



# **MINUTES**

**Ordinary Council meeting  
Monday, 14 November 2022**

**Order of Business**

<b>1</b>	<b>Opening karakia</b> .....	<b>3</b>
<b>2</b>	<b>Apologies</b> .....	<b>3</b>
<b>3</b>	<b>Public forum</b> .....	<b>3</b>
<b>4</b>	<b>Acceptance of late items</b> .....	<b>3</b>
<b>5</b>	<b>Confidential business to be transferred into the open</b> .....	<b>3</b>
<b>6</b>	<b>Change to the order of business</b> .....	<b>3</b>
<b>7</b>	<b>Confirmation of minutes</b> .....	<b>3</b>
	Nil	
<b>8</b>	<b>Declaration of conflicts of interest</b> .....	<b>3</b>
<b>9</b>	<b>Deputations, presentations, petitions</b> .....	<b>3</b>
	Nil	
<b>10</b>	<b>Recommendations from other committees</b> .....	<b>3</b>
	Nil	
<b>11</b>	<b>Business</b> .....	<b>4</b>
	11.1 Options for delivery of Te Manawataki o Te Papa development project by a council-controlled organisation.....	4
<b>12</b>	<b>Discussion of late items</b> .....	<b>5</b>
<b>13</b>	<b>Public excluded session</b> .....	<b>5</b>
	Nil	
<b>14</b>	<b>Closing karakia</b> .....	<b>5</b>

**MINUTES OF TAURANGA CITY COUNCIL  
ORDINARY COUNCIL MEETING  
HELD AT THE BOP REGIONAL COUNCIL CHAMBERS, REGIONAL HOUSE, 1 ELIZABETH  
STREET, TAURANGA  
ON MONDAY, 14 NOVEMBER 2022 AT TO START AT 3.23 PM**

**PRESENT:** Commission Chair Anne Tolley, Commissioner Shadrach Rolleston,  
Commissioner Stephen Selwood, Commissioner Bill Wasley

**IN ATTENDANCE:** Marty Grenfell (Chief Executive), Alastair McNeill (General Manager:  
Corporate Services), Coral Hair (Manager: Democracy & Governance  
Services), Robyn Garrett (Team Leader: Governance Services), Janie  
Storey (Governance Advisor)

**1 OPENING KARAKIA**

Nil

**2 APOLOGIES**

Nil

**3 PUBLIC FORUM**

Nil

**4 ACCEPTANCE OF LATE ITEMS**

Nil

**5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN**

Nil

**6 CHANGE TO THE ORDER OF BUSINESS**

Nil

**7 CONFIRMATION OF MINUTES**

Nil

**8 DECLARATION OF CONFLICTS OF INTEREST**

Nil

**9 DEPUTATIONS, PRESENTATIONS, PETITIONS**

Nil

**10 RECOMMENDATIONS FROM OTHER COMMITTEES**

Nil

## 11 BUSINESS

### 11.1 Options for delivery of Te Manawataki o Te Papa development project by a council-controlled organisation

**Staff** Alastair McNeil, General Manager: Corporate Services  
Marty Grenfell, Chief Executive

#### Key points

- The report was an opportunity to make Te Manawataki o Te Papa known to all and to provide for how the programme of works would be managed.
- There would be a small consultation process closing in mid-December.
- A Council-controlled organisation (CCO) would provide Council with assurance that the investments and projects were well run. High construction costs increased the risks - the CCO would ensure that the projects met the city's needs in the long term and remained to budget.
- There were options around what the CCO would look like once the Commissioners were no longer in place, relative to the independence of the Council, including effectiveness in governing and driving outcomes. There would be a company structure in the CCO, to demonstrate professionalism, to secure funding, to maintain shareholder responsibility and to respond to increased costs.
- There was an establishment cost of \$100,000 to set up and to recruit the right individuals to become competent Board members, with an ongoing cost of \$600,000 to cover the cost of the Board and a Chief Executive.
- A Chief Executive would need to be recruited for the entirety of the CCO. The Board would be small and led by experience.
- \$130,000 per annum was currently being spent on governance with the group currently in place; this cost would no longer be incurred.

#### In response to questions

- A signed operational agreement was in place with Willis Bond, a delivery mode contract would ensure governance would hold them to account. These were big projects and, while TCC had the experience to manage Willis Bond, it was not to the extent TCC was comfortable with. Willis Bond was a supplier and a partner and there was a need to strike a balance to be able to lean in and pull back and to performance manage the supplier when necessary. There could be an observer appointed to the Board as Willis Bond also had significant investment tied up in the projects.
- Consideration would be given to what functions the Board would undertake and those that Willis Bond would do. The contract was clear that nothing was done until it was approved by the Council.
- When Willis Bond provided the final costings and sought to enter into a development agreement, which would then put Council into a contractual basis, a process would need to be followed to ensure TCC was getting value for money and to provide assurance. The decision whether the project would proceed would only take place when TCC was satisfied that they were getting value for money, and this Board would provide that level of assurance.
- The organisation currently did not have the level of expertise within the current structure to robustly deal with supply and cost increases as valid claims, ensure risks were being mitigated and the projects proceeded effectively. The Board would provide that level of assurance and that the project was being delivered as effectively as possible. The issues currently being dealt with at the 90 Devonport Road building were what the Board would deal with for the Te Manawataki o Te Papa project and would also drive value out of situations that TCC might find itself in.

#### Discussion points raised

- Unambiguous expectations for the CCO were vital - the planning and strategic objectives would be set and provide a very clear focus. It was important to ensure that the connection with the

CCO Board and the Chief Executive was very clear in terms of how it worked and, if not working, how issues would be resolved. This needed to be watertight and effective or it could become a risk.

- Funding decision makers would have confidence in Council’s ability to deliver the outcomes with a CCO.

**RESOLUTION CO21/22/1**

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

That the Council:

- (a) Receives the report "Options for delivery of Te Manawataki o Te Papa development project by a council-controlled organisation".
- (b) Undertakes a consultation process to establish a company structure council-controlled organisation to govern delivery of the civic development projects, 100% owned by Council.
- (c) Subject to final decision-making following the consultation in resolution (b):
  - (i) Agrees to include in the 2023/24 Annual Plan a \$700,000 loan-funded grant and associated ratepayer funded interest and debt retirement charges over a maximum period of ten years.
  - (ii) Agrees to include in the 2024-34 Long-term Plan process an annual \$600,000 loan-funded grant and, for each such annual loan, associated ratepayer funded interest and debt retirement charges over a maximum period of ten years.

**CARRIED**

**12 DISCUSSION OF LATE ITEMS**

Nil

**13 PUBLIC EXCLUDED SESSION**

Nil

**14 CLOSING KARAKIA**

Commissioner Shad Rolleston gave the closing karakia.

**The meeting closed at 3.40 pm.**

**The minutes of this meeting were confirmed as a true and correct record at the Ordinary Council meeting held on 28 November 2022.**

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**CHAIRPERSON**