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, 19 March 2019 at 9.34am.

PRESENT

Chairperson  Cr Ross Clow  
Deputy Chairperson  Cr Desley Simpson, JP  
Members  Cr Josephine Bartley  
  Cr Dr Cathy Casey  
  Cr Fa’anana Efeso Collins  
  Cr Linda Cooper, JP  
  Cr Chris Darby  
  Cr Alf Filipaina  
  Cr Hon Christine Fletcher, QSO  
  Mayor Hon Phil Goff, CNZM, JP  
  Cr Richard Hills  
  IMSB Member Tau Henare  
  Cr Penny Hulse  
  Cr Mike Lee  
  Cr Daniel Newman, JP  
  Cr Greg Sayers  
  Cr Sharon Stewart, QSM  
  IMSB Chair David Taipari  
  Cr Sir John Walker, KNZM, CBE  
  Cr Wayne Walker  
  Cr John Watson  
  Cr Paul Young

From 10.06am, Item 8

ABSENT

Members  Deputy Mayor Bill Cashmore  
  IMSB Member Terrence Hohneck
Acknowledgement

The meeting opened with a moment’s silence to acknowledge the recent tragic events in Christchurch.

1 Apologies

Resolution number FIN/2019/14

MOVED by Chairperson R Clow, seconded by Cr E Collins:

That the Finance and Performance Committee:

a) accept the apology from Deputy Mayor BC Cashmore for absence on council business, IMSB Member Terrence Hohneck for absence, Cr P Hulse for late arrival, Cr D Simpson for early departure, on council business, and Cr L Cooper for early departure.

CARRIED

Note: Cr D Simpson did not depart early.

2 Declaration of Interest

A declaration of interest was received from Cr Darby for item 13 – Eden Park Trust loan guarantee for receipt of various tickets to events from The Eden Park Trust.

3 Confirmation of Minutes

Resolution number FIN/2019/15

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

That the Finance and Performance Committee:

a) confirm the ordinary minutes of its meeting, held on Tuesday, 19 February 2019, including the confidential section, as a true and correct record.

CARRIED

4 Petitions

There were no petitions.

5 Public Input

5.1 Public Input - Eden Park Trust

Note: This item was considered later in the meeting.
6  Local Board Input

6.1  Local Board Input - Albert-Eden Local Board relating to Eden Park

Note: This item was considered later in the meeting.

7  Extraordinary Business

There was no extraordinary business.

8  Recommendations from Appointments, Performance Review and Value for Money Committee - Auckland Council progress on savings up to 31 December 2018

IMSB Chair D Taipari joined the meeting at 9.38am.
Cr Sir J Walker joined the meeting at 9.41am.
Cr P Hulse joined the meeting at 9.51am.
Cr D Newman joined the meeting at 9.59am.
Cr M Lee joined the meeting at 10.03am.
IMSB Chair D Taipari left the meeting at 10.05am.
Cr C Fletcher joined the meeting at 10.06am.
Cr E Collins left the meeting at 10.29am.
IMSB Chair D Taipari returned to the meeting at 10.30am.

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

Resolution number FIN/2019/16

MOVED by Deputy Chairperson D Simpson, seconded by Mayor P Goff:

That the Finance and Performance Committee:

a) receive the Auckland Council progress report on savings up to 31 December 2018 (included in Attachment A of the agenda report).

CARRIED

Attachments

A 19 March 2019 - Finance and Performance Committee, Item 8 - Recommendations from Appointments, Performance Review and Value for Money Committee - Auckland Council progress on savings up to 31 December 2018 - PowerPoint presentation

9  Auckland Council Green Bond Activities and Green Bond Pledge

Cr C Fletcher left the meeting at 10.44am

Resolution number FIN/2019/17

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

That the Finance and Performance Committee:

a) note the update on council’s green bond activities.
b) endorse Auckland Council’s commitment to the Green Bond Pledge.

CARRIED
Cr Fletcher returned to the meeting at 10.49am

10 Approval of Auckland Regional Amenities Funding Act levy 2019-2020

Cr E Collins returned to the meeting at 10.51am.
IMSB Member T Henare left the meeting at 10.57am.
Cr W Walker left the meeting at 11.02am.

A letter from Vern Walsh, Chairperson – Auckland Regional Amenities Funding Board dated 28 February 2019 regarding the Auckland Council submission was given. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Resolution number FIN/2019/18

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

That the Finance and Performance Committee:

a) approve the total levy applied for by Auckland Regional Amenities Funding Board of $15,504,500 for 2019/2020.

CARRIED

Attachments

A 19 March 2019 - Finance and Performance Committee, Item10 - Approval of Auckland Regional Amenities Funding Act levy 2019-2020 - letter regarding Auckland Council submission

11 Approval of the Museum of Transport and Technology levy 2019/2020

Cr W Walker returned to the meeting at 11.13am.
IMSB Member T Henare returned to the meeting at 11.15am.

Present for the item were Dr Lesley McTurk Chair MOTAT Board; Michael Frawley Chief Executive and Wayne Schache, General Manager Business Services. Also present were Mike Spraggon, Deputy Chair of the MOTAT Board and Steven Fox General Manager, Museum Experience.

Resolution number FIN/2019/19

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

That the Finance and Performance Committee:

a) approve the total levy applied for by the Museum of Transport and Technology of $15,811,739 for 2019/2020.

CARRIED

12 Approval of Auckland War Memorial Museum levy, 2019-2020

Present for the item were Jo Brosnahan, Chair - AWMM Planning Committee; David Gaimster (Chief Executive); Megan McSweeney (Director, Marketing, Communications & External Affairs); Jignasha Patel (Director, Enterprise and Finance); and Victoria Passau (Governance and Compliance Advisor)
Resolution number FIN/2019/20

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

That the Finance and Performance Committee:

a) approve the total levy applied for by the Auckland War Memorial Museum of $32.292 million for 2019/2020, noting that this is an increase of 2.5 per cent from 2018/2019.

CARRIED

Attachments

A 19 March 2019 - Finance and Performance Committee, Item 12 - Approval of Auckland War Memorial Museum levy, 2019-2020 - highlights

The meeting adjourned at 11.48am and reconvened at 12.03pm.
IMSB Member T Henare, Cr G Sayers and IMSB Chair D Taipari were not present.

Megan Tyler, Chief of Strategy, provided advice on Item 13 – Eden Park trust loan guarantee stating that no discussions should take place in regard to regulatory matters at Eden Park.

5 Public Input

5.1 Public Input - Eden Park Trust

Mr Doug McKay, Chairperson of the Eden Park Trust Board; Nick Sautner, Chief Executive Officer – Eden Park Trust Board; Brett Winstanley, Chief Financial Officer – Eden Park Trust Board and Vicki Salmon, Member – Eden Park Trust Board gave a PowerPoint presentation. Also present from the Eden Park Trust Board were Nicholas Allbrecht, Nicky Duggan and Victoria Toon.

A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

IMSB Chair D Taipari returned to the meeting at 12.04pm.
IMSB Member T Henare returned to the meeting at 12.04pm.
Cr G Sayers returned to the meeting at 12.05pm.

Resolution number FIN/2019/21

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

That the Finance and Performance Committee:

a) receive and thank Mr Doug McKay, Chairperson – Eden Park Trust Board, Nick Sautner, Chief Executive Officer – Eden Park Trust Board, Brett Winstanley, Chief Financial Officer – Eden Park Trust Board, and Vicki Salmon, Member – Eden Park Trust Board, for their presentation regarding the Eden Park Trust loan guarantee.

CARRIED

Attachments

A 19 March 2019 - Finance and Performance Committee, Item 5.1 - Public Input - Eden Park Trust - PowerPoint presentation
6  Local Board Input

6.1  Local Board Input - Albert-Eden Local Board relating to Eden Park

Resolution number FIN/2019/22

MOVED by Cr C Fletcher, seconded by Cr S Stewart:

That the Finance and Performance Committee:

a) receive and thank Albert-Eden Local Board Chair, Peter Haynes, for his presentation regarding Eden Park.

CARRIED

The meeting adjourned at 1.28pm and reconvened at 1.53pm.

Cr L Cooper, Cr A Filipaina, IMSB Member T Henare, Cr P Hulse, Cr M Lee, and IMSB Chair D Taipari and Cr P Young were not present.

13  Eden Park Trust loan guarantee

Cr P Young returned to the meeting at 1.56pm.
Cr A Filipaina returned to the meeting at 1.57pm.
IMSB Member T Henare returned to the meeting at 1.57pm.
IMSB Chair D Taipari returned to the meeting at 1.57pm.
Cr L Cooper returned to the meeting at 1.57pm.
Cr P Hulse returned to the meeting at 1.57pm.
Cr M Lee returned to the meeting at 1.59pm.
IMSB Member T Henare left the meeting at 3.07pm.

Note: changes were made to clause b) ii) of the original motion with the agreement of the meeting prior to the amendment being moved

MOVED by Mayor P Goff, seconded by Cr A Filipaina:

That the Finance and Performance Committee:

a) authorise and delegate all necessary powers to the chief executive to:

   i) reach an agreement with Eden Park Trust and ASB Bank for Auckland Council to take over the $40 million loan from ASB Bank to Eden Park Trust together with other facilities provided by ASB Bank to Eden Park Trust before 30 September 2019.

   ii) reach an agreement with Eden Park Trust to consolidate the loans acquired from ASB Bank and Auckland Council loans into one or more new facilities on commercial terms including:

       A) first-ranking security over Eden Park Trust's assets
       B) a term of up to ten years
       C) an interest rate set at council's cost of funds plus a margin.

b) authorise and delegate all necessary powers to the chief executive to agree a limited recourse loan to fund capital expenditure of up to $9.8 million over a three-year period from 1 July 2019 under the following terms:

   i) a Development Funding Agreement to be prepared documenting details of the funding to Eden Park Trust
ii) all funding to be repayable in the event of any significant disposal of Eden Park Trust assets.

iii) continued security over Eden Park Trust's assets

iv) no interest payable.

c) agree that the chief executives of Auckland Council, Eden Park Trust and Regional Facilities Auckland jointly prepare an operational partnering proposal to be completed by March 2020.

