
Budget Committee

OPEN MINUTES

Minutes of a meeting of the Budget Committee held in the Reception Lounge, Auckland Town Hall, 301-305 Queen Street, Auckland on Wednesday, 5 November 2014 at 9.30 am.

PRESENT

Chairperson
Deputy Chairperson
Members

Mayor Len Brown, JP
Cr Penny Webster
Cr Anae Arthur Anae
Cr Cameron Brewer
Cr Dr Cathy Casey
Cr Bill Cashmore
Cr Ross Clow
Cr Linda Cooper, JP
Cr Chris Darby
Cr Alf Filipaina
Cr Hon Christine Fletcher, QSO
Deputy Mayor Penny Hulse
Cr Denise Krum
Cr Mike Lee
Cr Calum Penrose
Cr Dick Quax
Cr Sharon Stewart, QSM
Member David Taipari
Member John Tamihere
Cr Sir John Walker, KNZM, CBE

Cr Wayne Walker
Cr John Watson
Cr George Wood, CNZM

From 9.51 am item 11
From 9.35 am item 9

From 9:52 am item 11
Until 4.54 pm item 18
From 11.34 am item 19; until
5.14 pm item 18
From 9.38 am item 9
From 9.44 am item 10

1 Apologies

Resolution number BUD/2014/32

MOVED by Chairperson LCM Brown, seconded by Deputy Chairperson MP Webster:

That the Budget Committee:

- a) **accept the apologies from Cr John Watson, Cr Sir John Walker and member David Taipari for lateness.**

CARRIED

2 Declaration of Interest

There were no declarations of interest.

3 Confirmation of Minutes

Resolution number BUD/2014/33

MOVED by Chairperson LCM Brown, seconded by Cr GS Wood:

That the Budget Committee:

- a) **confirm the ordinary minutes of its meeting held on Thursday, 14 August 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

There was no local board input.

7 Extraordinary Business

There was no extraordinary business.

8 Notices of Motion

There were no notices of motion.

9 Long-term Plan 2015-2025 - Overview

Cr CE Fletcher entered the meeting at 9.35 am.

Cr WD Walker entered the meeting at 9.38 am.

Resolution number BUD/2014/34

MOVED by Chairperson LCM Brown, seconded by Cr D Quax:

That the Budget Committee:

- a) **note the contents of the report, which sets the context for the other reports and decisions on the agenda.**

CARRIED

10 Decision-making allocation review

Cr J Watson entered the meeting at 9.44 am.

Resolution number BUD/2014/35

MOVED by Chairperson LCM Brown, seconded by Cr AJ Anae:

That the Budget Committee:

- a) **approve the draft allocation of non-regulatory decision-making responsibilities between the governing body and local boards for inclusion in the supporting material to be adopted by the Governing Body to support the Long-term Plan 2015-2025 consultation process.**

CARRIED

11 Long-term Plan 2015-2025: Local Board Views

Cr A Filipaina entered the meeting at 9.51 am.

Member D Taipari entered the meeting at 9.52 am.

Cr CE Fletcher left the meeting at 9.58 am.

MOVED by Chairperson LCM Brown, seconded by Cr PA Hulse

That the Budget Committee:

- a) consider feedback from local boards on the mayoral proposal and key advocacy areas before making decisions on draft Long-term Plan 2015-2025 (LTP) budgets and consultation material.

Resolution number BUD/2014/36

MOVED by Cr C Darby, seconded by Cr CM Casey_by way of amendment:

- b) agree to establish a cross-council working group (with staff representatives from Parks, Auckland Transport, Local Board Services, Financial Planning, the Chief Planning Office and the IMSB Secretariat) to report back to the Budget Committee prior to May 2015 on 'Developing a Regional Greenways Network Plan and identification of budgets to support implementation of that plan at a local and regional level' for consideration as part of decisions for the final LTP 2015-2025.

CARRIED

Resolution number BUD/2014/37

MOVED by Chairperson LCM Brown, seconded by Cr PA Hulse:

That the Budget Committee:

- a) **consider feedback from local boards on the mayoral proposal and key advocacy areas before making decisions on draft Long-term Plan 2015-2025 budgets and consultation material.**
- b) **agree to establish a cross-council working group (with staff representatives from Parks, Auckland Transport, Local Board Services, Financial Planning, the Chief Planning Office and the IMSB Secretariat) to report back to the Budget Committee prior to May 2015 on 'Developing a Regional Greenways Network Plan and identification of budgets to support implementation of that plan at a local and regional level' for consideration as part of decisions for the final LTP 2015-2025.**

CARRIED

Secretarial note: The meeting agreed that Items 19, 18 and 20 be taken at this point.

19 Long-term Plan 2015-2025 - Budget update

*Cr CE Fletcher returned to the meeting at 10.14 am.
Cr JG Walker entered the meeting at 11.34 am.
Deputy Mayor PA Hulse left the meeting at 1.43 pm
Deputy Mayor PA Hulse returned to the meeting at 1.51 pm.
Member DE Taipari left the meeting at 1.49 pm.
Member DE Taipari returned to the meeting at 2.15 pm.*

Secretarial note: The recommendations in this item were taken out of sequence

MOVED by Chairperson LCM Brown, seconded by Cr A Anae:

- c) agree that **scenario B** for the Parks, Community and Lifestyle updated funding envelopes and capex schedules included in Attachment C be incorporated into draft budgets to support consultation on the Long-term Plan 2015-2025, and also agree that these draft budgets include:
- i) proposed average rates increases of 3.5 per cent for each year of the plan
 - ii) proposed overall development contributions charges that increase annually with inflation from 2015/2016, and a \$20 million per annum proposed increase in the targets for the sale of non-strategic surplus assets
 - iii) forecast net group debt of \$11 billion in 2025, consistent with the Mayoral Proposal.

Moved by Cr CE Brewer, seconded by Cr GS Wood an amendment by way of replacement:

- b) That Scenario B proposed 'LTP Capex for Parks, Community and Lifestyle' be adopted on the condition that the average rates increase remains at 2.5% for 2015/16 and that is achieved by not delivering a lesser local capital programme (as in Scenario A) but by cutting the organisation's operational budget – noting that the official rule of thumb is that a cut of about \$15m OPEX will achieve a 1% reduction in rates.

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 CE Fletcher	Chairperson LCM Brown	
Cr DA Krum	Cr CM Casey	
Cr D Quax	Cr WB Cashmore	
Cr SL Stewart	Cr RI Clow	
Cr J Watson	Cr LA Cooper	
Cr GS Wood	Cr C Darby	
	Cr AM Filipaina	
	Cr PA Hulse	
	Cr ME Lee	
	Cr CM Penrose	
	Member DE Taipari	
	Member J Tamihere	
	Cr JG Walker	
	Cr WD Walker	
	Deputy Chairperson MP Webster	

The amendment was declared LOST by 16 votes to 7.

Moved by Cr J Watson, seconded by Cr WD Walker:

- c) ii. a proposed 19% increase on the Mayor's proposal in the overall level of development contributions charges

LOST

Resolution number BUD/2014/38

MOVED by Chairperson LCM Brown, seconded by Cr AJ Anae:

That the Budget Committee:

- c) **agree that scenario B for the Parks, Community and Lifestyle updated funding envelopes and capex schedules included in Attachment C be incorporated into draft budgets to support consultation on the Long-term Plan 2015-2025, and also agree that these draft budgets include:**
- i) **proposed average rates increases of 3.5 per cent for each year of the plan**

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

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

The motion was declared **CARRIED** by 16 votes to 7.

Resolution number BUD/2014/39

MOVED by Chairperson LCM Brown, seconded by Cr AJ Anae:

That the Budget Committee:

- ii) **proposed overall development contributions charges that increase annually with inflation from 2015/2016, and a \$20 million per annum proposed increase in the targets for the sale of non-strategic surplus assets**

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

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

Cr JG Walker
Deputy Chairperson MP Webster

The motion was declared **CARRIED** by 16 votes to 7.

Resolution number BUD/2014/40

MOVED by Chairperson LCM Brown, seconded by Cr AJ Anae:

That the Budget Committee:

- iii) **forecast net group debt of \$11 billion in 2025, consistent with the Mayoral Proposal**

CARRIED

Secretarial note: Pursuant to Standing Order 3.15.5 Councillors Brewer, Quax, Stewart and Wood requested their dissenting votes be recorded.

The meeting adjourned at 12 noon.

The meeting reconvened at 12.45 pm.

Staff tabled documents titled City Rail Link – Financial overview as proposed in the draft LTP 2015-2025 and City Rail Link – Indicative scenario. Copies have been placed on the official copy of the minutes and can be viewed on the Auckland Council website as a minutes attachment.

MOVED by Cr CE Fletcher, seconded by Chairperson LCM Brown:

That the Budget Committee:

- a) agree that the updated Transport funding envelopes and capex schedules included in Attachment A be incorporated into draft budgets to support consultation on the Long-term Plan 2015-2025, and also note that:
- i) these envelopes and schedules are based on funding the basic transport network
 - ii) in the consultation material, these draft budgets will appear alongside any options for using alternative funding mechanisms to fund the Auckland Plan transport network that this committee agrees to consult on

MOVED by Cr GS Wood, seconded by Cr D Quax an amendment to the original recommendation as follows:

- b) defer any further capital expenditure, relating to actual construction of the Central Rail Link project, until an agreed business case with Government is finalised, as referred to in the Prime Ministers letter of 17 March 2014.

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

For

Cr CE Brewer
Cr D Quax
Cr SL Stewart
Cr GS Wood

Against

Cr AJ Anae
Chairperson LCM Brown
Cr CM Casey
Cr WB Cashmore
Cr RI Clow
Cr LA Cooper
Cr C Darby
Cr AM Filipaina
Cr CE Fletcher
Cr PA Hulse
Cr DA Krum

Abstained

Cr ME Lee
Cr CM Penrose
Member DE Taipari
Member J Tamihere
Cr JG Walker
Cr WD Walker
Cr J Watson
Deputy Chairperson MP Webster

The amendment was declared LOST by 19 votes to 4.

MOVED by Cr LA Cooper, seconded by Cr DA Krum an amendment to the original recommendation as follows:

That the Budget Committee:

- a) agree to incorporate into the draft budgets for consultation on the Long-term Plan 2015-2025:
 - i. the updated Transport funding envelopes and capex schedules included in Attachment A of the report, excluding the City Rail Link (CRL) Capital Expenditure item for \$2.213B
 - ii. a CRL Enabling Works Capital Expenditure item for \$287.5M
 - iii. with the exception of property acquisitions required for route protection for the main works, a CRL Main Works Capital Expenditure item for \$1.925B, that can only be accessed after a Business Case and binding Funding Agreement has been concluded with Government, as referred to in the Prime Minister's letter of 17 March 2014.
- b) agree that the CRL Enabling Works and CRL Main Works Capital Expenditure items are listed separately in the Long-term Plan 2015-2025 consultation document.
- c) note that:
 - i. these envelopes and schedules are based on funding the basic transport network
 - ii. in the consultation material, these draft budgets will appear alongside any options for using alternative funding mechanisms to fund the Auckland Plan transport network that this committee agrees to consult on.

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

For

Cr CE Brewer
Cr LA Cooper
Cr DA Krum
Cr D Quax
Cr SL Stewart
Cr J Watson
Cr GS Wood

Against

Cr AJ Anae
Chairperson LCM Brown
Cr CM Casey
Cr WB Cashmore
Cr RI Clow
Cr C Darby
Cr AM Filipaina
Cr CE Fletcher
Cr PA Hulse
Cr ME Lee
Cr CM Penrose
Member DE Taipari
Member J Tamihere
Cr JG Walker
Cr WD Walker
Deputy Chairperson MP Webster

Abstained

The amendment was declared LOST by 16 votes to 7.

Moved by Cr ME Lee, seconded by Cr C Darby an amendment to a) line 2 after Attachment A:

“(including a transport schedule weighted for public transport and quality urban form)” be incorporated ...

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 CM Casey	Chairperson LCM Brown	
Cr C Darby	Cr WB Cashmore	
Cr AM Filipaina	Cr RI Clow	
Cr CE Fletcher	Cr LA Cooper	
Cr ME Lee	Cr PA Hulse	
Cr D Quax	Cr DA Krum	
Cr SL Stewart	Cr CM Penrose	
Cr WD Walker	Member DE Taipari	
Cr J Watson	Member J Tamihere	
Cr GS Wood	Cr JG Walker	
	Deputy Chairperson MP Webster	

The amendment was declared LOST by 12 votes to 11.

The meeting agreed to incorporate recommendations iii, iv and v and the substantive motion was put:

Resolution number BUD/2014/41

MOVED by Cr CE Fletcher, seconded by Chairperson LCM Brown:

That the Budget Committee:

- a) **agree that the updated Transport funding envelopes and capex schedules included in Attachment A be incorporated into draft budgets to support consultation on the Long-term Plan (LTP) 2015-2025, and:**
 - i. **note that these envelopes and schedules are based on funding the basic transport network**
 - ii. **note that in the consultation material, these draft budgets will appear alongside any options for using alternative funding mechanisms to fund the Auckland Plan transport network that this committee agrees to consult on**
 - iii. **request that staff fully brief councillors on the scope and extent of the 2016 – 2018 City Rail Link “Enabling Works” with the option to limit some proposed construction and cost**
 - iv. **request Auckland Transport, in consultation with the Cycle Advisory Group, to report back on options for increasing the walking and cycling budget to ensure additional central government funding available for cycling is optimally leveraged to deliver a step-change in the use of active transport modes, for consideration as part of decisions for the final LTP 2015-2025**
 - v. **highlight in the public consultation the \$854.315M capital expenditure allocated for the City Rail Link for the next three financial years.**

CARRIED

Secretarial note: Pursuant to Standing Order 3.15.5 Councillors Brewer, Krum, Quax, W Walker, Watson and Wood requested their dissenting votes be recorded.

Attachments

A 5 November 2014 - Budget Committee - Item 19 - City Rail Link documents

The meeting adjourned at 3.45 pm.

Cr CE Fletcher left the meeting at 3.45 pm.

Cr PA Hulse left the meeting at 3.45 pm.

The meeting reconvened at 3.58 pm.

Extension of Meeting Time

Resolution number BUD/2014/42

MOVED by Chairperson LCM Brown, seconded by Cr W Walker:

That the Budget Committee:

- a) **agree pursuant to standing order 3.3.7, that an extension of time until 5:30pm be granted.**

CARRIED

Cr PA Hulse returned to the meeting at 4.16 pm.

MOVED by Chairperson LCM Brown, seconded by Cr AJ Anae:

That the Budget Committee:

- d) agree that the updated Auckland Development funding envelopes and capex schedules included in Attachment D be incorporated into draft budgets to support consultation on the Long-term Plan 2015-2025, and also note that:
- i. these envelopes and schedules are based on the CBD targeted rate funding \$20 million of CBD capex projects per annum.

Moved by Cr GS Wood, seconded by Cr LA Cooper an amendment by way of addition:

- d) ii. remove the item Westhaven Promenade Stage Two under Waterfront Development (page 267) showing \$8m in year 2017/18 and \$8m in year 2018/19 from the LTP.

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

For

Cr CE Brewer
Cr LA Cooper
Cr D Quax
Cr SL Stewart
Cr GS Wood

Against

Cr AJ Anae
Chairperson LCM Brown
Cr CM Casey
Cr WB Cashmore
Cr RI Clow
Cr C Darby
Cr AM Filipaina
Cr PA Hulse
Cr DA Krum
Cr ME Lee
Cr CM Penrose
Member DE Taipari
Member J Tamihere
Cr JG Walker

Abstained

Cr WD Walker
Cr J Watson
Deputy Chairperson MP Webster

The amendment was declared LOST by 17 votes to 5.

