
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, 17 March 2016 at 9.34am.

PRESENT

Chairperson Members

Cr Penny Webster	
Cr Anae Arthur Anae	Until 12.37pm, item 18
Cr Cameron Brewer	Until 2.30pm, item 23
Mayor Len Brown, JP	Until 2.15pm, item 22
Cr Dr Cathy Casey	
Cr Bill Cashmore	
Cr Linda Cooper, JP	
Cr Chris Darby	
Cr Alf Filipaina	From 9.52am, item 9
Cr Hon Christine Fletcher, QSO	
Deputy Mayor Penny Hulse	From 9.58am, item 9
Cr Denise Krum	
Cr Mike Lee	
Cr Calum Penrose	
Cr Dick Quax	From 10.20am, item 11 until 2.51pm, item C1
Cr Sharon Stewart, QSM	From 9.35am, item 9 until 2.51pm, item C1
Member David Taipari	From 10.13am, item 11
Member John Tamihere	
Cr Sir John Walker, KNZM, CBE	From 10.05am, item 9 until 1.30pm, item 20
Cr Wayne Walker	From 9.36am, item 9 until 3.40pm, item C3
Cr John Watson	From 9.40am, item 9
Cr George Wood, CNZM	

ABSENT

Cr Ross Clow

1 Apologies

Resolution number FIN/2016/14

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

That the Finance and Performance Committee:

- a) **accept the apology from Deputy Chairperson Cr R Clow for absence and Deputy Mayor PA Hulse, Cr D Quax, Cr Filipaina and Member Taipari for lateness.**

CARRIED

2 Declaration of Interest

There were no declarations of interest.

3 Confirmation of Minutes

Resolution number FIN/2016/15

MOVED by Chairperson MP Webster, seconded by Cr LA Cooper:

That the Finance and Performance Committee:

- a) **confirm the ordinary minutes of its meeting held on Thursday, 25 February 2016, 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 Presentations from the Auckland Regional Amenities Funding Board

Cr SL Stewart entered the meeting at 9.35am
Cr WD Walker entered the meeting at 9.36am
Cr J Watson entered the meeting at 9.40am
Cr AM Filipaina entered the meeting at 9.52am.
Deputy Mayor PA Hulse entered the meeting at 9.58am.
Cr JG Walker entered the meeting at 10.05am.

Resolution number FIN/2016/16

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

That the Finance and Performance Committee:

- a) **thank the representatives from Auckland Philharmonia Orchestra and New Zealand Opera, for their attendance and the information provided.**

CARRIED

10 Disposals recommendation report

Resolution number FIN/2016/17

MOVED by Cr CM Penrose, seconded by Cr GS Wood:

That the Finance and Performance Committee:

- a) **approve, subject to the satisfactory conclusion of any required statutory processes, the disposal of the land at:**
- i) **part 146-152 Great South Road, Papakura comprised of an estate of Stratum in Freehold more or less being Unit H comprising approximately 3413m², a 1/9 share in Accessory Unit 1 comprising approximately 1255m² and a 1/2 share in Accessory Unit 2 comprising approximately 12m², Deposited Plan 163462 contained in certificate of title NA98C/387;**
 - ii) **Middleton Road, Drury comprised of an estate in fee simple comprising approximately 9939m² more or less being Section 1 SO 417727 contained in certificate of title CFR 484772;**
 - iii) **part Horseshoe Bush Road (also known as Lime Access Road), Dairy Flat comprised of an estate in fee simple comprising approximately 2.2840 hectares more or less being Section 1 SO 68946 contained in certificate of title NA118B/596.**
- b) **agree that final terms and conditions be approved under the appropriate delegations.**

CARRIED

11 Extending Auckland Council's Guarantee of Eden Park Trust's \$40 million ASB bank facility

*Member DE Taipari entered the meeting at 10.13am.
Cr D Quax entered the meeting at 10.20am.*

Resolution number FIN/2016/18

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

That the Finance and Performance Committee:

- a) **approve delegation to the Group Chief Financial Officer to approve the terms to extend Auckland Council's guarantee for Eden Park Trust's \$40 million ASB Extendible Term Committed Cash Advances Facility Agreement from 30 November 2017 to 1 October 2019.**
- b) **approve delegation to the Group Chief Financial Officer to approve the terms of the Guarantee Side Deed to extend the principal repayment holiday of Auckland Council's \$6,544,550 loan to Eden Park Trust from 30 November 2017 to 1 October 2019.**

