
Governing Body

OPEN MINUTES

Minutes of the 7 May 2015 meeting of the Governing Body held in the Reception Lounge, Auckland Town Hall, 301-305 Queen Street, Auckland, commencing on Friday 8 May 2015, at 4.51pm (at the conclusion of the 7 May 2015 Budget Committee meeting).

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 Wayne Walker
	Cr John Watson
	Cr Penny Webster
	Cr George Wood, CNZM

ABSENT

Cr Dick Quax
Cr Sir John Walker

1 Affirmation

There was no affirmation.

2 Apologies

Resolution number GB/2015/30

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

That the Governing Body:

a) accept the apologies from Cr D Quax and Cr JG Walker for absence.

CARRIED

3 Declaration of Interest

There were no declarations of interest.

4 Confirmation of Minutes

There was no confirmation of minutes.

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 7 May 2015 Budget Committee's Long-term Plan 2015-2025 recommendations

A Long-term Plan 2015-2025 Approved Budget Summary was tabled, together with an amended schedule of street trading fees and rents.

Copies have been placed on the official minutes and are available on the Auckland Council website as minutes attachments.

Resolution number GB/2015/31

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

That the Governing Body adopt the following recommendations of the 7 May 2015 Budget Committee meeting, noting that this will result in rates increases and debt and interest to revenue ratio as per the attached Budget Summary:

That the Governing Body:

Item 11 – Long-term Plan 2015-2025 – Local Board Update

- a) approve local proposals outlined in Table 1 to the 7 May 2015 Budget Committee agenda report noting that:
 - i) funding would be sourced through local discretionary budgets
 - ii) local boards have yet to make final local budget decisions in June 2015.
- b) approve the transfer of \$3.2 million of multi-board contestable grants funds to local board discretionary budgets, to be allocated in alignment with the local boards funding policy. To date, these funds have sat in regional budgets due to the nature of being multi-board grants.

Item 12 – Long-term Plan 2015-2025 – Draft Tūpuna Maunga Operational Plan 2015/2016

- a) approve the budget endorsed by the Tūpuna Maunga o Tāmaki Makaurau.

Item 13 – Long-term Plan 2015-2025 – Mayor's Report

1. approve that the transport budgets for the final Long-term Plan 2015-2025 be based on the draft budgets, adjusted for the updates set out in the staff reports, with the following changes:

- a) inclusion of an interim transport capital expenditure budget for the first three years of the Long-term Plan 2015-2025, as follows:

	2015/16	2016/17	2017/18
Additional transport capital expenditure	\$170 million	\$174 million	\$179 million

- b) funding of the council share of the interim transport programme to be by way of a Transport Levy (targeted rate), set at \$99 plus GST per separately used or inhabited part (SUIP) for non-business ratepayers and \$159 plus GST per SUIP for business ratepayers.
- c) a review of the application of the transport levy to the business sector be carried out as part of the Annual Plan 2016/2017, in consultation with the business sector.

2. approve that the Mayor and Chief Executive engage with the government to enable the implementation of an alternative funding system by 2018/2019 to fund the implementation of the Auckland Plan Transport Network for the Long-term Plan 2018-2028.
3. approve that the budget (excluding transport) for the final Long-term Plan 2015-2025 be based on the draft budgets, adjusted for the updates set out in the staff reports, and to incorporate the following changes and specific decisions:

Auckland Development (Refer Attachment A to the 7 May 2015 Budget Committee agenda report)

- a) the funding of the Vos Yard project from the Heritage Acquisition fund be referred to the Auckland Development Committee, as there is no Long-term Plan 2015-2025 budget impact.

Economic and Cultural Development (Refer Attachment A to the 7 May 2015 Budget Committee agenda report)

- a) the additional capital expenditure of \$6 million for GridAKL be approved, on the basis that the consequential operating expenditure be managed through the existing Auckland Tourism Events and Economic Development operating budget.
- b) that Regional Facilities Auckland undertakes in good faith, to meet with the sporting codes and stakeholders affected by the stadium strategy and consider all options and report back to the council for information within a maximum period of 12 months.

