

## 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 Tuesday, 11 April 2017 at 9.32am.

#### PRESENT

<b>Chairperson</b>	Cr Ross Clow	
<b>Deputy Chairperson</b>	Cr Desley Simpson, JP	
<b>Members</b>	Cr Dr Cathy Casey	Until 1.36pm, Item 9
	Deputy Mayor Bill Cashmore	
	Cr Fa'anana Efeso Collins	
	Cr Linda Cooper, JP	From 9.34am, Item 4 Until 12.52pm Item 6.2
	Cr Chris Darby	From 9.43am, Item 5.1
	Cr Alf Filipaina	
	Cr Hon Christine Fletcher, QSO	From 9.34am, Item 4
	Mayor Hon Phil Goff, JP	
	Cr Richard Hills	
	Cr Penny Hulse	From 9.34am, Item 4 Until 1.36pm, Item 9
	Cr Mike Lee	From 9.35am, Item 4
	Cr Daniel Newman, JP	
	Cr Dick Quax	
	Cr Greg Sayers	
	Cr Sharon Stewart, QSM	
	IMSB Chair David Taipari	From 9.44am, Item 5.1
	Cr Sir John Walker, KNZM, CBE	Until 1.28pm, Item 9
	Cr Wayne Walker	From 9.41am, Item 5.1
	Cr John Watson	

#### ABSENT

Cr Denise Lee  
IMSB Member Terrence Hohneck

#### ALSO PRESENT

Lotu Fuli, Ōtāra-Papatoetoe Local Board Chair  
 Julia Parfitt, Hibiscus and Bays Local Board Chair  
 Janet Fitzgerald, Hibiscus and Bays Local Board Deputy Chair  
 Chris Bettany, Hibiscus and Bays Local Board Member



## 1 Apologies

Resolution number FIN/2017/38

MOVED by Chairperson R Clow, seconded by Deputy Chairperson D Simpson:

**That the Finance and Performance Committee:**

- a) **accept the apologies from Cr D Lee and IMSB Member T Hohneck for absence and from Cr L Cooper, Cr C Darby and Cr P Hulse for lateness on council business, and from Member D Taipari and Cr W Walker for lateness.**

**CARRIED**

## 2 Declaration of Interest

There were no declarations of interest.

## 3 Confirmation of Minutes

Resolution number FIN/2017/39

MOVED by Deputy Mayor B Cashmore, seconded by Deputy Chairperson D Simpson:

**That the Finance and Performance Committee:**

- a) **confirm the ordinary minutes of its meeting, held on Tuesday, 21 March 2017 and the extraordinary minutes of its meeting, held on Thursday, 30 March 2017, including the confidential section, as true and correct records.**

**CARRIED**

## 4 Petitions

### 4.1 350 Aotearoa - Petition relating to Auckland Council's responsible investment policy

*Cr C Fletcher entered the meeting at 9.34am.*

*Cr P Hulse entered the meeting at 9.34am.*

*Cr L Cooper entered the meeting at 9.34am.*

*Cr M Lee entered the meeting at 9.35am.*

A petition relating to Auckland Council's responsible investment policy was tabled following the meeting. A copy has been placed on the official minutes.

#### Petition Prayer

*To: Auckland Council*

- *Freeze all new investments in fossil fuel extraction*
- *Divest all holdings from fossil fuel extraction within a 3 year timeframe*
- *Update their Statement of Investment Policy and Objectives (IPO) to exclude fossil fuel extraction.*

Resolution number FIN/2017/40

MOVED by Cr P Hulse, seconded by Cr R Hills:

**That the Finance and Performance Committee:**

- a) **receive the petition from 350 Aotearoa relating to Auckland Council's responsible investment policy.**

**CARRIED**

## 5 Public Input

### 5.1 Dr Richard Milne - Responsible investment policy review

*Cr W Walker entered the meeting at 9.41am.  
Cr C Darby entered the meeting at 9.43am.  
IMSB Member D Taipari entered the meeting at 9.44am.*

Dr Richard Milne was present to address the Committee regarding the responsible investment policy review.

Supporting information was tabled. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Resolution number FIN/2017/41

MOVED by Chairperson R Clow, seconded by Cr E Collins:

**That the Finance and Performance Committee:**

- a) **receive the presentation regarding the Responsible Investment Policy review and thank Dr Richard Milne for his attendance.**

**CARRIED**

#### **Attachments**

- A 11 April 2017 - Finance and Performance Committee - Item 5.1 - Public Input Dr Richard Milne - supporting information

### 5.2 Gareth Hughes MP – Responsible investment policy review

Gareth Hughes MP was present to address the Committee regarding the responsible investment policy review.

