
Council Controlled Organisations Subcommittee

OPEN MINUTES

Minutes of a meeting of the Council Controlled Organisations Subcommittee held in Committee Room 1, Municipal Building, Garden Place, Hamilton on Wednesday 21 October 2015 at 9.30am.

PRESENT

Chairperson	Cr G Mallett
Members	Her Worship the Mayor J Hardaker Cr R Pascoe Cr P Yeung
In Attendance:	Sean Murray – General Manager Events and Economic Development Paul Conder – Chief Financial Officer Blair Bowcott – Executive Director Special Projects Stephen Halliwell – Accounting Manager Andrew West – Chairperson, Waikato Innovation Park Ltd. Stuart Gordon – CEO, Waikato Innovation Park Ltd.
Committee Advisor	Ian Loiterton – Committee Advisor

1. Apologies

Resolved: Crs Mallett/Yeung

That the Subcommittee accept the apologies of Councillor King and the Board of the Waikato Regional Airport Board.

2. Confirmation of Agenda

The Chair advised that Item 10 would be considered after Item 13 so as to cater for representatives of Waikato Innovation Park Ltd.

Resolved: Crs Mallett/Pascoe

The Committee to confirm the agenda

3. Declarations of Interest

Councillor Pascoe stated that he was a Director of a company that was a tenant at Waikato Innovation Park; the company paid market rates.

4. Previous Minutes

Action: General Manager (GM) Events and Economic Development to follow up on Item 6, resolution point (b), namely:

'the External Funding Subcommittee be tasked to determine and notify Council's advice to the Vibrant Hamilton Trust on its grant distribution each year.'

Resolved: Crs Mallett/Pascoe

That the Subcommittee adopt as a true and correct record the Open Minutes of the Council Controlled Organisations Subcommittee Meeting held on 22 April 2015.

5. Action List

Resolved: Her Worship the Mayor/Cr Pascoe

That the Subcommittee accept the report.

6. Council Controlled Organisations – Letters of Expectation

The Chief Financial Officer (CFO) took the report as read and highlighted that:

- **Best practice:** Letters of Expectation to Council Controlled Organisations (CCO) were best practice, as endorsed by the Auditor General.
- **Scope:** Hamilton City Council (HCC) had three Council Controlled Organisations (CCO) under its control, as opposed to those it had a mere shareholding in, and that those organisations were Waikato Innovation Park, Waikato Regional Airport and Vibrant Hamilton Trust.
- **Purpose:** Letters of Expectation help inform the CCO's Statement of Intent, as well outlining HCC's purpose for holding an interest in the CCO and its expectations from it.
- **Legal standing:** Letters of Expectation do not have legal weight, but pre-empt HCC's response to the CCO's Statement of Intent.
- **Local Authority Shared Services (LASS):** HCC would work with other councils to develop a standard Letter of Expectation in relation to LASS, but time did not permit this prior to the meeting of the Subcommittee.

Action: CFO to undertake a broad revision of the content of the draft Letters of Expectation in terms of outlining HCC's expectations, as well as:

- removal of 'As you are aware' (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).

Resolved: Her Worship the Mayor/Cr Pascoe

That:

- a) the report be received; and
- b) staff to develop further drafts of the Letters of Expectation to be presented to a Meeting of the Subcommittee prior to Christmas 2015.

7. Civic Assurance Half Year Report June 2015

It was noted that the table on page 29 of the Agenda should be \$202,000 (not million) and

all figures in table on page 31 of the Agenda need to be '000.

Resolved: Crs Mallett/Yeung

That the report be received.

8. Local Authority Shared Services Limited (LASS) Annual Report 2014/15

The CFO and Accounting Manager spoke to the report and highlighted that:

- **Cash flow:** LASS was cash flow positive, but not on a profit basis; rather, due to the early contribution payments of members.
- **Budget:** a reduction in the previous financial year's surplus had been achieved via a \$500,000 reduction in Council contributions in the LASS budget.
- **Additional opportunities:** the LASS CEO was exploring options for additional shared service saving opportunities in discussion with Councils.

Action: CFO to provide feedback to LASS recommending it incorporate Council savings into its next annual report.

Resolved: Her Worship the Mayor/Cr Pascoe

That the report be received.

9. NZ Local Government Funding Agency – Annual Report 2015

The CFO noted that feedback had been provided to the NZ Local Government Funding Agency that he was not a member of the Shareholder Council as was stated on pages 85 and 91 of the Agenda.

Resolved: Crs Pascoe/Mallett

That the report be received.

10. Innovation Waikato Ltd - Annual Report 2015

This item was taken after Item 13, to accommodate External Attendees' availability.

11. Waikato Regional Airport Ltd - Annual Report 2015

The GM Events and Economic Development highlighted that it had been a good year for the airport in terms of cash flow, revenue and the pay down of debt.

Resolved: Crs Mallett/Yeung

That the report be received.

12. Vibrant Hamilton Trust - Annual Report 2015

The CFO and Accounting Manager spoke to the item and highlighted that there was no annual report for the Vibrant Hamilton Trust due to the non-completion of the audit.

Resolved: Crs Mallett/Pascoe

That the report be received.

13. Hamilton Properties Ltd

The CFO highlighted that a recommendation would be made to Council requesting an extension of Hamilton Properties Ltd's exemption from CCO annual reporting requirements.

Action: CFO to report to a full Meeting of Council requesting Hamilton Properties Ltd exemption from CCO annual reporting requirements.

Resolved: Crs Mallett/Pascoe

That the report be received.

The Meeting was adjourned from 10.43 – 10.48am.

Item 10 was taken next to accommodate External attendees' availability.

10. Innovation Waikato Ltd - Annual Report 2015

The Chair and CEO of Waikato Innovation Park Ltd. took the report as read, and highlighted the following achievements for the year:

- **Financial results:** Innovation Waikato Ltd was cash positive for the previous financial year and that the positive results were due to an increased property evaluation and higher tenancy revenue, with tenancy at Waikato Innovation Park at 99% of capacity.
- **Capital:** the injection of \$3,000,000 worth of capital from Callaghan Innovation, which funded a new building, would equate to an increase in revenue of approximately \$900,000 per annum.
- **NZ Food Innovation (Waikato) Ltd:** Sheep milk industries in particular had used NZ Food Innovation (Waikato) Ltd's dryer, thereby supporting new start-up companies, while Clover Corporation also used the dryer to develop its Nu-Mega Omega 3 and 6 products. 213 dryer days were sold for 2015, while 280-290 dryer days were booked for 2016 at a higher rate.

Resolved: Crs Pascoe/Yeung

That the report be received.

4. Resolution to Exclude the Public

Resolved: Crs Pascoe/Yeung

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 - Excluded Minutes - 22 April 2015	Controlled (CCO) - Public) 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 - 21 October 2015	Controlled)
C3. Waikato Innovation Park - Council ownership and exit options		

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)

The Meeting moved into Public Excluded session at 11.20am.

The Meeting was declared closed at 12.31pm.