



CORPORATE AND FINANCIAL COMMITTEE
3. 8. 2012

**A meeting of the Corporate and Financial Committee
was held in the No. 1 Committee Room
on Friday 3 August 2012 at 9am.**

PRESENT: Councillor Helen Broughton (Chairperson).
Councillors Tim Carter and Yani Johanson.

APOLOGIES: Councillors Ngaire Button, Jimmy Chen and Jamie Gough.

The Committee reports that:

PART A - MATTERS REQUIRING A COUNCIL DECISION

1. EARTHQUAKE FINANCIAL REPORT FOR MAY 2012

General Manager responsible:	Paul Anderson – General Manager, Corporate Services DDI 941 8528
Officer responsible:	Diane Brandish – Corporate Finance Manager
Author:	Paul Anderson – General Manager, Corporate Services

PURPOSE OF REPORT

1. The purpose of this report is to provide an update to the Council on financial matters relating to the earthquakes, as at 31 May 2012.
2. The report includes an overview on the expected overall financial impact of the earthquakes on the Council.

EXECUTIVE SUMMARY

3. Attached are appendices showing summaries of:
 - May Earthquake net cost and 2011/12 forecast (**Appendix 1**)
 - Earthquake life-to-date cost details (**Appendix 2**)
 - Earthquake overall cost forecast (**Appendix 3**)
 - Recoveries summary (**Appendix 4**).



Rebuild Costs

4. Expenditure of \$38.9 million was incurred in May, of which Stronger Christchurch Infrastructure Rebuild Team (SCIRT) costs amounted to \$24.9 million. SCIRT costs life-to-date now total \$241.5 million. Of this, \$78.7 million of work in progress was allocated in May across the specific areas of work as follows: \$49.8 million Wastewater; \$13.8 million Water Supply; \$7.8 million Pump Stations; \$6.7 million Roading; and \$0.6 million Stormwater.
5. Forecast expenditure for 2011/12 remains unchanged at \$286.8 million. This is \$59.0 million less than budget and relates to the facilities rebuild, with very little expenditure expected to occur this financial year while detailed engineering assessments are performed and Council approval for capital works is sought.

1 Cont'd

Emergency and Response Costs

6. Overall Emergency and Response costs increased by \$0.7 million in May. Wastewater response costs of \$4.1 million were incurred (an estimated 90 per cent of which relate to ongoing repairs and silt removal following the December event), while a further \$4.4 million was largely made up of Rockfall (\$1.3 million), Roading (\$1.2 million), and costs associated with Council assets/facilities (\$0.9 million). Largely offsetting this however, were other Wastewater costs (Laterals, CCTV and pipe works) which have been identified as (and transferred to) capital.
7. The overall forecast Council net cost for emergency and response costs for 2011/12 is \$53.2 million, which is just slightly lower than last month's forecast (\$53.5 million).
8. Of the forecast net cost to Council of \$53.2 million, \$0.9 million is funded from the Earthquake Mayoral Relief Fund (part of Auckland City Council's contribution), the balance will be funded from borrowing.

Recoveries

9. Of the \$759.8 million response and rebuild costs (refer appendix 2) incurred, \$288.1 million in recoveries (refer Appendix 4) has been received. This includes \$139.3 million from the Crown and \$127.0 million from NZTA for both emergency and response, and rebuild costs.
10. During the month the following monies were received:
 - NZTA - \$8.3 million for response rebuild costs
 - Crown - \$24.3 million from CERA reflecting the Crown's share of SCIRT costs from 1 July 2012 until 31 December 2012.

Building / Infrastructure Improvement Allowance

11. The Building / Infrastructure improvement allowance is currently set at \$175 million by the Council. To date the following allocations have been approved, leaving a balance of \$157 million.

Description	Meeting Date	Value
Oxidation Ponds	25/08/2011	16,128,000
Temporary Stadium cost contribution Rugby League Park	08/09/2011	1,000,000
Fendalton Library and Service Centre	16/02/2012	190,000
Linwood Community Arts Centre	15/03/2012	35,884
Cowles Stadium	05/04/2012	480,000
Pump Station 37	05/04/2012	126,000

The 2012/13 Annual Plan includes a further \$79.3 million of allocation to the Major Facilities Rebuild Programme. This would leave a balance of \$77.7 million.

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

12. Yes – there are none.

1 Cont'd

LEGAL CONSIDERATIONS

Have you considered the legal implications of the issue under consideration?

13. Yes – there are none.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

14. Both service delivery and financial results are in direct alignment with the LTCCP and Activity Management Plans.

Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

15. As above.

ALIGNMENT WITH STRATEGIES

16. Not applicable.

CONSULTATION FULFILMENT

17. Not applicable.

STAFF RECOMMENDATION

That the Council receive the Earthquake Financial Report for May 2012.

COMMITTEE RECOMMENDATION

That the Council adopt the staff recommendation.

REQUESTS FOR FURTHER INFORMATION

The Committee requested the following information regarding this report:

- Written clarification on whether the Council's insurer of underground structures for 2010-11 (LAPP) had a credit rating.
- That an extra column is added to the Building Infrastructure Improvement Allowance table (item 11), so that spending can be tracked.
- A breakdown of SCIRT set-up costs in the Life to Date table (Appendix 2); how the Council ensures value for money in this area; related work underway by CERA, and the financial controls that the Council has in place for spending in this area.
- A breakdown of the rockfall costs in the Life Forecast table (Appendix 3) into operational and capital costs.
- An overview of the financial implications of the Central City Development Unit Blueprint.

2. CORPORATE FINANCE REPORT FOR PERIOD ENDED 30 JUNE 2012

General Manager responsible:	General Manager Corporate Services, DDI 941-8528
Officer responsible:	Corporate Finance Manager
Author:	Diane Brandish

PURPOSE OF REPORT

1. The purpose of this report is to provide the Council with an update on key financial and treasury matters for the period ending 30 June 2012.

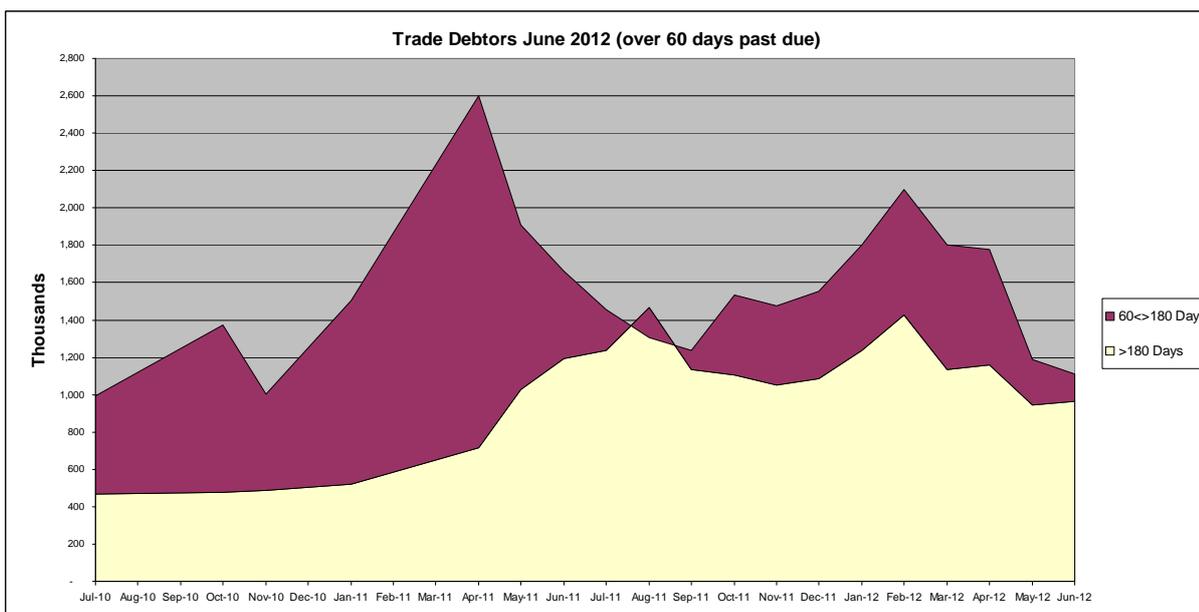
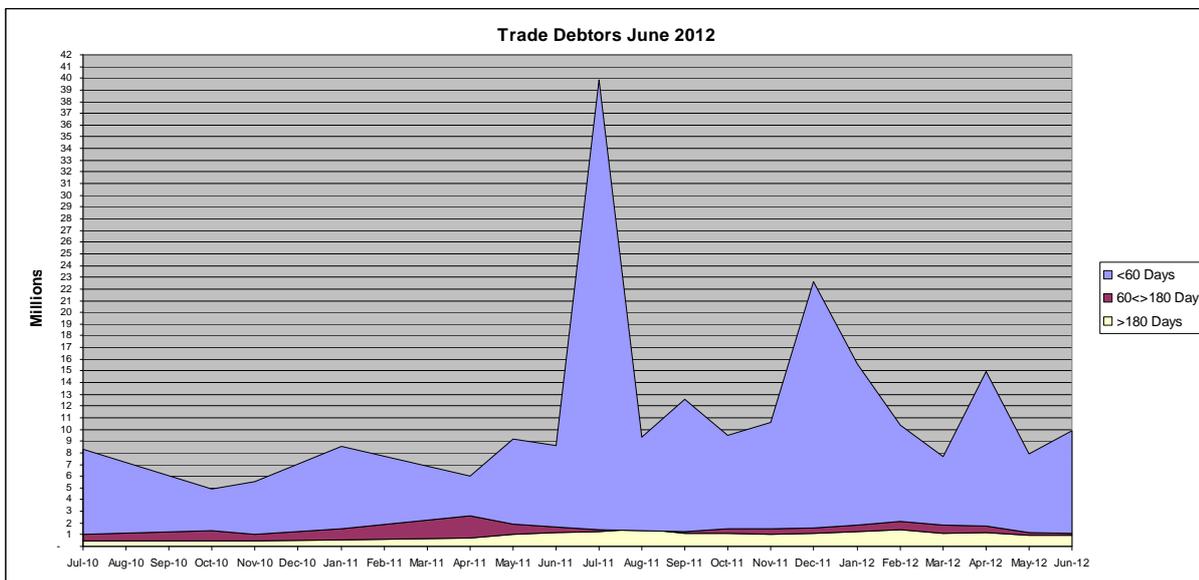
TREASURY

2. Since the meeting of 23 May 2012 we have received \$147 million of insurance monies (Local Authority Protection Programme (LAPP) (Infrastructure)). These funds have been applied to repay the \$50 million which had been drawn against the \$100 million (Commonwealth Bank of Australia (CBA) facility, with the balance being invested in liquid investments. The combination of liquid investments and the \$100 million CBA committed facility provides us with the flexibility that we require until such time as Crown funding arrangements are agreed.
3. No further reimbursement has been received from the New Zealand Transport Authority (NZTA) or the Christchurch Earthquake Recovery Authority (CERA). We are aware that a paper is being prepared to support the payment of some of the costs incurred by the Infrastructure Rebuild Management Office. Total costs incurred were \$56 million, some of which will be the Council's cost.
4. The table attached as **Appendix 1** sets out the key treasury performance measures. We remain outside of the upper and lower guidelines of the Liquidity and Funding Risk Management policy. As previously reported this is because of the short duration negotiated for the last \$250 million of borrowings in the expectation that Central Government would meet their funding obligations. Staff are working with CERA to secure more timely Crown funding so as to minimise the overall cost of borrowing for earthquake response and recovery costs.
5. At the May meeting we indicated that the intention was to approach the Local Government Funding Agency (LGFA) for \$140 million of borrowing with a five- to seven-year term and to repay the CBA facility which would have brought us back within the policy guidelines for Liquidity and Funding Risk. The first \$50 million was drawn down and the receipt of LAPP (infrastructure) insurance funds has negated the need, in the short term, for further borrowing. As \$75 million of debt maturing by November 2012 is refinanced through LGFA seven-year debt, the Council will come back within policy guidelines.
6. Also, as shown in Appendix 1, we have also moved outside maturity profile guidelines for interest rate exposure. The sale of Jet Engine Facility Limited (JEFL) and associated repayment of \$12.55 million JEFL-related debt, due to end in October 2013 has caused the Council to drop below the zero to three years maturity profile limit. In addition, interest rate swaps acquired during May to ensure that the Council remains within the Master fixed/floating risk control limit and which take advantage of low long-term interest rates have pushed the Council outside the five year plus limit. If no action is taken this will correct itself in June 2013 as existing maturities progress from the five year plus group into three to five years.
7. Given the forecast growth in debt set out in the Annual Plan, the Treasury Review team considered it prudent to lock in historically low long-term interest rates in advance of borrowing. The weighted average cost of the Council's forward starting interest rate swaps is 4.07 per cent, compared to the 6.30 per cent ten-year average of five year swaps. The Treasury Review team are continuing to monitor the position but have not yet acted to resolve the breach because of the ongoing uncertainty around Crown funding and therefore short-term borrowing requirements. A solution will be recommended in the October Corporate Finance Report.

2 Cont'd

DEBTORS

8. At 30 June 2012 the debtors' balance stood at \$9.8 million, \$25.7 million below that reported in April. The change is mainly due to payment by CERA of the \$24 million invoice.
9. Overdue debtors have reduced by \$700,000 to \$1.1 million, but because of the drop in total debt the percentage has increased from 5.0 per cent to 11.1 per cent of total debt.
10. \$339,581 has been written off for the year-to-date compared to \$214,695 for the same time last year. Further detail is provided in **Appendix 2** (attached). As for previous reports the main reason for the write-off in each area is that debtors cannot be located. The process around non-paying housing tenants was tightened up some time ago and tenants are first approached, then if necessary taken to a mediation and, if necessary, a Tenancy Tribunal Hearing.



2 Cont'd

FINANCIAL AND LEGAL CONSIDERATIONS

11. There are no financial or legal implications.

STAFF RECOMMENDATION

That the Council receive the Corporate Finance Report for the period ended 30 June 2012.

COMMITTEE RECOMMENDATION

That the Council adopt the staff recommendation.

FURTHER INFORMATION REQUESTED

The Committee requested the following information regarding this report:

- A briefing paper on treasury issues to be provided for its October meeting.
- In relation to paragraph 10, how much rent debt the Council allows its tenants to accumulate.

3. **2011 ANNUAL REPORTS FOR COUNCIL CONTROLLED ORGANISATIONS (CCOS): CIVIC BUILDING LIMITED, VBASE LIMITED, WORLD BUSKERS FESTIVAL TRUST, TUAM LIMITED, CHRISTCHURCH AGENCY FOR ENERGY TRUST, ROD DONALD BANKS PENINSULA TRUST, RICcarton BUSH TRUST AND MAYOR'S WELFARE FUND CHARITABLE TRUST**

General Manager responsible:	General Manager Corporate Services, DDI 941-8528
Officer responsible:	Corporate Finance Manager
Author:	Diane Brandish

PURPOSE OF REPORT

1. The purpose of this report is to present to the Council the Annual Reports for Council Controlled Organisations (CCOs) for the year ended 30 June 2011.

EXECUTIVE SUMMARY

2. The 2011 Annual Reports from the following organisations are attached for information:

- Civic Building Limited (**Attachment 1**)
- VBase Limited (**Attachment 2**)
- World Buskers Festival Trust (**Attachment 3**)
- Tuam Limited (**Attachment 4**)
- Christchurch Agency for Energy Trust (**Attachment 5**)
- Rod Donald Banks Peninsula Trust (**Attachment 6**)
- Riccarton Bush Trust (**Attachment 7**)
- Mayor's Welfare Fund Charitable Trust (**Attachment 8**).

3. Council Controlled Organisations (CCOs) are required under section 67 of the Local Government Act 2002 to submit an annual report to the Council within three months after the end of the financial year.

4. An annual report must contain the information that is necessary to enable an informed assessment of the operations of the CCOs to be made including audited financial statements and an auditor's report on those financial statements and the performance targets and other measures by which performance was judged.

3 Cont'd

5. Due to the priority given to matters relating to claims resulting from the Canterbury earthquakes the 2011 Annual Reports are only now being reported to the Council.

STAFF RECOMMENDATION

That the Council receive the 2011 Annual Reports for the Council Controlled Organisations.

COMMITTEE RECOMMENDATION

- (a) That the Council receive the following 2011 Annual Reports:

- Civic Building Limited
- Vbase Limited
- World Buskers Festival Limited
- Tuam Limited
- Christchurch Agency for Energy Trust
- Rod Donald Banks Peninsula Trust
- Riccarton Bush Trust.

- (b) That the Council receive the 2011 Annual Report for the Mayor's Welfare Fund Charitable Trust.

Councillor Broughton took no part in the discussion or voting on recommendation (b).

FURTHER INFORMATION REQUESTED

With respect to the Investment Property table for Civic Building Limited (item 7, page 17 of the Annual Report), further information was requested on what the \$3.7 million for additions in 2011 was spent on.

4. HALF-YEARLY REPORTS FOR ROD DONALD BANKS PENINSULA TRUST, CHRISTCHURCH AGENCY FOR ENERGY TRUST, RICCARTON BUSH TRUST, VBASE LIMITED AND CIVIC BUILDING LIMITED FOR THE PERIOD TO 31 DECEMBER 2011

General Manager responsible:	General Manager Corporate Services, DDI 941-8528
Officer responsible:	Corporate Finance Manager
Author:	Diane Brandish

PURPOSE OF REPORT

1. The purpose of this report is to present to the Council the half-yearly reports for the six months to 31 December 2011 of the entities listed below.