MOVED by Chairperson LCM Brown, seconded by Cr AJ Anae:

- e) agree that the updated Economic and Cultural Development funding envelopes and capex schedules included in Attachment E be incorporated into draft budgets to support consultation on the Long-term Plan 2015-2025

Moved Cr J Watson, seconded Cr W Walker an amendment by way of addition:

- e) i. agree that the \$12M relating to the development of an international cricket stadium at Western Springs be removed from the Stadium Development Budget.

Secretarial note: The meeting agreed to let the item lie on the table. The item was considered when the committee reconvened on 6 November 2014.

Secretarial note: Item 19 b) d) f) g) h) and i) were taken together.

Resolution number BUD/2014/43

MOVED by Chairperson LCM Brown, seconded by Cr WB Cashmore:

That the Budget Committee:

- b) agree that the updated Water Supply and Wastewater funding envelopes and capex schedules included in Attachment B be incorporated into draft budgets to support consultation on the Long-term Plan 2015-2025, and also note that:**
 - i) the average increases in water and wastewater charges are currently projected to be 2.5 per cent for first two years and 3.6 per cent thereafter
- d) agree that the updated Auckland Development funding envelopes and capex schedules included in Attachment D be incorporated into draft budgets to support consultation on the Long-term Plan 2015-2025, and also note that:**
 - i) these envelopes and schedules are based on the CBD targeted rate funding \$20 million of CBD capex projects per annum
- f) agree that the updated Environmental Management and Regulation funding envelopes and capex schedules included in Attachment F be incorporated into draft budgets to support consultation on the Long-term Plan 2015-2025**
- g) agree that the Governance and Support funding envelopes and capex schedules included in Attachment G be incorporated into draft budgets to support consultation on the Long-term Plan 2015-2025, and also note that:**
 - i) these envelopes reflect the projected cost of the co-governance entities
 - ii) these envelopes reflect the identified additional funding requirements for the Maori priority areas
- h) agree that staff should not enter into any new contractual commitments that are inconsistent with these draft budgets, including commitments for planning or design work for capital projects that would be deferred or stopped under the draft budgets**
- i) agree to grant staff approval to enter into agreements that commit future year spend up to the level of the proposed LTP budgets to enable the timely delivery of the capex programme (including land acquisition) for projects, programmes or agreements that:**
 - i) have pre-existing commitments and are ready to proceed to construction and can be completed within a 12 to 18 month period, or

- ii) are necessary to meet council's obligations under the housing accord, or
- iii) have significant negative consequences for health and safety, business continuity or council's operating budgets if delivery does not proceed in a timely manner.

CARRIED

18 Transport programmes and funding options

Cr CE Fletcher returned to the meeting at 4.47 pm.

Member J Tamihere left the meeting at 4.54 pm.

Cr JG Walker left the meeting at 5.14 pm.

Resolution number BUD/2014/44

MOVED by Deputy Chairperson MP Webster, seconded by Cr C Darby:

For the purpose of developing the draft Long-term Plan 2015-2025, the Budget Committee agree to consult with Aucklanders on choices between:

- a) the two levels of transport investment reflected in the Long-term Plan Transport Proposal (the Basic Transport Network or the Auckland Plan Transport Network)
- b) the rates and fuel tax funding pathway or the motorway user charge funding pathway prepared by the Alternative Transport Funding Independent Advisory Board.

CARRIED

Secretarial note: Pursuant to Standing Order 3.15.5 Councillors Brewer, Casey, and Watson requested their dissenting votes be recorded.

Resolution number BUD/2014/45

MOVED by Cr CM Casey, seconded by Cr D Quax _an amendment by way of addition:

- c) that staff report to the next Budget Committee meeting on the costs of a referendum and general issues relating to engagement on this matter.

CARRIED

The meeting adjourned at 5:29pm

Minutes of a reconvened meeting of the Budget Committee held in the Reception Lounge, Auckland Town Hall, 301-305 Queen Street, Auckland on Thursday, 6 November 2014 at 9.35 am.

PRESENT

Chairperson	Mayor Len Brown, JP	
Deputy Chairperson	Cr Penny Webster	
Members	Cr Anae Arthur Anae	
	Cr Cameron Brewer	
	Cr Dr Cathy Casey	
	Cr Bill Cashmore	
	Cr Ross Clow	
	Cr Linda Cooper, JP	
	Cr Chris Darby	
	Cr Alf Filipaina	
	Cr Hon Christine Fletcher, QSO	
	Deputy Mayor Penny Hulse	
	Cr Denise Krum	
	Cr Mike Lee	From 9.38 am item 19.e)
	Cr Calum Penrose	
	Cr Dick Quax	Until 2.56 pm item 13
	Cr Sharon Stewart, QSM	
	Member David Taipari	From 10.04 am item 19.e)
	Member Glenn Wilcox (Alternate)	From 9.40 am item 19.e)
	Cr Sir John Walker, KNZM, CBE	
	Cr Wayne Walker	
	Cr John Watson	
	Cr George Wood, CNZM	

APOLOGIES

Member John Tamihere

19 Long-term Plan 2015-2025 - Budget update (continued)

Cr M Lee entered the meeting at 9.38 am.

Member G Wilcox entered the meeting at 9.40 am.

Cr PA Hulse left the meeting at 9.40 am.

Cr PA Hulse returned to the meeting at 9.50 am.

Member D Taipari entered the meeting at 10.04 am.

