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<td>Report back to the Local Government Commission on recommendations arising from reorganisation proposals for North Rodney and Waiheke</td>
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<td>A.</td>
<td>27 June 2018, Governing Body: Item 11 - Report back to the Local Government Commission on recommendations arising from reorganisation proposals for North Rodney and Waiheke, minor edits made to the response after the agenda was printed</td>
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Minor edits post agenda printing

Minor edits to two paragraphs have been made following input from the Joint Governance PWP:

- Para 74: The local communications team primarily supports Auckland’s twenty-one local boards and helps inform ward councillors about local issues and to tell council’s stories at the local level.

- Para 119: Auckland Council strongly believes and will continue to urge that the current Auckland-specific restrictions on the number of Governing Body members be removed; and that legislative change enable council to initiate changes to its local board boundaries where appropriate.
Devonport-Takapuna Local Board Meeting of 19/06/2018

19  Local Board Services monthly report - June 2018

Tristan Coulson, Senior Local Board Advisor Local Board Services, Mace Ward, General Manager Parks, Sport and Recreation, John Hutton, Manager Treaty Settlements, and Marilyn Nicholls, Elected Member Relationship Manager, Auckland Transport, were in attendance to support the item.

Chairperson G Wood requested the resolutions be taken in parts.

Resolution number DT/2018/92

MOVED by Chairperson G Wood, seconded by Deputy Chairperson G Gillon:

That the Devonport-Takapuna Local Board:

a) support Auckland Council being responsible for routine management of Maungauika / North Head in the same manner as for other tūpuna maunga, with the Tūpuna Maunga Authority being appointed the administering body.

b) request that the local board and community be kept informed of any changes and developments which will impact Maungauika.

CARRIED
Chief Executive's Employment Review

File No.: CP2018/09343

Matataputanga / Confidentiality

<table>
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<tr>
<th>Reason:</th>
<th>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.</th>
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<tr>
<td>Interests:</td>
<td>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</td>
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<td>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).</td>
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<td>In particular, the Committee will discuss the performance of the Chief Executive, which may include past performance and future expectations, terms and conditions of employment, remuneration and future performance objectives.</td>
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<td>Grounds:</td>
<td>s48(1)(a)</td>
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<td>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.</td>
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Te take mō te pūrongo / Purpose of the report

1. To receive advice from the Appointments, Performance Review and Value for Money Committee (APRVFM) on the outcome of the chief executive’s employment review and to confirm whether to extend the chief executive’s employment contract for an additional two years or to advertise a vacancy.

Whakarāpopototanga matua / Executive summary

2. The chief executive’s contract expires on 31 December 2018 and the Governing Body can either extend Mr Town’s contract by up to a further two years or advertise a vacancy. The Local Government Act 2002 requires the council to undertake a formal employment review by 30 June 2018 before it makes its decision.

3. The Governing Body delegated the employment review process to the APRVFM Committee. The APRVFM Committee has completed the employment review and recommends the chief executive’s contract be extended for a further two years, effective from 1 January 2019 to 31 December 2020. At the end of the contract extension, the council will be required to advertise a chief executive vacancy for a five-year contract.

4. The APRVFM Committee recommends the chief executive’s performance objectives are reviewed and updated to reflect the council’s priorities for the period up to December 2020. The revised objectives will also capture observations agreed by the APRVFM Committee during the chief executive’s employment review. Draft performance objectives will be presented to the Governing Body for approval by September 2018.

5. The council has a contractual obligation to review Mr Town’s remuneration annually. The chief executive’s remuneration was last reviewed in December 2015. Mr Town’s current total remuneration is $690,000.

6. The APRVFM Committee recommends the chief executive’s total remuneration is increased by 1.16 per cent to $698,000, consisting of:
   - a base salary of $677,669.90
   - the employers’ KiwiSaver contribution of $20,330.10

7. It is recommended the remuneration changes take effect from 1 July 2018.
Ngā tūohunga / Recommendations

That the Governing Body:

Chief executive’s employment review

a) note that the Auckland Council chief executive’s employment contract expires on 31 December 2018

b) note that under the Local Government Act 2002, Auckland Council can either extend the chief executive’s contract by up to a further two years or advertise a vacancy

c) note that Auckland Council is required to undertake an employment review of the chief executive, as detailed in Schedule 7 of the Local Government Act 2002, and that this task was delegated to the Appointments, Performance Review and Value for Money Committee

d) note that the Appointments, Performance Review and Value for Money Committee has completed a review of the chief executive’s employment under clause 35 of Schedule 7 of the Local Government Act 2002 and in doing so has assessed the matters in clause 35(2), and recommends that the chief executive’s employment contract is extended for a period of two years from the date of expiry of Mr Town’s current contract

e) agree to:

   either

   i) appoint the incumbent Chief Executive, Mr Stephen Town, for a second term of two years from the date of expiry of the first term being 31 December 2018.

