

**MINUTE EXTRACT FROM THE NON-PUBLIC MINUTES OF THE COUNCIL MEETING HELD ON
WEDNESDAY, 27 OCTOBER 2021**

C5 DUNEDIN CITY HOLDINGS GROUP: DIRECTOR APPOINTMENTS AND RE-APPOINTMENTS

A report from Dunedin City Holdings Ltd provided information on the appointment of directors to Group companies and sought approval for the re-appointment of the Chair/Director to the board of City Forests Ltd.

The Deputy Chair, Dunedin City Holdings Ltd (Chris Hopkins) and General Manager, Dunedin City Holdings Ltd (Jemma Adams) spoke to the report and responded to questions on the process and appointments.

It was requested that the resolutions be taken separately.

Moved (Cr Mike Lord/Cr Steve Walker):

That the Council:

- a) **Notes the appointment of Jane George to the board of Delta Utility Services Ltd for a three- year term commencing 1 November 2021.**

Motion carried (CNL/2021/194)

Moved (Cr Mike Lord/Cr Steve Walker):

That the Council:

- b) **Notes the appointment of Phil Melhopt to the board of City Forests Ltd for a term of two years and eight months commencing 1 February 2022.**

Motion carried (CNL/2021/195)

Moved (Cr Mike Lord/Cr Steve Walker):

That the Council:

- c) **Approves the re-appointment of John Gallaher as Chair/Director to the board of City Forests Ltd for a further three-year term commencing 1 November 2021.**

Division

Motion carried (CNL/2021/196)

DUNEDIN CITY HOLDINGS GROUP: DIRECTOR APPOINTMENTS AND RE-APPOINTMENTS

Department: Dunedin City Holdings Ltd

REASONS FOR CONFIDENTIALITY

Grounds:	S48(1)(a) - The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
Reason:	S7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.

EXECUTIVE SUMMARY

- 1 The attached report from Dunedin City Holdings Ltd (DCHL) includes recommendations, and associated background information, for Council to consider in relation to the appointment and re-appointment of directors to Group companies.
- 2 These recommendations are in relation to:
 - the noting of two new director appointments to DCHL Group companies - one each to Delta Utility Services Ltd and City Forests Ltd; and
 - the approval of one re-appointment to the board of City Forests Ltd noting that this reappointment is beyond the self-imposed nine years' maximum service.

RECOMMENDATIONS

That the Council:

- a) **Notes** the appointment of Jane George to the board of Delta Utility Services Ltd for a three- year term commencing 1 November 2021.
 - b) **Notes** the appointment of Phil Melhopt to the board of City Forests Ltd for a term of two years and eight months commencing 1 February 2022.
 - c) **Approves** the re-appointment of John Gallaher as Chair/Director to the board of City Forests Ltd for a further three-year term commencing 1 November 2021.
- 3 The re-appointment of John Gallaher beyond the self-imposed nine years maximum service has been requested by the DCHL board for the reasons outlined in the attached report.

- 4 This extension is allowed under the constitution of City Forests Limited on the following basis:

Term of Appointment

10.3 No person may be appointed as a Director for a term of more than three years.

10.4 No person may be a Director for more than 9 years (whether consecutive or not) unless resolved otherwise by Special Resolution.

- 5 The DCC Procedure for Appointment and Remuneration of Directors of Dunedin City Holdings Ltd (5.2.5) further requires: A Council resolution with two-thirds majority vote is required to extend a director tenure beyond the nine-year limit.

Signatories

Author:	Jemma Adams - General Manager, Dunedin City Holdings Ltd
Authoriser:	

Attachments

	Title	Page
A	DCHL Report to Council	
B	DCHL Group Director Terms	
C		
D		

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

This decision enables democratic local decision making and action by, and on behalf of communities.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	☐	☐	☒
Economic Development Strategy	☐	☐	☒
Environment Strategy	☐	☐	☒
Arts and Culture Strategy	☐	☐	☒
3 Waters Strategy	☐	☐	☒
Spatial Plan	☐	☐	☒
Integrated Transport Strategy	☐	☐	☒
Parks and Recreation Strategy	☐	☐	☒
Other strategic projects/policies/plans	☐	☐	☒

This decision has no direct impact on the Strategic Framework. Group companies do however, contribute to the framework as noted in their Statements of Intent.

Māori Impact Statement

There are no known impacts for tangata whenua.

Sustainability

There are no significant direct implications for sustainability.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

There are no significant direct implications for the LTP, Annual Plan, Financial Strategy or Infrastructure Strategy.

Financial considerations

There are no financial implications.

Significance

This decision is considered low in terms of the Council's Significance and Engagement Policy.

Engagement – external

The board of DCHL have discussed these recommendations with the individuals concerned, other shareholders of subsidiary companies and Chairs of subsidiary companies as appropriate.

Engagement - internal

No internal engagement has been deemed necessary.

Risks: Legal / Health and Safety etc.

No risks have been identified as a result of accepting these recommendations.

Conflict of Interest

No conflicts of interest have been identified.

SUMMARY OF CONSIDERATIONS
<i>Community Boards</i> No implications for Community Boards have been identified.



DUNEDIN CITY HOLDINGS LIMITED

Report

TO: Dunedin City Council

FROM: Keith Cooper, Chair
Jemma Adams, General Manager

DATE: 7 October 2021

SUBJECT: Dunedin City Holdings Group Appointments and Re-appointments

SENSITIVITY **IN CONFIDENCE**

SUMMARY

Two director vacancies have arisen across the DCHL Group in late 2021: one at Delta Utility Services Ltd (Delta), as Trevor Kempton retires following nine years of service, and one at City Forests Ltd (City Forests), as John Gallaher reaches nine years of service on the board.

This paper outlines the process followed to fill these director vacancies.

The paper recommends that Council note the appointment of one new director to the board of Delta.

The paper further recommends that Council note the appointment of one new director to the board of City Forests, but also discusses the challenge DCHL has faced in identifying a suitable candidate for the role of Chair at the company.

City Forests has a relatively recently established board and the company is a large and valuable asset within the DCHL portfolio. In this context, DCHL are seeking Council's approval to re-appoint Mr Gallaher to this role, so that Mr Gallaher and the DCHL Board can develop a Chair recruitment and transition plan.

RECOMMENDATIONS

- 1 Dunedin City Holdings Ltd recommends that the Council:
 - a) **notes** the appointment of **Jane George** to the board of Delta Utility Services Ltd, for a three-year term commencing 1 November 2021;
 - b) **notes** the appointment of **Phil Melhopt** to the board of City Forests Ltd, for a term of two years and eight months, commencing 1 February 2022;
 - c) **approves** the re-appointment of **John Gallaher** as Chair of the board of City Forests Ltd, for a three-year term commencing 1 November 2021.

BACKGROUND

- 2 The Dunedin City Holdings Ltd (DCHL) board holds responsibility for appointing directors to its subsidiary and associate companies.
- 3 A diagram setting out terms of DCHL group directors is attached at Appendix 1.

DISCUSSION

Delta Utility Services Ltd (Delta) board vacancy

- 4 A director vacancy arose at Delta this year due to the end of Trevor Kempton's term on the board.
- 5 An open application process was held for the role in July/August 2021, involving an advertising campaign along with a database search of appropriate candidates.
- 6 Three candidates were interviewed by a panel comprising the Chair and Deputy Chair of DCHL, and the Chair of Delta, assisted by [REDACTED] Stimulus Consulting.
- 7 The panel identified **Jane George** as the preferred candidate and recommended Ms George be appointed to the Delta board. [REDACTED]
- 8 The DCHL board considered the panel's recommendation and appointed Ms George to the Delta board for a term of three years, commencing 1 November 2021, subject to the appointment being noted by Council.
- 9 The DCHL board believes Ms George is a strong candidate for the position brief related to knowledge and experience in the areas of people and organisational culture, contracting industry, and general commercial governance experience. The DCHL board believes Ms George will bring new thinking and innovative skills to the Delta board.
- 10 Reference and probity checks have been completed for Ms George, and Ms George has also completed due diligence.

City Forests Ltd (City Forests) board vacancy

- 11 A director vacancy was also due to arise at City Forests this year as the incumbent Chair John Gallaher is due to reach his nine years' maximum service on 31 October 2021.
- 12 Recent changes in City Forests' governance has seen the development of a relatively young board (in terms of City Forests governance experience). Of the four directors on the board, two (Alison Posa and Scott Mason) were appointed in November 2019. A further vacancy will arise next year, as Tim Mephram will also reach his nine years' maximum service in November 2022.

13 [REDACTED]

Process

- 14 An open application process was held in July/August 2021, involving an advertising campaign along with a database search of appropriate candidates. Two candidates were interviewed by a panel comprising the Chair and Deputy Chair of DCHL, assisted by [REDACTED] Stimulus Consulting.
- 15 The panel identified **Philip Melhopt** as the preferred candidate and recommended Mr Melhopt be appointed to the City Forests board. [REDACTED]
- 16 The DCHL board considered the panel's recommendation and appointed Mr Melhopt to the City Forests board for a term of two years and eight months, commencing 1 February

2022 (and ceasing 31 October 2024, to align with usual board rotation time frames), subject to the appointment being noted by Council.

- 17 Reference and probity checks have been completed for Mr Melhopt, and Mr Melhopt has also completed due diligence.

City Forests Chair Role

- 18 The Appointment Committee kept the option open that an application may be received from a candidate that could be considered, along with other incumbent directors, for the role of Chair. This did not eventuate.

- 20 City Forests has assets of over \$330 million, has delivered after-tax profits of over \$97 million and dividends of \$33 million over the past five years. The company is deemed a core asset of the group and therefore it is appropriate that institutional knowledge and governance stability is maintained.

- 21 The Appointment Panel therefore recommended the DCHL board seek Council approval to re-appoint John Gallaher as Chair of City Forests, for a further three-year term commencing 1 November 2021, in accordance with section 5.2 of Dunedin City Council's Procedure for Appointment and Remuneration of Directors of Dunedin City Holdings Ltd. This Procedure requires a Council resolution with two thirds majority vote.

- 22 The proposed re-appointment is allowable under City Forests Ltd's constitution (subject to Special Resolution).

NEXT STEPS

- 25 If Council agree, DCHL will make administrative arrangements to confirm the appointments and re-appointment proposed in this report.

APPENDICES

1. DCHL Group Director Terms Table (includes appointments and re-appointments noted in this report)



DUNEDIN CITY HOLDINGS LIMITED

DCHL Group Director Terms

As at June 2021



DUNEDIN CITY HOLDINGS LIMITED

Dunedin City Treasury Ltd

2021	2022	2023	2024
Linda Robertson – Apptd 2013 Term 3 ends Jun 2022			
Chris Hopkins – Apptd 2019 Term 1 ends Jun 2022			
Richard Thomson – Apptd 2020 Term 1 ends Jun 2023			
Keith Cooper (C) – Apptd 2015 Term 3 ends Sep 2023			
Susie Johnstone – Apptd 2021 Term 1 ends Feb 2024			



DUNEDIN RAILWAYS

DUNEDIN STADIUM
PROPERTY LTD



Steve Thompson (C) – Apptd 2016 Term 2 ends Jun 2022			
Margaret Devlin – Apptd 2017 Term 2 ends Jul 2023			
Simon Clarke – Apptd 2021 Term 1 ends Jul 2023			
Stephen Lewis – Apptd 2021 Term 1 ends Jul 2024			
Wendie Harvey – Apptd 2018 Term 2 ends Oct 2024			
J Gallaher (C)			
Scott Mason – Apptd 2019 Term 1 ends Oct 2022			
Tim Mephram – Apptd 2013 Term 3 ends Nov 2022			
Alison Posa – Apptd 2019 Term 2 ends Oct 2023			
T Kempton			
Brian Wood (C) – Apptd 2016 Term 3 ends Oct 2022 (prior service at DCHL 2013-2017)			
Steven Grave – Apptd 2017 Term 2 ends Jul 2023			
Tony Allison – Apptd 2017 Term 2 ends Oct 2023 (other service at DIAL, CFL)			
DCHL directors as per terms above			
William Cockerill (C) – Apptd 2016 Term 2 ends Jun 2022			
DCHL directors as per terms above			
Adam La Hood – Apptd 2019 Term 1 ends Aug 2022			
Joanne Conroy – Apptd 2018 Term 2 ends Dec 2023			
Raewyn Lovett (C) – Apptd 2015 Term 3 ends Dec 2023			
Dylan Rushbrook – Apptd 2019 Term 2 ends Nov 2024			
Darin Cusack – Apptd 2019 Term 1 ends Oct 2022			
Jonathan Cameron – Apptd 2018 Term 2 ends Oct 2024			

new appointment will be required
under current policy settings