

8. 11. 2001

REPORT OF THE DIRECTOR OF FINANCE

1. APPOINTMENT OF CHRISTCHURCH CITY HOLDINGS LIMITED DIRECTORS

Officer responsible City Manager	Author Bob Lineham, DDI 371-1411
Corporate Plan Output: Trading Activities Monitoring	

The purpose of this report is to advise the Council on the procedure for replacement of Christchurch City Holdings directors.

Provisions of Constitution

The constitution of CCHL requires that on a date specified by the shareholder (CCC) not later than three months after the triennial elections all directors of the company shall resign but may be reappointed. The constitution also provides that the major shareholder is entitled to appoint and remove any person as a director at any time.

Current Board Membership

The constitution of the company provides that the company may have a board of no less than five and no more than nine directors. At least two of the directors must be external to the Council. In 1997 the Council established a policy of having three external directors.

Current directors of CCHL are:

Mr Alister James (Chairperson)	Councillor
Ms P Austin	Councillor
Mr C Boyce	External Director
Mr D Close	Former Councillor
Mr P Harrow	Councillor
Mr G Moore	Mayor
Mrs B Stewart	Councillor
Mr D Stock	External Director
Mr P Taylor	External Director

The three external directors have all provided valuable input to the working of the board, each bringing a different commercial perspective which has significantly enhanced the board's activities. Messrs Stock and Taylor have been members of the board since the company was established in 1993 and Mr Boyce was appointed in early 1998.

Timing of New Appointments

It has been the practice of the Council to review the appointments to the board of CCHL at the inaugural meeting of the Council and make any new appointments at that time. The former Council considered a report on the director appointment process at its final meeting in September and recommended that the same process be followed again this year. A copy of that report is appended to another report on this agenda relating to establishing a sub committee for recommending selection of Councillor directors for trading subsidiary companies.

Procedure for replacement of Directors

To comply with the requirements of the constitution of the company it will be necessary for the existing directors to all resign and the Council should then reappoint the Board which it requires, including existing members where appropriate. It is suggested that the date for resignation and reappointment is Monday 12 November being the date of the next scheduled board meeting after the inaugural meeting of the Council.

It is understood that the names of proposed new directors will be tabled at the Council meeting.

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- Recommendation:**
1. That Christchurch City Holdings Limited be notified that all existing directors of the company are required to resign with effect from 12 November 2001.
 2. That the Council approve the reappointment of Messrs Boyce, Stock and Taylor to the board of CCHL.
 3. That the Council approve the appointment to the board of CCHL of those Councillors named in the list tabled by the Mayor.

R A Lineham
DIRECTOR OF FINANCE

1 November 2001