

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, 12 December 2017 at 9.33am.

PRESENT

Chairperson	Cr Ross Clow	
Deputy Chair	Cr Desley Simpson, JP	
Members	Cr Dr Cathy Casey	
	Deputy Mayor Bill Cashmore	Until 3.54pm, Item 12
	Cr Fa'anana Efeso Collins	Until 1.48pm, Item 11
	Cr Linda Cooper, JP	
	Cr Chris Darby	
	Cr Alf Filipaina	
	Cr Hon Christine Fletcher, QSO	Until 2.41pm, Item 16
	Mayor Hon Phil Goff, CNZM, JP	Until 3.54pm, Item 12
	Cr Richard Hills	
	IMSB Member Glenn Wilcox (alternate)	Until 1.13pm, Item 11
	Cr Penny Hulse	
	Cr Mike Lee	Until 3.00pm, Item 12
	Cr Daniel Newman, JP	
	Cr Dick Quax	Until 2.54pm, Item 12
	Cr Greg Sayers	Until 3.03pm, Item 12
	Cr Sharon Stewart, QSM	Until 2.54pm, Item 12
	IMSB Chair David Taipari	From 11.24am, Item 4
	Cr Sir John Walker, KNZM, CBE	From 11.24am, Item 4
		Until 1.48pm, Item 11
	Cr Wayne Walker	Until 2.54pm, Item 12
	Cr John Watson	

ALSO PRESENT

David Collings	Chair, Howick Local Board
Jim Donald	Member, Howick Local Board

IN ATTENDANCE

David Warburton	Chief Executive, Auckland Transport
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1 Apologies

There were no apologies.

Note: apologies were subsequently received from Cr E Collins, Cr D Quax and Cr S Stewart for early departure.

2 Declaration of Interest

There were no declarations of interest.

3 Confirmation of Minutes

Resolution number FIN/2017/198

MOVED by Cr A Filipaina, seconded by Chairperson R Clow:

That the Finance and Performance Committee:

- a) **confirm the ordinary minutes of its meeting, held on Monday, 11 December 2017 as a true and correct record.**

CARRIED

Adjournment of Meeting

Resolution number FIN/2017/199

MOVED by Chairperson R Clow, seconded by Deputy Mayor B Cashmore:

That the Finance and Performance Committee:

- a) **agree to adjourn the meeting until the conclusion of the Governing Body meeting on Tuesday 12 December 2017.**

CARRIED

The meeting was adjourned at 9.34am.

The meeting reconvened at 11.24am. Cr A Filipaina and Cr M Lee were not present.

IMSB Chair David Taipari entered the meeting at 11.24am.

Cr J Walker entered the meeting at 11.24am

4 Petitions

There were no petitions.

5 Public Input

5.1 Public Input - Claudia Maran

Cr A Filipaina returned to the meeting at 11.28am

Cr M Lee returned to the meeting at 11.28am

Claudia Maran spoke to the committee about utilising philanthropy to co-ordinate and work together with Auckland Council in the Long-Term Plan to reach budget and community goals.

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/2017/200

MOVED by Deputy Chairperson D Simpson, seconded by Cr J Watson:

That the Finance and Performance Committee:

- a) **thank Claudia Maran for her presentation regarding utilising philanthropy to co-ordinate and work together with Auckland Council in the Long-Term Plan to reach budget and community goals.**

CARRIED

Attachments

- A 12 December 2017 - Finance and Performance Committee - Item 5.1: Public Input - Claudia Maran presentation

Note: Item 6 – Local Board Input was considered after Item 10 – Te Toa Takitini - Quarter one report for 2017/2018 financial year.

Note: The Chairperson accorded precedence to Item 9 – Assessment of expenditure incurred by Auckland Council on projects to deliver Māori outcomes, at this time.

9 Assessment of expenditure incurred by Auckland Council on projects to deliver Māori outcomes

Jade Collins and David Walker, PricewaterhouseCoopers, were present to speak to the committee.

