



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, 22 October 2015 at 9.34am.

PRESENT

Chairperson	Cr Penny Webster	
Deputy Chairperson	Cr Ross Clow	
Members	Cr Anae Arthur Anae	From 11.14am, item 14
	Cr Cameron Brewer	
	Mayor Len Brown, JP	From 11.43am, item 16
	Cr Dr Cathy Casey	
	Cr Bill Cashmore	
	Cr Linda Cooper, JP	
	Cr Chris Darby	
	Cr Hon Christine Fletcher, QSO	From 9.59am, item 9
	Deputy Mayor Penny Hulse	From 10.16am, item 11
	Cr Denise Krum	
	Cr Mike Lee	From 11.13am, item 14
	Cr Calum Penrose	
	Cr Dick Quax	
	Cr Sharon Stewart, QSM	
	Member David Taipari	
	Member John Tamihere	From 10.11am, item 10
	Cr Sir John Walker, KNZM, CBE	
	Cr Wayne Walker	From 9.37am, item 5.1
	Cr John Watson	From 9.37am, item 5.1
	Cr George Wood, CNZM	

ABSENT

Cr Alf Filipaina

ALSO PRESENT

Andrew Baker, Chair Franklin Local Board
Kay McIntyre, Chair Kaipatiki Local Board
Shale Chambers, Chair Waitemata Local Board
Brenda Steele, Chair Rodney Local Board
Vernon Tava, Waitemata Local Board member

1 Apologies

Resolution number FIN/2015/94

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

That the Finance and Performance Committee:

- a) **accept the apology from Cr AM Filipaina for absence on council business and from Mayor LCM Brown and Crs AJ Anae, CE Fletcher, Deputy Mayor PA Hulse, Cr ME Lee and Member J Tamihere for lateness.**

CARRIED

2 Declaration of Interest

There were no declarations of interest.

3 Confirmation of Minutes

Resolution number FIN/2015/95

MOVED by Cr WB Cashmore, seconded by Cr CM Casey:

That the Finance and Performance Committee:

- a) **confirm the ordinary minutes of its meeting held on Thursday, 17 September 2015 as a true and correct record.**

CARRIED

4 Petitions

There were no petitions.

5 Public Input

5.1 Public Input - Brian Cheal

Cr WD Walker and Cr J Watson entered the meeting at 9.37am.

Brian Cheal provided supporting information. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Resolution number FIN/2015/96

MOVED by Cr DA Krum, seconded by Cr CM Casey:

That the Finance and Performance Committee:

- a) **thank Brian Cheal for his presentation.**

CARRIED

Attachments

- A 22 October 2015, Finance and Performance Committee - Item 5.1 supporting information from Brian Cheal

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 Disposal Recommendation Report

Note: the additional recommendation b) was added with the agreement of the meeting.

Cr CE Fletcher entered the meeting at 9.59am.

Resolution number FIN/2015/97

MOVED by Cr LA Cooper, seconded by Cr CM Penrose:

That the Finance and Performance Committee approve:

- a) **subject to the satisfactory conclusion of any required statutory processes, the disposal of the land at:**
 - i) **56/7 Rowlands Avenue, Mt Wellington comprising firstly a one seventh share of an estate in fee simple comprising approximately 1581m² more or less being Lot 1 Deposited Plan 55902 contained in certificate of title NA10B/305 and secondly an estate in leasehold more or less being Flat 5 Deposited Plan 57671;**
 - ii) **57/7 Rowlands Avenue, Mt Wellington comprising firstly a one seventh share of an estate in fee simple comprising approximately 1581m² more or less being Lot 1 Deposited Plan 55902 contained in certificate of title NA10B/306 and secondly an estate in leasehold more or less being Flat 6 Deposited Plan 57671;**
 - iii) **5 Rayma Place, Mt Wellington comprised of an estate in fee simple comprising approximately 420m² more or less being Lot 46 Deposited Plan 50284 contained in certificate of title NA133C/651; and**
 - iv) **39 Taka Street, Takanini comprised of an estate in fee simple firstly comprising approximately 1,543m² more or less being Lot 6 Deposited Plan 74054 and secondly, an estate in fee simple of one fifth share in 631m² in Lot 1 Deposited Plan 74051 contained in certificate of title NA29D/1166.**
- b) **that options for housing for older people be explored with Housing New Zealand for the entire site at 7 Rowlands Avenue, Mt Wellington.**
- c) **that final terms and conditions for the disposal of the land in a) above be approved under the appropriate delegations.**

CARRIED

Note: Pursuant to Standing Order 1.8.6, Cr CM Casey requested that her dissenting vote be recorded.

10 Maraetai Beach Boating Club Inc. - Request for Loan Guarantee

Member J Tamihere entered the meeting at 10.11am.

