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## Finance and Performance Committee

### OPEN MINUTES

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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, 20 June 2017 at 9.30am.

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#### PRESENT

<b>Chairperson</b>	Cr Ross Clow	
<b>Deputy Chairperson</b>	Cr Desley Simpson, JP	
<b>Members</b>	Cr Dr Cathy Casey	
	Deputy Mayor Bill Cashmore	
	Cr Fa'anana Efeso Collins	From 10.09am, item 9
	Cr Linda Cooper, JP	
	Cr Chris Darby	
	Cr Hon Christine Fletcher, QSO	
	Mayor Hon Phil Goff, CNZM, JP	
	Cr Richard Hills	
	Cr Penny Hulse	
	Cr Mike Lee	From 9.32am, item 9; Until 11.42am, item C1
	Cr Dick Quax	
	Cr Greg Sayers	
	Cr Sharon Stewart, QSM	
	IMSB Chair David Taipari	From 10.12am, item 9
	Cr Sir John Walker, KNZM, CBE	From 9.39am, item 9
	Cr Wayne Walker	From 9.32am, item 9
	Cr John Watson	

#### ABSENT

<b>Members</b>	Cr Alf Filipaina
	IMSB Member Terrence Hohneck
	Cr Denise Lee
	Cr Daniel Newman, JP

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**1 Apologies**

Resolution number FIN/2017/86

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

**That the Finance and Performance Committee:**

- a) **accept the apologies for absence from Cr Newman and IMSB Member T Hohneck, the apology for absence on Council business from Cr Filipaina and the apologies from Crs Collins, D Lee and IMSB Chair Taipari for lateness.**

**CARRIED**

**2 Declaration of Interest**

There were no declarations of interest.

**3 Confirmation of Minutes**

Resolution number FIN/2017/87

MOVED by Deputy Chairperson D Simpson, seconded by Cr C Darby:

**That the Finance and Performance Committee:**

- a) **confirm the ordinary minutes of its meeting, held on Thursday, 1 June 2017, 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 Review of the Diversified Financial Assets Portfolio**

*Cr W Walker entered the meeting at 9.32am.*

*Cr M Lee entered the meeting at 9.32am.*

*Cr J Walker entered the meeting at 9.39am.*

*Cr E Collins entered the meeting at 10.09am.*

*IMSB Member D Taipari entered the meeting at 10.12am.*

Resolution number FIN/2017/88

MOVED by Deputy Chairperson D Simpson, seconded by Cr L Cooper:

**That the Finance and Performance Committee:**

- a) **approve full divestment of the Diversified Financial Asset Portfolio with a target completion date no later than 30 June 2018.**
- b) **delegate final authorisation to complete the withdrawal to the Chair of the Finance and Performance Committee, the Chief Executive and the Group Chief Financial Officer.**
- c) **agree the proceeds of the Diversified Financial Assets portfolio be solely used for the purpose of public transport and stormwater infrastructure.**

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

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

The motion was declared **CARRIED** by 14 votes to 5.

**CARRIED**

10.59am meeting adjourned

11.06am meeting reconvened

**10 Panuku Development Auckland Limited debt to equity conversion**

Resolution number FIN/2017/89

MOVED by Cr C Fletcher, seconded by Chairperson R Clow:

**That the Finance and Performance Committee:**

- a) **approve the conversion of \$15 million owed to council by Panuku (debt) into Panuku equity and accept the resulting issue of shares from Panuku**
- b) **provide the shareholder approvals required under the Companies Act 1993 to enable Panuku to convert the debt to equity and issue the resulting shares to Auckland Council**
- c) **authorise the Chief Executive to sign all documentation and take any other actions on behalf of council in the Chief Executive's discretion required to facilitate and effect the above debt capitalisation transaction.**

**CARRIED**

**11 Budget update June 2017**

Brent Catchpole, Papakura Local Board Chairperson spoke in support of this item.

