
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, 21 August 2014 at 9.30am.

PRESENT

Chairperson	Cr Ross Clow	
Members	Cr Anae Arthur Anae	
	Cr Cameron Brewer	
	Cr Dr Cathy Casey	
	Cr Bill Cashmore	
	Cr Chris Darby	From 9.38am, item 6.1
	Cr Hon Christine Fletcher, QSO	From 9.45am, item 6.1
	Deputy Mayor Penny Hulse	From 9.58am, item 6.1
	Cr Denise Krum	
	Cr Mike Lee	From 10.00am, item 6.1
	Cr Calum Penrose	
	Cr Dick Quax	
	Member David Taipari	From 9.45am, item 6.1
	Cr Sir John Walker, KNZM, CBE	
	Cr Wayne Walker	
	Cr John Watson	
	Cr George Wood, CNZM	

APOLOGIES

Mayor Len Brown, JP	For absence on council business
Cr Linda Cooper	For absence
Cr Alf Filipaina	For absence
Cr Sharon Stewart, QSM	For absence
Member John Tamihere	For absence
Cr Penny Webster	For absence on council business

1 Apologies

Resolution number FIN/2014/40

MOVED by Cr CE Brewer, seconded by Cr CM Penrose:

That the Finance and Performance Committee:

- a) **accept the apologies from Cr MP Webster and His Worship the Mayor Brown on council business and Crs LA Cooper, SL Stewart, AM Filipaina and Member J Tamihere for absence.**

CARRIED

2 Declaration of Interest

There were no declarations of interest.

3 Confirmation of Minutes

Resolution number FIN/2014/41

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

That the Finance and Performance Committee:

- a) **confirm the ordinary minutes of its meeting, held on Thursday, 24 July 2014, 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

Cr C Darby arrived at the meeting at 9.38am.

Cr CE Fletcher arrived at the meeting at 9.45am.

Member DE Taipari arrived at the meeting at 9.45 am.

Cr PA Hulse arrived at the meeting at 9.58am.

Cr ME Lee arrived at the meeting at 10.00 am.

6.1 CAPEX review - Manurewa Local Board, Kaipatiki Local Board and Hibiscus & Bays Local Board

Angela Dalton, Kay McIntyre and Julia Parfitt spoke to the committee regarding the CAPEX review in relation to item 13 Monthly Budget Update.

Resolution number FIN/2014/42

MOVED by Deputy Chairperson RI Clow, seconded by Cr CE Fletcher:

That the Finance and Performance Committee:

- a) **thank the Local Board chairs for their attendance.**

CARRIED

7 Extraordinary Business

There was no extraordinary business.

8 Notices of Motion

There were no notices of motion.

9 Disposal Recommendation Report

Resolution number FIN/2014/43

MOVED by Cr C Darby, seconded by Cr WB Cashmore:

That the Finance and Performance Committee:

- a) **approve the disposal of the land, subject to the satisfactory conclusion of any required statutory processes, at:**
 - i) **20 McAnnalley Street, Manurewa comprised of an estate in fee simple containing 675m2 more or less being Lot 3 DP 48621 contained in Certificate of Title NA1967/30**
 - ii) **8 John Street, Patumahoe comprised of an estate in fee simple, containing 278m2 more or less being DP 1388 contained in certificate of title CFR NA752/139**
 - iii) **Ormiston Town Centre, Ormiston comprising 19.8 hectares more or less being Lot 1 DP 462233 contained in certificate of title 609374, Lot 2 DP 462233 contained in certificate of title 609375 and Lot 3 DP 370733 contained in certificate of title 286614**
- b) **approve the final terms and conditions under the appropriate delegations**
- c) **agree that the property at 78 Te Henga Road, Te Henga comprised of an estate in fee simple containing 750m2 more or less being Lot 23 DP40739 be retained and incorporated into the parks sports and recreation service portfolio.**

CARRIED

10 Auckland Council 2014 General Revaluation Project

Officers presented a power point presentation in support of the report.

A copy of the tabled presentation has been placed on the official minutes and can be viewed on the Auckland Council website as a minutes attachments.

Resolution number FIN/2014/44

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

That the Finance and Performance Committee:

- a) **note the information contained in this report.**
- b) **request staff to report back on the trends and under-lying drivers leading to changes in valuation.**

CARRIED

Attachments

A AC 2014 General Revaluation Project presentation

11 Impact of Local Government Amendment Act 2014 on Development Contributions

This report has been deferred to the Governing Body meeting.

