

Notice of Meeting:

I hereby give notice that an ordinary meeting of the Council Controlled Organisations Subcommittee will be held on:

Date: Wednesday 9 March 2016
Time: 2.00pm
Meeting Room: Committee Room 1
Venue: Municipal Building, Garden Place, Hamilton

Richard Briggs
Chief Executive

Council Controlled Organisations Subcommittee OPEN AGENDA

Membership

Chairperson Cr G Mallett
Members Her Worship the Mayor J Hardaker
Cr A King
Cr R Pascoe
Cr P Yeung

Quorum: A majority of members (including vacancies)

Meeting Frequency: 6 monthly or as required

Ian Loiterton
Committee Advisor

3 March 2016
Telephone: 07 838 6735
ian.loiterton@hcc.govt.nz
www.hamilton.govt.nz

Terms of Reference:

- To oversee and provide recommendations to the Finance Committee in regard to the Council's interests in its Council Controlled Organisations (CCOs), Council Organisations (COs) and subsidiaries.
- Develop and recommend a draft policy for the appointment and remuneration of directors of CCOs and COs to the Strategy and Policy Committee by 30 March 2014.
- Approve appointments to CCO and CO boards in accordance with the Appointment and Remuneration Policy for CCOs and COs.
- Provide clear directions to Council's CCO's and CO on Council's expectations.
- Consider and approve statements of intent as prepared by the board of each CCO and CO.
- Receive CCO and CO six monthly and annual reports.
- Consider any proposed major transactions of CCOs and COs and make recommendations to the Finance Committee in relation to those major transactions.

Special Notes:

- The sub-committee may request expert advice through the Chief Executive when necessary.
- CCOs & COs covered by this committee are: Local Authority Shared Services (LASS), Waikato Regional Airport Ltd (WRAL), SODA Inc Ltd, Waikato Innovation Park Ltd (& Innovation Waikato Ltd), Vibrant Hamilton, LGFA, NZ Local Government Insurance Corporation Ltd.

Power to act:

- Approve appointments to CCO and CO boards in accordance with a policy for the
- Appointment and Remuneration of Directors of CCOs and COs.
- Approve statements of intent for each CCO and CO.

Power to recommend:

- Make recommendations to the Finance Committee in relation to any proposed major transactions of CCOs and COs.
- The sub-committee must make recommendations to the Finance Committee and/or Council in respect to any proposal to establish a CCO or CO.
- The sub-committee may make recommendations to Finance Committee and/or Strategy and Policy Committee.

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1 Apologies

2 Confirmation of Agenda

The Committee to confirm the agenda.

3 Declaration of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

Committee: Council Controlled
Organisations Subcommittee

Date: 09 March 2016

Report Name: Council Controlled
Organisations (CCO)
Subcommittee - Open Minutes
- 30 November 2015

Author: Ian Loiterton

Status	<i>Open</i>
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Recommendation

That the Subcommittee confirm and adopt as a true and correct record the Open Minutes of the Council Controlled Organisations Subcommittee Meetings held on 30 November 2015.

1. Attachments

- Attachment 1 - Council Controlled Organisations Subcommittee - Open Minutes - 30 November 2015

Council Controlled Organisations Subcommittee

OPEN MINUTES

Minutes of a meeting of the Council Controlled Organisations Subcommittee held in Committee Room 1, Level 1, Municipal Building, Garden Place, Hamilton on Monday 30 November 2015 at 4.00pm.

PRESENT

Chairperson	Cr G Mallett
Members	Her Worship the Mayor J Hardaker Cr A King Cr R Pascoe
In Attendance:	Sean Murray – Director H3 and Events Paul Conder – Acting General Manager Corporate Blair Bowcott – Executive Director Special Projects Stuart Gordon – Chief Executive Officer, Innovation Waikato Ltd Group
Committee Advisor	Ian Loiterton – Committee Advisor

1. Apologies

Resolved: (Crs Mallett/Pascoe)

That the apologies from Councillor Yeung be received and accepted.

2. Confirmation of Agenda

Resolved: (Crs Mallett/Pascoe)

The Committee to confirm the agenda.

3. Declarations of Interest

No members of the Committee declared a Conflict of Interest.

4. Council Controlled Organisations Subcommittee – Open Minutes – 21 October 2015 and 13 November 2015

The following correction was noted: remove action point listed under Item 12.

Resolved: (Crs Mallett/Pascoe)

That the Subcommittee confirm and adopt as a true and correct record the Open Minutes of the Council Controlled Organisations Subcommittee Meeting held on 21 October 2015, with the above change noted.

Resolved: (Crs Pascoe/Mallett)

That the Subcommittee confirm and adopt as a true and correct record the Open Minutes of the Council Controlled Organisations Subcommittee Meeting held on 13 November 2015.

5. Council Controlled Organisations Subcommittee Action List – Open – 30 November 2015

It was noted that the comments against Item 2 in the action list related to Item 3 and vice versa.

Resolved: (Crs Mallett/Pascoe)

That the Report be received.

6. Innovation Waikato Ltd and Subsidiaries – Annual Report 2015

The Chief Executive Officer of Innovation Waikato Ltd (IWL) Group, Stuart Gordon spoke to the New Zealand Food Innovation (Waikato) Ltd Annual Report 2015. In addition, he tabled a document and responded to questions.

- **Loans**

For accounting purposes, loans that had originally been made to IWL Group had been realigned to the entities which had expended the funds e.g. to New Zealand Food Innovation (Waikato) Ltd.
- **Non-current liabilities**

‘Deferred tax liabilities’ and ‘Deferred income’ that related to a new building asset had been accounted for over the life of the asset (25 years); while ‘Other loans’ were incurring no interest, with the principal to be paid after June 2016.
- **Equity to Debt ratio**

New Zealand Food Innovation (Waikato) Ltd was operating at an equity to debt ratio of approximately 43%; the Board aimed to improve this to around 55% in the 2016/17 financial year, through the pay down of debt.
- **Directors’ fees**

Directors’ fees were stated to be \$49,000 per annum, noting that:

 - Director positions had previously been the same appointments across the IWL Group and its subsidiaries; but that
 - Director appointments were now made separately for each company within the IWL Group, so as to select Directors with relevant skills and knowledge.
- **Staff**

There were a total of 16 staff employed by New Zealand Food Innovation (Waikato) Ltd, including 0.5FTE of the CEO’s position allocated to the company.

Resolved: (Crs Mallett/Pascoe)

That the Report be received.

7. Resolution to Exclude the Public

Resolved: (Crs Mallett/King)

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Council Organisations Subcommittee Meeting - Public Excluded Minutes - 21 October 2015	Controlled)) -) -)	Section 48(1)(a)
	Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	
C2. Council Organisations Subcommittee Action List - Public Excluded - 30 November 2015	Controlled)	
C3. Council Organisations - Letters of Expectation	Controlled	
C4. Innovation Waikato Ltd - Constitution and letter of expectation		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

- | | | |
|----------|--|-------------------|
| Item C1. | to prevent the disclosure or use of official information for improper gain or improper advantage | Section 7 (2) (j) |
| Item C2. | to prevent the disclosure or use of official information for improper gain or improper advantage | Section 7 (2) (j) |
| Item C3. | to enable Council to carry out commercial activities without disadvantage | Section 7 (2) (h) |
| Item C4. | to enable Council to carry out negotiations | Section 7 (2) (i) |

The Meeting moved into Public Excluded session (4.36pm – 7.11pm).

The Meeting was declared closed at 7.11pm.

Committee: Council Controlled
Organisations Subcommittee

Date: 09 March 2016

Report Name: Council Controlled
Organisations Subcommittee -
Open Action List - 9 March
2016

Author: Ian Loiterton

Status	<i>Open</i>
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Recommendation

That the Report be received.

1. Attachments

2. Attachment 1 - Council Controlled Organisations Subcommittee - Open Action List - 9 March 2016

CCO SUBCOMMITTEE**Action List - 2015/16****OPEN**

Ref.	GM Responsible	Action	DUE DATE for reporting back	Status (relative to due by date)	Notes
1	GM Corporate	Vibrant Hamilton Trust - Draft Statement of Intent 2015/16 and half year report for Dec 2014 - the VHT Trustees be requested to identify suitable candidates to fill the vacant Trustee position and to make a recommendation to the CCO Subcommittee; and		Completed	Completed - this action is now tracked in Item 2 below
2	GM Corporate	Vibrant Hamilton Trust - Draft Statement of Intent 2015/16 and half year report for Dec 2014 - the Trustee Deed be reviewed by the Trustees to ensure it meets the current purpose and objectives of the Trust and to allow the Trust to function in an efficient and cost effective manner.		In progress	In progress - Report back to CCO Subcommittee 6 April 2016
3	GM Corporate	LOE: Staff to develop further drafts of the Letters of Expectation for presentation to a Meeting of the Subcommittee prior to Christmas 2015. This includes a broad revision of the content in terms of outlining HCC's expectations through Subcommittee Member/s input, as well as: removal of 'As you are aware' from draft (refer page 20 of the Agenda); amendment to 'at least 1 month prior to the [AGM] meeting' (refer page 22 of the Agenda); and correction of name to Mr Earl Rattray (refer page 22 of the Agenda).		Completed	Completed - Letters of Expectation were finalised at the CCO Subcommittee meeting on 30 November 2015.
4	GM Corporate	LASS REPORT: CFO to provide feedback to LASS recommending it incorporate Council savings into its next annual report.		Completed	Completed - Feedback has been provided to LASS.
5	GM Corporate	RE Vibrant Hamilton Trust: CFO to provide an updated report to the next Meeting of the Subcommittee in December 2015 following the completion of Audit New Zealand's audit process.	Dec-15	Overdue	In progress - Due to change in staff, a report will be made back to CCO Subcommittee on 6 April 2016.
6	GM Corporate	RE Hamilton Properties Ltd. CFO to report to a full Meeting of Council requesting Hamilton Properties Ltd. exemption from CCO annual reporting requirements.	Mar-16	In progress	In progress - Report back to Council 31 March 2016. Update: A report will be presented to 6 April 2016 CCO Subcommittee, with a recommendation to Council on 28 April 2016, noting that the current exemption from CCO reporting requirements expires on 10 May 2016.

Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

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The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Council Organisations Subcommittee Meeting - Public Excluded Minutes - 30 November 2015	Controlled)))))	Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987
C2. Council Organisations Subcommittee - Public Excluded Action List - 9 March 2016	Controlled)	Section 48(1)(a)
C3. Innovation Waikato Ltd and Group of Companies - Review of Council Investment		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C3.	to enable Council to carry out negotiations	Section 7 (2) (i)