
Governing Body

OPEN MINUTES

Minutes of an extraordinary meeting of the Governing Body held in the Reception Lounge, Auckland Town Hall, 301-305 Queen Street, Auckland on Thursday, 31 May 2018 at 9.35am.

PRESENT

Mayor	Hon Phil Goff, CNZM, JP	
Deputy Mayor	Bill Cashmore	
Councillors	Cr Josephine Bartley	
	Cr Dr Cathy Casey	
	Cr Ross Clow	
	Cr Fa'anana Efeso Collins	
	Cr Linda Cooper, JP	
	Cr Chris Darby	
	Cr Alf Filipaina	
	Cr Hon Christine Fletcher, QSO	
	Cr Richard Hills	
	Cr Penny Hulse	
	Cr Mike Lee	
	Cr Daniel Newman, JP	
	Cr Greg Sayers	
	Cr Desley Simpson, JP	
	Cr Sharon Stewart, QSM	
	Cr Sir John Walker, KNZM, CBE	From 9.56am, Item 9 Until 11.44am
	Cr Wayne Walker	
	Cr John Watson	

1 Affirmation

His Worship the Mayor read the affirmation.

2 Apologies

Resolution number GB/2018/89

MOVED by Mayor P Goff, seconded by Cr W Walker:

That the Governing Body:

a) accept the apology from Cr Sir John Walker for lateness.

CARRIED

Acknowledgement: Cr Dick Quax

A moment's silence was observed and tributes were given by Governing Body members in remembrance of Cr Quax as a colleague, a good friend and as a New Zealander who both performed extraordinary public service, was a sporting icon and one of the country's finest athletes.

His Worship expressed the Governing Body's sadness and sympathy to Cr Quax's wife Roxanne and children Tania, Jacob and Theo.

3 Declaration of Interest

There were no declarations of interest.

4 Petitions

There was no petitions section.

5 Public Input

There was no public input section.

6 Local Board Input

There was no local board input section.

7 Extraordinary Business

There was no extraordinary business.

8 Notices of Motion

There were no notices of motion.

9 Proposal for a Regional Fuel Tax for Auckland

A replacement page 55 of the agenda had been circulated prior to the meeting.

A PowerPoint presentation was given in support of the item.

Copies have been placed on the official minutes and are available on the Auckland Council website as minutes attachments.

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

That the Governing Body:

- a) approve the Regional Fuel Tax proposal (Attachment A of the agenda report) and the report on consultation on the Regional Fuel Tax proposal (Attachment B of the agenda report) to be submitted to the Ministers of Transport and Finance.
- b) delegate to the Mayor, Deputy Mayor and Chief Financial Officer responsibility for minor edits to the Regional Fuel Tax proposal and associated consultation report.

Cr P Hulse left the meeting at 9.55 am.

Cr J Walker entered the meeting at 9.56 am.

Cr P Hulse returned to the meeting at 10.05 am.

The meeting adjourned at 10.56am and reconvened at 10.57am.

Cr P Hulse left the meeting at 10.58 am.

Cr P Hulse returned to the meeting at 11.03 am.

Resolution number GB/2018/90

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

That the Governing Body:

- a) **approve the Regional Fuel Tax proposal (Attachment A of the agenda report) and the report on consultation on the Regional Fuel Tax proposal (Attachment B of the agenda report) to be submitted to the Ministers of Transport and Finance.**
- b) **delegate to the Mayor, Deputy Mayor and Chief Financial Officer responsibility for minor edits to the Regional Fuel Tax proposal and associated consultation report.**

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

<u>For</u>	<u>Against</u>	<u>Abstained</u>
Cr J Bartley	Cr E Collins	
Cr C Casey	Cr M Lee	
Deputy Mayor BC Cashmore	Cr D Newman	
Cr R Clow	Cr G Sayers	
Cr L Cooper	Cr D Simpson	
Cr C Darby	Cr S Stewart	
Cr A Filipaina	Cr J Walker	
Cr C Fletcher		
Mayor P Goff		
Cr R Hills		
Cr P Hulse		
Cr W Walker		
Cr J Watson		

The motion was declared CARRIED by 13 votes to 7.

CARRIED

Attachments

- A 31 May 2018, Governing Body: Item 9 - Proposal for a Regional Fuel Tax for Auckland, Presentation
- B 31 May 2018, Governing Body: Item 9 - Proposal for a Regional Fuel Tax for Auckland, Replacement Page 55

Cr J Walker retired from the meeting at 11.44 am.

