

## 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 May 2015 at 9.36am.

#### PRESENT

<b>Chairperson</b>	Cr Penny Webster	
<b>Deputy Chairperson</b>	Cr Ross Clow	Until 1.50pm, item 16
<b>Members</b>	Cr Anae Arthur Anae	Until 1.50pm, item 16
	Cr Cameron Brewer	
	Mayor Len Brown, JP	From 9:50am, item 9
	Cr Dr Cathy Casey	
	Cr Chris Darby	
	Cr Alf Filipaina	
	Cr Hon Christine Fletcher, QSO	From 9:38am, item 9
	Deputy Mayor Penny Hulse	Until 1.13pm, item 16
	Cr Denise Krum	Until 1.45pm, item 16
	Cr Mike Lee	Until 1.54pm, item 17
	Cr Calum Penrose	
	Cr Dick Quax	Until 2.32pm, item 17
	Mr David Taipari	
	Cr Sir John Walker, KNZM, CBE	Until 1.54pm, item 16
	Cr Wayne Walker	
	Cr John Watson	From 9:40am, Item 9

#### ABSENT

Cr Bill Cashmore  
Cr Linda Cooper, JP  
Cr Sharon Stewart, QSM  
Member John Tamihere  
Cr George Wood, CNZM



**1 Apologies**

Resolution number FIN/2015/30

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

**That the Finance and Performance Committee:**

- a) **accept the apologies from Cr WB Cashmore, Cr LA Cooper and Cr GS Wood for absence on council business, and Cr S Stewart and Mr J Tamihere for absence.**

**CARRIED**

**2 Declaration of Interest**

There were no declarations of interest.

**3 Confirmation of Minutes**

Resolution number FIN/2015/31

MOVED by Cr CM Casey, seconded by Cr JG Walker:

**That the Finance and Performance Committee:**

- a) **confirm the ordinary minutes of its meeting, held on Thursday, 23 April 2015, 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.

**9 The Auckland Regional Amenities Funding Board presentations**

*Cr CE Fletcher entered the meeting at 9.38 am.*

*Cr J Watson entered the meeting at 9.40 am.*

*Mayor LCM Brown entered the meeting at 9.50 am.*

*Member DE Taipari left the meeting at 10.21 am.*

*Deputy Mayor PA Hulse left the meeting at 10.31 am.*

*Deputy Mayor PA Hulse returned to the meeting at 10.45 am.*

*Member DE Taipari returned to the meeting at 10.50 am.*

Resolution number FIN/2015/32

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

**That the Finance and Performance Committee:**

- a) **thank Surf Life Saving Northern Region, Coastguard Northern Region, Auckland Arts Festival, Auckland Rescue Helicopter Trust and NZ Opera for their presentations and attendance.**
- b) **move a vote of appreciation to Victoria Carter for her 11 years of outstanding work on the Auckland Arts Festival.**

**CARRIED**

**10 Auckland Regional Amenities Funding Act (ARAF) Funding Model Review - Evaluation criteria**

Resolution number FIN/2015/33

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

**That the Finance and Performance Committee:**

- a) **endorse the following criteria for the evaluation of options as part of the review of the funding model under the Auckland Regional Amenities Funding Act 2008:**
  - i. **Financial sustainability and certainty**
  - ii. **Affordability**
  - iii. **Independence and continuity**
  - iv. **Accountability and transparency**
  - v. **Administrative efficiency**
  - vi. **Alignment of outcomes and goals**
  - vii. **Fairness**
  - viii. **Flexibility.**
- b) **note that the “Flexibility” criteria includes consideration of whether the funding model is responsive enough to take into account changing circumstances of various Auckland amenities. This includes providing for the addition or removal of amenities from the funding model.**

**CARRIED**

**11 Accelerated Transport Programme**

*Cr C Darby left the meeting at 11.58 am.*

Resolution number FIN/2015/34

MOVED by Cr CE Fletcher, seconded by Chairperson MP Webster:

**That the Finance and Performance Committee:**

- a) **note the Accelerated Transport Programme and how it aligns to Long-term Plan 2015-2025 consultation feedback preferences for public transport and walking and cycling.**
- b) **note that while the Tamaki Drive Master Plan may not be directly referred to in the report, the committee acknowledges there are some Tamaki Drive initiatives in the Accelerated Transport Programme from which to build on.**
- c) **note that the Selwyn rail station in Pourewa Valley feasibility study is currently underway and:**
  - i) **direct the outcome of this study to be reported back to the Infrastructure Committee when completed later this year, and**
  - ii) **agree that any possible budget considerations regarding this station be considered as part of the 2016/2017 Annual Plan.**
- d) **acknowledge the work undertaken by Auckland Transport and New Zealand Transport Authority regarding the Reeves Road flyover and note it is part of an ongoing feasibility study.**

**CARRIED**

**12 Amending the license to occupy remission scheme to include the proposed Transport Levy**

Resolution number FIN/2015/35

MOVED by Cr CM Penrose, seconded by Deputy Mayor PA Hulse:

**That the Finance and Performance Committee agree:**

- a) **to consult on the proposal to amend the remission scheme in the rates remission and postponement policy for residents of licence to occupy retirement villages and/or papakāinga housing to remit the proposed Transport levy targeted rate in addition to the Uniform Annual General Charge.**
- b) **that consultation on the proposal will be in the following form:**
  - i) **A public notice of the proposal to be published in newspapers;**
  - ii) **The proposal and analysis of the reasonably practicable options to be published on the Shape Auckland website;**
  - iii) **Letters to be sent to all retirement villages and papakāinga with Licence to Occupy tenancies containing the proposal and the process for feedback. The letters will request that village operators advise their residents of the proposal and the opportunity for feedback;**
  - iv) **Communicate the proposal and the opportunity for feedback across relevant Maori networks;**
  - v) **Only written responses will be sought, though any respondents who wish to will be offered the opportunity to discuss the issue with staff; and**
  - vi) **The feedback period will be two weeks from the opening of consultation.**

**CARRIED**

**13 Monthly Budget Update**

Resolution number FIN/2015/36

MOVED by Chairperson MP Webster, seconded by Cr AM Filipaina:

**That the Finance and Performance Committee:**

- a) **approve an additional \$1.3 million operating funding for Waterfront Auckland in 2014/2015 for urgent repairs on the electrical infrastructure and utilities tunnel around the Viaduct**
- b) **delegate to the Auckland Council Chief Financial Officer the ability to approve any remaining funding that is required to be carried over to 2015/2016.**

**CARRIED**

Secretarial note: Pursuant to standing order 3.15.5 Cr Brewer requested his dissenting vote be recorded.

**14 Mount Albert Grammar School Community Swimming Pool Trust - Community Loan Repayment**

Resolution number FIN/2015/37

MOVED by Cr CM Casey, seconded by Member DE Taipari:

**That the Finance and Performance Committee:**

- a) **accept the Mount Albert Grammar School Community Swimming Pool Trust offer of \$750,000 as full and final settlement of the outstanding community loan of \$860,000, and for the remaining amount of the \$110,000 to be forgiven.**

**CARRIED**

Secretarial note: Meeting adjourned at 12:33pm reconvened at 1.13 pm.

*Cr CE Brewer left the meeting at 1.13 pm.*

*Mayor LCM Brown left the meeting at 1.13 pm.*

*Deputy Mayor PA Hulse left the meeting at 1.13 pm.*

*Member DE Taipari left the meeting at 1.13 pm.*

*Cr J Watson left the meeting at 1.13 pm.*

**15 IS Transformation Programme and NewCore Project Update**

*Mayor LCM Brown returned to the meeting at 1.15 pm.*

*Cr J Watson returned to the meeting at 1.16 pm.*

*Member DE Taipari returned to the meeting at 1.17 pm.*

*Cr CE Brewer returned to the meeting at 1.21 pm.*

A PowerPoint presentation was provided. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Resolution number FIN/2015/38

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

**That the Finance and Performance Committee:**

- a) **note progress on the NewCore project and more generally the IS Transformation programme.**

**CARRIED**

**Attachments**

- A 21 May 2015 Finance and Performance Committee - Item 15: IS Transformation Programme and NewCore Project Update

*Cr DA Krum left the meeting at 1.45 pm.*  
*Cr AJ Anae left the meeting at 1.50 pm.*  
*Deputy Chairperson RI Clow left the meeting at 1.50 pm.*  
*Cr JG Walker left the meeting at 1.54 pm.*

**16 Māori Transformation Activity and Expenditure report 2014/15 - Quarter 3**

Resolution number FIN/2015/39

MOVED by Member DE Taipari, seconded by Chairperson MP Webster:

**That the Finance and Performance Committee:**

- a) **note the financial and non-financial information on Māori transformational shift activity in quarter three of the 2014/2015 financial year provided in this report.**

**CARRIED**

**17 Te Tiriti o Waitangi Audit response work programme 2014/15 update**

*Cr ME Lee left the meeting at 1.54 pm.*  
*Cr C Darby returned to the meeting at 2.09 pm.*  
*Cr D Quax left the meeting at 2.32 pm.*

A PowerPoint presentation and an Audit document were provided. Copies have been placed on the official minutes and the PowerPoint is available on the Auckland Council website as a minutes attachment.

Resolution number FIN/2015/40

MOVED by Member DE Taipari, seconded by Cr AM Filipaina:

**That the Finance and Performance Committee:**

- a) **note the progress update on the Treaty Audit response work programme for the 2014/2015 priority actions.**
- b) **receive the Te Tiriti o Waitangi Audit Report 2014/15.**
- c) **note that council staff will report to the Governing Body by July 2015 with a recommended response programme in relation to the recommended actions in the Te Tiriti o Waitangi Audit Report 2014/15.**
- d) **note that the Independent Māori Statutory Board will provide advice to council by July 2015 on improvements to monitoring and reporting progress in implementing Te Tiriti o Waitangi Audit Report 2015 actions.**

**CARRIED**

**Attachments**

- A 21 May 2015 Finance and Performance Committee - Item 17: Te Tiriti o Waitangi Audit ppt
- B – The Te Tiriti o Waitangi Audit Report is only available on the official minutes

**18 Independent Māori Statutory Board - Proposed funding agreement for the 2015/2016 financial year.**

Resolution number FIN/2015/41

MOVED by Chairperson MP Webster, seconded by Cr AM Filipaina:

**That the Finance and Performance Committee:**

- a) **approve the recommended Independent Māori Statutory Board funding agreement for the 2015/2016 financial year.**
- b) **note that following adoption of the recommended funding agreement by the Governing Body the Independent Māori Statutory Board funding agreements for 2015/2016 will be prepared for signing by the mayor and council's chief executive and the Independent Māori Statutory Board chair and chief executive.**
- c) **agree that variations to this funding agreement of no more than \$50,000 in the financial year can be agreed between the chief executive of the Auckland Council and the chief executive of the Independent Māori Statutory Board, subject to budget being available to cover the variation.**
- d) **request staff to report on the main operational budgetary components of the Independent Māori Statutory Board funding prior to the approval of the proposed funding agreement for 2015/2016 financial year.**

**CARRIED**

**19 Amendment to the Statement of Investment Policy and Objectives**

Resolution number FIN/2015/42

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

**That the Finance and Performance Committee:**

- a) **adopt the proposed amendments to the Statement of Policy and Objectives for the Diversified Financial Assets Portfolio (Attachment A to the agenda report), which reflect that responsibility for managing the portfolio transfers from Auckland Council Investments Limited to Auckland Council Treasury on 1 March 2015.**

**CARRIED**

**20 Auckland Council performance report for the period 1 July 2014 to 31 March 2015**

A PowerPoint presentation was provided. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Resolution number FIN/2015/43

MOVED by Chairperson MP Webster, seconded by Cr AM Filipaina:

**That the Finance and Performance Committee:**

- a) **note the performance report for the nine months ended 31 March 2015, highlighting:**
  - i. **net operating surplus of \$354 million, which is \$61 million favourable compared to budget.**
  - ii. **capital expenditure of \$311 million, which is \$55 million lower than the year-to-date budget.**



- b) note the following highlights and achievements:
- i. libraries celebrated both Waitangi Day and Lunar new Year in February with a number of activities that encourage both learning and celebration of culture. These activities attracted 1,600 and 3,200 participants respectively.
  - ii. the new Te Pātaka Kōrero o Te Hau Kapua - Devonport Library opened in February with a dawn blessing and civic ceremony. The library has a harbour side park setting and customers are delighted with the flexible gathering areas in the library as well as smaller niche spaces.
  - iii. as a result of the “Wherever you go, take the library with you” campaign, issues of eBooks and other electronic items have increased by 63% compared to January 2014, which was already a record high. More than 80,200 e-items were issued in January, compared to 49,000 last January.
  - iv. the 16th Auckland International Cultural Festival, attended by 10,000 people was held at the Mt Roskill War Memorial Park on 29 March. This year a football tournament was included, supported by local youth leaders.
  - v. Auckland 175th Anniversary: This year’s event was celebrated on the Auckland’s Waterfront over the 3 day extended weekend 24-26 January. This was a collaborative effort between commercial partnerships, key stakeholders and internal departments of Council. Major highlights included a multimedia show in Shed 10 depicting stories of Auckland, large scale early Auckland prints on containers on Quay Street, free concert on the stern of HMNZS Otago, large Fireworks display, Seafood Festival, Buskers Festival and SeePort Festival. The weekend received very positive comments from a number of areas, including print media, twitter, Instagram and social media outlets. Total attendees for Queens Wharf, Cooks Wharf, Quay Street and Lower Queen were estimated at in excess of 80,000.
  - vi. Myers Park Centennial Celebration Event on the 15th February - Over 2,000 locals and guests enjoyed activities including a children’s treasure hunt which highlighted the diversity of tree species in the park, and a Kai Auckland/Gardens4Health stall to learn how to grow nutritious food in limited spaces.
  - vii. Civil Defence - the Emergency Co-ordination Centre was activated in support of the Queensland Fruit Fly response. Approximately 75 staff and volunteers supported Ministry of Primary Industry (MPI) on a daily basis. Auckland local emergency response teams received a commendation from MPI for their support.
- c) request a report to be provided to the Budget Committee on the discrepancy of charges for sports clubs when hiring sports fields in the Auckland City Council legacy area, while noting that the offer staff have made to the affected local boards.

**CARRIED**

**Attachments**

- A 21 May 2015 Finance and Performance Committee - Item 20: Auckland Council performance report for the period 1 July 2014 to 31 March 2015

**21 Auckland Council Group third quarter financial results to 31 March 2015**

A PowerPoint presentation was provided. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Resolution number FIN/2015/44

MOVED by Chairperson MP Webster, seconded by Cr CE Fletcher:

**That the Finance and Performance Committee:**

- a) receive the Auckland Council Group third quarter financial results to 31 March 2015 report.

**CARRIED**

**Attachments**

A 21 May 2015 Finance and Performance Committee - Item 21: Auckland Council Group third quarter financial results to 31 March 2015

**22 Consideration of Extraordinary Items**

There was no consideration of extraordinary items.

**23 Procedural motion to exclude the public**

Resolution number FIN/2015/45

MOVED by Cr WD Walker, seconded by Cr CM Casey:

**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.

- b) agree that Rachael Child, Strategic Initiatives Projects Manager, Patrick McVeigh, General Manager Economic Growth and Barbara Imlach, Chief Financial Officer, be permitted to remain for Confidential Item C1: Shareholder approval of ATEED's GridAKL lease, after the public has been excluded, because of their knowledge of the matter, which will help the Finance and Performance Committee in its decision-making.

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 Shareholder approval of ATEED's GridAKL lease**

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	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or	s48(1)(a) The public conduct of the part of the meeting would be likely to

<p>reason for withholding exists under section 7.</p>	<p>disadvantage, commercial activities.</p> <p>In particular, the report contains information relating to the rental payable by ATEED, and details of rental levels that ATEED expects subtenants to pay for space in GridAKL. .</p> <p>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).</p> <p>In particular, the report contains information relating to the rental payable by ATEED, and details of rental levels that ATEED expects subtenants to pay for space in GridAKL.</p>	<p>result in the disclosure of information for which good reason for withholding exists under section 7.</p>
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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**

3.21 pm 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.

3.29pm The public was re-admitted.

### **RESTATEMENTS**

It was resolved while the public was excluded:

#### **C1 Shareholder approval of ATEED's GridAKL lease**

Resolution number FIN/2015/46

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

That the Finance and Performance Committee:

- a) grant shareholder approval to ATEED to enter into a lease and development agreement (and any other incidental dealings and transactions) relating to Building 5A within Wynyard Central on terms acceptable to the ATEED board.
- b) note that any shortfall of sub-rental income be funded from within ATEED's existing budget.
- d) agree that resolutions (a and b) be restated in the open minutes.

3.29 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:**.....