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.

Cr D Quax left the meeting at 12.04 pm.

Resolution number FIN/2017/201

MOVED by IMSB Member D Taipari, seconded by Chairperson R Clow:

That the Finance and Performance Committee:

- a) **receive the report 'Assessment of expenditure Incurred by Auckland Council on projects to deliver Māori outcomes'.**
- b) **agree that a response to the 'Assessment of expenditure Incurred by Auckland Council on projects to deliver Māori outcomes' be reported to the Finance and Performance Committee agenda at its 27 February 2018 meeting with an Implementation and Reporting Plan that addresses the recommendations in the report.**

CARRIED

Attachments

- A 12 December 2017 - Finance and Performance Committee - Item 9: Assessment of expenditure incurred by Auckland Council on projects to deliver Maori outcomes presentation

Note: The Chairperson accorded precedence to Item 10 – Te Toa Takitini - Quarter one report for 2017/2018 financial year, at this time.

10 Te Toa Takitini - Quarter one report for 2017/2018 financial year

Cr D Quax returned to the meeting at 12.12 pm.

Cr C Darby left the meeting at 12.13 pm.

Cr W Walker left the meeting at 12.23 pm.

Resolution number FIN/2017/202

MOVED by IMSB Member D Taipari, seconded by Cr A Filipaina:

That the Finance and Performance Committee:

- a) **note progress on key Te Toa Takitini portfolio projects included in the report for the first quarter of 2017/2018.**

CARRIED

Cr W Walker returned to the meeting at 12.25pm.

Cr C Darby returned to the meeting at 12.25pm.

6 Local Board Input

6.1 Local Board Input - Howick Local Board regarding the proposed disposal of 80 Vincent Street, Howick

David Collings, Chair and Jim Donald, Member of the Howick Local Board addressed the meeting regarding the proposed disposal of 80 Vincent Street, Howick. John Savory, a local businessman, was also present to speak to the committee on this matter.

IMSB Member D Taipari left the meeting at 12.30pm.

IMSB Member D Taipari returned to the meeting at 12.46pm.

Cr P Hulse left the meeting at 12.49pm.

Cr A Filipaina left the meeting at 12.51pm.

Resolution number FIN/2017/203

MOVED by Cr D Quax, seconded by Cr S Stewart:

That the Finance and Performance Committee:

- a) **thank Howick Local Board Chair, David Collings, Member Jim Donald and John Savory for their presentations regarding the proposed disposal of 80 Vincent Street, Howick and thank them for attending.**

CARRIED

7 Extraordinary Business

There was no extraordinary business.

8 Notices of Motion

There were no notices of motion.

Note: Item 9 – . Assessment of expenditure incurred by Auckland Council on projects to deliver Māori outcomes was considered after Item 5.1 – Public Input - Claudia Maran.

Note: Item 10 – Te Toa Takitini - Quarter one report for 2017/2018 financial year was considered before Item 6 – Local Board Input.

11 Disposals recommendation report

Cr A Filipaina returned to the meeting at 12.53pm.

Cr A Filipaina left the meeting at 12.55pm.

Cr P Hulse returned to the meeting at 1.04pm.

IMSB Member G Wilcox left the meeting at 1.13pm.

Note: Clause b) i) was incorporated into the original motion with the agreement of the meeting.

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 disposal of the land at 80 Vincent Street, Howick, comprised of an estate in fee simple more or less being Lot 7 DP 50372 contained in computer freehold register NA7B/821;
- b) approve, subject to the satisfactory conclusion of any required statutory processes, the disposal of the land at 41 Cheshire Street, Parnell, comprised of an estate in fee simple more or less being Lot 2 DP 85443 contained in computer freehold register NA41C/768;
 - i) support council's Stakeholder and Land Advisory Services team, Community Facilities - working with Auckland Transport and Panuku as required - to negotiate easements for pedestrian and cycling access to the Parnell Railway Station and adjoining cycleway.
- c) approve, subject to the satisfactory conclusion of any required statutory processes, the disposal of the land at 108 Hepburn Street, Freemans Bay, comprised of estates in fee simple more or less being Lot 1 Deposited Plan 68838 and Lot 2 Deposited Plan 68838 contained in computer freehold register NA25A/322 and NA25A/323;
- d) approve, subject to the satisfactory conclusion of any required statutory processes:
 - i) the revocation of the reserve status of the land at 9 Matama Road, Glen Eden, more or less being Lot 1 DP 98357;
 - ii) the disposal of the land at 9 Matama Road, Glen Eden, more or less being Lot 1 DP 98357;
- e) approve the transfer of council's covenanted option to purchase 58/7 Rowlands Avenue, Mt Wellington, comprised of Leasehold A194273, part of Flat 7 Deposited Plan 57671, being more or less a 1/7 share of Freehold Lot 1 Deposited Plan 55902, contained in computer freehold register NA10B/307 to Housing New Zealand.

MOVED by Cr M Lee, seconded by Cr C Casey an amendment by way of replacement to b)
i):

- b) approve, subject to the satisfactory conclusion of any required statutory processes, the disposal of the land at 41 Cheshire Street, Parnell, comprised of an estate in fee simple more or less being Lot 2 DP 85443 contained in computer freehold register NA41C/768;
- i) subject to council's Stakeholder and Land Advisory Services team, Community Facilities - working with Auckland Transport and Panuku as required - to negotiate easements for pedestrian and cycling access to the Parnell Railway Station and adjoining cycleway.

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 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 Newman	
	Cr D Quax	
	Cr G Sayers	
	Deputy Chairperson D Simpson	
	Cr S Stewart	
	IMSB Chair D Taipari	
	Cr J Walker	

The amendment was declared LOST by 5 votes to 15.

LOST

Clause a) was put separately.

That the Finance and Performance Committee:

- a) approve, subject to the satisfactory conclusion of any required statutory processes, the disposal of the land at 80 Vincent Street, Howick, comprised of an estate in fee simple more or less being Lot 7 DP 50372 contained in computer freehold register NA7B/821;

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

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

The motion was declared LOST by 8 votes to 12.

LOST

The substantive motion was put.

Resolution number FIN/2017/204

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 disposal of the land at 41 Cheshire Street, Parnell, comprised of an estate in fee simple more or less being Lot 2 DP 85443 contained in computer freehold register NA41C/768;**
 - i) **support council's Stakeholder and Land Advisory Services team, Community Facilities - working with Auckland Transport and Panuku as required - to negotiate easements for pedestrian and cycling access to the Parnell Railway Station and adjoining cycleway.**
- b) **approve, subject to the satisfactory conclusion of any required statutory processes, the disposal of the land at 108 Hepburn Street, Freemans Bay, comprised of estates in fee simple more or less being Lot 1 Deposited Plan 68838 and Lot 2 Deposited Plan 68838 contained in computer freehold register NA25A/322 and NA25A/323;**
- c) **approve, subject to the satisfactory conclusion of any required statutory processes:**
 - i) **the revocation of the reserve status of the land at 9 Matama Road, Glen Eden, more or less being Lot 1 DP 98357;**
 - ii) **the disposal of the land at 9 Matama Road, Glen Eden, more or less being Lot 1 DP 98357;**
- d) **approve the transfer of council's covenanted option to purchase 58/7 Rowlands Avenue, Mt Wellington, comprised of Leasehold A194273, part of Flat 7 Deposited Plan 57671, being more or less a 1/7 share of Freehold Lot 1 Deposited Plan 55902, contained in computer freehold register NA10B/307 to Housing New Zealand.**

CARRIED UNANIMOUSLY

The meeting was adjourned at 1.48pm.

The meeting reconvened at 2.17pm. Cr E Collins, Cr L Cooper, Cr C Fletcher, Cr R Hills, Cr P Hulse, Cr D Quax, Cr G Sayers, IMSB Chair D Taipari, Cr J Walker, Cr W Walker and IMSB Member G Wilcox were not present.

Cr A Filipaina returned to the meeting at 2.17pm.

Note: Item 12 – Proposed priorities for the 2017 letters of expectation to substantive council-controlled organisations was considered after Item 15 – Land exchange at Hillary Crescent, Belmont and Northboro Reserve - Recommendation from the Environment and Community Committee.

Note: The Chairperson accorded precedence to Item 16 – Update on the purchase of additional trains for Metro Rail, at this time.

16 Update on the purchase of additional trains for Metro Rail

*Cr W Walker returned to the meeting at 2.19pm.
Cr R Hills returned to the meeting at 2.21pm.
Cr P Hulse returned to the meeting at 2.21pm.
Cr L Cooper returned to the meeting at 2.21pm.
Cr D Quax returned to the meeting at 2.26pm.
Cr G Sayers returned to the meeting at 2.26pm.
IMSB Chair D Taipari returned to the meeting at 2.33pm.
Cr C Fletcher returned to the meeting at 2.38pm.
Cr C Fletcher left the meeting at 2.41pm.*

Resolution number FIN/2017/205

MOVED by Cr D Newman, seconded by Cr C Darby:

That the Finance and Performance Committee:

- a) **approve increasing the number of Electric Multiple Units (EMUs) to be purchased from 15 to 17 at a cost of \$18 million and converting the 17 EMUs to Independently Powered Electric Multiple Units (IPEMUs) at a cost of up to \$20 million, noting that:**
- i) **a new, more energy dense battery system has been sourced that offers the potential for an IPEMU solution that does not require structural modification to the existing EMU design.**
 - ii) **the technical assessment is to be confirmed with the EMU supplier and the potential battery system supplier.**
 - iii) **the total capital cost for 17 IPEMUs is \$171 million, compared to \$207 million originally.**
 - iv) **Auckland Transport will seek 51 per cent funding contribution from the NZ Transport Agency towards the additional cost of up to \$38 million.**

CARRIED

Pursuant to Standing Order 1.8.6, Cr M Lee requested that his dissenting vote be recorded.

Resolution number FIN/2017/206

MOVED by Mayor P Goff, seconded by Deputy Mayor B Cashmore:

That the Finance and Performance Committee:

- b) **thank David Warburton for his enormous contribution to Auckland in his role as Chief Executive of Auckland Transport.**

CARRIED

Note: Item 17 – Finance and Performance Committee - Information Report - 12 December 2017 was considered after Item 14 – Budget update December 2017.

Note: The Chairperson accorded precedence to Item 15 – Land exchange at Hillary Crescent, Belmont and Northboro Reserve - Recommendation from the Environment and Community Committee, at this time.

15 Land exchange at Hillary Crescent, Belmont and Northboro Reserve - Recommendation from the Environment and Community Committee

Resolution number FIN/2017/207

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

That the Finance and Performance Committee:

- a) **approve the proposed land exchange of 1802m² at Northboro Reserve, Belmont with 3510m² of private land at Hillary Crescent, as follows:**
 - i) **disposal of area 1 LOT 72, area 2 LOT 69, area 3 LOT 15, area 4 LOT 72 (refer Attachment B of the original report appended as Attachment A to this report)**
 - ii) **acquisition of areas 1, 2, 3, 4, 5, 6, 7 (refer Attachment C of the original report appended as Attachment A to this report).**

CARRIED

Note: Item 16 – Update on the purchase of additional trains for Metro Rail was considered prior to Item 15 – Land exchange at Hillary Crescent, Belmont and Northboro Reserve - Recommendation from the Environment and Community Committee.

12 Proposed priorities for the 2017 letters of expectation to substantive council-controlled organisations

Cr S Stewart left the meeting at 2.54pm.

Cr W Walker left the meeting at 2.54pm.

Cr D Quax left the meeting at 2.54pm.

Cr M Lee left the meeting at 3.00pm.

Cr G Sayers left the meeting at 3.03pm.

Cr A Filipaina left the meeting at 3.17pm.

Cr A Filipaina returned to the meeting at 3.33pm.

Deputy Mayor B Cashmore left the meeting at 3.54pm.

Mayor P Goff left the meeting at 3.54pm.

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

Note: changes to clause b) were incorporated with the agreement of the meeting.

Resolution number FIN/2017/208

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

That the Finance and Performance Committee:

- a) **note that the 2017 letters of expectations will be drafted on the basis of this committee's resolutions, consistent with the terms of reference for committees of the governing body.**
- b) **note that the Mayor, in consultation with the chairs of the Environment and Community Committee, Finance and Performance Committee and Planning Committee, will finalise and send the final 2017 letters of expectations to the substantive council-controlled organisations during December 2017.**
- c) **approve the proposed priorities for inclusion in the 2017 letters of expectations for substantive council-controlled organisations.**
- d) **advise on any other issues or key messages that should be included in the letters of expectations.**

CARRIED

Attachments

- A 12 December 2017 - Finance and Performance Committee - Item 12: Proposed priorities for the 2017 letters of expectation to substantive council-controlled organisations presentation

13 Annual shareholders meetings for substantive council-controlled organisations and Tamaki Redevelopment Company Limited

Resolution number FIN/2017/209

MOVED by Cr L Cooper, seconded by Cr D Newman:

That the Finance and Performance Committee:

- a) **authorise the chief executive of Auckland Council to act as Auckland Council's shareholder representative to execute written resolutions in lieu of holding annual shareholder meetings of the following companies:**
- i) Auckland Council Investments Limited**
 - ii) Auckland Tourism, Events and Economic Development Limited**
 - iii) Regional Facilities Auckland Limited**
 - iv) Watercare Services Limited**
 - v) Panuku Development Auckland Limited**
- b) **authorise the chief executive of Auckland Council to act as Auckland Council's shareholder representative for Tāmaki Redevelopment Company Limited to:**
- i) execute a written shareholder's resolution on an annual basis in lieu of holding an annual shareholder meeting commencing with the 2016/2017 shareholder meeting**
- or**
- ii) vote on Auckland Council's behalf at an Annual General Meeting of the company**
- or**
- iii) appoint a proxy to vote on behalf of Auckland Council.**

CARRIED

14 Budget update December 2017

Resolution number FIN/2017/210

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

That the Finance and Performance Committee:

- a) **approve the following approach to implement the Governing Body's resolution on supporting local boards' decision-making on renewal budget allocation across local asset categories:**
- i) accelerate the current asset data improvement programme with additional resources at a cost of \$854,900 per annum in the next 12 to 18 months, which requires additional operational expenditure budget of up to \$250,290 in 2017/2018 and up to \$500,580 in 2018/2019.**

CARRIED

Note: Item 15 – Land exchange at Hillary Crescent, Belmont and Northboro Reserve - Recommendation from the Environment and Community Committee was considered before Item 12 – Proposed priorities for the 2017 letters of expectation to substantive council-controlled organisations.

Note: Item 16 – Update on the purchase of additional trains for Metro Rail was considered before Item 15 – Land exchange at Hillary Crescent, Belmont and Northboro Reserve - Recommendation from the Environment and Community Committee.

17 Finance and Performance Committee - Information Report - 12 December 2017

Resolution number FIN/2017/211

MOVED by Deputy Chairperson D Simpson, seconded by IMSB Member D Taipari:

That the Finance and Performance Committee:

- a) **receive the information report – 12 December 2017.**

CARRIED

18 Consideration of Extraordinary Items

There were no extraordinary items.

4.18pm

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:.....