Taharua Hearing, this issue should be referred to the Consents section of Council.
4. **Dalton Street Building Roof:** In response to a question about whether Council was pursuing legal proceedings regarding the roof rectifications that needed to be undertaken, Mr Adye said that he was still compiling costs of all the building defects before a decision would be made on this.
5. **Meeting Effectiveness:** Councillor Gilbertson noted there was an article in the Dominion Post which stated 37% of people regarded meetings as totally or wholly ineffective.
6. **Maori Committee Representative:** There was a question about whether a replacement needed to be provided while Morry Black was away for a few months. This issue would be reported back to the June meeting.
7. **Te Reo:** Mr Mike Mohi gave Councillors a lesson on Maori pronunciation.

## 17 CONFIRMATION OF PUBLIC EXCLUDED MINUTES OF MEETING HELD ON WEDNESDAY 22 APRIL 2009

### Resolution:

That the Council exclude the public from this section of the meeting being Confirmation of Public Excluded Minutes Agenda Item 17 with the general subject of the item 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:

| <b>GENERAL SUBJECT OF THE ITEM TO BE CONSIDERED</b>             | <b>REASON FOR PASSING THIS RESOLUTION</b>   | <b>GROUND UNDER SECTION 48(1) FOR THE PASSING OF THE RESOLUTION</b>                              |
|---|---|--|
| Water Metering Unit Business Proposal                           | 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)                                      | The Council is specified, in the First Schedule to this Act, as a body to which the Act applies. |
| Portfolio Investment Opportunities                              | 7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)                                      | The Council is specified, in the First Schedule to this Act, as a body to which the Act applies. |
| Chief Executive's Performance Review and Review of Remuneration | 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. |

**Gilbertson/Remmerswaal  
CARRIED**

## 19. CURRENT INVESTMENT OPPORTUNITIES AND THEIR STATUS

### Resolution

That the Council exclude the public from this section of the meeting being Agenda Item 19, Current Investment Opportunities and their Status, with the general subject of the item 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:

| <b><u>GENERAL SUBJECT OF THE ITEM TO BE CONSIDERED</u></b> | <b><u>REASON FOR PASSING THIS RESOLUTION</u></b>   | <b><u>GROUND UNDER SECTION 48(1) FOR THE PASSING OF THE RESOLUTION</u></b>                       |
|--|--|--|
| 19. Current Investment Opportunities and their Status      | 7(2)(i) 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 information which otherwise would prejudice or disadvantage negotiations by Council. | The Council is specified, in the First Schedule to this Act, as a body to which the Act applies. |

**Gilbertson/Remmerswaal  
CARRIED**

## 20. MANAGING INVESTMENTS THROUGH A HOLDING COMPANY STRUCTURE

### Resolution:

1. That the Council exclude the public from this section of the meeting being Agenda Item 20, Managing Investments Through a Holding Company Structure, with the general subject of the item 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>FOUNDATIONS UNDER SECTION 48(1) FOR THE PASSING OF THE RESOLUTION</u>                         |
|--|--|--|
| 20. Managing Investments Through a Holding Company Structure | 7(2)(i) 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 information which otherwise would prejudice or disadvantage negotiations by Council. | The Council is specified, in the First Schedule to this Act, as a body to which the Act applies. |

2. That Mr Robert Philpott from McDermott Miller be allowed to remain in the meeting because of his knowledge and expertise on this subject.

**Gilbertson/Remmerswaal  
CARRIED**

## 21 PORT OF NAPIER LIMITED – DIVIDEND RECONCILIATIONS

### Resolution

| <u>GENERAL SUBJECT OF THE ITEM TO BE CONSIDERED</u>   | <u>REASONS FOR PASSING THIS RESOLUTION</u>   | <u>FOUNDATIONS UNDER SECTION 48(1) FOR THE PASSING OF THIS RESOLUTION</u>                        |
|---|--|--|
| 21. Port of Napier Limited - Dividend Reconciliations | 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. |
|   | 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. |

**Gilbertson/Remmerswaal  
CARRIED**

***The meeting went into public excluded session at 2.05pm and out of public excluded session at 2.55pm***

**Closure:**

There being no further business the Chairman declared the meeting closed at 2.55pm on Wednesday, 27 May 2009.

Signed as a true and correct record.

**DATE:** .....

**CHAIRMAN:** .....