Komiti ā Pūtea, ā Mahi Hoki / 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, 21 May 2019 at 10.33am.

PRESENT

Chairperson
Cr Ross Clow

Deputy Chairperson
Cr Desley Simpson, JP

Members
Cr Josephine Bartley
Cr Dr Cathy Casey
Deputy Mayor Cr Bill Cashmore
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 Sharon Stewart, QSM
Cr Wayne Walker
Cr John Watson
Cr Paul Young

Until 11.28am, Item 8

Until 12.13 pm, Item 9

Until 11.28am, Item 8

ABSENT

Members
Cr Fa’anana Efeso Collins
Cr Greg Sayers
Cr Sir John Walker
IMSB Chair David Taipari
IMSB Member T Hohneck
1 **Apologies**

Resolution number FIN/2019/45

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

That the Finance and Performance Committee:

a) accept the apologies from Cr E Collins, IMSB Member T Hohneck, Cr G Sayers, IMSB Chair D Taipari and Cr Sir J Walker for absence; Cr S Stewart for absence on council business (from 11.00am until 11.30am); and Deputy Mayor Cr B Cashmore and Cr P Young for early departure, on council business.

CARRIED

2 **Declaration of Interest**

There were no declarations of interest.

3 **Confirmation of Minutes**

Resolution number FIN/2019/46

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

That the Finance and Performance Committee:

a) confirm the ordinary minutes of its meeting, held on Tuesday, 16 April 2019 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 Presentations from the Auckland Regional Amenities Funding Board

David Houldsworth, Chief Executive – Stardome Observatory and Planetarium and Carol Gernhoefer (Trustee and Chair of Audit and Risk Committee) – Stardome Observatory and Planetarium presented on the organisation’s achievements.

Callum Gillespie, Chief Executive – Coastguard Northern Region and Roy Savage, Coastguard Northern Region Board Member presented on the organisation’s achievements.

Cr S Stewart left the meeting at 10.53am.
Cr C Darby left the meeting at 11.25am.
Deputy Mayor BC Cashmore retired from the meeting at 11.28am.
Cr P Young retired from the meeting at 11.28am.
Cr S Stewart returned to the meeting at 11.29am.

Matthew Williams, Chief Executive Officer – Surf Life Saving Northern Region presented on the organisation’s achievements.

Cr C Darby returned to the meeting at 11.35am.

Note: changes to the original motion were incorporated with the agreement of the meeting.

Resolution number FIN/2019/47

MOVED by Cr J Watson, seconded by Cr C Fletcher:

That the Finance and Performance Committee:

a) thank the representatives from Coastguard Northern Region, Stardome Observatory and Planetarium; and Surf Life Saving Northern Region for their attendance and the information provided on their key achievements and challenges.

CARRIED

The meeting adjourned 11.54am and reconvened at 12.01pm.

Cr A Filipinia, Cr C Fletcher, Cr M Lee, Cr R Hills, and Cr W Walker were not present.

9 Proposal for Watercare Services Limited to provide water services in Waikato district

Cr R Hills returned to the meeting at 12.04pm.
Cr A Filipaina returned to the meeting at 12.04pm.
Cr W Walker returned to the meeting at 12.04pm.
Cr M Lee returned to the meeting at 12.04pm.
Cr C Fletcher returned to the meeting at 12.10pm.
Cr D Newman retired from the meeting at 12.13pm.

Catherine Harland, Board Director; Raven Jaduram, Chief Executive Officer; Rob Fisher, Company Secretary; Marlon Bridge, Chief Financial Officer; Steve Webster, Chief Infrastructure Officer; and Emma McBride, Governance Manager were present on behalf of Watercare Services Limited.

Note: changes to the original motion under clause a) were incorporated with the agreement of the meeting.
Resolved: 

Resolution number FIN/2019/48

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

That the Finance and Performance Committee:

a) endorse Watercare Services Limited entering into the first two years of a conditional Delegated Management Agreement for water services in Waikato district to provide water, wastewater and some stormwater services from 1 July 2019, as the first phase of a possible 32-year arrangement

b) endorse the three principles that underpin the proposed arrangement:

   i) Watercare Services Limited will ensure its obligations and service to Aucklanders are not compromised
   ii) there will be no cross-subsidy from Watercare Services Limited customers in Auckland to Waikato customers
   iii) Watercare Services Limited must make an acceptable return for delivering the services to customers of the Waikato district

c) note that during the initial two-year phase Watercare Services Limited will carry out further due diligence on the second phase, a 30-year period commencing 1 July 2021 in which Watercare Services Limited would provide end-to-end services, including:

   i) developing an asset management plan and price path to be agreed with the Waikato Waters Governance Board
   ii) assessing the financial impacts, including the impacts on Auckland Council’s debt to revenue ratio
   iii) consulting with Aucklanders on the proposal, as required under the Local Government Act 2002

d) note that if agreeing to enter phase 1 there will be an expectation that the commercial relationship will continue into phase 2 unless there are good reasons not to

e) note that before Watercare Services Limited commits to entering phase 2, it will seek endorsement from the Governing Body, which will specifically consider:

   i) the three principles in clause b) of this resolution being met
   ii) group financial impacts, including the impacts on the Auckland Council group’s debt to revenue ratio
   iii) any other risks at a group level
   iv) the results of consultation with Aucklanders

f) request Watercare Services Limited to work with Auckland Council staff to assess the items in clause e) of this resolution during the initial two-year phase to inform further advice to the Governing Body

CARRIED
10 Summary of Finance and Performance Committee information memorandum and briefings - 21 May 2019

Resolution number FIN/2019/49

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

That the Finance and Performance Committee:

a) note the progress on the forward work programme

b) receive the Summary of Finance and Performance Committee information memorandum and briefings – 21 May 2019.

CARRIED

11 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

1.05pm 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: