



Finance and Performance Committee

OPEN MINUTES

Minutes of a meeting of the Finance and Performance Committee held in the Reception Lounge, Auckland Town Hall, 301-305 Queen Street, Auckland on Thursday, 20 February 2014 at 9.30am.

PRESENT

Chairperson
Deputy Chairperson
Members

Cr Penny Webster
Cr Ross Clow
Cr Anae Arthur Anae
Cr Cameron Brewer
Mayor Len Brown, JP
Cr Dr Cathy Casey
Cr Bill Cashmore From 9.39am, item 9
Cr Linda Cooper, JP
Cr Chris Darby
Cr Alf Filipaina
Cr Hon Chris Fletcher, QSO From 9.40am, item 9
Deputy Mayor Penny Hulse From 9.39am, item 9
Cr Denise Krum From 10.15am, item 9
Cr Calum Penrose
Cr Dick Quax
Cr Sharon Stewart, QSM
Member David Taipari From 10.06am, item 9
Member John Tamihere From 9.43am, item 9
Cr Sir John Walker, KNZM, CBE
Cr Wayne Walker
Cr John Watson
Cr George Wood, CNZM

APOLOGIES

Cr Denise Krum For lateness
Member David Taipari For lateness
Cr Bill Cashmore For lateness
Cr Mike Lee On Council business

1 Apologies

Resolution number FIN/2014/9

MOVED by Chairperson MP Webster, seconded by Cr CM Penrose:

That the Finance and Performance Committee:

- a) **accept the apologies from the Deputy Mayor Hulse, Councillor Cashmore, Councillor Krum and Member Taipari for lateness on council business and from Councillor Lee for absence on council business.**

CARRIED

2 Declaration of Interest

There were no declarations of interest.

3 Confirmation of Minutes

Resolution number FIN/2014/10

MOVED by Deputy Chairperson RI Clow, seconded by Cr CM Penrose:

That the Finance and Performance Committee:

- a) **confirm the ordinary minutes of its meeting, held on Thursday, 12 December 2013, including the confidential section, as a true and correct record.**

CARRIED

4 Petitions

There were no petitions.

5 Public Input

There was no public input.

6 Local Board Input

There was no local board input.

7 Extraordinary Business

There was no extraordinary business.

8 Notices of Motion

There were no notices of motion.

Cr WB Cashmore arrived at the meeting at 9.39 am.

Cr PA Hulse arrived at the meeting at 9.39 am.

Member DE Taipari arrived at the meeting at 10.06 pm.

Cr DA Krum arrived at the meeting at 10.15 pm.

9 Local boards funding policy parameters for engagement

Local Boards Chairs from Maungakiekie-Tamaki, Kaipatiki and Rodney were in attendance to speak to the item.

A copy of the presentation has been attached to the official copy of these minutes and can be viewed on the Auckland Council website.

Resolution number FIN/2014/11

MOVED by Chairperson MP Webster, seconded by Deputy Chairperson RI Clow:

That the Finance and Performance Committee:

- a) **agree with the following parameters for the review of the local boards funding policy for engagement with local boards based on the attached report “Local boards funding policy review”:**
- b) **note that the review of the local boards funding policy will not change decision making responsibility for:**
 - i) **the split between regional and local activities**
 - ii) **the setting of service levels for local activities.**
- c) **note that the proposed model for funding asset based services is the same model that is currently used**
- d) **note that the local boards funding policy cannot resolve issues relating to differing asset based service levels and that the issue will be considered as part of the planning process for the long-term plan**
- e) **adopt the policy by August 2014 to enable clarity in funding decision making to provide predictability of funding in the preparation of local board plans and budgets for the draft Long-term Plan 2015-2025. This will require the policy to be publically consulted on in June 2014**
- f) **agree that the policy improve alignment between funding and expenditure decisions, by having separate funding mechanisms for:**
 - i) **asset based services, such as parks and swimming pools, where service levels in each board area are primarily driven by the Governing Body decisions on the number, nature and location of such assets and the budget available for both capital and operational expenditure on these services.**
 - ii) **locally driven initiatives, where local boards undertake activities for the benefit of their local communities, and control decisions on services, service levels and costs. (This may include asset related service level improvements and capital investment within limits approved by the Governing Body).**
- g) **agree that the costs of operating and maintaining asset based services (as defined in f) (i)); as well as the consequential operating expenditure (interest and depreciation) associated with Governing Body investment in local assets; will be funded from general rates, in accordance with asset management plans and the regional budgeting process**
- h) **agree the next stage of the review will consider options for funding locally driven initiatives (as defined in f) (ii)) by either general rates allocated on a formula basis, local rates collected in each board area, or a mix of general rates allocation and local rates**

- i) agree that options for determining the relationship between the Governing Body and local boards for the use of local rates are:
 - i) local boards advocate to the Governing Body for local rates and the Governing Body makes the final decision.
 - ii) local boards make decisions on the use of local rates, within constraints of regional policy determined by the Governing Body, and the Governing Body implements these decisions.
- j) agree that the council's rates remission and postponement legacy schemes that support community and sports related services, and natural, historic or cultural heritage be reviewed alongside the local boards funding policy to:
 - i) ensure consistency between local grants schemes and rates relief schemes
 - ii) develop a regionally consistent rates remission and postponement policy. Consultation on amendments to the policy should be undertaken alongside consultation on the draft Long-term Plan 2015-2025.
- k) agree to direct staff to consider service level equity issues for local asset based services as part of the development of the Long-term Plan and Asset Management Plans and engage with local boards on this and report back on a timetable.

CARRIED

Cr Brewer amendment adding to c) above, seconded by Cr Stewart:

- c) note that the proposed model for funding asset based services is the same model that is currently used but notes it has not been agreed to by the Local Boards Funding Policy Review Political Working Party and must at least remain on the table for meaningful and ongoing consultation and work with local boards.

A division was called for, voting on which was as follows:

<u>For</u>	<u>Against</u>	<u>Abstained</u>
Cr CE Brewer	Cr AJ Anae	
Cr SL Stewart	Mayor LCM Brown	
	Cr CM Casey	
	Cr WB Cashmore	
	Deputy Chairperson RI Clow	
	Cr LA Cooper	
	Cr C Darby	
	Cr AM Filipaina	
	Cr CE Fletcher	
	Cr PA Hulse	
	Cr DA Krum	
	Cr CM Penrose	
	Cr D Quax	
	Member DE Taipari	
	Member J Tamihere	
	Cr JG Walker	
	Cr WD Walker	
	Cr J Watson	
	Chairperson MP Webster	
	Cr GS Wood	

The division was declared **LOST** by 2 votes to 20.

Attachments

- A Local Boards funding policy

10 Funding Assistance Rates Review

A copy of the presentation has been attached to the official copy of these minutes and can be viewed on the Auckland Council website.

Resolution number FIN/2014/12

MOVED by Chairperson MP Webster, seconded by Cr CM Casey:

That the Finance and Performance Committee:

- a) receive and, subject to any amendments, endorse the proposed submission to New Zealand Transport Agency on the Funding Assistance Rates Review.
- b) request that this report and the final submission be circulated to Auckland Transport and all Local Boards.

CARRIED

Attachments

- A Funding Assistance

Precedence of Business

Resolution number FIN/2014/13

MOVED by Chairperson MP Webster, seconded by Cr AJ Anae:

That the Finance and Performance Committee:

- a) agree that Item 12: Auckland Regional Amenities draft Funding Plan 2014-15 proposed submission be accorded precedence at this time.

CARRIED

12 Auckland Regional Amenities draft Funding Plan 2014-15 proposed submission

Resolution number FIN/2014/14

MOVED by Deputy Chairperson RI Clow, seconded by Cr GS Wood:

That the Finance and Performance Committee:

- a) approve the submission to the Auckland Regional Amenities Funding Board draft Funding Plan 2014-15.
- b) authorise the chair of the committee to sign the submission on behalf of Auckland Council.
- c) delegate to the Chief Finance Officer the decision as to the timing and accounting treatment of any payment made to the Funding Board in relation to its administration expenses for the judicial review proceedings.

CARRIED

11 Auckland Council performance report for the period 1 July 2013 to 31 December 2013

A copy of the presentation has been attached to the official copy of these minutes and can be viewed on the Auckland Council website.

Resolution number FIN/2014/15

MOVED by Deputy Chairperson RI Clow, seconded by Cr PA Hulse:

That the Finance and Performance Committee:

- a) **note the performance report for the three months ended 31 December 2013, highlighting:**
 - i) **Net favourable operating surplus variance to budget of \$53 million.**
 - ii) **Capital expenditure of \$164 million.**
- b) **note the following highlights and achievements :**
 - i) **Te Atatu Peninsula Community Centre and Library: Dawn blessing took place to acknowledge the demolition of the old centre. Representatives included local board members, mana whenua and community leaders. The occasion signifies the establishment of a new centre and library for the people of Te Atatu.**
 - ii) **Council purchased Colin Maiden Park from the University of Auckland, representing one of the largest purchases of open space in New Zealand's history. It is also a commitment to a major sports hub, containing major netball and tennis facilities and in the future FIFA Football facilities.**
 - iii) **The Tall Ships Festival took place over Labour weekend attracting around 151,000 visitors. The public were given access to six of the ships and many took part in a programme of activities at the Cloud. Spirit of New Zealand was the most popular with 5,600 visitors.**
 - iv) **The Auckland Art Gallery-Toi o Tamaki was a multiple winner at the World Architecture Festival held in Singapore in October. The Gallery won the Interior Award, Culture Category and was winner of the "World Building of the Year".**
 - v) **Auckland Heritage Festival attendance following 6 weeks promotional campaign was approximately 65,000, a 60% increase on 2012 figures.**
 - vi) **Libraries: Dare to Explore Summer Reading Adventure ran for six weeks until mid-January. This offered children a range of fun and discovery activities to keep them reading over summer. Over 7,000 children aged 5 - 13 enrolled in the programme in December.**
 - vii) **A giant of the horticultural world ("titan arum") flowered at Auckland Domain Winter garden's tropical glasshouse with its two day blooming in early December attracting over 17,000 visitors.**
 - viii) **The Housing Project Office received approval from the Governing Body and the Minister of Housing for all of the 22 Special Housing Areas proposed in Tranches 1 and 2. These are now operative and the first 6 qualifying development resource consents have been received with 92 dwellings being granted consents prior to Christmas. Discussions are also advancing with landowners to masterplan the greenfield special housing areas. The initiative to co-locate staff from central government (MBIE and Housing NZ) and CCO's within the Housing Project Office has also been successfully implemented.**

- ix) The final sections of the Sale and Supply of Alcohol Act 2012 were implemented and the new District Licensing Committees were up and functioning from Day 1 and have dealt with a large number of applications.
- x) The Proposed Auckland Unitary Plan was publicly notified for submissions in September 2013. A specially appointed panel will hear submissions and make recommendations to Council. The panel members have expertise in a wide range of disciplines including law, resource management, planning, local government and Tikanga Maori. The panel will be chaired by David Kirkpatrick, an Environment Court Judge. Other panel members are Des Morrison, Janet Crawford, Paula Hunter, John Kirikiri, Stuart Shepherd, Greg Hill and Peter Fuller.
- xi) In October, the Environment Minister Amy Adams launched the TV Takeback scheme at the RCN recycling plant near Albany. This initiative, which is being supported and subsidised by council, will see about 70,000 TVs diverted from Auckland landfill sites, the creation of local jobs and the recycling of over 90% of the materials.
- xii) Martyn Wilson Reserve stormwater project won the Excellence in Environmental Practice (projects under \$2 million) at the Institute of Professional Engineers NZ awards in Wellington.

CARRIED

Attachments

A Auckland Council performance report

13 Delegation for approval of releasing interim and full year group results to New Zealand Stock Exchange

Resolution number FIN/2014/16

MOVED by Cr AJ Anae, seconded by Cr LA Cooper:

That the Finance and Performance Committee:

- a) agree that the chair and deputy chair, Finance and Performance Committee, be delegated the authority to approve the release of Auckland Council financial statements to the New Zealand Stock Exchange for periods through to 30 June 2016.

CARRIED

14 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

15 Procedural motion to exclude the public

Resolution number FIN/2014/17

MOVED by Cr CE Fletcher, seconded by Cr LA Cooper:

That the Finance and Performance Committee:

- a) exclude the public from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by

section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

C1 Monthly budget update

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
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.	s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). In particular, the report contains commercially sensitive information, the disclosure of which could disadvantage the council in negotiation..	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.

The text of these resolutions is made available to the public who are present at the meeting and form part of the minutes of the meeting.

CARRIED

12.18pm The public was excluded.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available.

12.30pm The public was re-admitted.

RESTATEMENTS

It was resolved while the public was excluded:

C1 Monthly budget update

That the Finance and Performance Committee:

- f) agree not to restate the report and the resolutions in the open minutes.**

12.30 pm

The Chairperson thanked Members for their attendance and attention to business and declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD
AT A MEETING OF THE FINANCE AND
PERFORMANCE COMMITTEE HELD ON

DATE:.....

CHAIRPERSON:.....