MOVED by Deputy Chairperson D Simpson, seconded by Cr W Walker: an amendment by way of replacement of clause b):

That the Finance and Performance Committee:

b) authorise the chief executive to agree a grant to fund capital expenditure of up to $9.8 million over a three-year period from 1 July 2019 under a Development Funding Agreement.

The meeting adjourned at 3.11pm and reconvened at 3.23pm.

Cr E Collins, IMSB Member T Henare, Cr G Sayers, IMSB Chair D Taipari, and Cr P Young were not present.

IMSB Member T Henare returned to the meeting at 3.24pm.

At 3.24pm, it was:

Resolution number FIN/2019/23

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

That the Finance and Performance Committee:

a) agree pursuant to standing order 1.1.3, that an extension of time be granted, until the business of the agenda is complete.  

CARRIED

Cr P Young returned to the meeting at 3.25pm.
Cr G Sayers returned to the meeting at 3.25pm.
Cr E Collins returned to the meeting at 3.26pm.
IMSB Chair D Taipari returned to the meeting at 3.27pm.

MOVED by Cr C Fletcher, seconded by Cr S Stewart:

That the Finance and Performance Committee:

a) agree that the motion under debate should now be put.
A division was called for, voting on which was as follows:

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The procedural motion was declared **LOST** by 7 votes to 15.

Resolution number FIN/2019/24

MOVED by Deputy Chairperson D Simpson, seconded by Cr W Walker: an amendment by way of replacement of clause b):

That the Finance and Performance Committee:

b) authorise the chief executive to agree a grant to fund capital expenditure of up to $9.8 million over a three-year period from 1 July 2019 under a Development Funding Agreement.

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

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The amendment was declared **CARRIED** by 12 votes to 10.

**CARRIED**

*Cr Sir J Walker retired from the meeting at 5.04pm.*
Resolution number FIN/2019/25
MOVED by Cr C Darby, seconded by Cr M Lee: as an amendment by way of addition:
That the Finance and Performance Committee:
d) invite Eden Park Trust Board to report to the Finance and Performance Committee on at least a six-monthly basis to outline its performance and financial projections.
e) initiate discussions with the Government to seek amending the Eden Park Trust Deed to appropriately align the governance of Eden Park with funding.

CARRIED

The substantive motion was put in parts.

Resolution number FIN/2019/26
MOVED by Mayor P Goff, seconded by Deputy Chairperson D Simpson:
That the Finance and Performance Committee:
a) authorise and delegate all necessary powers to the chief executive to:
   i) reach an agreement with Eden Park Trust and ASB Bank for Auckland Council to take over the $40 million loan from ASB Bank to Eden Park Trust together with other facilities provided by ASB Bank to Eden Park Trust before 30 September 2019.
   ii) reach an agreement with Eden Park Trust to consolidate the loans acquired from ASB Bank and Auckland Council loans into one or more new facilities on commercial terms including:
      A) first-ranking security over Eden Park Trust’s assets
      B) a term of up to ten years
      C) an interest rate set at council’s cost of funds plus a margin.
   c) agree that the chief executives of Auckland Council, Eden Park Trust and Regional Facilities Auckland jointly prepare an operational partnering proposal to be completed by March 2020.
   d) invite Eden Park Trust Board to report to the Finance and Performance Committee on at least a six-monthly basis to outline its performance and financial projections.
   e) initiate discussions with the Government to seek amending the Eden Park Trust Deed to appropriately align the governance of Eden Park with funding.

CARRIED

Resolution number FIN/2019/27
MOVED by Mayor P Goff, seconded by Deputy Chairperson D Simpson:
That the Finance and Performance Committee:
b) authorise the chief executive to agree a grant to fund capital expenditure of up to $9.8 million over a three-year period from 1 July 2019 under a Development Funding Agreement.
A division was called for on clause b), voting on which was as follows:

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The motion was declared CARRIED by 12 votes to 7.

For clarity, the resolution reads as follows:

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CARRIED

For clarity, the resolution reads as follows:

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b) authorise the chief executive to agree a grant to fund capital expenditure of up to $9.8 million over a three-year period from 1 July 2019 under a Development Funding Agreement.

c) agree that the chief executives of Auckland Council, Eden Park Trust and Regional Facilities Auckland jointly prepare an operational partnering proposal to be completed by March 2020.

d) invite Eden Park Trust Board to report to the Finance and Performance Committee on at least a six-monthly basis to outline its performance and financial projections.

e) initiate discussions with the Government to seek amending the Eden Park Trust Deed to appropriately align the governance of Eden Park with funding.

14 Finance and Performance Committee - Information Report - 19 March 2019

Resolution number FIN/2019/28

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

That the Finance and Performance Committee:

a) receive the information report – 19 February 2019.

CARRIED
15 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

16 Procedural motion to exclude the public

The public excluded item was withdrawn.

5.15pm

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:...........................................