
CONFIDENTIAL MINUTES
of the
TASMAN DISTRICT COUNCIL MEETING
Kaunihera Katoa
held
9.30 am, Thursday, 20 July 2023
at
Tasman Council Chamber, 189 Queen Street, Richmond
and via Zoom

Present: Mayor T King, Deputy Mayor S Bryant, Councillors C Butler (via Zoom), G Daikee, B Dowler, J Ellis, M Greening (via Zoom), C Hill, M Kininmonth, K Maling, C Mackenzie, D Shallcrass and T Walker

In Attendance: Chief Executive (J Dowding), Executive Assistant and Advisor to the Mayor (R Scherer), Team Leader – Democracy Services (E Stephenson), Group Manager – Finance (M Drummond), Group Manager - Community Infrastructure (R Kirby), Group Manager - Information, Science and Technology (S Manners) and Chief Operating Officer (L Rae)

Part Attendance: Corporate Counsel (M Callander), Reserves and Facilities Manager (G Redburn), Reserves Officer (R Coleman) and Consultant (R Hollier)

9 CONFIDENTIAL SESSION

Item 8.4 – Nominations for President and Vice-President, Local Government New Zealand was included in the open agenda as it did not contain confidential information, however, discussion and voting took place in the confidential session to protect the privacy of nominees.

8.4 Nominations for President and Vice-President, Local Government New Zealand

Moved Councillor Maling/Councillor Ellis

CN23-07-17

That the Tasman District Council

- 1. receives the Nominations for President and Vice-President, Local Government New Zealand report, RCN23-07-4; and**
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2. agrees to vote for Mayor Sam Broughton as the Council's first preference for President of Local Government New Zealand; and
3. agrees to vote for Mayor Dan Gordon as the Council's second preference for President of Local Government New Zealand; and
4. agrees to vote for Mayor Neil Holdom as the Council's third preference for President of Local Government New Zealand; and
5. agrees to vote for Campbell Barry as the Council's preferred Vice-President of Local Government New Zealand; and
6. agrees that the Mayor will write to the outgoing Chair and Deputy Chair of Local Government New Zealand, Stuart Crosby and Mayor Sam Broughton respectively thanking them for their service to local government; and
7. agrees that decisions 1 and 6 are restated in the open minutes and that decisions 2, 3, 4 and 5 remain confidential to protect the privacy of individuals.

CARRIED

9.2 Land purchase options - Proposed Motueka Swimming Pool

Reserves and Facilities Manager, Grant Reburn, Reserves Officer, Rob Coleman and Consultant, Richard Hollier presented the report which was taken as read.

It was noted that the floodgates on Old Wharf Road were closed only when there was a risk of flooding.

The Councillors discussed the risk of water inundation on the proposed site.

Mayor King exited the meeting at 12:02 pm. In his absence, Deputy Mayor Bryant presided.

This decision was amended at the 10 August 2023 Tasman District Council meeting CN23-08-13 to add an additional clause 2.3, as follows:

- 2.3 "the Sale and Purchase Agreement explicitly excludes the "offer back" provisions of Section 40 Public Works Act 1981 (Required Terms)".

Moved Councillor Dowler/Councillor Walker

CN23-07-18

That the Tasman District Council

1. receives the Land purchase options - Proposed Motueka Swimming Pool report, RCN23-07-12; and
2. agrees to enter into Sale and Purchase Agreements to purchase properties at 111B and 113B King Edward Street, Motueka (Part Section 177 -Lot 2 DP 17267 and Part Sections 2 and 3 of 177 Motueka), subject to:
 - 2.1 the Mayor and Chief Executive, with delegated authority from Council undertaking negotiations and making an offer for 111B and 113B King Edward Street, Motueka; and

- 2.2 the offer being based on the Capital Value (CV) and valuation of the properties, subject to that offer being up to a maximum of \$1.42 million (excluding GST); and
3. agrees that the purchase of properties at 111B and 113B King Edward Street, Motueka be funded from the Motueka Reserves Financial Contribution fund; and
4. agrees that subject to a sale and purchase agreement being reached, the Group Manager - Community Infrastructure is authorised to execute any documents necessary to give effect to the purchases of the properties; and
5. notes that the outcome of the purchase offer will be reported back to the Council via the Chief Executive Officer's Update report; and
6. notes that the capital works programme for 2023/2024 and the draft Annual Plan 2024/2025 be reviewed to minimise the risk of the Council exceeding its debt cap of \$250 million; and
7. agrees that the decision only be made publicly available once negotiations are concluded and that the report and its attachments remain confidential at this time.

CARRIED

Mayor King returned to the meeting at 12:10 pm.

9.3 Strategic Property Purchase - Walkway

This report was withdrawn from the agenda as the property had been sold to a third party.

9.4 Richmond reserve purchase proposal

The report was withdrawn from the agenda.

RCN23-07-9.5 Port Tarakohe Development

Chief Executive Officer, Janine Dowding and Group Manager – Finance, Mike Drummond presented the report, which was taken as read.

Mr Drummond noted that the word "expenditure" in point 4.1 should read "income".

Mrs Dowding noted that Council staff had been working with central government for some time to find a solution to fund the proposed development of Port Tarakohe.

Confidential decision released to Council's website April 2024.

This decision was amended at the 10 August 2023 Tasman District Council meeting CN23-08-15 to amend clause 2 as follows:

2. authorises the Chief Executive to agree to the Kānoa Indicative Term Sheet for Loan set out in (Attachment 1) to the Agenda Report (Kānoa Indicative Term Sheet for Loan) to provide for the \$6,000,000 loan funding to the Council from Kānoa/Ministry of Business, Innovation and Employment (Kānoa) for the development of Port Tarakohe (Loan), provided that an additional clause be added to the Kānoa Indicative Term Sheet noting that "If Tasman District Council transfers Port Tarakohe to a council-controlled organisation to the

reasonable satisfaction of Kānoa, then Kānoa may convert the debt to equity on reasonable terms agreed between Tasman District Council and Kānoa subject to approval of those terms by the Minister of Finance” (Equity Stake Variation).

This decision was further amended at the 22 November 2023 Tasman District Council meeting CN23-11-15 to amend clauses 7 and 8 as follows:

1. receives the Amendment to 20 July 2023 Council resolutions re Port Tarakohe Development report RCN23-11-10; and in accordance with Tasman District Council Standing Order 23.6, amends clauses 7 and 8 of the 20 July 2023 Tasman District Council Resolution CN23-07-5, as follows:

FROM:

7. *notes that the capital works programme for 2023/2024 and the draft budgets 2024/2025 will be reviewed to minimise the risk of the Council exceeding its current debt cap of \$250 million; and*
8. *approves capital works expenditure budgeted for 2024/25 being brought forward to the 2023/24 financial year to enable additional works to be undertaken at Port Tarakohe utilising the \$6,000,000 Loan funding to be provide under the Funding Agreement; and*

TO:

7. notes that the capital works programme for 2023/2024 and the draft budgets in the Long Term Plan 2024/2034 will be reviewed to reflect the agreement with Kānoa to co-fund the development at Port Tarakohe under the Funding Agreement and to minimise the risk of the Council exceeding its debt cap; and
8. approves unbudgeted capital works expenditure to enable additional works to be undertaken at Port Tarakohe utilising the \$6,000,000 of funding to be provided under the Funding Agreement; and

Moved Councillor Hill/Councillor Butler
CN23-07-19

That the Tasman District Council Confidential

1. receives the Port Tarakohe Development report; and
2. subject to the Chief Executive negotiating a variation to the Kānoa Indicative Term Sheet for Loan set out in Attachment 1 to the Agenda Report (Kānoa Indicative Term Sheet for Loan) to provide for the \$6,000,000 loan funding to the Council from Kānoa/Ministry of Business, Innovation and Employment (Kānoa) for the development of Port Tarakohe (Loan) to be converted (at Council’s option) into an equity stake for Kānoa in a Council Controlled Organisation established to operate Port Tarakohe should one be established during the term of the Loan (Equity Stake Variation), approves in principle the terms set out in the Kānoa Indicative Term Sheet for Loan); and
3. authorises the Chief Executive Officer on behalf of the Council to, subject to clearance from the Council’s financial and legal advisors:

- 3.1 approve any minor changes to the Kānoa Indicative Term Sheet for Loan; and
- 3.2 finalise a funding agreement with Kānoa substantially on the terms set out in the Kānoa Indicative Term Sheet for Loan and including the Equity Stake Variation, or terms more favourable to Council if this is able to be negotiated with Kānoa (Funding Agreement); and
- 3.3 enter into, execute, and deliver such other agreements, security arrangements, instruments, notices communications and other documents and do such other things in connection with the Funding Agreement as the Chief Executive may consider necessary; and
4. approves the Council entering into and, following execution, delivering and performing its obligations under the Funding Agreement and any other documents entered into in connection with the Funding Agreement and that these documents may be executed by:
 - 4.1 (in the case of agreements) the Chief Executive; and
 - 4.2 (in the case of deeds) two elected members, on behalf of the Council; and
5. notes that any material variation to the funding terms as set out the Kānoa Indicative Term Sheet for Loan (other than the Equity Stake Variation or any other variation that is more favourable to Council) will be referred back to Council for a final decision; and
6. notes that the outcome of the funding offer will be reported back to the Council via the Chief Executive Officer's Update Report; and
7. notes that the capital works programme for 2023/2024 and the draft budgets 2024/2025 will be reviewed to minimise the risk of the Council exceeding its current debt cap of \$250 million; and
8. approves capital works expenditure budgeted for 2024/25 being brought forward to the 2023/24 financial year to enable additional works to be undertaken at Port Tarakohe utilising the \$6,000,000 Loan funding to be provide under the Funding Agreement; and
9. notes that there will be an additional increase in fees and charges over time at Port Tarakohe to help offset the impacts of the additional borrowing; and
10. requests that the Chief Executive Officer approach Nelson City Council asking it to provide financial support for the developments to be undertaken at Port Tarakohe using the Loan funding; and
11. agrees that the decision only be made publicly available once funding is finalised and that the report and its attachments remain confidential at this time.

CARRIED

RESUMPTION OF OPEN SESSION

Moved Councillor Walker/Councillor Mackenzie

CN23-07-20

That the open meeting be resumed.

CARRIED

The meeting resumed in open session at 1.24 pm

Confirmed as a correct record of proceedings by resolution on 10 August 2023, and subsequently amended on 10 August 2023 and 22 November 2023.

**Moved Councillor Daikee/Councillor Ellis
CN23-08-20**

That the confidential minutes of the Tasman District Council meeting held on Thursday, 20 July 2023, be confirmed as a true and correct record of the meeting.

CARRIED

Confirmed