12 Auckland Council performance report for the period 1 July 2013 to 30 June 2014

Officers presented a power point presentation in support of the report.

A copy of the tabled presentation has been placed on the official minutes and can be viewed on the Auckland Council website as a minutes attachments.

Resolution number FIN/2014/45

MOVED by Deputy Chairperson RI Clow, seconded by Cr CE Fletcher:

That the Finance and Performance Committee:

- a) **note the performance report for the twelve months ended 30 June 2014, highlighting:**
 - i. **net favourable operating surplus of \$97 million, which is \$124 million favourable compared to budget.**
 - ii. **capital expenditure of \$456 million.**
- b) **note the following highlights and achievements :**
 - i. **the new Waiheke Library opened on 26 July 2014.**
 - ii. **volunteers in Southern Regional Parks planted 23,000 plants this season whilst in the Northern Local Parks region volunteers planted over 19,000 plants.**
 - iii. **Youth Advisory Panel: On 12 May Ella Yelich-O'Connor (aka Lorde) and Parris Goebel (Young New Zealander of the year and international choreographer and entrepreneur) met with the Youth Advisory Panel. Both young Aucklanders participated in a video shoot to promote the launch of "I Am Auckland" – an Auckland wide strategic action plan for children and young people launched during Youth Week (17-25 May).**
 - iv. **Long Term Plan Recognition in the Ministry for the Environment (MfE) Green Ribbon Awards: Together with project partners, Forest and Bird, council jointly received the 'stewardship champions' award in MfE's Green Ribbon Awards for the Ark in the Park project. This project was also a finalist in the 'protecting our biodiversity' category. The council's La Rosa Daylighting project was also a finalist in two categories at these awards in the 'caring for water' and 'public sector leadership' sections.**
 - v. **over the 2013/2014 year the Retrofit Your Home programme received over 3,450 applications and provided over \$9 million in assistance towards insulation and clean heat. A recent social return on investment study concluded a \$3.10 return for every dollar invested in the programme.**
 - vi. **more than 60 separate ecological restoration or water quality improvement projects totalling approximately \$1.1 million were delivered for Local Boards across the Auckland region during the 2013/2014 financial year. These projects ranged from local stream riparian planting to working with businesses to minimise contaminant loads to stormwater.**
 - vii. **over the last financial year, 5,122 people visited The Waste Minimisation Learning Centre at Waitakere Transfer Station. There were 178 groups of visitors, exceeding the target of 120 groups. The interactive outdoor Experience Trail is due for completion shortly.**

- viii. the Institute of Finance Professionals New Zealand (INFINZ) selected the Auckland Council NOK1.4 billion, 15 year private placement as a finalist in the Debt Deal Award.
- c) agree that in relation to Appendix D: Treaty Audit Response, Te Waka Angamua liaise with the Independent Maori Statutory Board to agree the 2014/2015 Treaty of Waitangi Audit Response work programme, and that it be presented to the Finance and Performance Committee in September 2014.

CARRIED

Attachments

- A AC Performance Report 1 July 2013 to 30 June 2014

13 Monthly Budget Update

Officers tabled additional documents in support of the report.

A copy of the tabled documents have been placed on the official minutes and can be viewed on the Auckland Council website as a minutes attachments.

MOVED by Deputy Chairperson RI Clow, seconded by Cr AJ Anae:

That the Finance and Performance Committee:

- a) note the status of the Alternative Transport Funding project budget.
- b) agree that Auckland Transport reduce or defer \$100 million of council funded capex from 2014/2015, noting that the gross reduction (including NZTA funded capex) will be approximately \$150 million. Auckland Transport are required to provide a modified Statement of Intent to the CCO Governance and Monitoring Committee in November.
- c) agree that Auckland Transport ensure that in determining which projects to defer, specifically exclude ring-fenced projects and take into account the council's priority towards maintaining public transport and active mode outcomes.
- d) agree that Regional Facilities Auckland defer \$5.3 million of capex from 2014/2015. Regional Facilities Auckland are required to provide a modified Statement of Intent to the CCO Governance and Monitoring Committee in November.
- e) agree that Waterfront Auckland defer \$2.8 million public capex from 2014/2015. Waterfront Auckland are required to provide a modified Statement of Intent to the CCO Governance and Monitoring Committee in November.
- f) with respect to the council parent capex projects in Attachment A,
 - i) agree to defer the capex budget amounts listed to 2015/2016. These projects will be included in prioritisation discussion in forming the draft LTP 2015-2025 in September / October 2014, and
 - ii) note that any projects where timing has been deferred, but project planning is underway should be given high priority in the 2015/2016 capital programme.
 - iii) agree that where deferred projects are found to have higher levels of commitment than currently understood, then the Local Board and staff may bring them back to the Finance and Performance Committee during the 2014/2015 financial year for funding approval.
- g) require management to exercise financial constraint and put controls in place around procurement to minimise further commitments of outer year capital expenditure prior to decisions being made with regards to the LTP 2015-2025.
- h) require management to find efficiencies and work through the regional capex programme to identify further deferrals with a target of achieving the remaining

2014/2015 Annual Plan deferral assumption, and

- i) agree that the council's budgets be updated to reflect the financial implications of the above decisions.

Moved by Cr Casey, seconded by Cr Krum to replace f):

- f) agree that decisions on the Local Board CAPEX deferrals be deferred until Local Boards have formally considered and responded in full to each project.

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

<u>For</u>	<u>Against</u>	<u>Abstained</u>
Cr AJ Anae	Cr WB Cashmore	
Cr CE Brewer	Deputy Chairperson RI	
Cr CM Casey	Clow	
Cr CE Fletcher	Cr C Darby	
Cr DA Krum	Cr PA Hulse	
Cr ME Lee	Cr JG Walker	
Cr CM Penrose	Cr GS Wood	
Cr D Quax		
Member DE Taipari		
Cr WD Walker		
Cr J Watson		

The division was declared CARRIED by 11 votes to 6.

Resolution number FIN/2014/46

MOVED by Cr ME Lee, seconded by Cr C Darby:

Moved by Cr Lee, seconded by Cr Darby to replace b):

- b) agree that Auckland Transport reduce or defer \$100 million of council funded capex from 2014/2015, reminding Auckland Transport of the council's commitment to Auckland Plan Transformational Shift 3: 'move to outstanding public transport within one network' and of the Auckland Plan commitment to double public transport patronage to 140 million trips per year by 2022, and therefore increasing public transport patronage, remains a cardinal strategic priority, noting that the gross reduction (including NZTA funded capex) will be approximately \$150 million. Auckland Transport are required to provide a modified Statement of Intent to the CCO Governance and Monitoring Committee in November.

CARRIED

Resolution number FIN/2014/47

Deputy Chairperson RI Clow MOVED the substantive motion, seconded by Cr AJ Anae:

That the Finance and Performance Committee:

- a) **note the status of the Alternative Transport Funding project budget.**
- b) **agree that Auckland Transport reduce or defer \$100 million of council funded capex from 2014/2015, reminding Auckland Transport of the council's commitment to Auckland Plan Transformational Shift 3: 'move to outstanding public transport within one network' and of the Auckland Plan commitment to double public transport patronage to 140 million trips per year by 2022, and therefore increasing public transport patronage, remains a cardinal strategic priority, noting that the gross reduction (including NZTA funded capex) will be approximately \$150 million. Auckland Transport are required to provide a modified Statement of Intent to the CCO Governance and Monitoring Committee in November.**

- c) agree that Auckland Transport ensure that in determining which projects to defer, specifically exclude ring-fenced projects and take into account the council's priority towards maintaining public transport and active mode outcomes.
- d) agree that Regional Facilities Auckland defer \$5.3 million of capex from 2014/2015. Regional Facilities Auckland are required to provide a modified Statement of Intent to the CCO Governance and Monitoring Committee in November.
- e) agree that Waterfront Auckland defer \$2.8 million public capex from 2014/2015. Waterfront Auckland are required to provide a modified Statement of Intent to the CCO Governance and Monitoring Committee in November.
- f) agree that decisions on the Local Board CAPEX deferrals be deferred until Local Boards have formally considered and responded in full to each project.
- g) require management to exercise financial constraint and put controls in place around procurement to minimise further commitments of outer year capital expenditure prior to decisions being made with regards to the LTP 2015-2025.
- h) require management to find efficiencies and work through the regional capex programme to identify further deferrals with a target of achieving the remaining 2014/2015 Annual Plan deferral assumption, and
- i) agree that the council's budgets be updated to reflect the financial implications of the above decisions.

CARRIED

Attachments

- A Capital projects by location
- B Regional capital projects
- C List of 2014/2015 projects proposed for deferral until 2015/2016

14 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

1.00 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:.....