



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 July 2016 at 9.33am.

PRESENT

Deputy Chairperson Members	Cr Ross Clow, Presiding	
	Cr Anae Arthur Anae	From 1.30pm, Item 12
	Cr Cameron Brewer	
	Mayor Len Brown, JP	From 10.02am, Item 5.1
	Cr Dr Cathy Casey	
	Cr Bill Cashmore	
	Cr Linda Cooper, JP	
	Cr Chris Darby	
	Deputy Mayor Penny Hulse	From 9.50am, Item 5.1
	Cr Mike Lee	From 9.41am, Item 5.1
	Cr Calum Penrose	
	Cr Dick Quax	Until 2.31pm, Item 12
	David Taipari	From 9.46am, Item 5.1
	Cr Sir John Walker, KNZM, CBE	
Cr Wayne Walker		
Cr John Watson		
Glenn Wilcox		
Cr George Wood, CNZM	From 1.26pm, Item 12	

ABSENT

Cr Alf Filipaina
Cr Hon Christine Fletcher, QSO
Cr Denise Krum
Cr Sharon Stewart, QSM
Member John Tamihere
Chairperson Cr Penny Webster

ALSO PRESENT

Shale Chambers
Pippa Coom

Richard Hills
Bill McEntee

Kay McIntyre
Michael Turner

Lindsay Waugh

Chair, Waitemata Local Board
Deputy Chair, Waitemata Local Board

Kaipatiki Local Board
Chairperson, Papakura Local Board

Chair, Kaipatiki Local Board
Deputy Chair, Papakura Local Board

Kaipatiki Local Board

1 Apologies

Resolution number FIN/2016/97

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

That the Finance and Performance Committee:

- a) **accept the apologies from Cr A Anae, Cr A Filipaina, Cr CE Fletcher, Cr DA Krum, Cr SL Stewart, Member J Tamihere and Chairperson Cr MP Webster for absence and Mayor LCM Brown, Deputy Mayor PA Hulse and Member DE Taipari for lateness.**

CARRIED

2 Declaration of Interest

There were no declarations of interest.

3 Confirmation of Minutes

Resolution number FIN/2016/98

MOVED by Cr CM Penrose, seconded by Cr D Quax:

That the Finance and Performance Committee:

- a) **confirm the ordinary minutes of its meeting held on Thursday, 16 June 2016, as a true and correct record.**

CARRIED

4 Petitions

There were no petitions.

5 Public Input

5.1 Public Input - Kevin Clarke, representing Northcote Residents' Association - SkyPath appeal

Supporting information was provided. Copies have been attached to the official minutes and are available on the Auckland Council website as minutes attachments.

Cr ME Lee entered the meeting at 9.41am.

Member DE Taipari entered the meeting at 9.46am.

Deputy Mayor PA Hulse entered the meeting at 9.50am.

Mayor LCM Brown entered the meeting at 10.02am.

Resolution number FIN/2016/99

MOVED by Cr C Darby, seconded by Cr LA Cooper:

That the Finance and Performance Committee:

- a) **receive the presentation regarding the SkyPath appeal and thank Kevin Clarke and Dr Grant Hewison for their attendance.**

CARRIED

Attachments

- A 21 July 2016, Finance and Performance Committee, Item 5.1 - Public Input - Kevin Clarke - Frequently Asked Questions from Northcote Residents Association
- B 21 July 2016, Finance and Performance Committee, Item 5.1 - Public Input - Kevin Clarke - Letter from Dr Grant Hewison

5.2 Public Input - Barbara Cuthbert, representing Bike Auckland - SkyPath

Supporting information was provided. Copies have been attached to the official minutes and are available on the Auckland Council website as minutes attachments.

Resolution number FIN/2016/100

MOVED by Deputy Mayor PA Hulse, seconded by Cr GS Wood:

That the Finance and Performance Committee:

- a) **receive the presentation regarding the SkyPath project and thank Barbara Cuthbert for her attendance.**

CARRIED

Attachments

- A 21 July 2016, Finance and Performance Committee - Item 5.2 - Public Input - Barbara Cuthbert - Tabled Letter
- B 21 July 2016, Finance and Performance Committee - Item 5.2 - Public Input - Barbara Cuthbert - Tabled Map

5.3 Public Input – Niko Elsen, representing Generation Zero - SkyPath

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

Resolution number FIN/2016/101

MOVED by Deputy Chairperson R Clow, seconded by Mayor LCM Brown:

That the Finance and Performance Committee:

- a) **receive the presentation regarding the SkyPath project and thank Niko Elsen for his attendance.**

CARRIED

Attachments

- A 21 July 2016, Finance and Performance Committee, Item 5.3 - Public Input - Generation Zero - Presentation

5.4 Public Input - Jeremy Richards - SkyPath business case

Member DE Taipari left the meeting at 10.53am.