CARRIED

12 Built Heritage Acquisition Fund: Vos Yard - six monthly progress report

Resolution number FIN/2016/19

MOVED by Cr GS Wood, seconded by Cr JG Walker:

That the Finance and Performance Committee:

- a) **receive this Built Heritage Acquisition Fund: Vos Yard – six monthly progress report.**

CARRIED

13 Auckland Regional Amenities Draft Funding Plan 2016/2017 - Approval of annual grant

Resolution number FIN/2016/20

MOVED by Cr CM Penrose, seconded by Cr C Darby:

That the Finance and Performance Committee:

- a) **approve the 2016/2017 levy of \$16,142,000 recommended by the Auckland Regional Amenities Funding Board.**

CARRIED

14 Museum of Transport and Technology - 2016/2017 Funding Levy

Cr SL Stewart left the meeting at 10.43 am.

Resolution number FIN/2016/21

MOVED by Cr CE Fletcher, seconded by Cr C Darby:

That the Finance and Performance Committee:

- a) **approve the 2016/2017 Museum of Transport and Technology levy of \$13.1 million, as recommended by Regional Facilities Auckland.**
- b) **direct the Museum of Transport and Technology to place an increased focus on generating non-rates revenue.**
- c) **advise the Museum of Transport and Technology that Auckland Council must agree council's funding of any major capital redevelopment of the Museum, before any funding for future levy requests in respect of the master plan (2017 and beyond) is considered.**
- d) **note the concerns raised by Regional Facilities Auckland regarding the MOTAT Society's decision to undertake its own board appointments and strongly recommend to the MOTAT Society that it continue with the joint board appointment programme.**
- e) **authorise the chair of the Finance and Performance Committee to write to the Minister for Arts, Culture and Heritage, Hon. Maggie Barry to discuss opportunities for improving the governance and funding of Auckland's Museums.**

CARRIED

15 Auckland War Memorial Museum Funding 2016/2017 : Approval of the Annual Grant

Resolution number FIN/2016/22

MOVED by Cr AJ Anae, seconded by Cr CM Penrose:

That the Finance and Performance Committee:

- a) **note that the total levy applied for by the Auckland War Memorial Museum is \$29,840,000.**
- b) **approve funding for the operational costs for the Auckland War Memorial Museum being \$20,795,000 as recommended by Regional Facilities Auckland.**
- c) **note that the Auckland War Memorial Museum is progressing a \$166 million programme of capital project works over the ten year period commencing 2016-2025.**
- d) **note that council staff are working with the Auckland War Memorial Museum to obtain more detail around the capital projects and investigate opportunities for alternative funding including debt funding.**
- e) **delegate the chair and the deputy chair of the Finance and Performance Committee authority to agree the terms for funding the capital requirements for the Auckland War Memorial Museum.**
- f) **authorise the chair of the Finance and Performance Committee to write to the Minister for Arts, Culture and Heritage, Hon. Maggie Barry to discuss opportunities for improving the governance and funding of Auckland's Museums.**

CARRIED

16 Impact Assessment of the Region-wide Swimming Pool Pricing Policy

Resolution number FIN/2016/23

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

That the Finance and Performance Committee:

- a) **agree to circulate the *Impact Assessment of the Region-wide Swimming Pool Pricing Policy 2013-2015* (Attachment A of the agenda) to all local boards for their information and to inform the 2017/18 Annual Plan process.**
- b) **request a report back to the Parks, Recreation and Sport Committee on participation measures and antisocial behaviour, safety and wellbeing at swimming pools across the region.**

CARRIED

17 Contributions Policy

Note: Clauses a) to d) were incorporated into the resolutions with the agreement of the meeting.

Resolution number FIN/2016/24

MOVED by Chairperson MP Webster, seconded by Cr GS Wood:

That the Finance and Performance Committee:

- a) **agree to provide a stronger local connection between where development contributions are collected and spent by increasing the number of funding areas for development contributions.**
- b) **note that the more local funding areas provide flexibility to accommodate the needs of growth priority areas and special housing areas.**
- c) **agree to increase stormwater funding areas from 22 to 36 (which includes 34 local funding areas).**
- d) **agree to increase parks funding areas from 4 to 26 (which includes 22 local funding areas).**
- e) **adopt for consultation a proposal to amend to the funding areas for stormwater, reserve acquisition, reserve development and community infrastructure in the Contributions policy and other minor amendments.**
- f) **agree the process for consultation as set out in the report.**
- g) **delegate to the Group Chief Financial Officer the power to appoint staff to attend the consultation event and hear the views of interested parties.**

CARRIED

18 Auckland Council Group half year financial results to 31 December 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/2016/25

MOVED by Cr CE Fletcher, seconded by Cr LA Cooper:

That the Finance and Performance Committee:

- a) **receive the Auckland Council Group half year financial results to 31 December 2015 report.**

CARRIED

Attachments

- A 17 March 2016 - Finance and Performance Committee - Item 18 Auckland Council Group half year financial results to 31 December 2015 - presentation.