The meeting adjourned at 11.44am.

The meeting reconvened at 5.53pm.

10 Adoption of the 31 May 2018 Finance and Performance Committee's 10-year Budget 2018-2028 recommendations

Resolution number GB/2018/91

MOVED by Mayor P Goff, seconded by Cr R Clow:

That the Governing Body:

- a) **agree the final long-term plan 2018-2028 (10-year budget 2018-2028) with the following items in the consultation document as recommended by the Finance and Performance Committee on 31 May 2018:**
 - i) **the introduction of a water quality targeted rate to raise \$452 million to fund acceleration of the Water Quality Improvement Programme, set differentially on capital value with 25.8 per cent of the revenue requirement to be raised from businesses.**
 - ii) **the introduction of a natural environment targeted rate to raise \$311 million for environmental initiatives, including addressing Kauri dieback and targeted ecological protection set differentially on capital value with 25.8 per cent of the revenue requirement to be raised from businesses.**
 - iii) **the implementation of a reporting process to provide transparency and accountability over the use of the proceeds of the water quality and natural environment targeted rates.**
 - iv) **average general rates increases of 2.5 percent for the first two years and 3.5 percent for each year after that.**
 - v) **amend the rating treatment of the online accommodation sector so that business rates and the accommodation provider targeted rate are applied to properties let via web-based accommodation services depending on the number of nights booked and the location of the property as set out in the modified option b) contained in Attachment D of Item 9: 10-year Budget 2018-2028 – Mayor’s final proposal (that is, with an additional differential category of between 136 and 180 nights added).**
- b) **agree that the budget for the final 10-year budget 2018-2028 be based on the draft budget, adjusted for the updates set out in the staff reports, and incorporate the following changes and specific decisions, as recommended by the Finance and Performance Committee on 31 May 2018:**

Transport

- i) **the Regional Fuel Tax Proposal revenue and capital investment be included in the 10-year Budget**

- ii) the transport budgets (including Auckland Transport and Auckland Council's interest in City Rail Link Limited) be based on the draft budgets, adjusted for the updates set out in the staff reports.

Water

- iii) the water supply, waste water and stormwater budgets based on the draft budgets, which include the Water Quality Targeted Rate funding, adjusted for the updates set out in the staff reports.

Parks and Community

- iv) the establishment of a Sport and Recreation Facilities Investment Fund with additional capital expenditure of \$100 million to create a total fund of \$120 million on the basis that each project be subject to a full business case process and be in alignment with the Sports Facilities Investment Plan (under development).
- v) the establishment of a Climate Change Response Fund of \$40 million for pro-active monitoring and planning and reactive response to infrastructure damage as a result of climatic events, including non-coastal slips.
- vi) additional operational funding of \$1 million in the next two years for the development of coastal compartment management plans and additional capital funding of \$90 million for coastal asset management.
- vii) additional capital funding of \$25 million for the Regional Facility Network Plan to progress the network of swimming pools.
- viii) additional operational funding of \$5 million for the extension of The Southern Initiative to the west Auckland areas of Whau, Henderson-Massey and Waitakere (The Western Initiative) and request that the staff work with council procurement on social procurement policy implementation and with ATEED on local economic development.
- ix) additional regional grants funding of \$4.3 million to increase the total of three regional funds to \$2 million per year in accordance with the Community Development and Safety Committee resolution of 17 May 2018.
- x) additional operational funding of up to \$2 million for the implementation of the Smoke free policy.

Centres Development

- xi) the centres development budgets (including Panuku Development Auckland) be based on the draft budgets, adjusted for the updates set out in the staff reports.
- xii) the re-phasing of the city centre programme of works and the increase in capital expenditure from the draft budget of an additional \$55 million to support Auckland hosting the America's Cup and APEC events in 2021.
- xiii) additional funding for the Whau Multipurpose Community Centre of \$16 million in accordance with the confidential resolution of the Environment and Community Committee of 12 September 2017.