Resolution number FIN/2016/102

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

That the Finance and Performance Committee:

- a) **receive the presentation regarding the SkyPath business case and thank Jeremy Richards for his attendance.**

CARRIED

6 Local Board Input

6.1 SkyPath project proposal

Pippa Coom, Deputy Chairperson, Waitemata Local Board and Richard Hills, Transport portfolio holder, Kaipatiki Local Board presented jointly.

Member DE Taipari returned to the meeting at 11.09am.

Resolution number FIN/2016/103

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

That the Finance and Performance Committee:

- a) **receive the joint presentation regarding the SkyPath project proposal and thank Pippa Coom and Richard Hills for their attendance.**

CARRIED

6.2 Bruce Pulman Park Trust - Request for Loan Guarantee

Bill McEntee, Chairperson and Michael Turner, Deputy Chairperson of the Papakura Local Board will be in attendance to present on Item 16 - Bruce Pulman Park Trust – Request for Loan Guarantee.

Resolution number FIN/2016/104

MOVED by Deputy Chairperson R Clow, seconded by Cr CM Penrose:

That the Finance and Performance Committee:

- a) **receive the presentation regarding Item 16 - Bruce Pulman Park Trust – Request for Loan Guarantee and thank Bill McEntee and Michael Turner for their attendance.**

CARRIED

7 Extraordinary Business

There was no extraordinary business.

8 Notices of Motion

There were no notices of motion.

Note: The Presiding Chairperson advised the meeting that he was giving precedence to Items 11 and 12 at this point.

The meeting adjourned at 11.33am and reconvened at 11.40am.

Cr C Darby and Member DE Taipari were not present.

11 Report 1 - SkyPath - Project Update

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

Cr C Darby returned to the meeting at 11.42am.

Member DE Taipari returned to the meeting at 11.45am.

Resolution number FIN/2016/105

MOVED by Mayor LCM Brown, seconded by Cr WD Walker:

That the Finance and Performance Committee:

- a) **receive the update report on the SkyPath project.**

CARRIED

Attachments

- A 21 July 2016, Finance and Performance Committee, Item 11 - Report 1 - SkyPath - Project Update - Presentation

12 Report 2 - SkyPath - Consideration of the Public Private Partnership (PPP) Proposal

MOVED by Mayor LCM Brown, seconded by Cr C Darby:

That the Finance and Performance Committee recommend to the Governing Body that it:

- a) agree to proceed with the SkyPath project and that the hybrid Public Private Partnership proposal is the preferred procurement option to deliver SkyPath.
- b) authorise the Chief Executive to enter into all necessary agreements in relation to the SkyPath proposal, subject to minimal financial impacts, and to take any other actions in the Chief Executive's delegation to facilitate the progress of the project.
- c) agree to make appropriate provision for the SkyPath project in the 2017/18 Annual Plan and the 2018 - 2028 Long-term Plan.

Note: The Presiding Chairperson advised the meeting that he was adjourning Item 12 at this point to take Item 14 - Transfer of Moire Road Hall to the Leataata O Le Lumanai Samoan Trust Incorporated.

14 Transfer of Moire Road Hall to the Leataata O Le Lumanai Samoan Trust Incorporated

Supporting information was provided. Copies have been attached to the official minutes and are available on the Auckland Council website as minutes attachments.

Resolution number FIN/2016/106

MOVED by Cr LA Cooper, seconded by Deputy Mayor PA Hulse:

That the Finance and Performance Committee:

- a) **approve the asset transfer of the Moire Road Hall at nil value to the Leataata O Le Lumanai Samoan Trust Incorporated.**
- b) **pending the successful transfer of the Moire Road Hall to the Leataata O Le Lumanai Samoan Trust Incorporated, request officers liaise with the trust to surrender the current deed of lease of land and building dated 2 December 2010 and enter into an agreement to lease and community lease for the land to enable the trust to build the proposed new community facility.**
- c) **agree that demolition and future development plans and timeframes will be subject to Council's prior approval.**

CARRIED

Attachments

- A 21 July 2016, Finance and Performance Committee, Item 14 - Transfer of Moire Road Hall to the Leataata O Le Lumanai Samoan Trust Incorporated - Tabled Artist Impression
- B 21 July 2016, Finance and Performance Committee, Item 14 - Transfer of Moire Road Hall to the Leataata O Le Lumanai Samoan Trust Incorporated - Tabled Photos

The meeting adjourned at 12.55pm.

The meeting reconvened at 1.26pm.

Member DE Taipari was not present.

Member G Wilcox entered the meeting at 1.26pm.

12 Report 2 - SkyPath - Consideration of the Public Private Partnership (PPP) Proposal - continued

Cr AJ Anae entered the meeting at 1.30pm.

Member DE Taipari returned to the meeting at 1.32pm.

Resolution number FIN/2016/107

MOVED by Cr C Casey, seconded by Cr J Watson:

moved an amendment to the original recommendation, by way of addition, as follows:

- d) **support free access to SkyPath for children under five years of age, accompanied by a paying adult.**

CARRIED

Cr D Quax left the meeting at 2.31pm.

Resolution number FIN/2016/108

MOVED by Cr C Casey, seconded by Cr J Watson:

moved an amendment to the original recommendation, by way of addition, as follows:

- e) **support on-leash dog access to SkyPath subject to negotiations with NZTA and compliance with health and safety regulations.**

CARRIED

The substantive motion was put.

Resolution number FIN/2016/109

MOVED by Mayor LCM Brown, seconded by Cr C Darby:

That the Finance and Performance Committee recommend to the Governing Body that it:

- a) **agree to proceed with the SkyPath project and that the hybrid Public Private Partnership proposal is the preferred procurement option to deliver SkyPath.**
- b) **authorise the Chief Executive to enter into all necessary agreements in relation to the SkyPath proposal, subject to minimal financial impacts, and to take any other actions in the Chief Executive's delegation to facilitate the progress of the project.**
- c) **agree to make appropriate provision for the SkyPath project in the 2017/18 Annual Plan and the 2018 - 2028 Long-term Plan.**
- d) **support free access to SkyPath for children under five years of age, accompanied by a paying adult.**
- e) **support on-leash dog access to SkyPath subject to negotiations with NZTA and compliance with health and safety regulations.**

CARRIED UNANIMOUSLY

The meeting adjourned at 2.35pm.

The meeting reconvened at 2.38pm.

Member DE Taipari and Member G Wilcox were not present.

9 Disposal Recommendation Report

Resolution number FIN/2016/110

MOVED by Cr CM Penrose, seconded by Cr W Cashmore:

That the Finance and Performance Committee:

- a) **approve, subject to the satisfactory conclusion of any required statutory processes, the disposal of the land at 235 Harbourside Drive, Hingaia more or less being Lot 58 Deposited Plan 382903 comprising approximately 728m² contained in certificate of title 331182; and**
- b) **agree that final terms and conditions be approved under the appropriate delegations.**

CARRIED

10 13 Crown Lynn Place, New Lynn

Resolution number FIN/2016/111

MOVED by Deputy Chairperson R Clow, seconded by Cr LA Cooper:

That the Finance and Performance Committee:

- a) **approve the disposal of 13 Crown Lynn Place, New Lynn described as part Lot 1 DP 150583 contained in certificate of title NA89D/527 subject to the satisfactory conclusion of any required statutory processes;**
- b) **agree that the final terms and conditions be approved under appropriate delegated authority.**

CARRIED

Note: Item 11 - Report 1 - SkyPath - Project Update and Item 12 - Report 2 - SkyPath - Consideration of the Public Private Partnership (PPP) Proposal were taken after Item 8 – Notices of Motion.

13 Update on St James Theatre

Member DE Taipari returned to the meeting at 2.49pm.

Member G Wilcox returned to the meeting at 2.49pm.

Resolution number FIN/2016/112

MOVED by Deputy Chairperson R Clow, seconded by Mayor LCM Brown:

That the Finance and Performance Committee:

- a) **agree to fund up to \$15 million towards the restoration of St James Theatre by way of a secured suspensory loan from funds already budgeted for restoration works.**
- b) **agree that this loan be paid to the owner on satisfaction of certain conditions, to be agreed between council and the owner, including completion of the stage 1 works and certification as to owner funds spent.**
- c) **agree that repayment of the loan will be suspended as long as agreed conditions relating to public access and theatre availability are met by the owner.**
- d) **agree that the loan be waived once stage 2 works have achieved practical completion, or earlier, based on a change from private to philanthropic ownership.**
- e) **agree that the details of the loan arrangements in accordance with resolutions a-d above be delegated to the Chief Executive to approve.**

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

<u>For</u>	<u>Against</u>	<u>Abstained</u>
Cr AJ Anae	Cr C Brewer	
Mayor LCM Brown	Cr LA Cooper	
Cr C Casey	Cr CM Penrose	
Cr W Cashmore		
Deputy Chairperson R Clow		
Cr C Darby		
Deputy Mayor PA Hulse		
Cr ME Lee		
Member DE Taipari		
Cr JG Walker		
Cr WD Walker		
Cr J Watson		
Member G Wilcox		
Cr GS Wood		

The motion was declared CARRIED by 14 votes to 3.