Resolution number FIN/2017/42

MOVED by Cr W Walker, seconded by Cr E Collins:

**That the Finance and Performance Committee:**

- a) **receive the presentation regarding the Responsible Investment Policy review and thank Gareth Hughes MP for his attendance.**

**CARRIED**

### 5.3 Dr Robert Howell - Responsible investment policy review

Dr Robert Howell was present to address the Committee regarding the responsible investment policy review.

A submission and supporting information was tabled. Copies have been placed on the official minutes and are available on the Auckland Council website as minutes attachments.

Resolution number FIN/2017/43

MOVED by Cr C Fletcher, seconded by IMSB Member D Taipari:

**That the Finance and Performance Committee:**

- a) **receive the presentation regarding the Responsible Investment Policy review and thank Dr Robert Howell for his attendance.**

**CARRIED**

### Attachments

- A 11 April 2017 - Finance and Performance Committee - Item 5.3 - Public Input Dr Robert Howell - submission
- B 11 April 2017 - Finance and Performance Committee - Item 5.3 - Public Input Dr Robert Howell - supporting information

Item 10 was accorded precedence at this time.

## 10 Responsible investment policy and Diversified Financial Asset Portfolio review

Cr C Darby tabled a schedule of his amendments to Appendix 1 and Appendix 2 of Attachment A of the agenda report. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Note: Amendments to the original recommendations were incorporated with the agreement of the meeting.

MOVED by Chairperson R Clow, seconded by Deputy Chairperson D Simpson:

That the Finance and Performance Committee:

- a) approve the revised Responsible Investment Policy and Guidelines for Selection of Fund Managers, as amended.
- b) confirm divestment of existing investments that are not consistent with the revised Responsible Investment Policy, as soon as practicable.
- c) endorse a further review of the long term viability of the Diversified Financial Asset Portfolio, given current balance sheet constraints and the need for capital to fund infrastructure development.
- d) request the Group Chief Financial Officer to report back on a strategy for a managed disposal of the entire investment portfolio to be implemented in the 2017/2018 financial year.
- e) note that staff will report back on the long term viability of the Diversified Financial Asset Portfolio no later than 30 June 2017.

An amendment MOVED by Cr C Casey, seconded by Cr E Collins:

That the Finance and Performance Committee:

- f) agree that "production or manufacture of alcohol" be added to the list of exclusions.

12.05pm Chairperson R Clow declared a conflict of interest in the amendment under consideration and vacated the Chair. Cr R Clow neither spoke nor voted on the amendment.

12.05pm Deputy Chair D Simpson assumed the Chair.

Crs L Cooper and P Hulse also declared an interest in the amendment under consideration and neither spoke nor voted on the amendment.

An amendment MOVED by Cr C Casey, seconded by Cr E Collins:

That the Finance and Performance Committee:

f) agree that “production or manufacture of alcohol” be added to the list of exclusions.

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

<u>For</u>	<u>Against</u>	<u>Abstained</u>
Cr C Casey	Deputy Mayor B Cashmore	Cr M Lee
Cr E Collins	Cr C Darby	
Cr A Filipaina	Cr C Fletcher	
Cr R Hills	Mayor P Goff	
Cr W Walker	Cr D Newman	
Cr J Watson	Cr D Quax	
	Cr G Sayers	
	Deputy Chairperson D Simpson	
	Cr S Stewart	
	IMSB Member D Taipari	
	Cr J Walker	

The amendment was declared LOST by 6 votes to 11.

12.08pm Cr R Clow resumed the Chair.

Chairperson R Clow withdrew his support as mover of clause d) above, and requested that it be considered separately as an amendment.

An amendment subsequently moved by Deputy Chairperson D Simpson, seconded by Cr D Quax was withdrawn:

That the Finance and Performance Committee:

d) request the Group Chief Financial Officer to report back on a strategy for a managed disposal of the entire investment portfolio to be implemented in the 2017/2018 financial year.

The substantive motion was taken in parts (the original clause e) became the new clause d) as the clause d) amendment was withdrawn).

Resolution number FIN/2017/44

MOVED by Chairperson R Clow, seconded by Deputy Chairperson D Simpson:

**That the Finance and Performance Committee:**

**a) approve the revised Responsible Investment Policy and Guidelines for Selection of Fund Managers, as amended.**

**CARRIED**

Note: Pursuant to Standing Order 1.8.6, Cr D Newman and Cr D Quax requested that their dissenting votes be recorded.

Resolution number FIN/2017/45

MOVED by Chairperson R Clow, seconded by Deputy Chairperson D Simpson:

**That the Finance and Performance Committee:**

**b) confirm divestment of existing investments that are not consistent with the revised Responsible Investment Policy, as soon as practicable.**

**CARRIED**

Note: Pursuant to Standing Order 1.8.6, Cr D Newman, Cr D Quax and Cr S Stewart requested that their dissenting votes be recorded.

