
Governing Body

OPEN MINUTES

Minutes of a meeting of the Governing Body held in the Reception Lounge, Auckland Town Hall, 301-305 Queen Street, Auckland on Thursday, 6 November 2014 at 5.39pm.

PRESENT

Mayor	Len Brown, JP
Deputy Mayor	Penny Hulse
Councillors	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
	Cr Denise Krum
	Cr Mike Lee
	Cr Calum Penrose
	Cr Sharon Stewart, QSM
	Cr Sir John Walker, KNZM, CBE
	Cr Wayne Walker
	Cr John Watson
	Cr Penny Webster
	Cr George Wood, CNZM

APOLOGIES

Cr Dick Quax

1 **Affirmation**

2 **Apologies**

Resolution number GB/2014/125

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

That the Governing Body:

- a) **accept the apology from Cr D Quax for absence.**

CARRIED

3 **Declaration of Interest**

There were no declarations of interest.

4 **Confirmation of Minutes**

Resolution number GB/2014/126

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

That the Governing Body:

- a) **confirm the ordinary minutes of its meeting, held on Thursday, 30 October 2014, including the confidential section, as a true and correct record.**

CARRIED

5 **Acknowledgements and Achievements**

There were no acknowledgements.

6 **Petitions**

There were no petitions.

7 **Public Input**

There was no public input.

8 **Local Board Input**

There was no local board input.

9 **Extraordinary Business**

There was no extraordinary business.

10 **Notices of Motion**

There were no notices of motion.

11 Adoption of the 5 November 2014 Budget Committee's Long-term Plan 2015-2025 Recommendations

Secretarial note: The items relate to the 5 November 2014 Budget Committee Agenda.

Resolution number GB/2014/127

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

That the Governing Body:

- a) receive the Long-term Plan 2015-2025 recommendations of the 5 and 6 November 2014 Budget Committee meeting.
- b) for the purpose of supporting the Long-term Plan 2015-2025 consultation:
 - i) Item 10 - Decision-making allocation review
 - 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.
 - ii) Item 11 - Long-term Plan 2015-2025: Local Board Views
 - 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 and, 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.
 - iii) Item 12 - Long Term Plan 2015-2025 – Estimated cost of co-governance entities
 - 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.

- iv) **Item 13 - Long term Plan 2015-2025-Priority proposals for Māori**
- a) note that the report responds to a letter from the chair of the Independent Māori Statutory Board 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.
- v) **Item 14 - City Centre Targeted Rate**
- 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
 - b) agree to make provision for the City Centre programme in the LTP budget of \$20m 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
 - 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 Auckland City Centre Advisory Board (ACCAB) to respond by continue to recommend operating or capital project opportunities.
- vi) **Item 15 - Increasing Business Improvement District (BID) rates to recover BID support costs**
- 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.

- vii) **Item 16 - Harmonisation and increases to social housing rents**
 - 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).
- viii) **Item 17 - Harmonisation of fees and charges for street trading, cemeteries and other services**
 - 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.
- ix) **Item 18 - Transport programmes and funding options**
 - a) consult with Aucklanders on 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) consult with Aucklanders on the rates and fuel tax funding pathway or the motorway user charge funding pathway prepared by the Alternative Transport Funding Independent Advisory Board
 - c) request staff to report back to the next Budget Committee meeting on the costs of a referendum and general issues relating to engagement on this matter.

- x) **Item 19 - Long-term Plan 2015-2025 - Budget update**
- a) agree that the updated **Transport** funding envelopes and capex schedules included in Attachment A of Item 19 of the 5 November 2014 Budget Committee agenda be incorporated into draft budgets to support consultation on the Long-term Plan 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 \$854,315 million 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 of Item 19 of the 5 November 2014 Budget Committee agenda 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 of Item 19 of the 5 November 2014 Budget Committee agenda 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 of Item 19 of the 5 November 2014 Budget Committee agenda 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 Item 19 of the 5 November 2014 Budget Committee agenda 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 of Item 19 of the 5 November 2014 Budget Committee agenda 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 of Item 19 of the 5 November 2014 Budget Committee agenda 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.
- xi) Item 20 - Long-term Plan 2015-2025 - Mayoral Proposal on Rating Policy
 - a) agree 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) agree on a uniform annual general charge of \$385 for 2015/2016 amended each following year of the LTP by the amount of the average rates increase

- c) agree to include landlocked properties in the sea access only differential group
- d) agree 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 2016/2017.
- e) agree 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.
- f) agree that 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.

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

For

Cr AJ Anae
Mayor LCM Brown
Cr CM Casey
Cr WB Cashmore
Cr RI Clow
Cr LA Cooper
Cr C Darby
Cr AM Filipaina
Deputy Mayor PA Hulse
Cr DA Krum
Cr ME Lee
Cr CM Penrose
Cr JG Walker
Cr WD Walker
Cr J Watson
Cr MP Webster

Against

Cr CE Brewer
Cr CE Fletcher
Cr SL Stewart
Cr GS Wood

Abstained

The division was declared **CARRIED** by 16 votes to 4.

12 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

5.42 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 GOVERNING BODY HELD
ON

DATE:.....

CHAIRPERSON:.....