Regional Facilities Auckland

- xiv) the Regional Facilities Auckland budget be based on the draft budget, adjusted for the updates set out in the staff reports, noting the following changes:
- additional capital expenditure of \$18.7 million for renewals at the zoo
 - additional operating expenditure of \$5.7 million for transport and logistical costs associated with animal acquisition at the zoo
 - additional operating funding of \$20 million for the Auckland Art Gallery
 - additional capital funding of \$5.9 million and operational funding of \$3.6 million for facility security and visitor safety

Local Boards – One Local Initiatives

- xv) the following One Local Initiative budget matters as set out in the One Local Initiative report by the Chair of the Finance and Performance Committee on 31 May 2018, Item 10: Proposal for One Local Initiatives:
- i) transport-related One Local Initiatives are funded by other budgets: Devonport-Takapuna, Orākei, Papakura, and the transport components of Waiheke are funded in the Regional Land Transport Plan, and the Maungakiekie-Tāmaki and non-transport components of Waiheke could be self-funding, with One Local Initiatives funding earmarked as a back-up if needed
 - ii) sub-regional One Local Initiatives (Franklin, Henderson-Massey, Howick, Ōtara-Papatoetoe, Upper Harbour, and Whau) are recommended to be allocated funding, or earmarked funding from development and other regional budgets
 - iii) \$170m of funding be included in the 10-year Budget for local community One Local Initiatives, with this funding to be allocated or earmarked as set out in the staff advice in Attachment A and the tabled attachment of Item 10: Proposal for One Local Initiatives

Māori Outcomes

- xvi) additional operational funding for Māori responsiveness outcomes to be funded through the re-prioritisation of the existing draft budget.
- xvii) note that up to \$250,000 will be made available in the 2018/19 financial year from within existing marae development capital funding for works that Ruapotaka marae.

Co-governance Entities

- xviii) additional capital funding of \$16.8 million and operational funding of \$6.7 million for the Tupuna Maunga Authority.
- xix) additional capital funding of \$7.7 million and operational funding of \$6.6 million for the Ngati Whatua Orakei Reserves Board.
- xx) additional capital funding of \$8.7 million and operational funding of \$2.8 million for Te Poari o Kaipatiki ki Kaipara (Parakai).

Other items

- xxi) the transfer of the Festival of Photography operational grant of \$72,000 per annum to the Regional Arts and Culture grant programme with a transitional three-year funding agreement.
- xxii) an extension of capital grant funding of \$3.7 million to Surf Lifesaving Northern Region for the development or renewal of facilities at Karioatahi, North Piha and Orewa, subject to appropriate funding agreements.
- xxiii) capital grant funding of \$2 million to the Auckland Marine Rescue Centre Trust for urgent repair and renewal of the building, subject to an appropriate funding agreement.
- xxiv) additional operational funding of \$204,000 for each of the first three years to the Mangere Mountain Education Trust.
- xxv) a one-off operating grant of \$475,000 to the Auckland City Mission to cover building consent fees, resource consent fees and development contributions payable in respect of the redevelopment of the Hobson Street site.
- xxvi) operating funding of \$150,000 in an event year and \$50,000 in a non-event year (total \$1 million) to support the Sculpture in the Gardens biennial event.
- xxvii) a one-off operational grant to the Hibiscus Youth Council Centre of \$100,000 for 2018/2019.
- xxviii) request a report back to the Environment and Community Committee following a review of council's provision of financial support to youth centres including the establishment of criteria for awarding funding through the Regional Community Development and Safety grant programme.
- xxix) approve a one off funding request for an additional \$200,000 to the baseline for Citizens Advice Bureaux pending a review of the Citizens Advice Bureaux funding model in April, 2019 by the Environment and Community Committee noting that staff will give consideration to the distribution of funding in a report to the committee.

Local Transport Capital Fund: options for distributions and size of the fund

- xxx) the Local Boards Funding Policy allocation methodology of population (90 per cent), deprivation (five per cent) and land area (five per cent), be applied to the distribution of the local transport capital fund
- xxxi) the inclusion of an additional \$10 million per annum (inflation adjusted) funding for the local transport capital fund in the Regional Land Transport Plan be endorsed.

Fees, charges and other rating matters

- xxxii) to resume the Long-term Differential Strategy (LTDS) from 2018/2019 to gradually reduce the business sector share of general rates to 25.8 per cent by 2037/2038 as proposed
- xxxiii) to maintain the current policy of increasing the Uniform Annual General Charge (UAGC) in line with the general rate increase as proposed
- xxxiv) to the expansion of the Papakura BID as proposed

- xxxv) the introduction of a new charging regime from 1 July 2018 for Deemed Permitted Boundary Activity Notices and Permitted Plantation Forestry Activities monitoring and assessment which includes a deposit of \$400 (including GST) and council's standard hourly rates for work completed
- xxxvi) the new fees and deposits for land advisory services as detailed in Attachment A of item 14: Fees, Charges and other rating matters
- xxxvii) the waiver of fees from 1 July 2018 for the cremation of babies under 1 year old.