Resolution number FIN/2015/98

MOVED by Deputy Chairperson RI Clow, seconded by Cr WB Cashmore:

That the Finance and Performance Committee:

- a) **approve the request from the Maraetai Beach Boating Club Inc. for Auckland Council to provide a loan guarantee facility in respect of a loan of \$310,000 from the ASB Bank Ltd for a term of up to seven years on the standard terms and conditions the council enters into these arrangements with community organisations and banks, including provisions limiting the ability of the Club to undertake any further borrowings while the loan remains payable to Auckland Council.**
- b) **delegate approval of the final terms and conditions of the loan guarantee agreement and related documents to the General Manager Finance.**

CARRIED

11 Māori Transformational Shift and co-governance activity budget update

Deputy Mayor PA Hulse entered the meeting at 10.16am.

Note: Changes to the original recommendations were made with the agreement of the meeting.

Resolution number FIN/2015/99

MOVED by Member DE Taipari, seconded by Member J Tamihere:

That the Finance and Performance Committee:

- a) **note that in response to Budget Committee resolution BUD/2015/49, for the 2016/2017 year, the council has identified to date:**
 - **19 projects assessed as contributing to Māori transformational shift activities with a total budget of \$4.087 million; and**
 - **six activities contributing to co-governance and co-management arrangements with a total budget of \$234,000.**
- b) **note that in response to Budget Committee resolution BUD/2015/49, the council has identified**
 - **\$644,000 for the 2015/2016 year**
 - **\$1.97 million for the 2015/2018 financial years.**
- c) **note that the new total 2015-2025 LTP budget for Māori Transformational Shift activities is \$118.5 million, and for co-governance activity - \$84 million.**
- d) **agree that council, as part of the Annual Plan process, identify the resources reallocated to the new projects identified in Te Toa Takitini portfolio for 2016/2017 (that are not currently included in the three year statement of Māori Transformational shift activities expenditure) and report on the list of projects and resources to the Finance and Performance Committee on 12 April 2016.**
- e) **note that a detailed report on projects and resources for Te Toa Takitini portfolio for 2016/2017 will be presented to the Independent Māori Statutory Board and Governing Body in May 2016.**

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

For

Cr CM Casey
Cr WB Cashmore
Deputy Chairperson RI Clow
Cr LA Cooper
Cr C Darby
Cr CE Fletcher
Deputy Mayor PA Hulse
Cr DA Krum
Cr CM Penrose
Member DE Taipari
Member J Tamihere
Cr JG Walker
Cr WD Walker
Cr J Watson
Chairperson MP Webster

Against

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

Abstained

The motion was declared CARRIED by 15 votes to 4.

CARRIED

12 Te Tiriti o Waitangi Audit response work programme 2015/2016 progress report

Resolution number FIN/2015/100

MOVED by Deputy Chairperson RI Clow, seconded by Member DE Taipari:

That the Finance and Performance Committee:

- a) **approve the detailed Treaty Audit response work programme for 2015/2016 in response to the recommended actions in the 2015 Treaty Audit.**
- b) **note that \$644,000 has been identified as contributing to implementing the Treaty Audit response work programme for 2015/2016 and \$1.97 million for the 2015/2018 financial years.**
- c) **note the progress on the priority actions for the first quarter of 2015/2016 financial year.**
- d) **approve the closure process agreed with the Independent Māori Statutory Board secretariat for assessing projects at the planning phase and close off phase.**
- e) **note the council staff will work with the Independent Māori Statutory Board secretariat to consider how outstanding 2012 Treaty Audit recommendations can be incorporated into the 2015/2018 Treaty Audit response work programme.**

CARRIED

Note: Pursuant to Standing Order 1.8.6 Cr CE Brewer and Cr GS Wood requested their dissenting vote be recorded.

Precedence of Business

Resolution number FIN/2015/101

MOVED by Chairperson MP Webster, seconded by Cr D Quax:

That the Finance and Performance Committee

- a) **agree that items 14, 15 and 16: Budget Update; Finance and Performance Committee Forward Work Programme and Funding for Auckland Regional Migrant Services (ARMS) be accorded precedence at this time.**

CARRIED

14 Budget Update

Member DE Taipari left the meeting at 11.05am.

Member DE Taipari returned to the meeting at 11.13am.

Cr ME Lee entered the meeting at 11.13am.

Cr AJ Anae entered the meeting at 11.14am.

MOVED by Cr C Darby, seconded by Cr GS Wood:

That the Finance and Performance Committee:

- a) approve full assets sales revenue for the disposal of 490 Titirangi South Road be applied to debt reduction.

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

The motion was declared LOST by 6 votes to 14.

LOST

Resolution number FIN/2015/102

MOVED by Chairperson MP Webster, seconded by Deputy Chairperson RI Clow:

That the Finance and Performance Committee:

- a) **approve \$233,000 unbudgeted capital expenditure for a public toilet replacing the existing one at 490 Titirangi South Road, funded by the sale proceeds from the site, with ongoing operational expenditure being managed within existing budget.**
- b) **agree that the council's budgets be updated to reflect the financial implications of the above decision.**

CARRIED

Note: Pursuant to Standing Order 1.8.6 Cr CE Brewer, Cr C Darby, Cr D Quax and Cr GS Wood requested their dissenting vote be recorded.

15 Finance and Performance Committee Forward Work Programme

Resolution number FIN/2015/103

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

That the Finance and Performance Committee:

- a) **approve the Finance and Performance Committee 2015/2016 forward work programme under Attachment A to the agenda report.**
- b) **note that the forward work programme will guide the work of this committee over the next twelve months and be reviewed after six months.**

CARRIED

16 Funding for Auckland Regional Migrant Services (ARMS)

Mayor LCM Brown entered the meeting at 11.43am.

Cr C Darby left the meeting at 11.44am.

Deputy Mayor PA Hulse left the meeting at 11.45am.

Cr C Darby returned to the meeting at 11.52am.

Deputy Mayor PA Hulse returned to the meeting at 11.52am.

Note: Changes to the original recommendation a) and an additional recommendation d) were made with the agreement of the meeting.

Resolution number FIN/2015/104

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

That the Finance and Performance Committee:

- a) **allocate funding to the Auckland Regional Migrant Services Trust (ARMS) of \$40,000 from the Regional Community Grant Funding for the 2015/2016 year and request staff to work with ARMS to identify additional sources of private sector funding as additional support.**
- b) **note this will reduce the contestable funding budget for Regional Community Grant Funding from \$175,000 to \$135,000.**
- c) **advise ARMS to follow the 2016/2017 Annual Plan process to request a multi-year Funding Agreement with Auckland Council.**
- d) **recognise recommendation b) from Item 5.1: 'Mary Dawson – Auckland Regional Migrant Services (ARMS) Trust' of the Regional Strategy and Policy Committee meeting on 8 October 2015 and add Cr CM Casey and Cr DA Krum, in addition to the Chair Cr GS Wood, in respect of the engagement with the Minister and/or Ministry of Business, Innovation and Employment (MBIE) with the meeting to occur as soon as possible.**

CARRIED

Note: Pursuant to Standing Order 1.8.6 Cr ME Lee, Cr D Quax and Cr SL Stewart requested their dissenting vote be recorded.

The meeting adjourned at 12.05pm and reconvened at 12.12pm.

Items 14, 15 and 16: Budget Update; Finance and Performance Committee Forward Work Program and Funding for Auckland Regional Migrant Services (ARMS) were held prior to Item 13: Adoption of amendment to Local boards funding policy to allocate capital fund.

13 Adoption of amendment to Local boards funding policy to allocate capital fund

Local Board Chairs Andrew Baker, Shale Chambers and Kay McIntyre were in attendance and spoke to this item on behalf of Local Boards.

Staff tabled a paper showing the effect of different options. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Local Board Chairs tabled a paper showing which options different Local Boards preferred. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Member J Tamihere left the meeting at 1.01pm.

Member J Tamihere returned to the meeting at 1.19pm.

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

That the Finance and Performance Committee:

- a) agree to amend the Local Boards Funding Policy to provide for the allocation of the discretionary Locally Driven Initiatives Capex fund as follows:
 - iii) remainder of the fund allocated between the remaining local boards based on 95 per cent population and 5 per cent deprivation.

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

The motion was declared LOST by 9 votes to 13.

LOST

Resolution number FIN/2015/105

MOVED by Chairperson MP Webster, seconded by Cr WB Cashmore:

That the Finance and Performance Committee:

- a) **agree to amend the Local Boards Funding Policy to provide for the allocation of the discretionary Locally Driven Initiatives Capex fund as follows:**
 - i) **one per cent of the fund allocated to the Great Barrier Island local board**
 - ii) **two per cent of the fund allocated to Waiheke Island local board**
 - iii) **remainder of the fund allocated between the remaining local boards based on 90 per cent population, 5 per cent land area and 5 per cent deprivation.**
- b) **adopt the amended Local boards funding policy in Attachment A of the agenda report.**
- c) **agree the following rules for the operation of the fund:**
 - i) **local boards may bring three years budgets forward within a long-term plan budget cycle**
 - ii) **normal deferral conditions will apply to the LDI Capex fund. Projects cannot be planned outside of the three years but funds may be deferred if projects are unable to be completed within this period**
 - iii) **local boards may bring forward regionally funded projects using LDI Capex, subject to an assessment against the Council's programme of work to ensure projects can be delivered within the proposed timeframe**
 - iv) **local boards may transfer their currently approved capex projects paid for by LDI opex (as outlined in their LB Agreement 2015/16), to the new discretionary fund**

- v) from 1 July 2016 local boards may fund capital projects by using their LDI opex to fund the consequential opex in exceptional circumstances and for projects that boards have already committed to funding.
- d) note that staff are developing guidelines for capital grants, facilities partnerships (including feasibility studies) and community-led projects.

CARRIED

Note: Pursuant to Standing Order 1.8.6 Cr CM Casey and Cr WD Walker requested their dissenting vote be recorded.

Attachments

- A 22 October 2015, Finance and Performance Committee - Item 13 Staff paper with effects of options
- B 22 October 2015, Finance and Performance Committee - Item 13 Local Board Chairs paper showing options Local Boards preferred

17 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

1.32pm

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:.....