CARRIED

Note: Item 14 - Transfer of Moire Road Hall to the Leataata O Le Lumanai Samoan Trust Incorporated was taken part-way through Item 12 - Report 2 - SkyPath - Consideration of the Public Private Partnership (PPP) Proposal

15 Contributions Policy

Resolution number FIN/2016/113

MOVED by Deputy Chairperson R Clow, seconded by Cr W Cashmore:

That the Finance and Performance Committee:

- a) **adopt the amendments to Contributions Policy 2015 Variation A attached to this report.**

CARRIED

16 Bruce Pulman Park Trust - Request for Loan Guarantee

Resolution number FIN/2016/114

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

That the Finance and Performance Committee:

- a) **approve the loan from HEB Land Holding Limited to the Bruce Pulman Park Trust for an amount of up to \$7M.**
- b) **approve the Related Party transaction between Bruce Pulman Park Trust and HEB Land Holding Limited.**
- c) **approve a loan guarantee facility of up to \$4M favour of HEB Land Holding Ltd, with the loan guarantee being condition subsequent on:**

- i) the Trust undertaking a review of governance in conjunction with Auckland Council and to reflect the role Bruce Pulman Park plays in the network of recreation facilities across the Auckland region, with the view to having a new agreed governance structure in place by 30 November 2016;
 - ii) the existing lease agreements be reviewed with the intention of updating them to reflect the changed circumstances of the contracting parties and to reflect the role Bruce Pulman Park plays in the network of recreation facilities across the Auckland region;
 - iii) with failure to undertake both the review of governance and modifying the lease agreements to the satisfaction of Auckland Council being termination events for the loan guarantee facility.
- d) approve the interest rate on the existing \$4M community loan between Auckland Council and the Bruce Pulman Park Trust being reduced from 5.66% per annum down to 3.66% per annum, noting that in 2016-2017 this represents a saving to the Trust of \$80,000.
- e) approve the 2016-2017 operational funding from Auckland Council to Bruce Pulman Park Trust of \$452,000 comprising a direct funding provision of \$372,000 and the interest concession of \$80,000. Subsequent year operational funding is to be to account for the value of the interest savings, and adjusted accordingly.
- f) approve the first principal repayment date in respect of the \$4M Auckland Council loan being moved from 31 December 2017 to 31 March 2018, if required by the Trust.
- g) require the Bruce Pulman Park Trust to enter into a Guarantee Side Deed with Auckland Council recording the terms and conditions under which Council will enter into the loan guarantee arrangements with HEB Land Holding Limited.
- h) authorise the Group Chief Financial Officer (or delegate) to approve:
- i) The final terms and conditions of the loan guarantee facility between Auckland Council and HEB Land Holding Ltd;
 - ii) The final terms and conditions of the Guarantee Side Deed between Auckland Council and Bruce Pulman Park Trust;
 - iii) The final terms and conditions of any other agreement, existing, or new, necessary to implement the loan guarantee arrangements, including securities, and other changes arising from the review of the governance and lease arrangements.

CARRIED

17 Reports Pending Status Update - 21 July 2016

Resolution number FIN/2016/115

MOVED by Cr WD Walker, seconded by Cr C Darby:

That the Finance and Performance Committee:

- a) receive the Reports Pending Status Update report.
- b) request a report on the allocation made in 2010 of \$3m to the Harbour Access Trust.

CARRIED

18 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

19 Procedural motion to exclude the public

Resolution number FIN/2016/116

MOVED by Cr WD Walker, seconded by Cr JG Walker:

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 Badminton Waitakere - Request to Restructure Community Loan

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.	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. In particular, the report contains information about private individuals and their dealings with Badminton Waitakere.	s48(1)(a) 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.

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

3.13pm 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.

3.20pm The public was re-admitted.

RESTATEMENTS

It was resolved while the public was excluded:

C1 Badminton Waitakere - Request to Restructure Community Loan

Resolution number FIN/2016/117

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

That the Finance and Performance Committee:

- a) agree that Item C1 - Badminton Waitakere - Request to Restructure Community Loan lies on the table, and will not be further discussed at this meeting, but will be re-considered at the Finance and Performance Committee meeting scheduled to be held on Tuesday 9 August 2016 at 11.00am.

3.21pm

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:.....