19 MOVED by Chairperson LCM Brown, seconded by Cr AJ Anae:

- e) agree that the updated Economic and Cultural Development funding envelopes and capex schedules included in Attachment E be incorporated into draft budgets to support consultation on the Long-term Plan 2015-2025

Moved Cr J Watson, seconded Cr W Walker an amendment by way of addition:

- e) i. agree that the \$12m relating to the development of an international cricket stadium at Western Springs be removed from the Stadium Development Budget.

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

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

The amendment was declared LOST by 15 votes to 8.

Resolution number BUD/2014/46

MOVED by Chairperson LCM Brown, seconded by Deputy Chairperson MP Webster:

That the Budget Committee:

- e) **agree that the updated Economic and Cultural Development funding envelopes and capex schedules included in Attachment E of the report be incorporated into draft budgets to support consultation on the Long-term Plan 2015-2025**

CARRIED

Secretarial note: Pursuant to Standing Order 3.15.5 Councillors Brewer, Fletcher, Quax and Stewart requested their dissenting votes be recorded.

For clarity the resolutions for Item 19 are as follows:

That the Budget Committee:

- a) agree that the updated Transport funding envelopes and capex schedules included in Attachment A be incorporated into draft budgets to support consultation on the Long-term Plan 2015-2025, and:
- note that these envelopes and schedules are based on funding the basic transport network
 - note that in the consultation material, these draft budgets will appear alongside any options for using alternative funding mechanisms to fund the Auckland Plan transport network that this committee agrees to consult on
 - request that staff fully brief councillors on the scope and extent of the 2016 – 2018 City Rail Link “Enabling Works” with the option to limit some proposed construction and cost
 - request Auckland Transport, in consultation with the Cycle Advisory Group, to report back on options for increasing the walking and cycling budget to ensure additional central government funding available for cycling is optimally leveraged to deliver a step-change in the use of active transport modes, for consideration as part of decisions for the final LTP 2015-2025

- v. highlight in the public consultation the \$854,315M capital expenditure allocated for the City Rail Link for the next three financial years.
- b) agree that the updated Water Supply and Wastewater funding envelopes and capex schedules included in Attachment B be incorporated into draft budgets to support consultation on the Long-term Plan 2015-2025, and also note that:
 - i) the average increases in water and wastewater charges are currently projected to be 2.5 per cent for first two years and 3.6 per cent thereafter
- c) agree that scenario B for the Parks, Community and Lifestyle updated funding envelopes and capex schedules included in Attachment C be incorporated into draft budgets to support consultation on the Long-term Plan 2015-2025, and also agree that these draft budgets include:
 - i) proposed average rates increases of 3.5 per cent for each year of the plan
 - ii) proposed overall development contributions charges that increase annually with inflation from 2015/2016, and a \$20 million per annum proposed increase in the targets for the sale of non-strategic surplus assets
 - iii) forecast net group debt of \$11 billion in 2025, consistent with the Mayoral Proposal
- d) agree that the updated Auckland Development funding envelopes and capex schedules included in Attachment D be incorporated into draft budgets to support consultation on the Long-term Plan 2015-2025, and also note that:
 - i) these envelopes and schedules are based on the CBD targeted rate funding \$20 million of CBD capex projects per annum
- e) agree that the updated Economic and Cultural Development funding envelopes and capex schedules included in Attachment E of the report be incorporated into draft budgets to support consultation on the Long-term Plan 2015-2025
- f) agree that the updated Environmental Management and Regulation funding envelopes and capex schedules included in Attachment F be incorporated into draft budgets to support consultation on the Long-term Plan 2015-2025
- g) agree that the Governance and Support funding envelopes and capex schedules included in Attachment G be incorporated into draft budgets to support consultation on the Long-term Plan 2015-2025, and also note that:
 - i) these envelopes reflect the projected cost of the co-governance entities
 - ii) these envelopes reflect the identified additional funding requirements for the Maori priority areas.
- h) agree that staff should not enter into any new contractual commitments that are inconsistent with these draft budgets, including commitments for planning or design work for capital projects that would be deferred or stopped under the draft budgets
- i) agree to grant staff approval to enter into agreements that commit future year spend up to the level of the proposed LTP budgets to enable the timely delivery of the capex programme (including land acquisition) for projects, programmes or agreements that:
 - i) have pre-existing commitments and are ready to proceed to construction and can be completed within a 12 to 18 month period, or
 - ii) are necessary to meet council's obligations under the housing accord, or
 - iii) have significant negative consequences for health and safety, business continuity or council's operating budgets if delivery does not proceed in a timely manner.

Meeting adjourned at 10.34 am.

Meeting reconvened at 10.48 am.

20 Long-term Plan 2015-2025-Mayoral Proposal on Rating Policy

MOVED by Chairperson LCM Brown, seconded by Cr RI Clow:

That the Budget Committee receive the report.

Resolution number BUD/2014/47

MOVED by Cr RI Clow, seconded by Cr WB Cashmore_a motion by way of replacement to the original recommendation:

That for the purposes of developing the draft Long-term Plan 2015-25 for consultation, the Budget Committee adopt the rating policy as follows:

- a) that the long-term business differential strategy be amended to achieve a proportion of general rates collected from business ratepayers of 32.8 per cent for 2015/2016 falling to 25.8 per cent by 2025/2026 in equal steps and that the differential ratio for business be set annually to reflect this
- d) that in line with the amendments to the overall business differential strategy, Franklin business differential be set at a level which will align with the overall business sector in 2016/17.

e)

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

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

The motion was declared **CARRIED** by 15 votes to 8.

The meeting adjourned at 11.50 am.