Note: The meeting adjourned at 12.37pm and reconvened at 1.08pm. When the meeting reconvened Cr AJ Anae, Cr DA Krum and Cr SL Stewart were not present.

19 Tamaki Infrastructure Investment

This item was taken in the confidential section as Item C3.

20 Treasury Management Policy

Cr JG Walker left the meeting at 1.30pm.

Resolution number FIN/2016/26

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

That the Finance and Performance Committee:

- a) **approve minor amendments to the Treasury Management Policy for the Local Government Act, Local Government Funding Agency, Crown Loan and foreign currency borrowings.**
- b) **approve an amendment to the Treasury Management Policy to clarify that Treasury staff carry out the council's treasury activities in accordance with the Treasury Management Policy.**

CARRIED

21 Alternative Sources of Financing work programme

Cr DA Krum returned to the meeting at 1.25pm.

Resolution number FIN/2016/27

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

That the Finance and Performance Committee:

- a) **note that a proposal on recommended financing options for the council's corporate office property portfolio will be presented to the 13 May 2016 Finance and Performance Committee meeting.**

CARRIED

Cr SL Stewart returned to the meeting at 1.47pm.

22 Diversified Financial Asset Portfolio and Insurance

Resolution number FIN/2016/28

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

That the Finance and Performance Committee:

- a) **note the report on the 2016/17 insurance renewal and the proposed future direction for insurance and the Diversified Financial Asset Portfolio.**
- b) **note that staff will submit a formal recommendation regarding the matters referred to in this report to the Finance and Performance Committee in May or June 2016.**

CARRIED

Note: Pursuant to Standing Order 1.8.6, Councillor C Casey requested that her dissenting vote against be recorded.

Mayor LCM Brown left the meeting at 2.15pm.

23 Information and Communication Technology (ICT)

Resolution number FIN/2016/29

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

That the Finance and Performance Committee:

- a) **note the contents of this Information and Communication Technology report.**

CARRIED

Cr C Brewer left the meeting at 2.30pm.

24 Reports Pending Status Update - 17 March 2016

Resolution number FIN/2016/30

MOVED by Cr C Darby, seconded by Cr CM Penrose:

That the Finance and Performance Committee:

- a) **receive the Reports Pending Status Update report.**

CARRIED

25 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

26 Procedural motion to exclude the public

Resolution number FIN/2016/31

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

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.

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 Securities Update

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 reason for withholding exists under section 7.	<p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege.</p> <p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>In particular, the report contains legal advice and information about the council's listed securities.</p>	<p>s48(1)(a)</p> <p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>

C2 Civic Administration Building

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 reason for withholding exists under section 7.	<p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>In particular, the report contains commercially sensitive information regarding commercial negotiations.</p>	<p>s48(1)(a)</p> <p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>

C3 Tāmaki Infrastructure Investment

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
<p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>In particular, the report contains information relating to the provision of infrastructure which is the subject of an upcoming procurement process. Releasing this information prior would prejudice the commercial position of Panuku Development Auckland or Auckland Council.</p>	<p>s48(1)(a)</p> <p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>

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

Note: Pursuant to Standing Order 1.8.6 Councillors C Casey, WD Walker and J Watson requested that their dissenting votes against be recorded.

2.38pm 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.

3.47pm The public was re-admitted.

RESTATEMENTS

It was resolved while the public was excluded:

C1 Securities Update

Resolution number FIN/2016/32

MOVED by Cr LA Cooper, seconded by Chairperson MP Webster:

That the Finance and Performance Committee:

- b) agree that the report and decision remain confidential.

C2 Civic Administration Building

Resolution number FIN/2016/33

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

That the Finance and Performance Committee:

- h) agree that the report and decisions remain confidential until a contractual agreement is concluded.

C3 Tāmaki Infrastructure Investment

Resolution number FIN/2016/34

MOVED by Cr DA Krum, seconded by Deputy Mayor PA Hulse:

That the Finance and Performance Committee:

- g) agree that the report and decisions remain confidential until the Crown's upcoming procurement has commenced, or earlier if agreed by the Chair of the Finance and Performance Committee.

3.48pm

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:.....