   or

   ii) to advertise the vacancy in the office of the chief executive which begins on 1 January 2019.

f) subject to recommendation e), delegate to the mayor, the deputy mayor and the deputy chair, Appointments, Performance Review and Value for Money Committee, supported by the director people and performance, the council’s power to finalise the chief executive’s employment contract extension, consistent with the general terms and conditions of the chief executive’s current employment contract

g) agree that the Appointments, Performance Review and Value for Money Committee will present revised performance objectives for the chief executive for the Governing Body’s approval by September 2018

h) subject to recommendation e), agree that the Mayor will announce on behalf of the Governing Body:

   either

   i) the appointment of Mr Town as chief executive for a contract extension period of two years from 1 January 2019 to 31 December 2020

   or

   ii) that council will advertise a vacancy in the office of the chief executive

Chief executive’s remuneration review

i) note that the Appointments, Performance Review and Value for Money Committee has completed a review of the chief executive’s remuneration and recommends the following changes to the chief executive’s remuneration:

   i) a base salary of $677,669.90

   ii) the employers’ KiwiSaver contribution of $20,330.10
j) agree that any remuneration changes will take effect from 1 July 2018:
   i) a base salary of $677,669.90
   ii) the employers’ KiwiSaver contribution of $20,330.10

Restatement
k) agree that this report, attachment and resolutions will remain confidential until the matters contained in this report have been agreed between the Governing Body and the chief executive.

Horopaki / Context
8. The Governing Body was advised on 19 April 2018 that the chief executive’s contract expires on 31 December 2018. The Governing Body can either extend the chief executive’s contract by up to a further two years or advertise a vacancy.
9. Under the Local Government Act 2002, (LGA 2002) the council can only make this decision after it has completed an employment review as outlined in Schedule 7 of the LGA 2002. The Governing Body agreed that the Appointments, Performance Review and Value for Money (APRVFM) Committee would undertake the employment review and report back to the Governing Body with its recommendations (GB/2018/70 refers).

Tātaritanga me ngā tohutohu / Analysis and advice
Employment review
10. The APRVF M Committee undertook the chief executive’s employment review at its May and June 2018 committee meetings. All councillors were invited to participate in the APRVF M deliberations.
11. The LGA 2002 requires that the employment review must assess:
   • the performance of the chief executive
   • the mix and skills and attributes possessed by the chief executive, and the degree to which they are consistent with the skills and attributes that the council considers necessary for the future
   • any other factors the council considers relevant.
12. On 3 May 2018, the APRVF M Committee evaluated the chief executive’s performance. All councillors were invited to participate, and the review included feedback from nine external stakeholders. The committee concluded that the chief executive’s performance for the contract period to date had been met, and in some cases, exceeded expectations. The committee formally wrote to the chief executive summarising its conclusions (Attachment A).
13. On 7 June, 8 June and 12 June 2018, the APRVF M Committee considered the skills and attributes of the chief executive in relation to the council’s near-term priorities (covering the next two years) and any other factors that were considered relevant. All councillors were invited to meet with an external consultant to identify the council’s near-term priorities and the outcome of those meetings was presented to the committee.
14. After considering the requirements outlined in Schedule 7 of the LGA 2002, the APRVF M Committee recommends to the Governing Body that Mr Town’s employment contract is extended by a further two years.
15. During the employment review, the APRVF M Committee identified several new expectations it believes should be included in the chief executive’s performance objectives. Draft performance objectives will be presented to the Governing Body for approval by September 2018.
16. The mayor will present the APRVFM Committee’s recommendations to the Governing Body members.

17. If the Governing Body decides to advertise a vacancy it will need to commence a recruitment process. Based on the council’s own experience, and in discussions with other councils, a new recruitment process can take between six to 12 months to complete. The recruitment process will have to be approved by the Governing Body and separate advice will be provided if required.

Chief executive’s remuneration

18. The council has a contractual obligation to review the chief executive’s remuneration annually. The chief executive’s remuneration was last reviewed in December 2015 and fixed for a two-year period expiring in December 2017. The chief executive has had one remuneration change since commencing in January 2014. The chief executive’s total remuneration consists of a $690,000 salary and a car park. The chief executive funds the employers’ KiwiSaver contributions from his salary.

19. External expert advice indicates that the chief executive’s remuneration has fallen by 3.3 percent to maintain the compo-ratio agreed in 2015, or the equivalent of $26,668. The chief executive’s remuneration is only 0.7 percent above the minimum salary recommended by the external consultants (the bottom of the developing competency salary range).

20. The chief executive’s latest performance review suggests that Mr Town is in the competent performer pay range. If so, the council’s primary remuneration consultant advises that the competent performer range is $781,100 to $829,400 (with a mid-point of $805,245). This includes the employers’ KiwiSaver contributions.

21. After considering the outcome of the latest performance review and the external consultants advice, the APRVFM Committee recommends the chief executive’s total remuneration is increased by 1.16 per cent to $698,000. This consists of:
   i) a base salary of $677,669.90
   ii) the employers’ KiwiSaver contribution of $20,330.10

22. Agreed changes would take effect from 1 July 2018.

Changes to the chief executive’s contract

23. If the Governing Body approves changes to the chief executive’s contract or the terms and conditions, it is recommended that the finalisation of contract is delegated to the mayor, deputy mayor and deputy chair of the APRVFM Committee.

Ngā whakaawae ā-rohe me ngā tirohanga a te poari ā-rohe / Local impacts and local board views

24. Local board views were sought for the employment review.

Tauākī whakaawae Māori / Māori impact statement

25. The IMSB chair was consulted during the chief executive employment review.

26. The chief executive plays a key role in discharging Auckland Council’s Treaty of Waitangi and statutory obligations to Māori. Those obligations are reflected in the chief executive’s current performance objectives which expire on 31 December 2018.

Ngā ritenga ā-pūtea / Financial implications

27. There are no financial implications associated with the decisions in this paper, other than any changes in the cost of meeting the chief executive’s remuneration.
Ngā raru tūpono / Risks

28. The main risks are timeliness and continuity in senior executive leadership. Mr Town’s contract expires on 31 December 2018 and the Governing Body is encouraged to confirm its decision at this meeting to address any uncertainty, or if required, to commence a recruitment process.

Ngā koringa ā-muri / Next steps

29. Subject to the Governing Body’s decision, the next steps are either:

- To prepare an extension to the chief executive’s contract, incorporating any changes to its terms and conditions; or
- Prepare advice on the recruitment process.

Ngā tāpirihanga / Attachments

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Ngā kaihaina / Signatories

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<tr>
<th>Author</th>
<th>Patricia Reade - Director People and Performance</th>
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<tr>
<td>Authoriser</td>
<td>Phil Wilson - Governance Director</td>
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29 May 2018

Stephen Town
Chief Executive
Auckland Council

Via e-mail: stephen.town@aucklandcouncil.govt.nz

Tēnā koe Stephen

Re: Confidential - Chief Executive performance review

As part of your employment review, on 3 May 2018 the Appointments Performance Review and Value for Money (APRVFM) Committee carried out a review of your performance as Chief Executive for the period of your employment to date. The relevant resolution from that meeting is attached.

As you are aware, the committee determined that your performance had met, and in some cases, exceeded expectations. The committee also agreed that the Mayor (as chair), the deputy chair, and deputy mayor summarise the committee’s view in writing to you, which we set out in this letter.

The committee was unanimous on your performance. We agreed a rating of three and sometimes four out of five in most areas where we assessed your performance. As Chief Executive, you were assessed as demonstrating steady, reliable and consistent leadership. A particular strength was the strong relationships you have developed with a large variety of stakeholders.

Moving forward, we would like to highlight that we would expect strong leadership from you in the following areas:

- continue driving organisational performance and resilience. The strength of the organisation depends on you maximizing the performance and the accountability of every member of your executive leadership team;
- facilitate the strengthening of relationships with the Chief Executives of the Council Controlled organizations and their respective organizations to improve communication and progress of work programs across the wider council group
- more visible, proactive fronting of key issues, challenges and successes.

We will complete the remainder of the employment review at the committee’s 7 June meeting and make a recommendation to governing body regarding reappointment for the next two years following that meeting.

Ngā mihi

The Mayor Phil Goff
Chair
APRVFM Committee

Cr Christine Fletcher
Deputy Chair
APRVFM Committee

Deputy Mayor Bill Cashmore

C C: Patricia Reade - Director, People and Performance, Auckland Council
C2 Chief Executive’s Employment Review: Part One

Resolution number APP/2018/1

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

That the Appointments, Performance Review and Value for Money Committee:

a) review the Chief Executive’s performance for the period January 2014 to April 2018 as part of his employment review.

b) note that the Appointments, Performance Review and Value for Money Committee has completed a performance review of the Chief Executive, consistent with the Auckland Council’s obligations under Schedule 7 of the Local Government Act 2002.

c) confirm that the Appointments Performance Review and Value for Money Committee has determined that the Chief Executives performance for the contract period to date has been met and in some cases exceeded expectations.

d) delegate to the chair, deputy chair and deputy mayor responsibility to summarise the Appointments, Performance Review and Value for Money Committee’s view in writing to the Chief Executive.

Restatement

e) agree that the report and attachments will remain confidential, until after the Governing Body has considered the Chief Executive’s employment review from late June 2018, and that advice will be provided by staff on which documents can be made publicly available.

CARRIED