

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 Wednesday, 26 July 2017 at 9.33am.

PRESENT

Chairperson	Cr Ross Clow	Until 12.39pm, item 14
Deputy Chairperson	Cr Desley Simpson, JP	
Members	Cr Dr Cathy Casey	
	Deputy Mayor Bill Cashmore	
	Cr Fa'anana Efeso Collins	From 9.49am, item 9; until 12.56pm, item 14
	Cr Chris Darby	
	Cr Alf Filipaina	Until 12.56pm, item 14
	Cr Hon Christine Fletcher, QSO	
	Mayor Hon Phil Goff, CNZM, JP	
	Cr Richard Hills	
	IMSB Member Terrence Hohneck	From 10.49am, item 10; until 12.56pm, item 14
	Cr Penny Hulse	
	IMSB Member Tony Kake (alternate)	From 9.37am, item 9; until 12.37pm, item 14
	Cr Mike Lee	
	Cr Daniel Newman, JP	
	Cr Dick Quax	
	Cr Greg Sayers	
	Cr Sharon Stewart, QSM	
	Cr Sir John Walker, KNZM, CBE	From 9.49am, item 9; until 1.35pm, item C1
	Cr Wayne Walker	
	Cr John Watson	

ABSENT

Members	Cr Linda Cooper, JP
	Cr Denise Lee
	IMSB Chair David Taipari

1 Apologies

Resolution number FIN/2017/95

MOVED by Cr W Walker, seconded by Cr R Hills:

That the Finance and Performance Committee:

- a) **accept the apology from Cr Cooper, Cr D Lee and IMSB Chair David Taipari for absence, Cr R Clow for early departure, and from Cr E Collins and Cr A Filipaina for early departure on council business.**

CARRIED

2 Declaration of Interest

There were no declarations of interest.

3 Confirmation of Minutes

Resolution number FIN/2017/96

MOVED by Deputy Chairperson D Simpson, seconded by Cr W Walker:

That the Finance and Performance Committee:

- a) **confirm the ordinary minutes of its meeting, held on Tuesday, 20 June 2017, 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 Disposals recommendation report

IMSB Member T Kake entered the meeting at 9.37am.

Cr J Walker entered the meeting at 9.49am.

Cr E Collins entered the meeting at 9.49am.

Resolution number FIN/2017/97

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

That the Finance and Performance Committee:

- a) **approve, subject to the satisfactory conclusion of any required statutory processes, the transfer of the land at:**
 - i) **55A Alnwick Street, Warkworth, comprised of an estate in fee simple more or less being Section 1 Survey Office Plan 64916; and**
 - ii) **part of 45 Orahia Road, Huapai, comprised of an estate in fee simple, more or less being Lot 2 DP 169958 comprising approximately 1,268m² (subject to survey) contained in computer freehold register NA103C/837 to Watercare Services Ltd;**
- b) **approve, subject to the satisfactory conclusion of any required statutory processes:**
 - i) **the revocation of the reserve status of approximately 600m² of 32 Harbour View Road, Te Atatu comprised of an estate in fee simple more or less being Lot 286 DP 84406; 'Harbour View Corner' contained in computer freehold register CT-102D/200 as it is no longer required by Auckland Council for reserve purposes;**
 - ii) **the disposal of the land at 32 Harbour View Road, Te Atatu, comprised of an estate in fee simple more or less being Lot 286 DP 84406; 'Harbour View Corner' contained in computer freehold register CT-102D/200;**
 - iii) **the revocation of the reserve status of approximately 111m² of 145A West Tamaki Road, Glen Innes comprised of an estate in fee simple more or less being Lot 6 DP 41864 111m² contained in computer freehold register CT-20B/1223 as it is no longer required by Auckland Council for reserve purposes;**
 - iv) **the disposal of the land at 145A West Tamaki Road, Glen Innes, comprised of an estate in fee simple more or less being Lot 6 DP 41864 111m² contained in computer freehold register CT-20B/1223;**
- c) **approve, subject to the satisfactory conclusion of any required statutory processes, the disposal of the land at:**
 - i) **343 Swanson Road, Ranui, comprised of an estate in fee simple more or less being Lot 1 DP 397730 and Lot 3 DP 397730 contained in computer freehold register CT-390543 and CT-390545;**
 - ii) **24 Waipuna Road, Mt Wellington, comprised of an estate in fee simple more or less being Lot 22 DP 51781 1204m² contained in computer freehold register CT-93C/804;**
 - iii) **Unit 1, 26 Waipuna Road, Mt Wellington, comprised of an estate in fee simple and leasehold more or less being Lot 23 DP 51781 and Flat 1 and Carport 1 on DP 123787 contained in computer freehold register NA72B/114 – ¼ share fee simple and leasehold;**

- iv) Unit 2, 26 Waipuna Road, Mt Wellington, comprised of an estate in fee simple and leasehold more or less being Lot 23 DP 51781 and Flat 2 and Carport 2 DP 123787 contained in computer freehold register NA72B/115 – ¼ share fee simple and leasehold CT-72B/115;
 - v) Unit 3, 26 Waipuna Road, Mt Wellington, comprised of an estate in fee simple and leasehold more or less being CT-72B/116 Flat 3 and Carport 3 DP 123787 on Lot 23 DP 51781 contained in computer freehold register NA72B/116 ¼ share fee simple and leasehold;
 - vi) Unit 4, 26 Waipuna Road, Mt Wellington, comprised of an estate in fee simple and leasehold more or less being CT-72B/117 Lot 23 DP 51781 and Flat 4 DP 123787 contained in computer freehold register NA72B/117 – ¼ share fee simple and leasehold;
 - vii) 27B Waipuna Road, Mt Wellington, comprised of an estate in fee simple and leasehold more or less being Lot 2 DP 210612 and 1/3 share in Lot 4 DP 210612 contained in computer freehold register NA138D/806;
 - viii) 1/77 Waipuna Road, Mt Wellington, comprised of an estate in fee simple and leasehold more or less being Lot 5 DP 84624 and Flat 1 DP 89392 contained in computer freehold register CCR NA46B/945 1/3 share fee simple and leasehold;
 - ix) 93 Waipuna Road, Mt Wellington, comprised of an estate in fee simple more or less being Lot 1 DP 40343 contained in computer freehold register NA2026/25;
 - x) 134A Mt Wellington Highway, Mt Wellington, comprised of an estate in fee simple more or less being CT-50C/358; Pt Lot 2 DP 43992 contained in computer freehold register NA50C/358;
 - xi) 3/136B Mt Wellington Highway, Mt Wellington, comprised of an estate in fee simple and leasehold more or less being Flat 3 DP 167297 on Lot 2 DP 167297 contained in computer freehold register NA101C/209 – 1/3 fee simple and leasehold;
- d) agree that final terms and conditions be approved under the appropriate delegations.

CARRIED

10 Purchase of additional trains for Metro Rail - Budget Request

IMSB Member T Hohneck entered the meeting at 10.49am.

Note: clause c) below was added to the original recommendation with the agreement of the mover and the seconder.

The motion was taken in parts

Resolution number FIN/2017/98

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

That the Finance and Performance Committee:

- a) **approve in principle the procurement of 17 three-car Independently Powered Electrical Multiple Units (IPEMUs) up to \$207 million - with an initial payment of up to \$25 million in 2017/2018 - to meet forecast patronage growth from 2019, conditional on:**

- i) the NZ Transport Agency (NZTA) committing to funding at least 50 per cent of the capital and operational expenditure associated with this investment; and
 - ii) the timing of NZTA funding must align to the cash flow requirement of the procurement and operation; and
 - iii) Auckland Transport reprioritising its existing capital budget to provide \$50 million towards funding the procurement of IPEMUs, such that Auckland Council's projected debt-to-revenue ratio does not exceed the limit of 265 per cent.
- b) note that, as the Finance and Performance Committee approved clause a) above, Auckland Transport will make an initial payment of at least five per cent or \$10 million, but no more than \$25 million, for the order in September 2017.

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

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

The motion was declared CARRIED by 20 votes to 1.

CARRIED

Resolution number FIN/2017/99

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

That the Finance and Performance Committee:

- c) request that the Finance and Performance Committee receive a report from Auckland Transport confirming:
 - i) how the Diesel Multiple Units (DMU's) will be disposed of and how the proceeds received will be applied to offset the Investment in Independently Powered Electrical Multiple Units (IPEMU's),
 - ii) why the Diesel Multiple Units (DMU's) will not be utilised elsewhere on the Auckland Transport Metro rail network.

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	
Chairperson R Clow	Cr C Darby	
Cr E Collins	Cr A Filipaina	
Cr C Fletcher	Mayor P Goff	
Cr R Hills	IMSB Member T Hohneck	
Cr P Hulse	IMSB Member T Kake	
Cr M Lee		
Cr D Newman		
Cr D Quax		
Cr G Sayers		
Deputy Chairperson D Simpson		
Cr S Stewart		
Cr J Walker		
Cr W Walker		
Cr J Watson		

The motion was declared CARRIED by 15 votes to 6.

CARRIED

The meeting adjourned at 11.32am and reconvened at 11.45am.

11 Proposed Change of Ownership of Auckland Film Studios Limited

Note: clause e) below was added to the original recommendation with the agreement of the meeting.

Resolution number FIN/2017/100

MOVED by Cr P Hulse, seconded by Chairperson R Clow:

That the Finance and Performance Committee:

- a) **approve the proposal to wind up Auckland Film Studios Limited and distribute its assets and liabilities to Auckland Council, to be followed by an agreement between Auckland Tourism Events and Economic Development and Panuku Development Auckland to continue to manage the site as a film studio.**
- b) **approve Auckland Council Investments Limited making necessary amendments to its Statement of Intent to reflect the Transfer.**
- c) **request Auckland Council Investments Limited to proceed with the transfer as contemplated in this report.**
- d) **delegate to Auckland Council's Chief Executive the authority to approve the transfer and wind-up process on behalf of Auckland Council, enter into any transfer agreement, and approve all related arrangements.**
- e) **acknowledge and thank directors James Hill and Alan Sorrell for their long and committed service.**

CARRIED

12 Establishment of a trust to manage a proposed stormwater reserve in Drury

Mayor P Goff left the meeting at 11.57am.

Cr M Lee left the meeting at 11.57am.

Mayor P Goff returned to the meeting at 12.09pm.

Cr M Lee returned to the meeting at 12.19pm.

Note: clause b) of the original recommendation was amended with the agreement of the meeting.

Resolution number FIN/2017/101

MOVED by Deputy Mayor B Cashmore, seconded by Cr C Fletcher:

That the Finance and Performance Committee:

- a) **agree that a trust be established for an initial period of 15 years to manage the 85ha stormwater reserve at Drury.**
- b) **agree that the trust should comprise at least three members including two members appointed by Drury South Limited, and one appointed by Auckland Council in consultation with the Franklin Local Board, subject to further advice from Auckland Council's Governance team with respect to most appropriate structure.**
- c) **note that the future funding of the trust will be subject to the approval of the Finance and Performance Committee.**

CARRIED

Note: Pursuant to Standing Order 1.8.6, Cr W Walker requested that his dissenting vote be recorded.

13 Te Motu a Hiaroa (Puketutu Island) Governance Trust - council-controlled organisation exemption

Cr C Darby left the meeting at 12.27pm.

Resolution number FIN/2017/102

MOVED by Deputy Chairperson D Simpson, seconded by Cr A Filipaina:

That the Finance and Performance Committee:

- a) **agree to grant an exemption to Te Motu a Hiaroa (Puketutu Island) Governance Trust under section 7(3) of the Local Government Act 2002, on the grounds that the costs associated with meeting the accountability requirements of the Act would outweigh the benefits of such requirements.**
- b) **agree to review this exemption by September 2019 along with the other existing council-controlled organisation exemptions, noting that this exemption can be revoked at any time.**

CARRIED

14 NewCore: completion of project

A presentation was given in support of the item. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Cr C Darby returned to the meeting at 12.30pm.

IMSB Member T Kake left the meeting at 12.37pm.

Chairperson R Clow left the meeting at 12.39pm.

Deputy Chairperson D Simpson assumed the chair from 12.39pm.

Cr A Filipaina left the meeting at 12.56pm.

Cr E Collins left the meeting at 12.56pm.

IMSB Member T Hohneck left the meeting at 12.56pm.

Resolution number FIN/2017/103

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

That the Finance and Performance Committee:

- a) **note that the NewCore project has been successfully deployed across all of Auckland Council. It has been delivered on time, within the agreed scope and at \$2.8 million less than the approved budget.**
- b) **note that the project closure report, including the Post Implementation Review (PIR) to be completed by 10 August 2017, will be provided to the Audit and Risk Committee on 25 August 2017 and that this report will be the formal closure of the project.**

CARRIED

Attachments

- A 26 July 2017, Finance and Performance Committee - Item 14 - NewCore: completion of project presentation

15 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

16 Procedural motion to exclude the public

Resolution number FIN/2017/104

MOVED by Deputy Chairperson D Simpson, seconded by Cr W 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 Albany Stadium Pool Construction Contract

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)(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). In particular, the report contains details of an on-going dispute resolution process.	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

1.06pm 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.

2.28pm The public was re-admitted.

RESTATEMENTS

It was resolved while the public was excluded:

C1 Albany Stadium Pool Construction Contract

Resolution number FIN/2017/105

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

That the Finance and Performance Committee:

- d) agree that the report, attachments and decisions remain confidential, until reasons for confidentiality no longer exist.

2.28pm 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:.....