Resolution number FIN/2017/46

MOVED by Chairperson R Clow, seconded by Deputy Chairperson D Simpson:

**That the Finance and Performance Committee:**

- c) **endorse a further review of the long term viability of the Diversified Financial Asset Portfolio, given current balance sheet constraints and the need for capital to fund infrastructure development.**
- d) **note that staff will report back on the long term viability of the Diversified Financial Asset Portfolio, no later than 30 June 2017.**

**CARRIED**

Note: Pursuant to Standing Order 1.8.6, Cr C Casey, Cr M Lee, Cr W Walker and Cr J Watson requested that their dissenting votes be recorded.

#### **Attachments**

- A 11 April 2017 - Finance and Performance Committee - Item 10 - Responsible investment policy and Diversified Financial Asset Portfolio review - Cr C Darby amendments

The meeting was adjourned at 12.14pm and reconvened at 12.21pm.

Items 7 and 8 were accorded precedence.

#### **7 Extraordinary Business**

There was no extraordinary business.

#### **8 Notices of Motion**

There were no notices of motion.

#### **6 Local Board Input**

**6.1 Local Board Input - Waitakere Ranges Local Board - 315A Glengarry Road, Glen Eden** - This item was withdrawn.

**6.2 Local Board Input - Hibiscus and Bays Local Board - 19 Anzac Road, Browns Bay**

*Cr L Cooper left the meeting at 12.52pm, on council business.  
Cr S Stewart left the meeting at 12.53pm.*

Resolution number FIN/2017/47

MOVED by Chairperson R Clow, seconded by Cr W Walker:

**That the Finance and Performance Committee:**

- a) **receive the presentation regarding 19 Anzac Road, Browns Bay and thank Julia Parfitt, Janet Fitzgerald and Chris Bettany for their attendance.**

**CARRIED**

**6.3 Local Board Input - Ōtāra-Papatoetoe Local Board – 6 Butler Avenue, Papatoetoe**

Resolution number FIN/2017/48

MOVED by Cr A Filipaina, seconded by Cr E Collins:

**That the Finance and Performance Committee:**

- a) receive the presentation regarding 6 Butler Avenue, Papatoetoe and thank Lotu Fuli, Ōtāra-Papatoetoe Local Board Chair, for her attendance.

**CARRIED**

Item 7 - Extraordinary Business and Item 8 - Notices of Motion were accorded precedence prior to Item 6 – Local Board Input.

**9 Disposals recommendation report**

*Cr S Stewart returned to the meeting at 1.02pm.*

*Cr J Walker retired from the meeting at 1.28pm.*

The motion was taken in parts, clause d) was accorded precedence.

MOVED by IMSB Member D Taipari, seconded by Cr P Hulse:

That the Finance and Performance Committee:

- d) approve, subject to the satisfactory conclusion of any required statutory processes, the disposal of the land at 19 Anzac Road, Browns Bay, comprised of an estate in fee simple more or less being Section 1 SO 489800 contained in computer freehold register CT 714533;

Resolution number FIN/2017/49

An amendment MOVED by Cr J Watson, seconded by Cr W Walker:

**That the Finance and Performance Committee:**

- d) agree that the disposal of land at 19 Anzac Road, Browns Bay, comprised of an estate in fee simple more or less being Section 1 SO 489800 contained in computer freehold register CT 714533, be deferred until June 2017 so that an Auckland Transport parking survey for Browns Bay can be undertaken and reported back.

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

<b><u>For</u></b>	<b><u>Against</u></b>	<b><u>Abstained</u></b>
Cr C Casey	Deputy Mayor B Cashmore	
Cr C Fletcher	Chairperson R Clow	
Cr M Lee	Cr E Collins	
Cr D Newman	Cr C Darby	
Cr D Quax	Cr A Filipaina	
Cr G Sayers	Mayor P Goff	
Deputy Chairperson D Simpson	Cr R Hills	
Cr S Stewart	Cr P Hulse	
Cr W Walker	IMSB Member D Taipari	
Cr J Watson		

The amendment was declared **CARRIED** by 10 votes to 9.

**CARRIED**



The meeting was adjourned at 1.36pm and reconvened at 2.07pm, Crs C Casey, P Hulse, J Watson and Member D Taipari were not present.

*IMSB Member D Taipari returned to the meeting at 2.13pm.  
Cr J Watson returned to the meeting at 2.13pm.*

The substantive motion was put.