Adoption of the Rates Remission and Postponement Policy

- xxxviii) agree to adopt the Rates Remission and Postponement Policy (Attachment A: Item 15 – Adoption of the Rates Remission and Postponement Policy) which includes the following amendments to the existing policy:
 - i) removal of the Part 3 remission schemes for natural heritage and community and sports organisations and postponement for Great Barrier Island commercial properties
 - ii) postponement for Manukau Sport Clubs restricted to current applicants to expire after three years
- xxxix) introduction of a remission scheme for the Accommodation Provider Targeted rate
- xxxx) administrative amendments to the regional remission schemes.
- xxxxi) note that the remission of rates for miscellaneous purposes remission scheme could still apply if the criteria in that scheme are met in the 2018/19 year.

Rodney Local Board Targeted Rate

- xxxxii) include in the Long-term Plan 2018-2028 a Rodney Local Board Transport targeted rate of \$150 per separately used or inhabited part of a rating unit within the Rodney Local Board area to fund additional transport investments in the Rodney Local Board area
 - xxxxiii) include the additional capital and operating expenditure in the 10-year budget, noting the impact on group debt.
- c) agree the adoption of the following decisions on solid waste services, targeted rates and charges as recommended by the Finance and Performance Committee:
- i) introduction of weekly pay as you throw 120 litre refuse bin collection for the former Auckland and Manukau city areas following introduction of the rates funded food scraps service and consequent removal of the current refuse targeted rate currently planned for 2020/2021.
 - ii) increase to the waste management targeted rate in Papakura of \$67 to fund food waste collection services for the 2018/2019 year onwards.
 - iii) increase to the waste management targeted rate in other areas of urban Auckland, where the service is provided, of \$67 to fund food waste collection services from 2020/2021 onwards, subject to further refinement based on the experience of the Papakura roll-out and subject to further consultation prior to introduction.

- d) agree the following disestablishment of the Council-controlled organisation Auckland Council Investments Limited as recommended by the Finance and Performance Committee on 31 May 2018:
- i) approve a shareholder directive to Auckland Council Investments Limited relating to the transfer of all assets, liabilities and obligations of Auckland Council Investments Limited (including the shares in Ports of Auckland Limited and Auckland International Airport Limited) to Auckland Council.
 - ii) approve a shareholder directive to remove Auckland Council Investments Limited from the companies register following the transfer of all assets, liabilities and obligations to Auckland Council.
 - iii) adopt the draft memorandum of understanding between Auckland Council and Ports of Auckland Limited attached to Attachment F of Item 9: 10-year Budget 2018-2028 – Mayors final proposal
 - iv) recommend that the Appointments, Performance Review and Value for Money Committee adopt a revised Auckland Council Board Appointment and Remuneration Policy that includes Annex A of the draft memorandum of understanding between Auckland Council and Ports of Auckland Limited.
 - v) adopt relevant amendments to its Terms of Reference to reflect the transfer of the assets, liabilities and obligations of Auckland Council Investments Limited (including the transfer of shares in Ports of Auckland Limited and Auckland International Airport Limited) to Auckland Council.
 - vi) delegate to the chief executive the power to authorise any action necessary or desirable to effect the transfer of the assets, liabilities and obligations of Auckland Council Investments Limited (including the transfer of shares in Ports of Auckland Limited and Auckland International Airport Limited) to Auckland Council, and the disestablishment of Auckland Council Investments Limited.
 - vii) note the relationship principles document in respect of Auckland Council and Auckland International Airport Limited contained in Attachment F of Item 9: 10-year Budget 2018-2028 – Mayors final proposal
 - viii) note that all prior resolutions, delegations, approvals, agreements, authorisations by the Governing Body or its committees relating to Auckland Council Investments Limited now apply to Auckland Council.
 - ix) amend the budget to reflect estimated cost savings of at least \$800,000 per annum.
- e) agree the final 10-year Budget 2018-2028 to give effect to decisions made in relation to issues covered by other resolutions at this meeting.

CARRIED

Note: Pursuant to Standing Order 1.8.6, the following councillors requested that their dissenting votes be recorded as follows:

- Cr E Collins against clause d)
- Cr C Fletcher against clause a) v), d)
- Cr D Newman against clause a) ii), d)
- Cr G Sayers against clause c) iii)
- Cr D Simpson against clause c), d)
- Cr S Stewart against clause c), d)
- Cr W Walker against the accommodation provider targeted rate

11 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

5.55 pm

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 GOVERNING BODY HELD
ON

DATE:.....

CHAIRPERSON:.....