Resolution number FIN/2017/90

MOVED by Cr C Fletcher, seconded by Chairperson R Clow:

**That the Finance and Performance Committee:**

- a) **approve the conversion of \$3.1 million capital budget in the 2018/2019 financial year into annualised operational budget for the new multi-purpose community facility in Takanini, on the basis of no impact on the general rates for future years.**

**CARRIED**

**12 Finance and Performance Committee - Information Report - 20 June 2017**

Resolution number FIN/2017/91

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

**That the Finance and Performance Committee:**

- a) **receive the information report – 20 June 2017.**

**CARRIED**

**13 Consideration of Extraordinary Items**

There was no consideration of extraordinary items.

**14 Procedural motion to exclude the public**

Resolution number FIN/2017/92

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

**That the Finance and Performance Committee:**

- a) **exclude the public from the following part(s) of the proceedings of this meeting.**
- b) **agree that Paul McKay, General Manager AON, and Sahreena Mohammed, Executive Director – Account Manager for Council Group AON be permitted to remain for Confidential Item C2 Insurance Renewal – Proposed Council Group Programme for 2017/2018 period after the public has been excluded, because of their knowledge of matters which will help the Finance and Performance Committee in its decision-making.**

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 The Woodhill Sands Trust - Guarantee in Favour of ASB Bank Ltd**

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)(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>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p> <p>In particular, the report contains details concerning the negotiations between the vendor and purchaser of the property.</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 Insurance Renewal - Proposed Council Group Programme for 2017/2018 period**

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)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p> <p>In particular, the report contains proposed insurance policies, premiums and terms from insurers which are the subject of consideration and negotiation.</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**

11.27am 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.

12.07pm The public was re-admitted.

**RESTATEMENTS**

It was resolved while the public was excluded:

**C1 The Woodhill Sands Trust - Guarantee in Favour of ASB Bank Ltd**

Resolution number FIN/2017/93

MOVED by Cr C Fletcher, seconded by Cr P Hulse:

**That the Finance and Performance Committee:**

- a) note that in May 2016 the Finance and Performance Committee first approved a guarantee of up to \$2.5 million in favour of ASB Bank Ltd to enable The Woodhill Sands Trust to purchase Woodhill Sands Equestrian Centre. Events have occurred throughout the year that necessitates staff updating the committee so the matter may be considered again.
- b) approve a guarantee limited to a maximum of \$2.5 million in favour of ASB Bank Ltd, to enable The Woodhill Sands Trust, or its nominee WST Company (2016) Ltd to purchase the property known as Woodhill Sands Equestrian Centre, located at 24 James Mackie Rd, Kumeu, Auckland, subject to the Trust/Company concluding successful negotiations to purchase the property.
- c) require The Woodhill Sands Trust and WST Company (2016) Ltd to enter into a Guarantee Side Deed with Auckland Council recording the terms and conditions that must be met by the Trust/Company prior to any successful negotiations to purchase Woodhill Sands Equestrian Centre being concluded and the

guarantee between Auckland Council and ASB Bank Ltd coming into effect.

- d) authorise the Group Chief Financial Officer (or delegate) to approve:
- i) the final terms and conditions of the guarantee between Auckland Council and ASB Bank Ltd,
  - ii) the final terms and conditions of the Guarantee Side Deed,
  - iii) the final terms and conditions of any other agreement necessary to effect this transaction.

**Restatement:**

- e) confirm that the report, attachments and presentation remain confidential but the decisions be restated in the open minutes.

**CARRIED**

**C2 Insurance Renewal - Proposed Council Group Programme for 2017/2018 period**

Resolution number FIN/2017/94

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

**That the Finance and Performance Committee:**

- a) note the proposed council group insurance programme was endorsed by the Audit and Risk Committee on 29 May 2017.
- b) approve the proposed programme for the 2017/2018 year.
- c) delegate final placement of insurance policies to the Chair of the Finance and Performance Committee, Chief Executive and the Group Chief Financial Officer by 30 June 2017.

**Restatement:**

- d) confirm that the report and attachments remain confidential until 1 July 2017 but the decisions be restated in the open minutes.

**CARRIED**

12.07pm

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:**.....