The meeting reconvened at 12.43 pm.

Staff tabled a replacement page 305 titled Proportion of ratepayers better off at higher or lower UAGC. A copy has been placed on the official copy of the minutes and can be viewed on the Auckland Council website as a minutes attachment.

MOVED by Chairperson LCM Brown, seconded by Cr A Filipaina:

- b) a uniform annual general charge of \$385 for 2015/16 amended each following year of the LTP by the amount of the average rates increase

MOVED by Cr CE Brewer, seconded by Cr D Quax an amendment by way of substitution:

- c) That the Budget Committee adopts a \$550 UAGC to be publicly consulted on as part of the draft 2015-2025 Long-term Plan

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 LA Cooper	Chairperson LCM Brown	
Cr CE Fletcher	Cr CM Casey	
Cr DA Krum	Cr WB Cashmore	
Cr D Quax	Cr RI Clow	
Cr SL Stewart	Cr C Darby	
	Cr AM Filipaina	
	Cr PA Hulse	
	Cr ME Lee	
	Cr CM Penrose	
	Member DE Taipari	
	Member G Wilcox	
	Cr JG Walker	
	Cr WD Walker	
	Cr J Watson	
	Deputy Chairperson MP	
	Webster	
	Cr GS Wood	

The amendment was declared LOST by 17 votes to 6.

MOVED by Cr WB Cashmore, seconded by Cr C Darby an amendment by way of substitution:

- b) That the UAGC be increased in the first year of the LTP by \$100 and that be the base line for the term of the LTP

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 WB Cashmore	Chairperson LCM Brown	
Cr LA Cooper	Cr CM Casey	
Cr C Darby	Cr RI Clow	
Cr CE Fletcher	Cr AM Filipaina	
Cr DA Krum	Cr PA Hulse	
Cr CM Penrose	Cr ME Lee	
Cr SL Stewart	Cr D Quax	
Deputy Chairperson MP	Member DE Taipari	
Webster	Member G Wilcox	
Cr GS Wood	Cr JG Walker	
	Cr WD Walker	
	Cr J Watson	

The amendment was declared LOST by 13 votes to 10.

The Mayor put the substantive motion for item 20.b):

Resolution number BUD/2014/48

MOVED by Chairperson LCM Brown, seconded by Cr AM Filipaina:

- b) a uniform annual general charge of \$385 for 2015/16 amended each following year of the LTP by the amount of the average rates increase**

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

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

The motion was declared **CARRIED** by 18 votes to 5.

The meeting adjourned at 1.36 pm.

Cr CE Brewer left the meeting at 1.36 pm.

The meeting reconvened at 1.40 pm.

MOVED by Chairperson LCM Brown, seconded by Cr C Darby:

- e) that the rating policy continue:**
- i. current rates differentials except as noted in a, c and d above**
 - ii. setting general rates on capital value**
 - iii. applying a uniform annual general charge per separately used or inhabited part of a rating unit**
 - iv. current targeted rates**

CARRIED

Resolution number BUD/2014/49

MOVED by Cr WB Cashmore, seconded by Deputy Chairperson MP Webster, by way of addition:

- f) that the Auckland Council takes a discussion document out to the rural community with options relating to an establishment of a graduated differential for farm and lifestyle property rates.**

CARRIED

For clarity the resolutions for Item 20 are as follows:

That for the purposes of developing the draft Long-term Plan 2015-25 for consultation, the Budget Committee adopt the rating policy as follows:

- a) that the long-term business differential strategy be amended to achieve a proportion of general rates collected from business ratepayers of 32.8 per cent for 2015/2016 falling to 25.8 per cent by 2025/2026 in equal steps and that the differential ratio for business be set annually to reflect this
- b) a uniform annual general charge of \$385 for 2015/16 amended each following year of the LTP by the amount of the average rates increase
- c) include landlocked properties in the sea access only differential group
- d) that in line with the amendments to the overall business differential strategy, Franklin business differential be set at a level which will align with the overall business sector in 2016/17
- e) that the rating policy continue:
 - i. current rates differentials except as noted in 1, 3 and 4 above
 - ii. setting general rates on capital value
 - iii. applying a uniform annual general charge per separately used or inhabited part of a rating unit
 - iv. current targeted rates
- f) that the Auckland Council takes a discussion document out to the rural community with options relating to an establishment of a graduated differential for farm and lifestyle property rates.

Attachments

A 5 November 2014 - Budget Committee - Item 20 - Replacement page 305

12 Long Term Plan 2015-2025 – Estimated cost of co-governance entities

Cr RI Clow left the meeting at 2.12 pm.

Cr RI Clow returned to the meeting at 2.30 pm.

Cr PA Hulse left the meeting at 2.30 pm.

Cr PA Hulse returned to the meeting at 2.45 pm.

Staff tabled Attachment H – Resolution of the Tupuna Maunga o Tamaki Makaurau Authority – 3 November 2014. A copy has been placed on the official copy of the minutes and can be viewed on the Auckland Council website as a minutes attachment.

Resolution number BUD/2014/50

MOVED by Chairperson LCM Brown, seconded by Cr C Darby:

That for the purpose of developing draft budgets for Long-term Plan (LTP) 2015-2025 consultation, the Budget Committee:

- a) **note that the total projected cost of the co-governance entities (which the council is party to) for the next ten years is \$32.1 million (Net Operational funding) and \$47.5 million (capital projects) before adjusting for inflation**
- b) **note that \$24.5 million (Net Operational funding) and \$9.4 million (capital projects) is already identified in existing budgets**
- c) **note that additional funding of \$5.1 million (Net Operational funding) and \$38.1 million (capital projects) is required to meet the estimated cost of co-governance entities over the next ten years, plus adjustments for inflation**

- d) note that at its meeting on 3 November 2014 the Maunga Authority agreed to apply \$2.5 million from the open space and volcanic cones targeted rate reserve to help fund activities over the first five years of the LTP
- e) request that staff report back to the Finance and Performance Committee on the transfer of routine management of Maungauika / North Head to Auckland Council from the Department of Conservation.

CARRIED

Secretarial note: Pursuant to Standing Order 3.15.5 Councillor Cooper requested her dissenting vote be recorded.

Attachments

A 5 November 2014 - Budget Committee - Item 12 - Attachment H – Resolution of the Tupuna Maunga o Tamaki Makaurau Authority – 3 November 2014

13 Long term Plan 2015-2025-Priority proposals for Māori

Cr D Quax left the meeting at 2.56 pm.

Resolution number BUD/2014/51

MOVED by Cr RI Clow, seconded by Cr AM Filipaina:

That the Budget Committee:

- a) note that the report responds to a letter from the chair of the Independent Māori Statutory Board (IMSB) and describes the top down approach agreed by the June 2014 Finance and Performance Committee [FIN/2014/34] to clarify council's political direction on priority Māori transformational shift activities and associated budgets for the draft 2015-2025 Long-term Plan (LTP)
- b) note that staff have proposed additional funding for years 4 -10 of the LTP (\$7 million opex and \$42 million capex) and identified high level activities which will contribute towards the achievement of the Auckland Plan Māori transformational shift and IMSB's priorities
- c) agree that council staff will work closely with the IMSB secretariat staff over the next month on the allocation of the proposed additional funding to specific LTP transformational shift priorities prior to adoption of the LTP consultation document by the Governing Body on 18 December 2014
- d) agree that, as part of planning and budgeting to implement the agreed LTP Maori transformational shift priorities, council and IMSB secretariat staff will work together on identifying activities and budgets within overall budget envelopes and report back to this committee prior to the LTP being adopted.

CARRIED

The meeting adjourned at 3.00 pm.

The meeting reconvened at 3.22 pm.

Extension of Meeting Time

Resolution number BUD/2014/52

MOVED by Chairperson LCM Brown, seconded by Cr PA Hulse:

That the Budget Committee:

- a) agree pursuant to standing order 3.3.7, that an extension of time until 5.30 pm be granted.

CARRIED

14 City Centre Targeted Rate

Member DE Taipari left the meeting at 3.30 pm.

Resolution number BUD/2014/53

MOVED by Cr C Darby, seconded by Cr PA Hulse:

That the Budget Committee, for the purposes of the Draft 2015-2025 Long-term Plan (LTP) approve the following changes to the City Centre Targeted Rate for adoption by the Governing Body as part of the material to support LTP consultation:

- a) **agree to make provision for the City Centre programme in the LTP budget of \$20 million each financial year, in real terms, from 2016/2017 to 2024/2025 inclusive, to be funded from the City Centre targeted rate, with an additional \$50 plus GST and inflation to be levied on each separate residence**
- b) **agree that, in general, the additional depreciation and operational costs (consequential opex) of capital works arising from the City Centre programme cease to be funded from the City Centre targeted rate, from 2019-20 financial year onwards and that these be met from general rates, or other appropriate revenue sources**
- c) **agree that the general rates impact of “b” above be transitioned in over the early years of the LTP budget by utilising the unspent funds that have already been raised from the City Centre targeted rate**
- d) **agree that the City Centre Targeted Rate can be used to fund projects already proposed by the Auckland Council Group, but as a general operating principle, Auckland City Centre Advisory Board (ACCAB) retains an active and formal role in early project identification, selection, prioritisation and design**
- e) **agree that a significant proportion of each year’s targeted rate is available for the ACCAB to respond by continue to recommend operating or capital project opportunities.**

CARRIED

15 Increasing Business Improvement District (BID) rates to recover BID support costs

Cr RI Clow left the meeting at 3.48 pm.

Staff tabled a letter to the Mayor and Councillors from the majority of BIDs in response to the agenda report. A copy has been placed on the official copy of the minutes and can be viewed on the Auckland Council website as a minutes attachment.

Resolution number BUD/2014/54

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

That the Budget Committee

- a) **agree that staff carry out work with the Business Improvement Districts (BIDs) and the relevant local boards on the nature and costs of council support services for BIDs to ensure services provide value for money and to identify opportunity for BID amalgamation and sharing of services.**

CARRIED

Attachments

A 5 November 2014 - Budget Committee - Item 15 - Letter from the majority of BIDs

16 Harmonisation and increases to social housing rents

Member DE Taipari returned to the meeting at 3.58 pm.

Cr CE Brewer returned to the meeting at 4.10 pm.

Cr RI Clow returned to the meeting at 4.25 pm.

MOVED by Cr LA Cooper, seconded by Cr GS Wood:

That for the purposes of developing the draft Long-term Plan 2015-2025 for consultation, the Budget Committee adopt the proposed changes to social housing rentals as set out below:

- a) the rent on the council's social housing units be set at 30 per cent of tenants' pre-tax income
- b) for any given year, changes to annual rents (including increases and decreases) resulting from a) above be capped at \$780 per unit (equivalent to \$15 cap on weekly rents).

Moved by Cr C Casey, seconded by member DE Taipari an amendment by way of substitution:

That the Budget Committee:

- a) agree that council do more work on harmonising increases to social housing rents to phase them in over a longer period, and report back to the Finance and Performance Committee.

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

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

The amendment was declared LOST by 14 votes to 8.

Resolution number BUD/2014/55

MOVED by Cr LA Cooper, seconded by Cr GS Wood:

That for the purposes of developing the draft Long-term Plan 2015-2025 for consultation, the Budget Committee adopt the proposed changes to social housing rentals as set out below:

- a) **the rent on the council's social housing units be set at 30 per cent of tenants' pre-tax income**
- b) **for any given year, changes to annual rents (including increases and decreases) resulting from a) above be capped at \$780 per unit (equivalent to \$15 cap on weekly rents).**

CARRIED

Secretarial note: Pursuant to Standing Order 3.15.5 Councillors Casey, Filipaina and Watson requested their dissenting votes be recorded.

17 Harmonisation of fees and charges for street trading, cemeteries and other services

Staff tabled a replacement version of the Mayoral Summary and recommendations to the agenda report. A copy has been placed on the official copy of the minutes and can be viewed on the Auckland Council website as a minutes attachment.

MOVED by Cr GS Wood, seconded by Chairperson LCM Brown:

- a) That for the purposes of developing the draft Long-term Plan (LTP) 2015-25 for consultation, the Budget Committee adopt changes to the fees and charges for street trading, cemeteries and a number of other services as set out below:
 - i. harmonised licensing fees for street trading across Auckland as included in Attachment C
 - ii. harmonised cemetery fees across Auckland as included in Attachment D
 - iii. harmonised event permit fees across Auckland and community events, as included in Table 10 of this report
 - iv. harmonised fees for the remainder of the environmental health and licensing services as included in Attachment E.
 - v. an average 4-5 per cent increase to fees and charges for building control, resource consents and property information as included in Attachment F.
- b) That the Budget Committee agree that harmonised full rental fees for street trading across Auckland for use of public space for outdoor dining and drinking, mobile vendors and temporary stalls and market operators as included in Attachment C, be an issue for consultation in the 2015-2025 LTP.

Resolution number BUD/2014/56

MOVED by Chairperson LCM Brown, seconded by Cr ME Lee by way of addition:

- c) defer the Hauraki Gulf Islands cemetery charges to the Budget Committee meeting of 18 November 2014.

CARRIED

Resolution number BUD/2014/57

MOVED by Cr CE Brewer, seconded by Deputy Chairperson MP Webster by way of addition to item a) i.:

- d) agree that for those facing increases to street trading licence rentals of more than \$500 it is proposed that their changes be phased in over three years with a maximum annual increase being no more than \$500, to help manage the impact to street trading licence rentals.

CARRIED

Resolution number BUD/2014/58

MOVED by Deputy Chairperson MP Webster, seconded by Cr CM Casey by way of addition:

- e) agree that not for profit community events incur only a process fee which cover council costs.

CARRIED

The Chairperson put the substantive motion:

Resolution number BUD/2014/59

MOVED by Cr GS Wood, seconded by Chairperson LCM Brown:

That the Budget Committee:

- a) **for the purposes of developing the draft Long-term Plan (LTP) 2015-25 for consultation, adopt changes to the fees and charges for street trading, cemeteries and a number of other services as set out below:**
 - i. **harmonised licensing fees for street trading across Auckland as included in Attachment C of the report**
 - ii. **harmonised cemetery fees across Auckland as included in Attachment D of the report**
 - iii. **harmonised event permit fees across Auckland and community events, as included in Table 10 of the report**
 - iv. **harmonised fees for the remainder of the environmental health and licensing services as included in Attachment E of the report**
 - v. **an average 4-5 per cent increase to fees and charges for building control, resource consents and property information as included in Attachment F of the report**
- b) **agree that harmonised full rental fees for street trading across Auckland for use of public space for outdoor dining and drinking, mobile vendors and temporary stalls and market operators as included in Attachment C of the report, be an issue for consultation in the 2015-2025 LTP**
- c) **defer the Hauraki Gulf Islands cemetery charges to the Budget Committee meeting of 18 November 2014**
- d) **agree that for those facing increases to street trading licence rentals of more than \$500 it is proposed that their charges be phased in over three years, with a maximum annual increase being no more than \$500, to help manage the impact to street trading licence rentals**
- e) **agree that not-for-profit community events incur only a process fee which cover council costs.**

CARRIED

Attachments

A 5 November 2014 - Budget Committee - Item 17 - Replacement version of Mayoral Summary and recommendations

21 Solid Waste: Inorganic Collection Service methodology and funding: Long Term Plan 2015-2025.

The item was deferred to the Budget Committee meeting on 18 November 2014.

22 Solid Waste targeted rates and fees 2015/2016 and Waste Management and Minimisation funding through transition

The item was deferred to the Budget Committee meeting on 18 November 2014.

23 Contributions policy

The item was deferred to the Governing Body meeting on 27 November 2014.

24 Performance measures and targets

The item was deferred to the Governing Body meeting on 27 November 2014.

25 CCO Letters of Expectation

The item was deferred to the CCO Governance and Monitoring Committee meeting on 12 November 2014.

26 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

5.39 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 BUDGET COMMITTEE
HELD ON

DATE:.....

CHAIRPERSON:.....