
MINUTES

WEDNESDAY 31 AUGUST 2011

5.34PM - 6.51PM

**Council Chamber
First Floor, Town Hall
Wakefield Street
Wellington**

PRESENT:

Mayor Wade-Brown (5.34pm - 6.51pm)
Councillor Ahipene-Mercer (5.34pm - 6.51pm)
Councillor Best (5.34pm - 6.51pm)
Councillor Cook (5.34pm - 6.51pm)
Councillor Coughlan (5.34pm - 6.51pm)
Councillor Eagle (5.34pm - 6.51pm)
Councillor Foster (5.34pm - 6.51pm)
Councillor Gill (5.34pm - 6.51pm)
Councillor Lester (5.34pm - 6.51pm)
Councillor McKinnon (5.34pm - 6.51pm)
Councillor Marsh (5.34pm - 6.51pm)
Councillor Morrison (5.34pm - 6.51pm)
Councillor Pannett (5.34pm - 6.51pm)
Councillor Pepperell (5.34pm - 6.51pm)
Councillor Ritchie (5.34pm - 6.51pm)

DEMOCRATIC SERVICES OFFICERS IN ATTENDANCE:

Kirstin Harvey - Team Leader, Committee Services
Fiona Dunlop - Committee Adviser
Luka Dujmovic - Committee Adviser

079/11C **APOLOGIES**
(1215/11/IM)

NOTED:

There were no apologies.

080/11C **CONFIRMATION OF MINUTES**
(1215/11/IM)

Moved Mayor Wade-Brown, seconded Councillor Coughlan, the motion that Council approve the minutes of the meetings held on Wednesday 25 May 2011 and Wednesday 29 June 2011, having been circulated, that they be taken as read and confirmed as an accurate record of those meetings.

The motion was put:

Voting for: Mayor Wade-Brown, Councillors Ahipene-Mercer, Best, Cook, Coughlan, Eagle, Foster, Gill, Lester, McKinnon, Marsh, Morrison, Pannett, Pepperell and Ritchie.

Voting against: Nil.

Majority Vote: 15:0

The motion was declared CARRIED.

RESOLVED:

THAT Council:

- 1. Approve the minutes of the meetings held on Wednesday 25 May 2011 and Wednesday 29 June 2011, having been circulated, that they be taken as read and confirmed as an accurate record of those meetings.*

081/11C **PUBLIC PARTICIPATION**
(1215/11/IM)

NOTED:

1. Bernie Harris addressed the meeting regarding Report 4 - Strategy and Policy Committee, Meeting of Wednesday 31 August 2011, Report of the Audit and Risk Management Subcommittee meeting of Monday 22 August 2011, 2010/2011 Financial Statements and Statements of Service Intent.

082/11C **ANNOUNCEMENTS BY THE MAYOR**
(1215/11/IM)

NOTED:

Mayor Wade-Brown advised that she had attended the investiture of Lieutenant General Sir Jerry Mateparae GNZM QSO as Governor General and Commander-in-Chief of the Realm of New Zealand.

Moved Mayor Wade-Brown, seconded Councillor Ahipene-Mercer, the motion that Council congratulates Lieutenant General Sir Jerry Mateparae GNZM QSO on his appointment as Governor General and Commander-in-Chief of the Realm of New Zealand and wishes him every success for his term of office.

The motion was put and declared CARRIED.

RESOLVED:

THAT Council:

1. *Congratulates Lieutenant General Sir Jerry Mateparae GNZM QSO on his appointment as Governor General and Commander-in-Chief of the Realm of New Zealand and wishes him every success for his term of office.*

083/11C **PETITIONS**
(1215/11/IM)

NOTED:

There were no petitions

084/11C **CONFLICT OF INTEREST DECLARATIONS**
(1215/11/IM)

NOTED:

There were no conflicts of interest declared.

General Business

085/11C **ASB SPORTS CENTRE**
 Report of Mayor Wade-Brown.
 (1215/11/IM) (REPORT 1)

Moved Mayor Wade-Brown, seconded Councillor Ahipene-Mercer, the substantive motion.

The substantive motion was put.

Voting for: Mayor Wade-Brown, Councillors Ahipene-Mercer, Best, Cook, Coughlan, Eagle, Foster, Gill, Lester, McKinnon, Marsh, Morrison, Pannett, Peppereil and Ritchie.

Voting against: Nil.

Majority Vote: 15:0

The substantive motion was declared CARRIED.

RESOLVED:

THAT Council:

1. *Agree that the Entry Foyer and Reception Area of the ASB Sports Centre be officially named Kerry Prendergast Foyer.*

Reports from Committees – Committee Decisions requiring Council approval

086/11C **STRATEGY AND POLICY COMMITTEE**
Meeting of Thursday 11 August 2011
 (1215/11/IM) (REPORT 2)

1. **ITEM 195/11P OPTIONS TO FACILITATE THE STOPPING AND SALE OF SURPLUS UNFORMED LEGAL ROAD**
 (1215/52/IM) (REPORT 3)

Moved Councillor Foster, seconded Councillor McKinnon, the substantive motion.

The substantive motion was put.

Voting for: Mayor Wade-Brown, Councillors Ahipene-Mercer, Best, Cook, Coughlan, Eagle, Foster, Gill, Lester, McKinnon, Marsh, Morrison and Pannett.

Voting against: Councillors Pepperell and Ritchie.

Majority Vote: 13:2

The substantive motion was declared CARRIED.

RESOLVED:

THAT Council:

- 1. Adopt the amendments to the "Road Encroachment and Sale Policy" attached as appendix one of the minutes, which reflect the package of initiatives described above, and that the revised policy takes effect immediately.*
- 2. Delegate to the Chief Executive Officer and Transport (public transport and roading) Portfolio leader, the authority to make editorial changes and any changes agreed by Council prior to the revised Road Encroachment and Sale Policy being released.*

087/11C **STRATEGY AND POLICY COMMITTEE**
Meeting of Thursday 18 August 2011
(1215/11/IM)

(REPORT 3)

1. **ITEM 205/11P THE NEW ZEALAND LOCAL GOVERNMENT**
FUNDING AGENCY
(1215/52/IM)

(REPORT 3)

Moved Mayor Wade-Brown, seconded Councillor McKinnon, the substantive motion.

The substantive motion was put.

Voting for: Mayor Wade-Brown, Councillors Ahipene-Mercer, Best, Coughlan, Eagle, Foster, Gill, Lester, McKinnon, Marsh, Morrison and Pannett.

Voting against: Councillors Cook, Pepperell and Ritchie.

Majority Vote: 12:3

The substantive motion was declared CARRIED.

RESOLVED:

THAT Council:

1. *Amend the Investment and Liability Management Policies in Long-term Council Community Plan 2009-19 as detailed in Appendix two of the minutes.*
 2. *Agree to participate in the New Zealand Local Government Funding Agency Limited scheme as an establishment shareholder, including the following:*
 - (a) *subscribing for shares in the New Zealand Local Government Funding Agency Limited with an aggregate issue price of up to \$2.325 million;*
 - (b) *subscribing for uncalled capital in the New Zealand Local Government Funding Agency Limited with an aggregate unpaid amount of up to \$2.325 million;*
 - (c) *entering into loan documentation with the New Zealand Local Government Funding Agency Limited;*
 - (d) *subscribing for borrower notes with the New Zealand Local Government Funding Agency Limited;*
 - (e) *committing to provide additional equity to the New Zealand Local Government Funding Agency Limited under certain circumstances that may arise in the future;*
 - (f) *entering into a joint and several guarantee with the New Zealand Local Government Funding Agency Limited and other Councils;*
 - (g) *anything which is not specifically described in paragraphs (a) to (f) above, but which is ancillary to or not materially different from those.*
 3. *Delegate to the Chief Executive the authority to:*
 - (a) *agree the terms on which the Council participates in the New Zealand Local Government Funding Agency Limited scheme as an establishment shareholder, including which of the arrangements described above are entered into and the terms of those arrangements; and*
 - (b) *determine how the Council exercises its rights under the arrangements entered into in connection with the New Zealand Local Government Funding Agency Limited scheme, including, without limitation, the Council's rights as a shareholder in the New Zealand Local Government Funding Agency Limited.*
2. **ITEM 207/11P RIGHT OF WAY ACCESS OVER RECREATION RESERVE – APPLICATION ON BEHALF OF THE RESIDENTS OF 102, 104 AND 110 THE ESPLANADE**
(1215/52/IM) (REPORT 7)

Moved Councillor Ritchie, seconded Councillor Gill, the substantive motion.

The substantive motion was put.

Voting for: Mayor Wade-Brown, Councillors Ahipene-Mercer, Best, Cook, Coughlan, Eagle, Foster, Gill, Lester, McKinnon, Marsh, Morrison, Pannett, Pepperell and Ritchie.

Voting against: Nil.

Majority Vote: 15:0

The substantive motion was declared CARRIED.

RESOLVED:

THAT Council:

1. *Allow the residents of 102, 104, 110 The Esplanade Right of Way access over Lots 120 – 124 DP1467 and Pt Sec4 Town DISTRICT (Option B of the officer's report).*

088/11C **STRATEGY AND POLICY COMMITTEE**
Meeting of Wednesday 31 August 2011
 (1215/11/IM) (REPORT 4)

1. **ITEM 215/11P REPORT OF THE AUDIT AND RISK MANAGEMENT SUBCOMMITTEE**
Meeting of Monday 22 August 2011
 - **2010/2011 Financial Statements and Statements of Service Performance**
 (1215/52/IM) (REPORT 1)

Moved Mayor Wade-Brown, seconded Councillor McKinnon, the substantive motion.

Andy Burns from Audit New Zealand was invited forward by Mayor Wade-Brown to address the meeting. Mr Burns advised the meeting that he was pleased to issue an unqualified audit opinion for the 2010/11 Annual Report.

Mayor Wade-Brown thanked the many officers involved with getting the Annual Report produced.

The substantive motion was put.

Voting for: Mayor Wade-Brown, Councillors Ahipene-Mercer, Best, Cook, Coughlan, Eagle, Foster, Gill, Lester, McKinnon, Marsh, Morrison, Pannett, Pepprell and Ritchie.

Voting against: Nil.

Majority Vote: 15:0

The substantive motion was declared CARRIED.

RESOLVED:

THAT Council:

1. *Confirm the Statement of Accounting Policies, as contained within the financial statements, for Wellington City Council and Group for the year ended 30 June 2011.*
2. *Adopt the Annual Report for Wellington City Council and Group for the year ended 30 June 2011 (attached in Appendix 1 of the report of the Subcommittee).*
3. *Delegate to the Chief Executive the authority to make minor editorial changes that may arise as part of preparing the 2010/11 Annual Report document for publication.*

089/11C **QUESTIONS**
(1215/11/IM)

NOTED:

There were no questions.

The meeting concluded at 6.51pm.

Confirmed: _____
Chair
/ /

Proposed amendments to the “Road Encroachment and Sale Policy, April 2011”

Replace section 7 with the following (note that new text is highlighted and deletion of existing text is shown as a strikethrough):

7. SALE OF LEGAL ROAD

The Council may sell legal road to a property owner when it considers that the land is not needed for utilities, roads or footpaths in the future and private occupation will not compromise the amenity or environmental values.

The sale of legal road for private use is a legal process which is outlined in Annex 2. It is subject to statutory and planning requirements and requires the section of road to be legally ‘stopped’¹. The process, under the Tenth Schedule of the Local Government Act 1974, can involve appeals to the Environment Court. The Public Works Act also provides a mechanism for stopping legal roads. **The Council will generally apply the Local Government Act process for the stopping and sale of unformed legal road.**

Eligibility to purchase any surplus legal road from the Council (unless it can be subdivided for use as a building site) is limited to the adjoining property owner. ~~Most of the costs associated with road stopping and the amalgamation with the existing title have to be met by the purchaser.~~

Costs associated with road stopping and amalgamation of land with an existing title must be met by the purchaser. The Council will make a deduction for costs from the land valuation in accordance with the following policy:

- o **property owners meet costs as they are incurred, but a proportion of these costs will be deducted from the land valuation in order to establish a final settlement price;**
- o **deductions are the lesser of: actual costs; or an amount calculated as 15 percent of the land value plus \$500 - up to a maximum deduction of \$12,500;**
- o **for transactions below \$15,000 of land value, deductions, if any, will be by agreement between the Council and applicants, but will not exceed the deductions applicable using the formula above.**

The sale of any legal road will not generally be permitted where public utilities (such as pipes and cables) are located underneath, unless the prospective purchaser undertakes to relocate the services at their cost or an easement or other arrangement satisfactory to the utility operator(s) can be agreed. The Council will also need to be satisfied that the land is not likely to be required for the location of services at any point in the future.

¹ Changing the status of land from legal road to freehold land.

APPENDIX 1

The market value of legal road being sold by the Council will be determined by an independent registered valuer who is a member of the New Zealand Institute of Valuers. Valuations for establishing the price for purchase are based on the added value to the existing title - based on valuations before and after the addition of the land.

Prospective purchasers have the opportunity to lock in a land valuation early in the road stopping process, and that valuation will be binding on both parties provided the road stopping is completed within 18 months, subject to final survey. This period may be extended at the Council's discretion, for example where a stopping proposal is referred to the Environment Court. Where road stopping takes longer than 18 months, the Council may require any existing valuation to be updated before land is transferred, and the final settlement price will be based on the latest land valuation.

Amend Annex 2 "Summary of Process for Sale or Legal Road" by adding the highlighted text to the last paragraph as described below:

The legal costs incurred by the Council will be recovered from the applicant, but may be included in any estimation of costs for the purposes of applying the costs deduction policy described in section 7 above.

APPENDIX 2

The following amendments to the LTCCP are required to give effect to the proposal.

INVESTMENT POLICY WORDING

Volume 2 page 103.

The following wording would be added to the current Investment Policy after the section entitled "Non income generating investments":

"Local Government Funding Agency

The Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment.

The Council's objective in making any such investment will be to:

- a. obtain a return on the investment; and
- b. ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.

Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.

If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA."

LIABILITY MANAGEMENT POLICY WORDING

Volume 2 page 105.

The following wording would be added to the current Liability Management Policy after the section entitled "CREDIT EXPOSURE":

"LOCAL GOVERNMENT FUNDING AGENCY

The Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- a. contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;
- b. provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
- c. commit to contributing additional equity (or subordinated debt) to the LGFA if required;
- d. subscribe for shares and uncalled capital in the LGFA; and
- e. secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue."