
Komiti ā Pūtea, ā Mahi Hoki / Finance and Performance Committee

OPEN MINUTES

Minutes of an extraordinary meeting of the Finance and Performance Committee held in the Reception Lounge, Auckland Town Hall, 301-305 Queen Street, Auckland on Wednesday, 22 May 2019 at 9.38am.

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	
	IMSB Member Tau Henare	Until 1.40pm, Item 9
	Cr Richard Hills	
	Cr Penny Hulse	
	IMSB Member Tony Kake	Until 1.40pm, Item 9
	Cr Mike Lee	From 9.54am, Item 7
	Cr Daniel Newman, JP	From 10.37am, Item 9
	Cr Greg Sayers	
	Cr Sharon Stewart, QSM	
	Cr Sir John Walker, KNZM, CBE	
	Cr Wayne Walker	
	Cr John Watson	
	Cr Paul Young	

ABSENT

Members	Cr Fa'anana Efeso Collins
	IMSB Member Terrence Hohneck
	IMSB Chair David Taipari

1 Apologies

Resolution number FIN/2019/50

MOVED by Chairperson R Clow, seconded by Cr G Sayers:

That the Finance and Performance Committee:

- a) **accept the apologies from Cr E Collins, for absence on council business; IMSB Chair D Taipari and IMSB Member T Hohneck for absence; and Cr D Newman for lateness, on council business.**

CARRIED

2 Declaration of Interest

There were no declarations of interest.

3 Petitions

There were no petitions.

4 Public Input

There was no public input.

5 Local Board Input

There was no local board input.

6 Extraordinary Business

There was no extraordinary business.

7 Overview of decision making for the Annual Budget 2019/2020 and the proposed amendment to the 10-year Budget 2018-2028

Cr M Lee joined the meeting at 9.54am.

During consideration of the item, Cr R Hills tabled detailed consultation results. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Note: changes to the original motion, adding new clause c) was made with the agreement of the meeting.

Resolution number FIN/2019/51

MOVED by Deputy Chairperson D Simpson, seconded by Cr L Cooper:

That the Finance and Performance Committee:

- a) receive this report as an overview of the process
- b) note that other decisions required to finalise the Annual Budget 2019/2020 and the proposed amendment to the 10-year Budget 2018-2028 regarding land transfers, are set out in separate reports on this agenda.
- c) request staff to ensure Have Your Say events and engagement format are approved by ward councillors as well as local boards before being finalised.

CARRIED

Attachments

- A 22 May 2019, Finance and Performance Committee - Item 7, Overview of decision making for the Annual Budget 2019/2020 and the proposed amendment to the 10-year Budget 2018-2028 - detailed consultation results

8 Annual Budget 2019/2020 - local board feedback and advocacy

The Waiheke Advocacy Initiatives had been omitted from the staff report and was tabled at the meeting. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Resolution number FIN/2019/52

MOVED by Chairperson R Clow, seconded by Cr L Cooper:

That the Finance and Performance Committee:

- a) consider feedback and advocacy from local boards when making decisions on the Annual Budget 2019/2020.

CARRIED

Attachments

- A 22 May 2019, Finance and Performance Committee - Item 8, Annual Budget 2019/2020 - local board feedback and advocacy - Waiheke Advocacy Initiatives

9 Annual Budget 2019/2020 - Mayor's final proposal

Note: changes to the original motion were incorporated under clause b) xii) and xvii) with the agreement of the meeting.

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

That the Finance and Performance Committee:

- a) note in respect of the 2019/20 Annual Budget the following items, which are consistent with the 10-year Budget 2018-2028:
 - i) an average general rate increase of 2.5 per cent.
 - ii) the increase to the Uniform Annual General Charge of 2.5 per cent.
 - iii) the reduction in the business differential continues.
- b) agree to recommend to the Governing Body that the 2019/20 Annual Budget be based on the draft budget, adjusted for the updates set out in the staff reports, and incorporate the following changes and specific decisions:

Transport

- i) agree an additional \$12.2 million operational funding for Auckland Transport in 2019/2020 to address the cost pressures resulting from higher than forecast growth in public transport patronage and additional costs driven by changes to the Employment Relations Act.
- ii) request Auckland Transport and Auckland Council to jointly investigate options to alleviate Auckland Transport's future operational funding pressures and recommend a course of action as part of the Annual Budget 2020/2021.
- iii) agree to the implementation of ferry fare integration from 1 February 2020 with additional annualised operational funding of \$502,000.
- iv) agree to the implementation of free weekend and public holiday travel via public transport for children between 5 to 15 years old from 1 September 2019 with additional annualised operational funding of \$643,000.

Communities

- v) agree a one-off \$5 million contribution in 2019/2020 to the Auckland City Mission's HomeGround project.
- vi) agree an additional \$1.5 million of capital funding be added to the un-allocated capital funding for One Local Initiatives in 2027/2028.
- vii) agree an additional \$8.9 million of capital funding to undertake landowner's works at Colin Dale Park (\$4.1m in 2019/2020 and \$4.8m 2020/2021).
- viii) agree an additional \$200,000 per annum operational funding to support Auckland Citizens Advice Bureaux for 2019/2020 and 2020/2021, funded from existing budget.
- ix) agree to \$420,000 of operational funding in 2019/20 to undertake investigation and options analysis for the future of the central library, with this expenditure funded from existing budgets.
- x) agree to \$150,000 capital funding in 2019/2020 for signage within the Auckland Domain.
- xi) agree a one-off operational grant to the Hibiscus Youth Centre of \$100,000 in 2019/20, with this grant to be funded from existing budgets.
- xii) request that the review of the council's provision of financial support for youth centres, commissioned as part of 10-year Budget 2018-2028 decisions, report back to Environment & Community Committee (or its equivalent) by 31 March 2020.

Environment

- xiii) agree to continue providing \$200,000 per annum of operational funding to deal with illegal dumping, with this expenditure funded from existing budgets.
- xiv) agree to \$250,000 per annum of operational funding be transferred from Auckland Council parent to Auckland Transport to enhance graffiti eradication and prevention services along the rail corridor, with this expenditure funded from existing budgets.

Regional Facilities Auckland

- xv) agree an additional \$3.5 million of operational funding in 2019/2020 to meet the revenue shortfall resulting from business interruptions.
- xvi) agree an additional \$3 million capital funding and \$800,000 operational funding in 2019/2020 for protective security at facilities managed by Regional Facilities Auckland.

- xvii) agree that a detailed assessment be undertaken to determine the protective security requirements across the Auckland Council group's estate (including Regional Facilities Auckland) as part of the Annual Budget 2020/2021.
- xviii) agree an additional \$14 million of capital funding for the Aotea Centre refurbishment (\$10 million in 2019/20 and \$4 million in 2020/21).
- xix) request the Chief Executive of Auckland Council to review the circumstances surrounding the revised cost of the Aotea Centre refurbishment.

Cr D Newman joined the meeting at 10.37am.

Cr P Hulse left the meeting at 10.30am

Cr J Watson left the meeting at 11.28am.

Cr J Watson returned to the meeting at 11.39am.

Cr P Hulse returned to the meeting at 10.47am

Cr C Darby left the meeting at 12.05pm.

The meeting adjourned at 12.07pm and reconvened at 12.19pm.

Cr C Darby, IMSB Member T Henare, Cr M Lee, Cr W Walker and Cr P Young were not present.

Cr W Walker returned to the meeting at 12.22pm.

Cr P Young returned to the meeting at 12.22pm.

Cr C Darby returned to the meeting at 12.23pm.

IMSB Member T Henare returned to the meeting at 12.24pm.

Cr M Lee returned to the meeting at 12.27pm.

Resolution number FIN/2019/53

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

That the Finance and Performance Committee:

- a) **note in respect of the 2019/20 Annual Budget the following items, which are consistent with the 10-year Budget 2018-2028:**
 - i) **an average general rate increase of 2.5 per cent.**
 - ii) **the increase to the Uniform Annual General Charge of 2.5 per cent.**
 - iii) **the reduction in the business differential continues.**
- b) **agree to recommend to the Governing Body that the 2019/20 Annual Budget be based on the draft budget, adjusted for the updates set out in the staff reports, and incorporate the following changes and specific decisions:**
 - Transport**
 - i) **agree an additional \$12.2 million operational funding for Auckland Transport in 2019/2020 to address the cost pressures resulting from higher than forecast growth in public transport patronage and additional costs driven by changes to the Employment Relations Act.**
 - ii) **request Auckland Transport and Auckland Council to jointly investigate options to alleviate Auckland Transport's future operational funding pressures and recommend a course of action as part of the Annual Budget 2020/2021.**
 - iii) **agree to the implementation of ferry fare integration from 1 February 2020 with additional annualised operational funding of \$502,000.**

- iv) agree to the implementation of free weekend and public holiday travel via public transport for children between 5 to 15 years old from 1 September 2019 with additional annualised operational funding of \$643,000.

Communities

- v) agree a one-off \$5 million contribution in 2019/2020 to the Auckland City Mission's HomeGround project.
- vi) agree an additional \$1.5 million of capital funding be added to the un-allocated capital funding for One Local Initiatives in 2027/2028.
- vii) agree an additional \$8.9 million of capital funding to undertake landowner's works at Colin Dale Park (\$4.1m in 2019/2020 and \$4.8m 2020/2021).
- viii) agree an additional \$200,000 per annum operational funding to support Auckland Citizens Advice Bureaux for 2019/2020 and 2020/2021, funded from existing budget.
- ix) agree to \$420,000 of operational funding in 2019/20 to undertake investigation and options analysis for the future of the central library, with this expenditure funded from existing budgets.
- x) agree to \$150,000 capital funding in 2019/2020 for signage within the Auckland Domain.
- xi) agree a one-off operational grant to the Hibiscus Youth Centre of \$100,000 in 2019/20, with this grant to be funded from existing budgets.
- xii) request that the review of the council's provision of financial support for youth centres, commissioned as part of 10-year Budget 2018-2028 decisions, report back to Environment & Community Committee (or its equivalent) by 31 March 2020.

Environment

- xiii) agree to continue providing \$200,000 per annum of operational funding to deal with illegal dumping, with this expenditure funded from existing budgets.
- xiv) agree to \$250,000 per annum of operational funding be transferred from Auckland Council parent to Auckland Transport to enhance graffiti eradication and prevention services along the rail corridor, with this expenditure funded from existing budgets.

Regional Facilities Auckland

- xv) agree an additional \$3.5 million of operational funding in 2019/2020 to meet the revenue shortfall resulting from business interruptions.
- xvi) agree an additional \$3 million capital funding and \$800,000 operational funding in 2019/2020 for protective security at facilities managed by Regional Facilities Auckland.
- xvii) agree that a detailed assessment be undertaken to determine the protective security requirements across the Auckland Council group's estate (including Regional Facilities Auckland) as part of the Annual Budget 2020/2021.

- xviii) agree an additional \$14 million of capital funding for the Aotea Centre refurbishment (\$10 million in 2019/20 and \$4 million in 2020/21).
- xix) request the Chief Executive of Auckland Council to review the circumstances surrounding the revised cost of the Aotea Centre refurbishment.

CARRIED

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

- Cr C Fletcher against clauses a) and b)
- Cr M Lee against clauses a) and b)
- Cr D Newman against clauses b) xviii) and xix)
- Cr G Sayers against clauses a) and b)
- Cr S Stewart against clauses a) and b)
- Cr J Watson against clause b) xviii)
- Cr W Walker against clause b) xviii)

The meeting adjourned at 1.40pm and reconvened at 2.11pm.

Cr C Fletcher, Cr D Newman, Cr W Walker, Cr J Watson and IMSB Members T Kake and T Henare were not present.

10 Land transfers within the council group

Cr J Watson returned to the meeting at 2.13pm.
Cr D Newman returned to the meeting at 2.14pm.
Cr C Fletcher returned to the meeting at 2.14pm.
Cr W Walker returned to the meeting at 2.15pm.

Note: changes to the original motion were incorporated under clause a) v) A) and B) with the agreement of the meeting.

Resolution number FIN/2019/54

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

That the Finance and Performance Committee:

- a) recommend to the Governing Body to:
 - i) agree to the transfer of the waterfront assets currently owned by Panuku Development Auckland Limited, as listed in Attachment A, to Auckland Council by 30 June 2019, and
 - A) to amend the 10-year Budget 2018-2028 to reflect the transfer
 - B) grant shareholder approval for Panuku to undertake a major transaction in relation to the Companies Act 1993.
 - ii) approve a shareholder directive to Panuku Development Auckland to transfer the waterfront assets as listed in Attachment A, including all liabilities and obligations of Panuku, to Auckland Council by 30 June 2019

- iii) delegate to the chief executive, the authority to authorise any action necessary or desirable to give effect to the transfer of the waterfront assets, liabilities and obligations of Panuku to Auckland Council
- iv) endorse Panuku to lead the implementation of the Waterfront Plan 2012 (updated in 2017) and any subsequent update or amendment to the Plan approved by Auckland Council, including the redevelopment and management of the waterfront assets transferred under this resolution (shown in Figure 1 of this report)
- v) agree that the Auckland Council chief executive delegates to the chief executive of Panuku Development Auckland authority, subject to Auckland Council's Significance and Engagement Policy and any statutory limitations, as set out in the delegation instrument at Attachment B (subject to any required minor or ancillary amendments), which includes:
 - A) authority to manage the waterfront assets transferred and to generally do anything at any time that Auckland Council could do in relation to them, including without limitation rights to occupy, manage, control, allow others a right to use, exclude others, lease, collect revenue and use any dominant interests that land being part of the waterfront asset contains over other land". For the avoidance of doubt this does not include the ability to sell or otherwise dispose of waterfront assets.
 - B) authority to manage existing development agreements and enter into leases on the properties listed below (following the transfer) that are required to achieve the objectives of the Waterfront Plan 2012 and to enable the running of the 36th America's Cup:
 - Wynyard Quarter commercial development:*
 - 28 Madden Street (Lot 3 DP 490387)
 - 143 Beaumont Street (Lot 102 DP 518633)
 - Wynyard Quarter residential development:*
 - 117 Pakenham Street West (Lot 14 DP 490387)
 - 124 Halsey Street (Lot 9 DP 490387)
 - America's Cup related sites:*
 - 44-56 Hamer Street (Lot 8 DP 133386, Lot 9 DP 13338, Lot 4 DP 456818)
 - C) authority to manage the Westhaven Marina and Silo Marina and any assets comprising the Viaduct Marina that are owned by Auckland Council, and undertake development, maintenance and renewals to improve amenity and access for both berth holders and Aucklanders in accordance with the Waterfront Plan 2012, Westhaven Plan 2015 and any updated plan or strategy for marinas approved by Auckland Council.

- vi) confirm that all prior resolutions, delegations, approvals, agreements, authorisations and requests by the Governing Body or any of its committees relating to Panuku Development Auckland in relation to the waterfront still apply to Panuku Development Auckland; including but not limited to:
 - A) prior approvals given by the Finance and Performance Committee or the Planning Committee to Panuku Development Auckland to acquire, lease or dispose of land or property
 - B) prior resolutions, approvals, agreements, authorisations and requests made by the Planning Committee to Panuku Development Auckland in regard to the city centre waterfront
- vii) note that the above delegations do not constitute shareholder approval in terms of a future major transaction relating to a strategic asset.

CARRIED

11 Rates and fee issues for Annual Budget 2019/2020

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

Resolution number FIN/2019/55

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

That the Finance and Performance Committee:

- a) recommend to the Governing Body as part of the final Annual Budget 2019/2020 to:
 - i) retain the Waitākere rural sewerage (pump-out) service and the associated targeted rate until June 2021
 - ii) adopt the changes to fees as specified in Attachment B of the agenda report
 - iii) amend the Rating mechanism in the Funding Impact Statement to:
 - A) increase the base waste management targeted rate to \$121.06 (incl. GST)
 - B) include a food scraps targeted rate of \$68.34 (incl. GST) in the Northcote, Milford and Takapuna trial area
 - C) adjust the urban rating area boundary to include the properties identified in Attachment A to this report
 - D) introduce a zero-rated general rates differential that includes land used by religious organisations for:
 - 1) housing for religious leaders which is onsite or adjacent to the place of religious worship
 - 2) halls and gymnasiums used for community not-for-profit purposes
 - 3) not-for-profit childcare for the benefit of the community
 - 4) libraries
 - 5) offices that are onsite and which exist for religious purposes

- 6) non-commercial op-shops operating from the same title
 - 7) car parks serving multiple land uses but for which the primary purpose is for religious purposes
- b) recommend to the Governing Body that it agree to amend the:
- i) Revenue and Financing Policy to amend the general rates differential categories to include the zero-rated category as specified in Attachment C of this report
 - ii) Remission and Postponement Policy to remit the Uniform Annual General Charge and fixed charges for zero-rated land as specified in Attachment D of this report
- c) agree that officers report back on options for integrating the septic tank pump out service with the new monitoring regime including advice on the cost of the options, appropriate level of rate, and the area the service should apply to.

CARRIED

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

- Cr C Darby against clause a) iii) B)
- Cr R Hills against clause a) iii) B)
- Cr P Young against clause a) iii) B)
- Cr D Simpson against clauses a) ii) and a) iii) A)
- Cr S Stewart against clause a) iii) B)

12 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

Vote of appreciation

Resolution number FIN/2019/56

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

That the Finance and Performance Committee:

- a) extend its appreciation to all staff who have contributed to the Annual Budget 2019/2020.

CARRIED

2.27pm

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:.....