Environmental Management and Regulation (Refer Attachment A, A4 to the 7 May 2015 Budget Committee agenda report)

- a) a standardised annual inorganic collection service (on-property, booked in advance) to be implemented and paid for via the solid waste targeted rate.
- b) provide up to \$9 million per annum (an increase of \$3 million per annum) of financial assistance for the Retrofit your Home programme, but with a maximum debt exposure of \$35 million.
- c) reinstate the budget of \$158,000 for National Biological Control and offset this with the staff savings identified in the staff memorandum of 6 May 2015.
- d) staff be directed to undertake the following, with the Manukau Harbour Forum:
 - i) identify the current, whole-of-council integrated programme of work related to the Manukau Harbour
 - ii) identify the scope and cost of hydrodynamic modelling of the Manukau Harbour
 - iii) present options and recommendations for the future programme of work in the Manukau Harbour, including the option of hydrodynamic modelling of the harbour
 - iv) work with and discuss this work programme with the Manukau Harbour Forum, prior to reporting back with recommendations to the Regional Strategy and Policy Committee
 - v) that \$400,000 be set aside (within existing budgets) to undertake hydrodynamic modelling within the first three years of the Long-term Plan 2015-2025, subject to the Regional Strategy and Policy Committee decisions in iv) above, noting that unless additional money is provided, reprioritisation of projects will need to occur.

- e) staff be directed to report back to the Regional Strategy and Policy Committee on the outcome of the work undertaken in d) above, with a view to approving any additional funding that may be required as part of the Annual Plan 2016/2017.
- f) increase the budget for Environmental Management and Regulation by \$161,000 for one additional year, to provide for the continuation of regional funding for the Sustainable Neighbourhoods Programme, until 30 June 2016. This provides transition for this programme prior to the more full implementation of the empowered community and volunteer programme approaches to be more widely adopted across council, including for example environmental services and education.

Governance and Support (Refer Attachment A, A6 to the 7 May 2015 Budget Committee agenda report)

- a) increase the funding of the Parakai Reserves Board by \$279,000 operating expenditure (rates impact of \$169,000) and \$50,000 capital expenditure over ten years, as set out in the staff report.
- b) reinstate the funding of Ngāti Whātua Ōrākei Reserves Board by a total of \$811,000 operating expenditure over ten years, as set out in the staff report.
- c) reinstate the funding of the City of Manukau Education Trust (COMET) by \$235,000 per annum.
- d) provide an underwrite of up to \$450,000 to the Auckland Rescue Helicopter (Capital) Trust for the purchase costs of a new rescue helicopter. The underwrite would be provided by way of a capital grant of up to \$450,000 to the Trust as a contribution towards the purchase costs of a new rescue helicopter, and will be:
 - i) the difference between the fundraising target, and the amount raised by the Trust, up to a maximum of \$450,000. The final amount of the grant will be determined at the time of purchase
 - ii) provided immediately prior to the settlement of the purchase, which is anticipated to be in the 2016/2017 financial year
 - iii) subject to signoff of the business case by the council's Chief Financial Officer.

Parks Community and Lifestyle (Refer Attachment A, A5, A8, A9 to the 7 May 2015 Budget Committee agenda report)

- a) note that an Empowered Communities approach will be implemented during the 2015/2016 financial year with detail of the proposed Community Development and Safety model to be presented to the Regional Strategy and Policy Committee on 4 June 2015.
- b) note that the associated savings target of \$1.6 million in 2015/2016 and \$2.0 million per annum each year thereafter, until 2025, has been included in the budget and that any necessary review of implementation and related budget can be undertaken as part of the Annual Plan 2016/2017 process.
- c) provide funding of \$1.9 million over the first four years of the Long-term Plan 2015-2025 to Surf Lifesaving Northern Region, for the purposes of redevelopment of the highest priority surf clubs, in line with their request.
- d) increase the regional grants budget by \$350,000 per annum, in line with the 2014/2015 level of funding.
- e) provide funding of \$300,000 operating expenditure in year one of the Long-term Plan 2015-2025, \$100,000 operating expenditure in year two and \$600,000 capital expenditure in year three for a World War 1 memorial in the Domain,

- noting that this will allow applications for funding from other sources.
- f) the reduction of \$2 million in Libraries and Information operational budgets includes a revised standardisation of library opening hours to achieve an equitable base service level across the region, increased revenue through changes to fees and charges, and service efficiencies (Attachment 1 to the memorandum dated 6 May 2015).
 - g) fees and charges for library and information services are approved as included in Attachment 2 to the memorandum dated 6 May 2015.
 - h) endorse the continuation of \$350,000 operating grant (from existing provision in the budget) to the James Wallace Arts Trust.
 - i) provide a budget of \$360,000 for years one and two of the Long-term Plan 2015-2025, and \$110,000 for year three; for emergency housing, homelessness and rough-sleeping responses across Auckland.
 - j) the Ōrākei Local Board use its locally driven initiatives fund (LDI) to fund the consequential operating expenditure of bringing forward the Meadowbank Community Centre upgrade.
 - k) if j) is agreed by the Ōrākei Local Board, amend the proposed Long-term Plan 2015-2025, to bring forward the upgrade of the Meadowbank Community Centre from 2020/2021 to 2016/2017, as per previous resolutions agreed to in the Strategy and Finance committee meetings held on 23 May 2012 and 9 May 2013.
 - l) note the urgent requirement to remedy erosion problems in Orewa and address this as part of a wider erosion, sea level rise and inundation study to be brought back to the council by August 2015, noting that funding for consents is available.
 - m) that the Regional Events budget be increased by \$200,000 annually over the ten year Long-term Plan 2015-2025 period.
 - n) that the Auckland Festival of Photography receives annualised funding through the Long-term Plan 2015-2025, amounting to \$72,000 per annum.
 - o) that budget for street garden annual plantings in town centres be reinstated for the 2016 financial year, with a rates requirement of \$50,000 or 0.004 per cent, to better enable local boards to consider the transition to lower operating expenditure planting options.

Water Supply and Wastewater (Refer Attachment A to the 7 May 2015 Budget Committee agenda report)

- a) confirm the budgets and water and wastewater pricing increases as set out in the updated budgets.

Local Board Discretionary Capital Expenditure

- a) provide a new Local Board discretionary capital expenditure fund of \$10 million per annum, noting that this will incorporate the existing Facilities Partnership Fund.
- b) approve the following parameters for this fund:
 - i) the fund may be managed as a three year amount
 - ii) local boards may use the fund to build council-owned assets, add to an existing council-funded renewal or new capital project, work in partnership with an external provider or seed fund a community project.
- c) ask staff and local boards to develop a formula for allocation and criteria for qualifying projects and report back to the Finance and Performance

Committee.

Māori Transformational Shift (*Refer Attachment A7 to the 7 May 2015 Budget Committee agenda report*)

- a) note that further work on the council-funded activities and budgets that contribute to Māori wellbeing in the Long-term Plan 2015-2025 has identified \$104.2 million of contribution over the ten years.
 - b) note that the total budget for co-governance and co-management arrangements in the Long-term Plan 2015-2025 is \$81.5 million.
 - c) agree that the work on identifying programmes contributing to the Māori transformational shift and outcomes, as part of the Te Toa Takitini scoping work, identifies at least an additional \$5 million for 2016/2017 and report this to the Finance and Performance Committee in September 2015.
 - d) agree to identify \$2 million (over three years, commencing 2015/2016) to implement the council's response programme to the priority recommendations in the Independent Māori Statutory Board's 2014 Treaty Audit report, including increasing the roll-out of Māori Responsiveness Plans and senior staff training.
 - e) note that the Chief Executive, through the Te Toa Takitini executive leadership group, will have oversight over both of these resolutions c) and d) above and will receive quarterly progress reports on them.
- 4 adopt the following changes to fees and charges for 2015/2016, noting the attached amended schedule of street trading fees and rents:
- a) standardised licensing fees for street trading across Auckland, as included in Attachment B1 to the 7 May 2015 Budget Committee agenda report.
 - b) standardised rental fees for street trading across Auckland, as included in Attachment B1 to the 7 May 2015 Budget Committee agenda report, which include the following amendments to the draft proposal:
 - i) an additional six-month rental option for seasonal outdoor dining operators
 - ii) simplified rent for mobile vendors, based on typical size and hours, with extra-large vendors being charged an over-size fee
 - iii) that Orewa be put into tier three
 - iv) for outdoor dining, where no licence has previously been charged, only the licence will be charged in the first and second year
 - v) for outdoor dining where there has been no licence fee charged previously, the rental fee charges be deferred till the 2017/2018 year.
 - c) any increases to street trading charges (licence fee and rent combined) for existing licensees resulting from the implementation of a) and b) above, be capped at \$500 per licensee per year, for three years, starting 2015/2016.
 - d) standardised cemetery fees across Auckland, as included in Attachment B2 to the 7 May 2015 Budget Committee agenda report.
 - e) standardised event permit fees across Auckland, as included in Attachment B3 to the 7 May 2015 Budget Committee agenda report.
 - f) standardised fees for the remainder of the environmental health and licensing services, as included in Attachment B4 to the 7 May 2015 Budget Committee agenda report.
 - g) fees and charges for building control, resource consents and property

- information, as included in Attachment B5 to the 7 May 2015 Budget Committee agenda report.
- h) fees and charges for the following services:
 - i) animal management (Attachment B6 to the 7 May 2015 Budget Committee agenda report)
 - ii) food premises (Attachment B7 to the 7 May 2015 Budget Committee agenda report)
 - iii) health protection and hairdresser's licensing (Attachment B8 to the 7 May 2015 Budget Committee agenda report)
 - iv) Harbourmaster service (Attachment B9 to the 7 May 2015 Budget Committee agenda report)
 - v) solid waste bylaw licensing (Attachment B10 to the 7 May 2015 Budget Committee agenda report).
- 5 adopt the following decisions on solid waste services, targeted rates and charges: *(Refer Attachment A to the 7 May 2015 Budget Committee agenda report)*
- a) introduction of a new annual, on-property, pre-booked inorganic collection service from 2015/2016, to be funded from the waste management targeted rate.
 - b) the targeted rate for solid waste services, including the annual inorganic service, in the former council areas be standardised where services, costs and funding methods are similar, for 2015/2016 as follows:
 - i) Auckland City (including Hauraki Gulf islands) and Manukau City (adjusted as appropriate in Auckland City to provide for the rates where a ratepayer has opted out of either or both of refuse and recycling services)
 - ii) North Shore and Waitakere
 - iii) Rodney
 - iv) Franklin and Papakura (adjusted as appropriate in rural Franklin where a ratepayer does not receive a recycling service).
 - c) that the costs of providing solid waste services to the Hauraki Gulf Islands in excess of targeted rates revenue from the area be met from the solid waste targeted rates for all of the Auckland region, rather than just the former Auckland City area.
 - d) staff continue to work with the local communities of the Hauraki Gulf Islands to reduce costs and rationalise services where possible.
 - e) user charges billed to the property owner for refuse for the former Auckland City (including the Hauraki Gulf Islands) and Manukau City areas be gradually introduced from the 2017/2018 financial year.
 - f) recycling services continue to be funded from the waste management targeted rate.
 - g) the new organic collection to be funded from the waste management targeted rate where the service becomes available.
 - h) standardised existing bag charges at competitive rates in areas where the service is provided by the council.
6. adopt the following changes to Housing for Older Persons rentals: *(Refer Attachment D to the 7 May 2015 Budget Committee agenda report)*
- a) the rent on the council's Housing for Older Persons units be set at 30 per cent of tenants' pre-tax income.

- b) the rent on the council’s Housing for Older Persons units be adjusted annually based on tenants’ income.
 - c) for any given year, changes to annual rents on the council’s Housing for Older Persons units (including increases and decreases) for existing tenants resulting from a) above, be capped at \$10 per week, implemented in \$5 steps at six-month intervals.
7. adopt the following changes to the contributions policy: *(Refer Attachment E to the 7 May 2015 Budget Committee agenda report)*

- a) that the proposed contributions policy be amended as follows:
 - i) replace the funding areas for reserve acquisition, reserve development and community infrastructure with the following four areas: Auckland Wide, Greenfield, Urban and Rural and report back in October 2015 on a further refinement to 18 areas
 - ii) replace the stormwater funding catchment areas with the following areas:

Stormwater	
Helensville	Manukau Central
Kumeu / Huapai	Pukekohe / Waiuku
Warkworth	Manukau South
Hibiscus Coast	Manukau West
East Coast Bays	Tamaki West
Mahurangi	Tamaki East
Waitemata North	Wairoa
Waitemata West	Ararimu
Waitemata Central	Waitakere Ranges
Waitemata Northwest	Urban Auckland
Manukau North	Other

- iii) reduce the unit of demand factor for attached dwellings (low rise) to reflect the lower levels of demand associated with higher density developments
 - iv) reduce the unit of demand factors for retirement village units and aged care rooms to exclude costs for sports fields and playgrounds
 - v) allow the council the discretion to offer a reduction of contribution charges for stormwater, where developers provide relevant infrastructure.
- b) note that the Contributions Policy will be updated for the decisions made on capital expenditure and adopted alongside the Long-term Plan 2015-2025 on 25 June 2015.
 - c) note that staff will report back on further refinements to the funding areas for reserve acquisition, reserve development and community infrastructure, for consideration alongside the Annual Plan 2016/2017.
9. adopt the following rates policy decisions for the Long-term Plan 2015-2025: *(Refer Attachment F to the 7 May 2015 Budget Committee agenda report)*
- a) a uniform annual general charge of \$385 for 2015/2016, amended each following year of the Long-term Plan 2015-2025 by the amount of the average rates increase.
 - b) that the long-term business differential strategy be amended to achieve a proportion of general rates collected from business ratepayers of 33.0 per cent for 2015/2016, falling to 25.8 per cent by 2036/2037, in equal steps, and that the

- differential ratio for business be set annually to reflect this.
- c) that in line with the amendments to the overall business differential strategy, the Franklin business differential be set at a level which will align with the overall business sector in 2016/2017.
 - d) no further rates transition.
 - e) extension of the city centre programme and targeted rate to 2025, funding the depreciation and consequential operating expenditure of city centre programme projects from the general rate from 2019/2020, and introduction of a city centre targeted rate of \$57.50 per separately used or inhabited part of a property on city centre residents.
 - f) increase Mangere-Otahuhu swimming pool targeted rate to fund free adult entry to the new Otahuhu swimming pool.
 - g) create a new rating differential for properties with no road access (including properties currently classified as sea only access) and set the differential at 0.25 (current sea only access differential).
 - h) rates related policies as proposed in the consultation document:
 - i) setting the Uniform Annual General Charge based on separately used or inhabited parts of a rating unit
 - ii) setting the value based general rate using capital value
 - iii) the general rate differential categories and descriptions
 - iv) all targeted rates except waste management, transport and those in b) and c) above
 - v) the early payment discount policy
 - vi) the instalment dates and penalties.
 - i) direct staff to report back for consideration as part of development of the Annual Plan 2016/2017, on rating options for:
 - i) motels and other temporary accommodation
 - ii) Māori freehold land.
 - j) direct staff to complete further work on rates postponement options as a mechanism for assisting rating affordability issues and report this back to the Finance and Performance Committee.
 - k) direct staff to report back to the Finance and Performance Committee on options for amending the remission for residents of licence to occupy retirement villages to include the proposed targeted transport levy.

Item 14 - Long-term Plan 2015-2025 - Proposal to establish a new Urban Development Entity (Development Auckland Limited)

- a) agree to establish Development Auckland Limited by amalgamating Auckland Council Property Limited and Auckland Waterfront Development Agency Limited, having taken into account the feedback from the public.
- b) delegate to the Chief Executive of Auckland Council the ability to undertake all necessary steps, other than board appointments, to execute the establishment and transition of Development Auckland Limited by 1 September 2015.
- c) agree that the board appointment process for Development Auckland Limited is delegated to the Council-Controlled Organisation Governance & Monitoring Committee and will include the following considerations:
 - i) the number of directors required on the board of Development Auckland

Limited

- ii) the skills requirements for the board of Development Auckland Limited
- iii) which of the existing directors of Auckland Council Properties Limited and Auckland Waterfront Development Agency Limited have the skill sets likely to be valuable in the early establishment phase of Development Auckland Limited.
- d) agree that the proposed budgets of Auckland Council Property Limited and Auckland Waterfront Development Agency Limited will be consolidated from 1 September 2015 to 30 June 2025, as outlined in a separate report on the 7 May 2015 Budget Committee agenda.
- e) note that the cost of establishment and transition can be met through appropriate adjustments to existing budgets, either through the Annual Plan 2016/2017 or as recommended adjustments during the 2015/2016 financial year.
- f) agree that the proposed performance measures of Auckland Council Property Limited and Auckland Waterfront Development Agency Limited, will be combined to form the initial performance framework for Development Auckland Limited, as outlined in a separate report on the 7 May 2015 Budget Committee agenda.
- g) note that further reports will be brought to the Council-Controlled Organisation Governance and Monitoring committee to confirm more detailed operating parameters for Development Auckland Limited, prior to its establishment.
- h) agree that further investigation should continue on value capture mechanisms in order to inform future financial policy.

Item 17 - Long-term Plan 2015-2025 - Other Policies

- a) note that updates to reflect decisions made at the 7 May 2015 Budget Committee meeting will be included in the:
 - i) Revenue and financing policy
 - ii) Allocation of decision making
 - iii) Council-Controlled Organisation accountability policy
 - iv) Local boards funding policy
 - v) Summary of the Significance and engagement policy
 - vi) Financial strategy
 - vii) Infrastructure strategy.
- b) note that the Revenue and Financing Policy will be adopted by the Governing Body at its meeting on 25 June 2015, prior to adopting the Long-term Plan 2015-2025.
- c) note that the other policies and strategies will be adopted on 25 June 2015 as part of the decision to adopt the Long-term Plan 2015-2025.

Item 18 - Long-term Plan 2015-2025 - Performance measures

- a) agree the proposed changes to performance measures and targets for inclusion in the final Long-term Plan 2015-2025.

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	
Mayor LCM Brown	Cr CE Fletcher	
Cr CM Casey	Cr DA Krum	
Cr WB Cashmore	Cr SL Stewart	
Cr RI Clow	Cr J Watson	
Cr LA Cooper	Cr GS Wood	
Cr C Darby		
Cr AM Filipaina		
Deputy Mayor PA Hulse		
Cr ME Lee		
Cr CM Penrose		
Cr WD Walker		
Cr MP Webster		

The motion was declared CARRIED by 13 votes to 6.

CARRIED

Attachments

- A 7 May 2015 - Item 13 - Long-term Plan 2015-2025 Approved Budget Summary
- B 7 May 2015 - Item 13 - Amended schedule of street trading fees and rents

Secretarial note: Pursuant to Standing Order 3.15.5, Cr C Darby requested that his dissenting votes be recorded for Items 13 - 3. Governance Support d); 3. Parks, Community and Lifestyle e); 3. Economic and Cultural Development a) and 9. Rates policy decisions a).

12 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

5.02 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:.....