Resolution number FIN/2017/50

MOVED by Cr A Filipaina, seconded by Cr E Collins:

**That the Finance and Performance Committee:**

- a) **approve, subject to the satisfactory conclusion of any required statutory processes, the disposal of the land at 6 Butler Avenue, Papatoetoe, comprised of an estate in fee simple more or less being Lot 3 DP 39245 contained in computer freehold register NA1057/50;**
- b) **approve, subject to the satisfactory conclusion of any required statutory processes:**
  - i) **the revocation of the reserve status of approximately 1,133m<sup>2</sup> of 129R Bairds Road, Ōtara comprised of an estate in fee simple more or less being CT-NA41D/929; Lot 12 DP55184 contained in computer freehold register NA41D/929 as it is no longer required by Auckland Council for reserve purposes;**
  - ii) **the disposal of approximately 1,133m<sup>2</sup> of 129R Bairds Road, Ōtara comprised of an estate in fee simple more or less being CT-NA41D/929; Lot 12 DP55184 contained in computer freehold register NA41D/929 as it is no longer required for reserve purposes;**
- c) **approve, subject to the satisfactory conclusion of any required statutory processes:**
  - i) **the revocation of the reserve status of approximately 4,105m<sup>2</sup> of 315A Glengarry Road, Glen Eden, comprised of an estate in fee simple more or less being LOT 41 DP 19309 as it is no longer required by Auckland Council for reserve purposes;**
  - ii) **the disposal of the land at 315A Glengarry Road, Glen Eden, comprised of an estate in fee simple more or less being LOT 41 DP 19309;**
- d) **agree that the disposal of land at 19 Anzac Road, Browns Bay, comprised of an estate in fee simple more or less being Section 1 SO 489800 contained in computer freehold register CT 714533, be deferred until June 2017 so that an Auckland Transport parking survey for Browns Bay can be undertaken and reported back.**
- e) **approve, subject to the satisfactory conclusion of any required statutory processes, the disposal of the land at Section 1 SO 69059, East Coast Road, Redvale, comprised of an estate in fee simple more or less being Sec 1 SO 69059 (0.6521HA) contained in computer freehold register NA118B/93;**
- f) **approve, subject to the satisfactory conclusion of any required statutory processes, the disposal of the land at 78A Great South Road, Papakura, comprised of an estate in fee simple more or less being LOT 1 DP 196746 contained in computer freehold register NA124C/676;**
- g) **approve, subject to the satisfactory conclusion of any required statutory processes, the disposal of the land at Section 1 SO 375381, adjacent to 493 State Highway 16, Kumeu, comprised of an estate in fee simple contained in computer freehold register CT 334777;**

- h) approve, subject to the satisfactory conclusion of any required statutory processes, the disposal of the land at:
- i) Allotment 136 Ahuroa Parish, Woodcocks Road, Woodcocks, comprised of an estate in fee simple contained in computer freehold register NA28A/1422 comprising approximately 981m<sup>2</sup>;
  - ii) Allotment 137 Ahuroa Parish, Woodcocks Road, Woodcocks, comprised of an estate in fee simple contained in computer freehold register NA28A/1423 comprising approximately 1,461m<sup>2</sup>;
  - iii) Allotment 138 Ahuroa Parish, Woodcocks Road, Woodcocks, comprised of an estate in fee simple contained in computer freehold register NA28A/1424 comprising approximately 4,127m<sup>2</sup>;
  - iv) Allotment 139 Ahuroa Parish, Woodcocks Road, Woodcocks, comprised of an estate in fee simple contained in computer freehold register NA28A/1425 comprising approximately 3,465m<sup>2</sup>;
  - v) Allotment 140 Ahuroa Parish, Woodcocks Road, Woodcocks, comprised of an estate in fee simple contained in computer freehold register NA28A/14246 comprising approximately 837m<sup>2</sup>;
  - vi) Allotment 141 Ahuroa Parish, Woodcocks Road, Woodcocks, comprised of an estate in fee simple contained in computer freehold register NA28A/1427 comprising approximately 1,042m<sup>2</sup>;
  - vii) Allotment 147 Kourawhero Parish, Woodcocks Road, Woodcocks, comprised of an estate in fee simple contained in computer freehold register NA28A/1412 comprising approximately 43m<sup>2</sup>;
- i) agree that final terms and conditions be approved under the appropriate delegations.

**CARRIED**

Note: Pursuant to Standing Order 1.8.6, Cr W Walker and Cr J Watson requested that their dissenting votes be recorded against clause c) 315A Glengarry Road, Glen Eden.

## 11 Finance and Performance Committee - Information Report - 11 April 2017

Resolution number FIN/2017/51

MOVED by Mayor P Goff, seconded by Cr A Filipaina:

**That the Finance and Performance Committee:**

- a) receive the information report – 11 April 2017.

**CARRIED**

## 12 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

2.19pm

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:**.....