EXECUTIVE SUMMARY

2. The half-yearly reports from the following organisations are attached for information:
- Rod Donald Banks Peninsula Trust (**Attachment 1**)
 - Christchurch Agency For Energy Trust (**Attachment 2**)
 - Riccarton Bush Trust (**Attachment 3**)
 - Vbase Limited (**Attachment 4**)
 - Civic Building Limited (**Attachment 5**).

4 Cont'd

3. The organisations are required by statute to present to the Council half-yearly reports of their performance against the objectives and performance measures set out in their annual Statements of Intent.

OVERVIEW

4. There are no major surprises or changes in direction signalled in the attached documents other than as detailed below. Specific comments on each organisation are provided in the attached reports.

Rod Donald Banks Peninsula Trust

- The Trust's investment strategy does not comply with their policy in that they are investing capital with banks and financial institutions rated below A- /A2.

FINANCIAL IMPLICATIONS

5. There are no financial implications to the Council.

Do the Recommendations of this Report Align with 2009-19 LTP budgets?

6. Not applicable.

LEGAL CONSIDERATIONS

7. This action is required under s66 of the Local Government Act.

Have you considered the legal implications of the issue under consideration?

8. There are no additional implications.

ALIGNMENT WITH LTF AND ACTIVITY MANAGEMENT PLANS

9. Not applicable.

Do the recommendations of this report support a level of service or project in the 2009-19 LTP?

10. No.

ALIGNMENT WITH STRATEGIES

11. Not applicable.

Do the recommendations align with the Council's strategies?

12. Not applicable.

CONSULTATION FULFILMENT

13. No.

4 Cont'd

STAFF RECOMMENDATION

That the Council receive the half-yearly reports for the period to 31 December 2011 for the following Council Controlled Organisations:

- Rod Donald Banks Peninsula Trust
- Christchurch Agency For Energy Trust
- Christchurch Agency for Energy Trust
- Riccarton Bush Trust
- Vbase Limited
- Civic Building Limited.

COMMITTEE RECOMMENDATION

That the Council adopt the staff recommendation.

5. **DRAFT STATEMENTS OF INTENT FOR COUNCIL CONTROLLED ORGANISATIONS (CCOS): CIVIC BUILDING LIMITED, WORLD BUSKERS FESTIVAL TRUST, TUAM LIMITED, CHRISTCHURCH AGENCY FOR ENERGY TRUST, ROD DONALD BANKS PENINSULA TRUST, RICcarton BUSH TRUST AND NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED, FOR THE YEAR ENDING 30 JUNE 2013**

General Manager responsible:	General Manager Corporate Services, DDI 941-8528
Officer responsible:	Corporate Finance Manager
Author:	Diane Brandish

PURPOSE OF REPORT

1. The purpose of this report is to present to Council the draft Statements of Intent (SOI) for the Council Controlled Organisations (CCOs) for review and comment.
2. The report to the Committee contained SOIs from the following organisations (attached for information), however the Committee only considered the SOI from the Rod Donald Banks Peninsula Trust.
 - Civic Building Limited (**Attachment 1**)
 - World Buskers Festival Trust (**Attachment 2**)
 - Tuam Limited (**Attachment 3**)
 - Christchurch Agency For Energy Trust (**Attachment 4**)
 - Rod Donald Banks Peninsula Trust (**Attachment 5**)
 - Riccarton Bush Trust (**Attachment 6**)
 - New Zealand Local Government Funding Agency Limited (**Attachment 7**).
3. The CCOs are required by statute to submit an annual Statement of Intent to the Council. A Statement of Intent must set out the entity's objectives and performance measures, as well as certain other information.
4. Organisations are required by the Local Government Act 2002 to deliver to their shareholders a draft statement of intent on or before 1 March. They must then consider comments on their SOI from their shareholders received by 1 May, and then to issue a final SOI by 30 June.
5. Due to the priority given to matters relating to claims resulting from the Canterbury earthquakes the Statements of Intent are only now being reported to the Council.

5 Cont'd

6. This is the first Statement of Intent for the New Zealand Local Government Funding Agency Limited as the company was only incorporated during the 2011/12 financial year. Other than as identified below for the Rod Donald Banks Peninsula Trust there are no major surprises or changes in direction signalled in the attached documents.
7. The Trustees of the Rod Donald Banks Peninsula Trust have proposed a change in their investment policy. Previously their policy aligned with that of the Council in that investment funds were deposited only with registered banks with a minimum long-term/short-term rating of A-/A2. Their new policy is attached as **Appendix 6** and provides that no more than 30 per cent of fixed income investments may be invested with counterparties meeting local and ethical criteria with the further restriction that a maximum of 7 per cent may be invested with each non rated Non Bank Deposit Taker and no more than 15 per cent in total.
8. Specific comments on each organisation are provided in the respective Attachments above.

FINANCIAL IMPLICATIONS

9. Not applicable

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

10. Yes

LEGAL CONSIDERATIONS

11. Not applicable

Have you considered the legal implications of the issue under consideration?

12. Yes

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

13. Not applicable

Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

14. Not applicable

ALIGNMENT WITH STRATEGIES

15. Not applicable

Do the recommendations align with the Council's strategies?

16. Yes

CONSULTATION FULFILMENT

17. Not applicable

5 Cont'd

STAFF RECOMMENDATION

That the Council:

- (a) Review the draft Statements of Intent.
- (b) Advise the Trustees of the Rod Donald Banks Peninsula Trust that it does not agree with their investment policy.
- (c) Advise officers of any other comment it wishes to make on the draft Statements of Intent.

COMMITTEE CONSIDERATION

The Committee recognises that although investment in Prometheus Finance is outside the Council's standard Investment Policy, it considers that the investment of seven percent or \$250,000 of the Trust's funds in Prometheus Finance is appropriate in this instance, due to the unique nature of both organisations and the synergies between them. Independent advice to the Trust from Stuart Henderson is attached for information (**Attachments 5 and 5.1**).

COMMITTEE RECOMMENDATION

That the Council:

- (a) Review the draft Statement of Intent for the Rod Donald Banks Peninsula Trust.
- (b) In terms of 6.3.9 of the Council's Investment Policy, authorise the Rod Donald Banks Peninsula Trust to invest its capital with Prometheus Finance to a maximum of seven percent of the capital sum held by the Trust at any time, or \$250,000, whichever is the lesser.
- (c) With respect to staff recommendations (a) and (c) in relation to the other Council Controlled Organisations, let this report lie on the table until the Committee's next meeting on Friday 7 September 2012.

6. TEMPORARY WALK-IN CUSTOMER SERVICE FACILITIES

General Manager responsible:	General Manager Public Affairs, DDI 941-8982
Officer responsible:	David Dally
Author:	David Dally, Unit Manager Customer Services

PURPOSE OF REPORT

- 1. A Council resolution on 26 June 2012 requested staff to report back on options and costs associated with the establishment of temporary walk-in customer service operations at sites where service centres are currently not operating due to earthquake damage, that is the Linwood and Sockburn service centres.

EXECUTIVE SUMMARY

- 2. The Sockburn and Linwood service centres are currently closed as a result of earthquake damage. A portable building for walk-in customer services is on-site at Linwood and will be operational on 26 July. Suitable temporary solutions are in place for Lyttelton and Akaroa. A temporary walk-in customer service solution for Beckenham is under urgent action. There is currently no temporary solution for Sockburn.

6 Cont'd

3. This represents a reduction in the 2009-19 LTCCP level of service until the new library and service centre as approved in the 2012/13 Annual Plan has been constructed.
4. Note that temporary accommodation for other council staff displaced by the closure of Sockburn is being addressed as a separate issue. Property options in the area are limited due to the migration of displaced businesses and thus it could take some time to identify a solution. However, it is most unlikely that any such solution would be in a location that was convenient for walk-in customers.
5. The Sockburn service centre has been closed since 9 May 2011. Evidence suggests that customers have relocated their Council business from Sockburn primarily to the Riccarton service centre where monthly transaction volumes have increased from 800 to 3500. An extra work station has been installed and staffing increased to accommodate this. The Sockburn transaction volume was about 1700 per month, so Riccarton has more than absorbed this level of activity.
6. There is a manual receipting service for rates payments at Hornby Video, and this has also helped spread the load. Monthly transactions there have increased from 85 to nearly 1000.
7. These transaction volume increases may also be at least partly attributable to Civic Offices being closed for a long period, with customers moving their Council business elsewhere across the network.
8. Setting up a suitable portable building facility at Sockburn or Hornby would cost about \$25 000 to fit out, plus weekly hireage of \$200. These options are discussed below.
9. Consideration has also been given to establishing a walk-in service point in the Upper Riccarton Library, either within the library or a portable building sited outside.
10. Analysis of the transactions at nearby service centres and the manual receipting facility at Hornby taken in conjunction with the approximate costs of a portable building, suggest that an additional temporary solution for Sockburn cannot be justified.

FINANCIAL IMPLICATIONS

11. The portable building option would cost approximately \$25,000 plus a weekly hire cost of \$200 per week. In addition, there would be costs associated with additional EFTPOS terminals and cash collection.

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

12. No. Additional funding for refurbishing and wiring a portable building, plus rental, would be required, as outlined above.

LEGAL CONSIDERATIONS

Have you considered the legal implications of the issue under consideration?

13. Yes, and there are none.

ALIGNMENT WITH LTP AND ACTIVITY MANAGEMENT PLANS

14. Yes; the LTCCP and the unit's Activity Management Plan specifies a service centre at Sockburn.

6 Cont'd

Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

15. Yes. The 2012/13 Annual Plan includes the provision of a new library, service centre and community centre in the Hornby area, which in effect replaces the Sockburn facility. The reduction in the level of service at Sockburn is mitigated to some extent by the manual receipting service for rates payments at the Civic Video Store on the Hornby Mall.

ALIGNMENT WITH STRATEGIES

16. Not applicable.

CONSULTATION FULFILMENT

17. Not applicable.

CONSIDERATION OF THE OPTIONS

OPTION ONE: PORTABLE BUILDING AT SOCKBURN

18. The costs of this option are approximately \$25,000 in capital expenditure, plus a monthly hiring fee of \$200 per week.
19. There are practical and customer safety issues with this option. It could not easily be sited at Sockburn as it would need to be far enough away from the current earthquake damaged facilities, but be not too far away for power and EFTPOS cabling to be easily run from within the damaged building. Furthermore, customers may be reluctant to go there, because of post-earthquake safety issues with the building. Cash handling security and staff access to toilet and tea facilities would also present difficulties.

OPTION TWO: PORTABLE BUILDING AT HORNBY

20. Another location option would be on the hard standing at the Heartland Centre on Shands Road. The main problems here are the length of cabling that would be required and the taking up of scarce parking, cash security would also be a challenge as unlike Linwood, there is no readily accessible safe in a separate secure building.

OPTION THREE: PORTABLE BUILDING OUTSIDE UPPER RICCARTON

21. The Upper Riccarton library is already a customer destination. However, locating a portable building there would present significant practical difficulties. Cabling would have to be routed a significant distance to reach the car park hard standing, the only possible location. This presents other objections: the taking up of parking spaces that are at a premium and permission would also be required from the Ministry of Education due to the shared nature of the site.

OTHER CONSIDERATIONS

22. Libraries have been approached to assess the possibility of creating a service centre space within the Upper Riccarton library. However, libraries staff have indicated that there would be insufficient space for a walk-in service point.
23. The possibility of moving into the WINZ facility at the Heartland Centre has also been considered and canvassed with the senior management of the site. Although supportive in principle, there is just not enough room in an area where staff and various functionaries are already operating in very close proximity.

6 Cont'd

CONCLUSION

24. Based on the analysis of the options as outlined above and the associated costs, the preferred option is to do nothing further, and accept the reduction in level of service until the new Hornby library and service centre has been built. It is clear from the transactional data that customers have moved their council business elsewhere since May 2011, and the service centre network has effectively and efficiently accommodated these changes.

STAFF RECOMMENDATION

That the Council take no further action, and accept the reduction in level of service until the new Hornby library and service centre has been built.

COMMITTEE RECOMMENDATION

That this report lie on the table until the Committee's next meeting on Friday 7 September 2012.

7. ROD DONALD BANKS PENINSULA TRUST – RE-APPOINTMENT OF TWO TRUSTEES

General Manager responsible:	General Manager, Regulation & Democracy Services 941-8462
Officer responsible:	Manager, Legal Services Unit
Author:	Nadine Daines, Solicitor, Legal Services Unit

PURPOSE OF REPORT

1. To seek the Council's approval for the re-appointment of two trustees to the Rod Donald Banks Peninsula Trust.

EXECUTIVE SUMMARY

2. On 23 June 2011, the Council resolved to appoint Stewart Miller, Garry Moore, Stuart Wright-Stow, Nicola Shirlaw, Simon Mortlock, Claudia Reid and Tutehounuku (Nuk) Korako to serve as Trustees of the Rod Donald Banks Peninsula Trust from 1 July 2011. The term for the appointments was to be decided by ballot in accordance with Part 4 of Schedule 3 of the Declaration of Trust Relating to Rod Donald Banks Peninsula Trust, Te Pataka o Rakaihautu ("the Trust Deed"). A copy of the Trust Deed is attached.
3. A ballot was held and Claudia Reid and Nuk Korako drew a one year term (the other Trustees drew two and three year terms, as provided for in Part 4 of Schedule 3 of the Trust Deed).
4. Both Claudia Reid and Nuk Korako wish to be re-appointed as Trustees to the Trust. A three year term of re-appointment is recommended, as this will maintain the staggered terms achieved through the ballot process.

FINANCIAL IMPLICATIONS

5. Not applicable.

Do the Recommendations of this Report Align with 2009-19 LTCCP budgets?

6. Not applicable.

7 Cont'd

LEGAL CONSIDERATIONS

7. Clause 2.2 and Clause 4.1 of Schedule 3 of the Trust Deed provide that the Council may appoint trustees to the Rod Donald Banks Peninsula Trust, for a term of up to three years from the date of appointment. Clause 4.2 of Schedule 3 of the Trust Deed states that Trustees whose terms have expired will be eligible for re-appointment.

The re-appointment of Claudia Reid and Nuk Korako is consistent with the Council's Policy on Appointment and Remuneration of Directors which was adopted on 27 October 2011.

Have you considered the legal implications of the issue under consideration?

8. Yes, as above.

ALIGNMENT WITH LTCCP AND ACTIVITY MANAGEMENT PLANS

9. Not applicable.

Do the recommendations of this report support a level of service or project in the 2009-19 LTCCP?

10. Not applicable.

ALIGNMENT WITH STRATEGIES

11. Not applicable.

Do the recommendations align with the Council's strategies?

12. Not applicable.

CONSULTATION FULFILMENT

13. There is no requirement for public consultation prior to the appointment of trustees to the Rod Donald Banks Peninsula Trust.
14. Clause 2.3 of Schedule 3 of the Trust Deed does require that:

"In exercising its power to appoint and remove Trustees, the Settlor [the Council] will be mindful of the need to provide balanced representation in the Trust, including appropriate representation for relevant interest groups. In exercising such power the Settlor will comply with its policy on the appointment of trustees to a council controlled organisation and endeavour to ensure that the Trustees include persons possessing the generic and specific competencies identified by the Settlor from time to time as being desirable to be possessed by the Trustees".

STAFF RECOMMENDATION

That the Council re-appoints Claudia Reid and Tutehounuku (Nuk) Korako as Trustees of the Rod Donald Banks Peninsula Trust for a three-year term, beginning on 1 July 2012 and expiring on 30 June 2015.

7 Cont'd

COMMITTEE RECOMMENDATION

That the Council:

- (a) Re-appoints Claudia Reid and Tutehounuku (Nuk) Korako for a period of one year as Trustees of the Rod Donald Banks Peninsula Trust, beginning on 1 July 2012 and expiring on 30 June 2013.
- (b) Resolves that all other future appointments to the Trust be advertised to promote an open process of selection.

When put to the vote the motion was declared **carried**. Councillor Broughton requested that her vote against the motion be recorded.

Note: it is the Committee's intention is that future re-appointments of those who participated in the initial ballot will also be for only one additional year once their initial terms expire.

PART B - REPORTS FOR INFORMATION

8. DEPUTATIONS BY APPOINTMENT

8.1 Trustees of the Rod Donald Banks Peninsula Trust

Trustees of the Rod Donald Banks Peninsula Trust presented to the Committee on the Trust's proposed investment with Prometheus Finance and why, in their view, the investment would be appropriate for the Trust, despite being outside the Council's Investment Policy. They requested that the Council approve investment of some of the Trust's funds with Prometheus Finance.

8.2 Kim Preston, Karen Theobald and Philip Elmey

This matter was dealt with by way of a Chairperson's report to the Council meeting of 9 August 2012.

PART C – DELEGATED DECISIONS

9. APOLOGIES

The Committee **resolved** that it accept apologies from Councillors Button, Chen and Gough.

10. RESOLUTION TO EXCLUDE THE PUBLIC

At 11.35 am the Committee **resolved** to exclude the public for Clauses 11 and 12 on the grounds set out on page 371 of the agenda. Clause 10 was discussed in the open part of the meeting.

The public was re-admitted at 1pm.

The meeting closed at 1.30pm.

CONSIDERED THIS 23RD DAY OF AUGUST 2012

MAYOR