



MINUTES OF A MEETING OF THE STRATEGIC PLANNING AND FINANCE COMMITTEE

Date: Tuesday 17 November 2009

Time: 8.05am

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

Present: A J Dick – Chairman
T Gilbertson
N Kirton
E McGregor
M Mohi
L Remmerswaal
K Rose
C Scott
E von Dadelszen
F Wilson

In Attendance: A Newman – Chief Executive
P Drury – Group Manager, Corporate Services
H Codlin – Group Manager Strategic Development
L Lambert – Group Manager, External Relations
B Corbett – Group Manager, Water Initiatives
D Phillips – Minute Taker

1. WELCOME/APOLOGIES/NOTICES

The Chairman welcomed everyone to the meeting and noted apologies for lateness from Councillor Scott.

The Chairman noted that Councillor Kirton would be leaving the meeting briefly at 10am for a telephone conference call.

8.06am Councillor Scott joined the meeting.

Mrs Lambert advised that Treaty Settlement briefing meetings had been arranged with the Mayors of Central Hawke's Bay, Hastings and Napier for 19 & 20 November and that a meeting had been held with the Mayor of Wairoa on 12 November.

18. CONFIRMATION OF PUBLIC EXCLUDED MINUTES FROM MEETINGS HELD ON TUESDAY 22 SEPTEMBER AND WEDNESDAY 7 OCTOBER 2009

19. MATTERS ARISING FROM THE MINUTES OF MEETINGS HELD ON TUESDAY 22 SEPTEMBER AND WEDNESDAY 7 OCTOBER 2009

That the Council exclude the public from this section of the meeting being Agenda Item 18 - Confirmation of Public Excluded Minutes from Meetings held on Tuesday 22 September and Wednesday 7 October 2009; and Agenda Item 19 – Matters Arising from the Minutes of Meetings held on Tuesday 22 September and Wednesday 7 October 2009; 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:

GENERAL SUBJECT OF THE ITEM TO BE CONSIDERED	REASONS FOR PASSING THIS RESOLUTION	GROUND UNDER SECTION 48(1) FOR THE PASSING OF THIS RESOLUTION
Investment Holding Company	7(2)(c) 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.
Treaty Issues	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.

**Remmerswaal/Wilson
CARRIED**

21. PORT OF NAPIER LTD SHARES (Verbal Update)

20. WATER STORAGE (Verbal Update)

That the Council exclude the public from this section of the meeting being Agenda Item 21 – Port of Napier Ltd Shares (Verbal Update); and Agenda Item 20 – Water Storage – (Verbal Update); 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:

GENERAL SUBJECT OF THE ITEM TO BE CONSIDERED	REASONS FOR PASSING THIS RESOLUTION	GROUNDS UNDER SECTION 48(1) FOR THE PASSING OF THIS RESOLUTION
21. Port of Napier Ltd Shares (Verbal Update)	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.
20. Water Storage (Verbal Update)	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.

**Remmerswaal/Wilson
CARRIED**

The meeting moved into Public Excluded at 8.10am and out of Public Excluded session at 9.00am.

2. CONFLICT OF INTEREST DECLARATIONS

Following a query from Councillor Remmerswaal, the Chairman confirmed that Councillor McGregor did not have a conflict of interest in the Regional Sports Park.

No conflicts of interest were declared.

REGIONAL INFRASTRUCTURE FUND - PRESENTATIONS

• 9.00am - Hawke's Bay Regional Sports Park:

Mayor Lawrence Yule, Jock McIntosh (CEO Hawke's Bay Sports Park), and Jenny Giblin (Project Manager) were introduced to the meeting. A DVD was shown on the Sports Park and Mr McIntosh gave a presentation outlining the background, progress and current status of the bid to build the New Zealand Cycling Velodrome at the Hawke's Bay Regional Sports Park. The overall objectives of the Park were to be an outstanding facility; to be a catalyst to address social goals ("Kids in sport stay out of Court"); and to promote health goals within the Hawke's Bay community. They were seeking \$2.5m from the Council towards the project and Mayor Yule requested Council to move to Public Excluded to allow discussion of commercially sensitive information in relation to total funding for the project.

That the Council exclude the public from this section of the meeting being the Presentation on the Hawke's Bay Regional Sports Park; 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:

GENERAL SUBJECT OF THE ITEM TO BE CONSIDERED	REASONS FOR PASSING THIS RESOLUTION	GROUNDS UNDER SECTION 48(1) FOR THE PASSING OF THIS RESOLUTION
Hawke's Bay Regional Sports Park	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.

**Dick/Rose
CARRIED**

Councillors Dick, Gilbertson, Kirton, McGregor, Rose, Scott, von Dadelszen and Wilson and Mr Mohi voted for the recommendation

Councillor Remmerswaal voted against the recommendation

The meeting moved into Public Excluded at 9.30am and out of Public Excluded session at 9.50am

REGIONAL INFRASTRUCTURE FUND – PRESENTATIONS – Contd...

Mayor Yule answered questions from Councillors including the management of the Sports Park which he advised would be based on the same successful management model as the Pettigrew Green Arena whereby the annual operating costs of the Arena funded the facility.

In light of statistics that indicated Maori dominated crime and bad health, Mr Mohi said he supported this initiative as sport kept people healthier and out of crime, and he urged Councillors to support this application. It was also noted that work was being done with the District Health Board in terms of active programmes for the community.

- **10.05am – Central Hawke’s Bay District Council:**

Mayor Trish Giddens, Councillor Terry Kingston and Jenny Giblin (Project Manager) were welcomed to the meeting. Mayor Giddens gave a presentation on Central Hawke’s Bay (CHB) District Council’s application to the Council’s Community Facilities Fund for \$500,000 for the upgrade of the Waipawa Town Hall.

She outlined the issues and problems with the current facilities and gave a breakdown of funding sources for the total project cost of \$2.9m. A model of the proposed upgraded facility was displayed and Mayor Giddens advised that the project Architect was Roger Shand of Shand Shelton who had been involved in the upgrading of numerous Theatres including the Hastings Opera House and the St James Theatre in Wellington.

Mayor Giddens confirmed that financial provision had been made in the CHB District Council’s LTCCP to keep the upgraded Hall at the same or a better standard and she assured Councillors that it was not intended to set a charge rate for the Hall at a level that precluded community groups etc from utilising the facility. She emphasised that the Hall was a regional facility with patronage from Dannevirke and outside Central Hawke’s Bay.

The meeting adjourned for morning tea at 10.30am and reconvened at 10.50am

- **10.30am – Napier City Council:**

Mayor Barbara Arnott, Douglas Lloyd-Jenkins (Director Hawke’s Bay Museum & Art Gallery) and Jenny Giblin (Project Manager) were welcomed to the meeting. A DVD outlining the proposed upgrade of the Hawke’s Bay Museum and Art Gallery was shown, and Mayor Arnott gave an update on the project. Napier City was applying for \$2.5m towards the upgrade from the Community Facilities Fund, and Douglas Lloyd-Jenkins showed Councillors a model of the upgraded facility. Details were given on the funding sources for this \$18m project. The completion date for the project was estimated to be around or just after Easter 2012.

ANNOUNCEMENT BY CHAIRMAN

Due to time pressures because of the Drought Recovery Seminar to be held in the afternoon, the Chairman said the meeting would deal with Agenda items 9 & 10 and, if time permitted, item 11. All other items would be referred to the 25 November Council meeting for consideration.

3. CONFIRMATION OF MINUTES OF MEETINGS HELD ON WEDNESDAY 22 SEPTEMBER 2009 AND WEDNESDAY 7 OCTOBER 2009

RESOLUTIONS:

That the Minutes of the meeting held on Wednesday 22 September 2009, copies having been circulated prior to the meeting, were taken and read and confirmed following amendment.

Scott/von Dadelszen

CARRIED

That the Minutes of the meeting held on Wednesday 7 October 2009, copies having been circulated prior to the meeting, were taken and read and confirmed following amendment.

**Scott/Rose
CARRIED**

4. MATTERS ARISING FROM MINUTES OF MEETINGS HELD ON WEDNESDAY 22 SEPTEMBER 2009 AND WEDNESDAY 7 OCTOBER 2009

Wednesday 7 October 2009 - Review of Air Quality Standards:

Mr Ide and Mr Lawrence updated Councillors on Council's response if a member of the public was not prepared to abide by the regulations set out by the Council. The discharge of contaminants from old burners would be prohibited so there was no potential for resource consents to be granted, which meant Council could either choose not to take enforcement action or to undertake enforcement action which could include warnings through to abatement and infringement notices. Staff efforts were currently focussed towards financial assistance programmes and educational initiatives as these were seen to be the best form of enforcement with enforcement action being a last resort.

5. ACTION ITEMS FROM STRATEGIC PLANNING AND FINANCE COMMITTEE MEETING

RESOLUTION:

That the Committee receives the report "Action Items from Strategic Planning and Finance Committee Meetings".

**Dick/Scott
CARRIED**

6. CONSIDERATION OF GENERAL BUSINESS ITEMS

There were no items of general business raised.

9. COMMUNITY FACILITIES FUND - DELIBERATIONS

Mr Drury tabled a revised document entitled "Reconciliation of Capital Projects of Regional Significance". This related to a forward projection of cashflow out and back into the Community Facilities fund.

Mr Drury advised that the amounts put aside in the 10 Year Plan were substantially less than what was proposed and he summarised the sources of funding for applications from the Regional Projects Reserve and the Sale of Land (Non-Investment) account. He referred to the expression of interest from the Mayor of Wairoa District Council which indicated Wairoa had nothing in their 10 Year Plan to make a funding application for, but they were requesting Council to consider putting funding aside for them for the future. Mr Drury explained the reasoning behind the request from Venture Hawke's Bay for funding towards the 2011 Rugby World Cup to be paid in two annual instalments of \$100,000 for the next two financial years, and advised that the reason for the recommendation that the \$2.2m for Community Facilities in the LTCCP Sale of Land (Non-Investment) account be reduced to \$2m was to keep \$200,000 aside for a Healthy Homes initiative which would be brought to Council at its 16 December meeting. Mr Drury advised that while large grants would be paid out of the Community Facilities fund over next 2-3 years, the fund had the potential to build up again in 4-5 years.

Councillor von Dadelszen declared that she was a long term member of the Hawke's Bay Cultural Trust but did not think there was a conflict of interest in terms of her voting on the recommendation, however she wanted it noted that she had declared this. The Chairman confirmed there was not a conflict of interest.

Following a request from Councillor Remmerswaal, the following resolution was passed:

RESOLUTION:

That recommendation 1.4 be split into two separate recommendations to enable the applications from the Regional Sports Park and the Hawke’s Bay Museum and Art Gallery to be voted on separately.

**Remmerswaal/Rose
CARRIED**

RESOLUTION:

1. That the Committee recommend to Council:

1.1. That it agrees that the background on the projects to be funded from the Community Facilities Funds were included in the special consultative procedure for the LTCCP 2009-19. Further, Council acknowledges that, where funding from the Sale of Land (Non-Investment) account for amounts over \$300,000 are to be used for funding of capital projects of regional significance, that a special consultative procedure is required under Council’s Investment Policy, and it is the intention of Council to provide for the special consultative procedure as part of the Annual Plan 2010/11.

**von Dadelszen/Kirton
CARRIED**

1.2. That in response to the submissions made by Napier City Council, Hastings District Council and Central Hawke’s Bay District Council for assistance from the Community Facilities Fund, approve the funding of the following projects noting that the provision of assistance from this fund is to be increased from the \$2.7m provided for the first three years of the 10 Year Plan to \$5.8m for the first three years of the LTCCP 2009-19:

Assistance from the Community Facilities Fund	2009/10 \$000	2010/11 \$000	2011/12 \$000	Total \$000
<u>Assistance Requested</u>				
• 2011 Rugby World Cup	100	100		200
• Waipawa Town Hall	500			500
• Regional Sports Park		1,500	1,000	2,500
• HB Museum and Art Gallery		1,000	1,500	2,500
• HB Museum Earthquake Display			100	100
	600	2,600	2,600	5,800
<u>Proposed Funding</u>				
• Sale of land (Non-Investment)	100	900	1,000	2,000
• Special Regional Projects Reserve	-	400	100	500
• Loan Funding	500	1,300	1,500	3,300
	600	2,600	2,600	5,800

**von Dadelszen/Kirton
CARRIED**

1.3. That it approve the payment in 2009/10 of \$500,000 to the Central Hawke’s Bay District Council as a contribution to the cost of the Waipawa Town Hall, this project meeting Council’s approved policy for consideration of Community Facilities Fund applications. It is noted that funding for this assistance will come from the \$7.5m in loan funding set aside by Council to fund capital projects of regional significance.

**von Dadelszen/Kirton
CARRIED**

- 1.4. That it approve for the 2010/11 and 2011/12 financial years, the payment of \$2.5m as a contribution to the Regional Sports Park (subject to the Velodrome proceeding), noting that this project meets Council's approved policy for consideration of Community Facilities Fund applications. This approval is subject to a special consultative process being undertaken as part of the Annual Plan 2010/11 on the funding of this project from the Sale of Land (Non-Investment) account, as required by Council's Investment Policy. It is noted that the remaining funding for this project is to be funded from the \$7.5m loan funding set aside by Council to fund capital projects of regional significance.

**von Dadelszen/Kirton
CARRIED**

Councillors Dick, Gilbertson, Kirton, McGregor, Rose, Scott, von Dadelszen, Wilson and Mr Mohi voted for the recommendation

Councillor Remmerswaal voted against the recommendation

- 1.5. That it approve for the 2010/11 and 2011/12 financial years, the payment of \$2.5m as a contribution towards the Hawke's Bay Museum and Art Gallery Project, noting that this project meets Council's approved policy for consideration of Community Facilities Fund applications. This approval is subject to a special consultative process being undertaken as part of the Annual Plan 2010/11 on the funding of this project from the Sale of Land (Non-Investment) account, as required by Council's Investment Policy. It is noted that the remaining funding for this project is to be funded from the \$7.5m loan funding set aside by Council to fund capital projects of regional significance and from the Special Regional Projects Reserve.

**von Dadelszen/Kirton
CARRIED**

- 1.6. That it approve the assistance for the 2011 Rugby World Cup to be paid to Venture Hawke's Bay, \$100,000 in 2009/10 and \$100,000 in 2010/11 from the Sale of Land (Non-Investment) account, noting that this project has been included in the LTCCP 2009/19 and that Council's Investment Policy provides for payments from this fund of up to \$300,000 without the need for the special consultative process.

**von Dadelszen/Kirton
CARRIED**

10. NEW ZEALAND CYCLE TRAIL PROJECT

Mr Hansen gave an overview of the New Zealand Cycle Trail project advising the initiative was driven out of the National Government's \$50m stimulus package. He gave details of the three stage process and the associated timelines for these if Council was successful in its bid. The value of the project was between \$4m - \$6m and the process had gone through Council's qualifying criteria for Regional Council investment.

Mr Hansen confirmed that staff had the resources required to put together a bid within the specified timeframe. In regard to the professionalism and quality of the bid, Mr Bassett-Foss advised that all bidders were provided with the same template to ensure uniformity, however there was an opportunity to provide attachments and Venture Hawke's Bay had photographs available on file to be used for these.

In terms of pathway maintenance, the expectation was that one or other local authority would be responsible for this, however the commitment would primarily be with the Regional Council. The maintenance commitment was not seen to be as large as initially thought.

Councillor Kirton, as Chairman of Venture Hawke's Bay, congratulated Mr Hansen and Mr Bassett-Foss on the work done on this project to date.

RESOLUTION:

- 1. That the Committee recommend to Council that it:
 - 1.1. Agrees 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 Section 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. Supports the formal application of a bid for funding from the New Zealand Cycling Fund.
 - 1.3. Subject to further evaluation against the Open Space Investment Policy and identification of other funding partners, supports in principle the use of Open Space funds in the order of \$1 million to \$1.5 million for this proposal.

**von Dadelszen/Rose
CARRIED**

11. PROGRESS REPORT ON THE HERETAUNGA PLAINS URBAN DEVELOPMENT STRATEGY (HPUDS)

Councillor von Dadelszen provided an update on the HPUDS meeting she attended on 16 November 2009. Three scenarios were currently being worked on and she drew Councillors’ attention to a document that described these and sought feedback on these. She advised that it was not appropriate for Councillors to make individual submissions on the document and if they were going to assist other groups, they should be aware of potential conflicts that could arise at a later stage.

RESOLUTION:

That the verbal report from Councillor von Dadelszen on the Heretaunga Plains Urban Development Strategy be received.

**Rose/Scott
CARRIED**

RESOLUTION:

That the remaining business on the Agenda be referred to the Council Meeting on 25 November for discussion.

**Gilbertson/Rose
CARRIED**

Closure:

There being no further business the Chairman declared the meeting closed at 12.55pm.

Signed as a true and correct record:

DATE:

CHAIRMAN: