

**CORPORATE AND FINANCIAL
COMMITTEE
SUPPLEMENTARY AGENDA**

FRIDAY, 6 SEPTEMBER 2013

9.15AM

**COMMITTEE ROOM 1, CIVIC OFFICES,
53 HEREFORD STREET**

CORPORATE AND FINANCIAL COMMITTEE

Friday 6 September 2013 at 9.15am
in Committee Room 1, Civic Offices, 53 Hereford Street

Committee: Councillor Helen Broughton (Chairperson),
Councillors Ngaire Button, Tim Carter, Jimmy Chen, Jamie Gough and Yani Johanson

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CORPORATE AND FINANCIAL COMMITTEE 3. 9. 2013**18. RESOLUTION TO BE PASSED - SUPPLEMENTARY ITEM**

Approval is sought to submit the following supplementary items to the meeting of the Corporate and Financial Committee on Friday 6 September 2013:

- Capital Endowment Fund
- Proposed Retail Development
- IANZ accreditation – Estimated Financial Impact on the Council
- CDCH Constitution and Council's Directors Appointment and Remuneration Policy
Chairperson's Report

The reason, in terms of section 46(vii) of the Local Government Official Information and Meetings Act 1987, why the reports were not included on the main agenda is that they were not available at the time the agenda was prepared.

It is appropriate that the Corporate and Financial Committee receive the supplementary items at the current meeting.

RECOMMENDATION

That the supplementary items be received and considered at the meeting of the Corporate and Financial Committee on Friday 6 September 2013.

CORPORATE AND FINANCIAL COMMITTEE 6. 9. 2013

19. CDCH CONSTITUTION AND COUNCIL'S DIRECTORS APPOINTMENT AND REMUNERATION POLICY

General Manager responsible:	Acting GM, Corporate Services 941 8528
Officer responsible:	Acting GM, Corporate Services 941 8528
Author:	Ian Thomson, 941 6343

PURPOSE OF REPORT

1. To seek approval of a new constitution for Canterbury Development Corporation Holdings Ltd and consequential changes to the Council's policy for the appointment and remuneration of directors.

EXECUTIVE SUMMARY

2. At its meeting on 6 December 2012 the Council approved the terms of a Memorandum of Understanding between the Council, Christchurch City Holdings Ltd (CCH) and Canterbury Development Corporation Holdings Ltd (CDCH).
3. In that document the Council agreed to effect changes to its policy for the appointment and remuneration of directors and to the constitution for CDCH to reflect the processes for appointing Councillor directors and independent directors.
4. The changes proposed are referred to in this report.

FINANCIAL IMPLICATIONS

5. There are no financial implications arising from the Council's approval of a new constitution for CDCH or to the proposed changes to the policy.

LEGAL CONSIDERATIONS

6. The Council owns all of the shares in CDCH.
7. Section 32 of the Companies Act 1993 provides for the adoption, alteration and revocation of a constitution. A special resolution is required which means that a majority of 75% must approve the new constitution.
8. The existing constitution is a standard form document registered when the company was incorporated as a shelf company some years ago. It is no longer fit for purpose.
9. Changes to the policy can be made by ordinary resolution.

STAFF RECOMMENDATION

That the Council resolves that it:

- (a) Revokes the existing constitution for Canterbury Development Corporation Holdings Ltd;
- (b) Adopts a new constitution for the Company incorporating the provisions of the current constitution for Canterbury Development Corporation and the changes recommended by staff;
- (c) Notes that resolutions (a) and (b) require a majority of 75% of votes cast;
- (d) Amends the Council's policy for the appointment and remuneration of directors to reflect these changes.

19 Cont'd

BACKGROUND (THE ISSUES)

10. Attached to this report is a copy of the current constitution for Canterbury Development Corporation (**Appendix 1**). CDCH owns all of the shares in that company.
11. Also attached is a schedule of changes that are proposed to be made to that document (**Appendix 2**). The new constitution for CDCH will be the same as CDC's, with the changes included.
12. If Councillors resolve (by a majority of at least 75%) to adopt a new constitution for CDCH it will comprise the same terms as are currently in the constitution for Canterbury Development Corporation, and the proposed changes.
13. The changes reflect the understanding reached by the Council, CDCH and CCH that the majority of the directors on the board of CDCH are to be independent.
14. **Appendix 3** sets out the clauses proposed for inclusion in the appointment and remuneration of directors policy. These also reflect the Memorandum of Understanding which states that:

“CCHL and the Company will propose to the Council a specific provision in the appointments policy that will define the process for appointing directors to the company. This would be consistent with other aspects of the policy but whilst providing for Councillors to be appointed this provision would require a majority of independent directors (including the chairperson) to be maintained”.

CONSTITUTION OF
CANTERBURY DEVELOPMENT CORPORATION

ALEXANDER + PAULL
BARRISTERS + SOLICITORS

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INTRODUCTION

1. Defined terms

1.1 In this constitution the following expressions have the following meanings:

Act means the Companies Act 1993;

Board means Directors who number not less than the required quorum acting together as the board of directors of the Company or, if the Company only has one Director, that Director;

Company means Canterbury Development Corporation;

constitution means this constitution as it may be altered from time to time in accordance with the Act;

Director means a person appointed as a director of the Company in accordance with this constitution;

Group means the Company and its subsidiaries (if any);

Majority Shareholder means a shareholder holding Shares that carry more than 50 percent of the total votes attaching to Shares;

Share means a share in the Company;

Written or in writing in relation to words, figures and symbols includes all modes of presenting or reproducing those words, figures and symbols in a tangible and visible form.

1.2 Subject to clause 1.1, expressions that are defined in the Act (whether generally, or for the purposes of one or more particular provisions) have the meanings given to them by the Act. When an expression is defined in the Act more than once and in different contexts, its meaning is governed by the context in which it appears in this constitution.

2. Construction

2.1 In this constitution:

- (a) Headings appear as a matter of convenience and do not affect the interpretation of this constitution;
- (b) The singular includes the plural and vice versa, and words denoting one gender include the other genders;
- (c) A reference to an enactment or any regulations is a reference to that enactment or those regulations as amended, or to any enactment or regulations substituted for that enactment or those regulations;
- (d) The Schedules form part of this constitution.

SHARES AND SHAREHOLDERS

3. Company's Shares

3.1 At the time of adoption of this constitution the Company has 16 Shares. No money is payable for calls or otherwise on those Shares.

4. Board to issue Shares

4.1 The Board may issue Shares or securities that are convertible into Shares or options to acquire Shares at any time, to any person, on such terms and in any number it thinks fit, provided:

- (a) those Shares are issued to existing shareholders in such proportions as maintain the voting and distribution rights that the shareholders had immediately prior to the issue; or
- (b) that issue has first been approved by an ordinary resolution; or
- (c) the Majority Shareholder has first agreed to or concurred in the issue, in writing; or
- (d) in the case of Shares, those Shares are issued in accordance with:
 - (i) the terms of conversion of securities convertible into Shares, or
 - (ii) the terms of any option to acquire Shares,that have been issued in accordance with this constitution.

4.2 Subject to this constitution, the Board may issue Shares that rank as to voting or distribution rights, or both, equally with or prior to any existing Shares, and any such issue will not be treated as an action affecting the rights attached to existing Shares.

5. Board need not comply with statutory pre-emptive rights

5.1 If the Board issues Shares that rank as to voting or distribution rights, or both, equally with or prior to existing Shares, the Board need not first offer those Shares to existing shareholders for acquisition, unless any other provision of this constitution requires otherwise.

6. Board may make calls

6.1 The Board may make calls on any shareholder for any money that is unpaid on that shareholder's Shares and not otherwise payable at a specified time or times under this constitution, the terms of issue of those Shares or any contract for the issue of those Shares.

7. Company may acquire and hold Shares

7.1 The Company may purchase or otherwise acquire Shares and may hold those Shares in accordance with the Act. If the Company intends to transfer any Shares that it has acquired and held, such transfer will be treated as a new issue of Shares and the Board must first comply with the requirements of this constitution for issues of Shares.

7.2 The Board may purchase or otherwise acquire Shares from such shareholders and in such numbers or proportions as it thinks fit, in accordance with the Act.

8. Company may issue and redeem Shares

8.1 The Company may:

- (a) Subject to compliance with applicable provisions of this constitution, issue redeemable Shares; and

- (b) redeem redeemable Shares in accordance with the Act and the terms of issue of the redeemable Shares; and
- (c) exercise an option to redeem redeemable Shares issued by the Company in relation to one or more holders of redeemable Shares, in accordance with the Act and the terms of issue of the redeemable Shares.

9. Shareholder meetings

- 9.1 Schedule One governs the proceedings at meetings of shareholders. The first schedule to the Act does not apply to shareholder meetings.

DIRECTORS

10. Number of Directors

- 10.1 The minimum number of Directors shall be 5 and the maximum number of Directors shall be 10. The Majority Shareholder may change the minimum and/or the maximum number of Directors by written notice to the Company.

11. Shareholders may appoint Directors

- 11.1 Any person who is not disqualified under the Act may be appointed as a Director by:
- (a) a written notice to the Company signed by the Majority Shareholder; or
 - (b) an ordinary resolution, which may appoint more than one Director.
- 11.2 The persons named in the application for registration or holding office as a director of the Company on the adoption of this constitution continue in office and are deemed to have been appointed as Directors pursuant to this constitution.

12. Shareholders may remove Directors

- 12.1 Any Director may be removed from office by:
- (a) a written notice to the Company signed by the Majority Shareholder; or
 - (b) an ordinary resolution passed at a meeting called for the purpose of, or for purposes that include, removal of the Director.

13. Notices of appointment or removal of Directors

- 13.1 Any notice of appointment or removal of a Director may be comprised in one or more written notices. The notice takes effect from the time it is delivered to the Company at its address for service, or from such later time as the notice states that it is to take effect.

14. Chairperson of the Board

- 14.1 The Directors will elect one of their number as chairperson of the Board, after consultation with the Majority Shareholder.

15. Chairperson to hold office on certain terms

15.1 The chairperson of the Board holds that office until he or she vacates office or the Directors elect a chairperson in his or her place in accordance with clause 14.1.

16. Meetings of the Board

16.1 Schedule Two governs the proceedings at meetings of the Board, except when otherwise agreed by all Directors in relation to a particular meeting or meetings. The Third Schedule to the Act does not apply to proceedings of the Board.

17. Written resolutions of Board permitted

17.1 A written resolution signed or assented to by all of the Directors then entitled to receive notice of a meeting of the Board and who together would constitute a quorum at a meeting is as valid and effective as if it had been passed at a meeting of the Board duly convened and held.

18. Written resolutions may be in counterparts

18.1 Any written resolution may consist of several copies of the resolution, each signed or assented to by one or more of the Directors. A copy of a written resolution, which has been signed and is sent by facsimile or any similar means of communication, will satisfy the requirements of this clause.

19. Committee proceedings

19.1 The provisions of this constitution relating to proceedings of the Board also apply to proceedings of any committee of Directors, except to the extent the Board determines otherwise.

20. Interested Directors

20.1 Subject to clause 20.2, a Director who is interested in a transaction entered into, or to be entered into by the Company:

- (a) shall declare that interest to the Board immediately the Director becomes aware of the interest;
- (b) shall refrain from voting in respect of the transaction in which the Director has an interest; and
- (c) shall withdraw from any meeting during any discussion in respect of the transaction in which the Director has an interest.

20.2 A Director shall not be deemed to be interested in a transaction arising from that Director's interests being materially the same interest as all ratepayers of the Christchurch City Council.

21. Directors' duties

21.1 Any Director may, when exercising powers or performing duties as a Director, act in a manner that he or she believes is in the best interests of the Majority Shareholder, even though it may not be in the best interests of the Company.

21.2 All decisions relating to the operating of the Company must be made by, or under the authority of, the Board in accordance with:

- (a) its statement of intent; and
- (b) this constitution.

22. Remuneration of Directors

22.1 The Board may authorise:

- (a) the payment of remuneration or the provision of other benefits by the Company to a Director for services as a Director or in any other capacity;
- (b) the payment by the Company to a Director of compensation for loss of office;
- (c) the making of loans by the Company to a Director;
- (d) the giving of guarantees by the Company for debts incurred by a Director; and
- (e) the entering into of a contract to do any of the things set out in this clause;

only if the relevant action has been approved by written notice signed by the Majority Shareholder or approved by an ordinary resolution. This clause does not apply to the payment of remuneration or the provision of other benefits to an executive Director in his or her capacity as an executive, or to any other Director in respect of any professional services or additional services beyond the usual role of a director provided by that Director to the Company.

23. Expenses

23.1 A Director may be reimbursed for reasonable travelling, accommodation and other expenses incurred in the course of performing duties or exercising powers as a Director of the Company, without requiring the prior authorisation of shareholders under clause 22.1.

24. Majority Shareholder may appoint and remove alternate Directors

24.1 The Majority Shareholder may:

- (a) appoint any person who is not disqualified by the Act from being a director and who is not a Director to act as an alternate Director in the place of any Director during that Director's absence or inability to act as a director; and
- (b) remove that person from that office;
by giving written notice to that effect to the Company.

25. Alternate Director has powers of appointer

25.1 While acting in the place of the Director who appointed him or her, an alternate Director:

- (a) has, and may exercise and discharge, all the powers, rights, duties and privileges of that Director (including the right to receive notice of, be counted as part of the quorum of, participate in, and vote at a meeting of the Board and to sign any document, including a written resolution, and to act as chairperson of the Board, but excluding the right to appoint an alternate Director); and
- (b) is also subject to the same terms and conditions of appointment as that Director, except is not entitled to any remuneration by the Company.

26. Termination of appointment of alternate Director

26.1 The appointment of an alternate Director terminates automatically if the Director who appointed him or her ceases to be a Director.

27. Rotation of Board

27.1 At the annual general meeting in every year, at least one-third of the Directors for the time being, or if their number is not a multiple of three then at least one of the Directors, shall retire from the office provided that no Director shall continue in office for three consecutive years without being subject to re-election. A retiring Director shall retain office until the dissolution or adjournment of the meeting at which the successor of that Director is appointed.

27.2 The Directors to retire in every year shall be those who have been the longest in office since their last appointment but as between persons who become Directors on the same day those retire shall (unless they otherwise agree amongst themselves) be determined by lot.

27.3 A retiring Director shall be eligible for reappointment under clause 11.1.

STATEMENT OF INTENT

28. Statement of intent

28.1 The Board must deliver to its shareholders a draft statement of intent containing the information specified in clause 28.2 on or before 1 March each year. If however the Company's holding company or parent has prepared a statement of intent that includes the Company's information and activities, then the Company need not provide a statement of intent to its shareholders under this clause, although must provide all information and assistance reasonably required by its holding company or parent to enable the holding company or parent's statement of intent to be prepared.

28.2 The statement of intent must, to the extent that it is appropriate given the organisational form of the Group, specify for the Group in respect of the financial year following the date on which the statement of intent is required to be delivered to the shareholders by clause 28.1 and each of the immediately following two financial years, the following information:

- (a) the objectives of the Group;
- (b) a statement of the Board's approach to the governance of the Group;
- (c) the nature and scope of the activities to be undertaken by the Group;
- (d) the ratio of consolidated shareholders' funds to total assets and definitions of those terms;
- (e) the accounting policies of the Group;
- (f) the performance targets and other measures by which the performance of the Group may be judged in relation to its objectives;

- (g) an estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders; the kind of information to be provided to the shareholders by the Group during the course of those financial years, including the information to be included in each half yearly report (and, in particular, what prospective financial information is required and how it is to be presented); the procedures to be followed before any member of the Group subscribes for, purchases, or otherwise acquires shares in any company or other organisation;
- (h) any activities for which the Board seeks compensation from any local authority (whether or not the local authority has agreed to provide such compensation);
- (i) the Board's estimate of the commercial value of the shareholders' investment in the Group and the manner in which and the times at which the value is to be reassessed;
- (j) the procedures for shareholder consultation in respect of any proposed acquisition of assets considered by the directors to be significant to the Company's business operations; and
- (k) any other matters that are agreed by the shareholders and the Board.

28.3 The Board shall:

- (a) consider any comments on the draft statement of intent that are made to it within two months of 1 March by the shareholders or by any one of them; and
- (b) deliver the completed statement of intent to the shareholders on or before 30 June each year.

28.4 The Board may, by written notice, modify a statement of intent at any time if the Board has first:

- (a) given written notice of the proposed modification to the shareholders; and
- (b) considered any comments made on the proposed modification by the shareholders or by any of them within one month after the date on which the notice under paragraph (a) was given or such shorter period as the shareholders may agree.

28.5 The shareholders may, by ordinary resolution, require the Board to modify the statement of intent by including or omitting any provision or provisions of the kind referred to in clause 28.2, provided the shareholders have consulted with the Board as to the matters to be referred to in the resolution.

28.6 A completed statement of intent and each modification to a statement of intent must be made available to the public by the Board within one month after the date on which it is adopted or delivered to the shareholders, as the case may be.

28.7 A failure by the Company to comply with any provision of this clause 28 or any provision in a statement of intent does not affect the validity or enforceability of any deed, agreement, right or obligation entered into, obtained, or incurred by the Company.

GENERAL

29. Company may indemnify Directors and employees for certain liabilities

29.1 The Company may indemnify a Director or employee of the Company or a related company for any liability or costs for which a director or employee may be indemnified under the Act. The Board may determine the terms and conditions of any such indemnity.

30. Company may effect insurance for Directors and employees

30.1 The Company may, with the prior approval of the Board, effect insurance for a Director or employee of the Company or a related company for any liability or costs for which a company may effect insurance for a director or employee under the Act. The Board may determine the amounts and the terms and conditions of any such insurance.

31. Manner of execution of deeds

31.1 An obligation that, if entered into by a natural person, would, by law, be required to be by deed, may be entered into on behalf of the Company in writing signed under the name of the Company by:

- (a) two or more Directors; or
- (b) if there is only one Director, that Director, whose signature must be witnessed; or
- (c) a Director or any other person authorised by the Board, whose signature must be witnessed; or
- (d) one or more attorneys appointed by the Company in accordance with the Act.

32. Distribution of surplus assets in kind

32.1 If the Company is liquidated the liquidator shall, at the direction of shareholders by special resolution and any other sanction required by the Act:

- (a) divide among the shareholders in kind the whole or any part of the surplus assets of the Company and for that purpose the liquidator may:
 - (i) fix such values for surplus assets as the liquidator considers to be appropriate, and
 - (ii) determine how the division will be carried out as between shareholders or different classes of shareholder; and
- (b) vest the whole or any part of any such surplus assets in trustees upon such trusts for the benefit of such of those shareholders as the liquidator thinks fit;
but so that no shareholder is compelled to accept any shares or other securities on which there is any liability.

REPORTING

33. Half yearly accounts

33.1 Within two months after the end of the first half year of each financial year, the Board must deliver to the shareholders a report of its operations during that half year. The report must include the information required to be included by the statement of intent.

34. Annual report (section 67 of the Local Government Act 2002)

34.1 Within three months after the end of each financial year, the Board must deliver a report on the Company's operations during that year to the shareholders and must make the report available to the public.

34.2 The report must include:

- (a) the information required to be included by the statement of intent;
- (b) the information that is necessary to enable an informed assessment of the operations of the Group including:
 - (i) a comparison of the performance of the Group with the statement of intent; and
 - (ii) an explanation of any material variances between the performance and the statement of intent; and
- (c) a statement of the dividend, if any, authorised to be paid or the maximum dividend proposed to be paid by the Company for its equity securities (other than fixed interest securities) for the financial year to which the report relates;
- (d) audited consolidated financial statements for the financial year for the Group; and
- (e) an auditors' report on:
 - (i) those financial statements; and
 - (ii) the performance targets and other measurements by which performance was judged in relation to the Company's objectives.

SCHEDULE ONE: PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

INTERPRETATION

1. **Construction**
- 1.1 Unless stated otherwise, references to clauses are references to clauses in this Schedule.
- 1.2 A reference in this Schedule to a shareholder present at a meeting or entitled to vote at a meeting includes a reference to a proxy of a shareholder, a representative of a corporate shareholder, an attorney of a shareholder, and any person who may lawfully act on behalf of a shareholder.

NOTICE

2. **Written notice must be given to shareholders, directors and auditors**
- 2.1 Written notice of the time and place of a meeting of shareholders must be sent to every shareholder entitled to receive notice of the meeting and to every Director and any auditor of the Company not less than 10 working days before the meeting.
3. **Notice must state nature of business**
- 3.1 The notice must state:
 - (a) the nature of the business to be transacted at the meeting in sufficient detail to enable a shareholder to form a reasoned judgment in relation to it; and
 - (b) the text of any special resolution to be submitted to the meeting.
4. **Irregularities in notice may be waived**
- 4.1 Any irregularity in a notice of a meeting is waived if all the shareholders entitled to attend and vote at the meeting attend the meeting without protest as to the irregularity or if all such shareholders agree to the waiver.
5. **Company's accidental failure to send notice does not invalidate meeting**
- 5.1 If the Company accidentally fails to send notice of a meeting to any person entitled to that notice, the failure to send the notice will not invalidate the proceedings at that meeting.
6. **Notice of an adjournment**
- 6.1 If a meeting is adjourned for less than 30 days, no notice of the time and place of the adjourned meeting need be given other than by announcement at the meeting from which the adjournment took place.
- 6.2 If a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given in the same way as notice was given of the meeting from which the adjournment took place.

MEETING AND QUORUM

7. Methods of holding meetings

7.1 A meeting of shareholders may be held either:

- (a) by a number of shareholders, who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or
- (b) by means of an audio, or audio and visual, communication by which all shareholders participating and constituting a quorum can simultaneously hear each other throughout the meeting.

The Company is not required to hold meetings of shareholders in the manner specified in clause 7(b). Meetings will be held in that manner only if the notice of meeting so specifies or the Board otherwise decides that the Company should do so.

8. Business to be transacted only if a quorum is present

8.1 Business may be transacted at a meeting of shareholders only if a quorum is present at the time when the meeting proceeds to business.

9. Quorum for shareholders' meeting

9.1 A quorum for a meeting of shareholders is present if shareholders are present who between them are able to exercise more than 50 percent of the votes to be cast on the business to be transacted by the meeting.

10. Meeting dissolved if no quorum

10.1 If a quorum is not present within 30 minutes after the time appointed for the meeting, the meeting will be dissolved automatically.

CHAIRPERSON

11. Chairperson of board to be chairperson of meeting

11.1 The chairperson of the Board will chair all meetings of shareholders at which he or she is present.

12. Directors may elect chairperson if chairperson of board not available

12.1 If the office of chairperson of the Board is vacant or, if at any meeting of shareholders the chairperson of the Board is not present within 15 minutes of the time appointed for the commencement of the meeting or is unwilling to act, the Directors present may elect one of their number to be chairperson of the meeting.

13. As a last resort shareholders may elect chairperson

13.1 If at any meeting of shareholders, no Director is willing to act as chairperson or if no Director is present within 15 minutes of the time appointed for the commencement of the meeting, the shareholders present may elect one of their number to be chairperson of the meeting.

14. Chairperson's power to adjourn meeting

14.1 The chairperson of a meeting at which a quorum is present:

- (a) may adjourn the meeting with the consent of the shareholders entitled to attend and vote at that meeting; and
- (b) must adjourn the meeting if directed by the meeting to do so.

14.2 The only business that may be transacted at any adjourned meeting is the business left unfinished at the meeting from which the adjournment took place.

VOTING

15. Voting by show of hands or voice vote at meeting

15.1 In the case of a meeting of shareholders held under clause 7(a), unless a poll is demanded, voting at the meeting will be by a show of hands or by voice vote, as the chairperson may determine.

16. Voting by voice if audio-conference meeting

16.1 In the case of a meeting of shareholders held under clause 7(b), unless a poll is demanded, voting at the meeting will be by the shareholders signifying individually their assent or dissent by voice or by such other manner as the chairperson may decide.

17. Votes of joint holders

17.1 Where two or more persons are registered as the holders of a Share, the vote of the person named first in the share register and voting on a matter must be accepted to the exclusion of the votes of the other joint holders.

18. Shareholder loses certain voting rights if calls unpaid

18.1 If a sum due to the Company in respect of a Share registered in a shareholder's name has not been paid then that Share may be voted at a meeting of an interest group but not at any other meeting of shareholders.

19. Chairperson not allowed casting vote

19.1 In the case of an equality of votes, whether on a show of hands, voice vote or on a poll, the chairperson of the meeting is not entitled to a casting vote.

20. Chairperson's declaration of result

20.1 Unless a poll is demanded, a declaration by the chairperson of the meeting that a resolution on a show of hands or voice vote or by such manner as the chairperson may have decided under clause 15 or 16 is carried by the requisite majority or lost, shall be conclusive evidence of that fact.

POLLS

21. Poll may be demanded by chairperson or shareholders

21.1 At a meeting of shareholders, a poll may be demanded, either before or after a vote by show of hands or voice vote, by:

- (a) the chairperson, at his or her absolute discretion;
- (b) a shareholder or shareholders having the right to exercise at least 10 percent of the total votes to be cast on the business to be transacted at the meeting; or
- (c) shareholder or shareholders holding Shares that confer a right to vote at the meeting and on which the total amount paid up is at least 10 percent of the total amount paid up on all the Shares that confer that right.

22. Time at which polls to be taken

22.2 A poll demanded on the election of a chairperson of a meeting or on a question of adjournment must be taken immediately. A poll demanded on any other question is to be taken at such time as the chairperson of the meeting directs. The meeting may proceed to deal with any business other than that upon which a poll has been demanded pending the taking of the poll.

23. Counting votes cast in a poll

23.1 If a poll is taken, votes must be counted according to the votes attached to the Shares of each shareholder present and voting.

24. Result of a poll to be treated as resolution of the meeting

24.1 The result of a poll declared by the chairperson of the meeting will be treated as the resolution of the meeting at which the poll was demanded on the issue for which the poll was taken.

25. Proxy allowed to demand a poll

25.1 The instrument appointing a proxy to vote at a meeting confers authority to demand, or join in demanding a poll, and a demand by a person as proxy for a shareholder has the same effect as a demand by the shareholder.

26. Chairperson may dissolve or adjourn unruly meetings

26.1 The chairperson may adjourn or dissolve the meeting if in his or her opinion the meeting has become so unruly, disorderly or inordinately protracted, that the business of the meeting cannot be conducted in a proper and orderly manner. The chairperson may exercise this power without the consent of the meeting and without giving reasons.

27. Dissolved meetings — unfinished business

- 27.1 If the chairperson proposes to dissolve a meeting pursuant to clause 26, and there is any item of unfinished business of the meeting that in his or her opinion requires to be voted upon, then that item shall be dealt with by the chairperson directing it to be put to the vote by a poll without further discussion.

SHAREHOLDER PROPOSALS

28. Shareholder proposals by written notice

- 28.1 A shareholder may give written notice to the Board of a matter the shareholder proposes to raise for discussion or resolution at the next meeting of shareholders at which the shareholder is entitled to vote.

29. Board to give notice of proposal at Company's expense

- 29.1 If the Board receives the notice at least 20 working days before the last day on which notice of the relevant meeting of shareholders is required to be given by the Board, the Board must, at the expense of the Company, give notice of the shareholder proposal and the text of any proposed resolution to all shareholders entitled to receive notice of the meeting.

30. Board to give notice of proposal at shareholder's expense

- 30.1 If the Board receives the notice at least 5 working days and not more than 20 working days before the last day on which notice of the relevant meeting of shareholders is required to be given by the Board, the Board must, at the expense of the shareholder, give notice of the shareholder proposal and the text of any proposed resolution to all shareholders entitled to receive notice of the meeting.

31. Board may give notice of proposal on short notice

- 31.1 If the notice is received by the Board less than 5 working days before the last day on which notice of the relevant meeting of shareholders is required to be given by the Board, the Board may, if reasonably practicable, and at the expense of the shareholder, give notice of the shareholder proposal and the text of any proposed resolution to all shareholders entitled to receive notice of the meeting.

32. Proposing shareholder may include statement

- 32.1 If the Board intends that shareholders may vote on the proposal by proxy they must give the proposing shareholder the right to include in or with the notice given by the Board a statement of not more than 1000 words prepared by the proposing shareholder in support of the proposal, together with the name and address of the proposing shareholder.

33. Board may exclude statement in some cases

33.1 The Board is not required to include in or with the notice given by the Board a statement prepared by a shareholder that the Directors consider to be defamatory, frivolous or vexatious.

34. Shareholder to give security for costs for proposal with short notice

34.1 Where the costs of giving notice of the shareholder proposal and the text of any proposed resolution are required to be met by the proposing shareholder, the proposing shareholder must, on giving notice to the Board, deposit with the Company or tender to the Company a sum sufficient to meet those costs.

PROXIES

35. Proxies permitted

35.1 A shareholder may exercise the right to vote by being present in person or represented by proxy.

36. Proxy to be treated as shareholder

36.1 A proxy for a shareholder is entitled to attend and be heard at a meeting of shareholders as if the proxy were the shareholder.

37. Appointment of proxy must be in writing and specify restrictions

37.1 A proxy must be appointed by a notice in writing that is signed by the shareholder, and the notice must state whether the appointment is for a particular meeting or a specified term. A proxy need not be a shareholder of the Company.

38. Notice of proxy to be produced at least 48 hours before meeting

38.1 No proxy is effective in relation to a meeting unless a copy of the notice of appointment is produced to the Company at least 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the notice proposes to vote. If the written notice appointing a proxy is signed under power of attorney, a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney must accompany the notice.

39. Form of notice of proxy

39.1 A notice appointing a proxy shall be in the form set out in the Schedule Three or in a form as near to it as circumstances allow, or in such other form as the Board may direct.

40. Vote by proxy valid where Company not notified before meeting of disqualified proxy

40.1 Where:

- (a) the shareholder has died or become incapacitated; or
- (b) the proxy, or the authority under which the proxy was executed, has been revoked; or
- (c) the Share in respect of which the notice of proxy is given has been transferred,

40.2 before a meeting at which a proxy exercises a vote in terms of a notice of proxy but the Company does not receive written notice of that death, incapacity, revocation, or transfer before the start of the meeting, the vote of the proxy is valid.

POSTAL VOTES

41. Postal votes not permitted

41.1 Shareholders may not exercise the right to vote at a meeting by casting a postal vote.

CORPORATE REPRESENTATIVES

42. Corporations may act by representative

42.1 A body corporate that is a shareholder may appoint a representative to attend any meeting of shareholders on its behalf in the same manner as that in which it could appoint a proxy. The representative shall be entitled to attend and be heard at a meeting of shareholders as if the representative were the shareholder.

MINUTES

43. Board must keep minutes of proceedings

43.1 The Board must ensure that minutes are kept of all proceedings at meetings of shareholders and that a record is kept of all written resolutions of shareholders. Minutes that have been signed correct by the chairperson of the meeting are prima facie evidence of the proceedings.

OTHER PROCEEDINGS

44. Meeting may regulate other proceedings

44.1 Except as provided in this Schedule, a meeting of shareholders may regulate its own procedure through the chairperson.

SCHEDULE TWO: PROCEEDINGS OF THE BOARD

NOTICE OF MEETING

1. Director's power to convene meetings

- 1.1 The chairperson, or any two Directors may convene a meeting of the Board by giving notice in accordance with this Schedule.

2. Notice to be sent to Director's address

- 2.1 The notice of meeting must be a written notice delivered to every Director, or sent to the address or facsimile number, or an electronic mail message sent to the electronic mail address, which the Director provides to the Company for that purpose or, if an address or facsimile number, or electronic mail address, is not provided, then a written notice to his or her last place of employment or residence or facsimile number known to the Company.

3. Notice to contain certain details

- 3.1 The notice of meeting must include the date, time and place of the meeting and an indication of the matters to be discussed in sufficient detail to enable a reasonable Director to appreciate the general import of the matters.

4. Period of notice required to be given to Directors

- 4.1 At least 2 days' notice of a meeting of the Board must be given unless the chairperson of the Board (or, in the chairperson's absence from New Zealand, any other Director) believes it is necessary to convene a meeting of the Board as a matter of urgency, in which case shorter notice of the meeting of the Board may be given, so long as at least 2 hour's notice is given.

5. Absent Directors

- 5.1 If a Director who is for the time being absent from New Zealand supplies the Company with a facsimile number/address/email address to which notices are to be sent, then notice must be given to that Director. Otherwise notice need not be given to any Director who for the time being is absent from New Zealand. However, if he or she has an alternate Director who is in New Zealand, then notice must be given to that person.

6. Directors may waive irregularities in notice

- 6.1 Any irregularity in the notice of a meeting, or failure to comply with clauses 1 to 5 of this Schedule, is waived if all Directors entitled to receive notice of the meeting attend the meeting without protest as to the irregularity or failure, or if all Directors entitled to receive notice of the meeting agree to the waiver.

MEETING AND QUORUM

7. Methods of holding meetings

7.1 A meeting of the Board may be held either:

- (a) By a number of Directors who constitute a quorum being assembled together at the place, date and time appointed for the meeting; or
- (b) By means of audio, or audio and visual, communication by which a quorum of Directors participating can simultaneously hear each other throughout the meeting.

8. Quorum for board meeting

8.1 The quorum necessary for the transaction of business at a meeting of the Board is a majority of the Directors, unless the Company only has one Director, in which case the quorum is one Director. The Majority Shareholder may change the number of Directors required for a quorum by written notice to the Company. No business may be transacted at a meeting of the Board unless a quorum is present.

9. Meeting adjourned if no quorum

9.1 If a quorum is not present within 30 minutes after the time appointed for a meeting of the Board, the meeting will be adjourned automatically until the same day in the following week at the same time and place. If at the adjourned meeting a quorum is not present within 30 minutes from the time appointed for the meeting, the Directors present will constitute a quorum.

CHAIRPERSON

10. Chairperson to chair meetings

10.1 The chairperson will chair all meetings of the Board at which he or she is present. If the office of chairperson of the Board is vacant, or if at a meeting of the Board the chairperson of the Board is not present within 5 minutes from the time appointed for the meeting, then the Directors present may elect one of their number to chair the meeting.

VOTING

11. Voting on resolutions

11.1 Each Director has one vote. A resolution of the Board is passed if it is agreed to by all Directors present without dissent or if a majority of the votes cast on it are in favour of it. A Director present at a meeting of the Board may abstain from voting on a resolution, and any Director who abstains from voting on a resolution will not be treated as having voted in favour of it for the purposes of the Act.

12. Chairperson does not have casting vote

- 12.1 In the case of an equality of votes, the chairperson of the Board does not have a casting vote.

MINUTES

13. Board must keep minutes of proceedings

- 13.1 The Board must ensure that minutes are kept of proceedings at meetings of the Board. Minutes that have been signed correct by the chairperson of the meeting are evidence of the proceedings at the meeting unless they are shown to be inaccurate.

OTHER PROCEEDINGS

14. Board may regulate other proceedings

- 14.1 Except as set out in this Schedule, the Board may regulate its own procedure.

SCHEDULE THREE: PROXY FORM

CANTERBURY DEVELOPMENT CORPORATION
PROXY FORM

Section 1: Shareholder Details (please print clearly)

Full name:

Full address:

If shares are held jointly, enter details of other joint holders:

Full name:

Full address:

Full name:

Full address:

Section 2: Appointment of Proxy

(Please note that if the shares are held jointly, the appointment made in this section is made on behalf of each joint holder).

I appoint

Full name:

Full address:

as my proxy to exercise my vote at the [annual or special] meeting of shareholders of the Company to be held on [date of meeting], and at any adjournment of that meeting. If the person I have appointed is unable to be my proxy then I appoint

Full name:

Full address:

Section 3: Voting Instructions

(Please note that if the shares are held jointly, the voting instructions given in this section are given on behalf of each joint holder).

(Tick the box that applies)

I direct my proxy to vote in the following manner:

For

Against

General Business

1.

2.

3.

Special Business

4. [Identify resolution]

Signed by each shareholder named in Section 1

Date:

NOTES

- (1) As a shareholder you may attend the meeting and vote, or you may appoint a proxy to attend the meeting. A proxy need not be a shareholder of the Company.
- (2) If you are joint holders of shares each of you must sign this proxy form. If you are a Company this proxy form must be signed on behalf of the Company by a person acting under the Company's express or implied authority.
- (3) For this proxy form to be valid, you must complete it and produce it to the Company at least 48 hours before the time for holding the meeting. You can produce it to the Company by:
 - delivering it to the Company's registered office at [full address of company or other addressee details]; or
 - posting it to the Company's registered office at [postal address of company or other addressee details]; or
 - faxing it to the Company at its facsimile number: [facsimile number of company],
 - in each case, so that it is received at least 48 hours before the time for holding the meeting.
- (4) If this proxy form has been signed under a power of attorney a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney must be produced to the Company with this proxy form.
- (5) If you return this form without directing the proxy how to vote on any particular matter, the proxy will vote as he or she thinks fit.

Proposed Addition to the Council's Policy on Appointment and remuneration of Directors

Canterbury Development Corporation

Introduction

1. The Council has a 100% interest in the Canterbury Development Corporation (CDC) through a company known as Canterbury Development Corporation Holdings Limited (CDCH). These two companies have a common directorship.
2. Christchurch City Holdings Limited (CCHL) has a memorandum of understanding with Council and CDC which defines the responsibility of CCHL to monitor the CDC and recommend new director appointments for the Council's approval.
3. The CDC constitution provides for a mix of Council and independent directors to be appointed. There is a requirement that a majority of independent directors be maintained (including an chairperson).

Council Directors appointment process

4. Following the triennial Council elections all Council directors will resign and may make themselves available for re-appointment in accordance with the process outlined below.
5. Following the triennial Council elections, or when a casual vacancy for a Council director arises, the CCHL Governance Committee will consult with the Chairperson of the CDC to determine the required skills, knowledge and experience which is necessary for an effective board. The Committee will then call for nominations from Councillors who are interested in being appointed to a position on the CDC board.
6. The CCHL Governance Committee, assisted if necessary by a specialist consultant, will interview all interested Councillors applying similar criteria to potential candidates to those used by CCHL in its assessment of candidates for other CCTO's and taking account as far as possible of the need to provide a suitable cross-section of skills around the board table.
7. The CCHL Governance Committee will make a recommendation to the CCHL board who will in turn make a recommendation to the Council for approval of replacement Council directors.

Independent Director appointment process

8. The CDC constitution provides that the independent directors and independent chairman shall comprise a majority of the board of CDC.
9. The CCHL Governance Committee (or full board) will give consideration to whether a retiring director should be reappointed by rotation and the CCHL board may determine whether to reappoint an incumbent director provided it is within the tenure for CCTO directors as provided by this policy.
10. In the case of a vacancy for an independent director, whether it be a casual vacancy or arising from the non-reappointment of a retiring independent director, the same procedure will be followed as applies to the appointment of a director of a CCTO as provided by this policy.

Canterbury Development Corporation Holdings Limited
Suggested changes to Constitution

The following suggested changes are based on the current constitution of the Canterbury Development Corporation which was drafted and put in place by Alexander and Paull in mid 2012. The following suggested changes should be made to the CDC constitution and the current constitution of CHCH should be replaced in its entirety with a virtually identical constitution so that the operation of the two companies is totally consistent.

Clause

1.1 for CDCH version change definition of **Company** to “Canterbury Development Corporation Holdings Limited”

1.1 Add the following definitions:

Council Director means a director who is a Council member, Community Board member or employee of a Local Authority

“Independent Director” means a director who is not a Council member, Community Board member or employee of a Local Authority

1.1 Amend the definition of **Majority Shareholder** to read - “Majority Shareholder means a shareholder holding Shares that carry more than 50 percent of the total votes attaching to the shares **or the Majority Shareholders appointed agent.**”

3.1 Amend to include the correct number of shares issued for CDCH

10A New Clause to be inserted between existing clause 10 and existing clause 11:

Types of Directors

There shall be two types of directors:

- (a) Council directors
- (b) Independent directors.
- (c) There shall be a majority of independent directors.
- (d) If an independent Director becomes a member or employee of a local authority he or she shall resign as Director of the Company in the manner prescribed in clause 12.1(c) and a replacement Independent Director shall be appointed in accordance with clause 11.1.

12 Amend heading to read **Removal and Cessation of office.**

Add clause 12.1(c):

Receipt of a written notice of resignation to the Company, such notice to be effective from the date specified in the letter , or if such date is not specified, then forthwith on notice being received by the Company.

Add clause 12.1(d)

A notice or resolution given under clauses 11.1, 12.1(a), 12.1(b) or 12.1(c) takes effect upon receipt of it at the registered office of the Company (including the receipt of an electronic copy), unless the notice specifies a later time at which the notice will take effect.

Add Clause 12.1(e)

The Board shall send notice in writing to all shareholders advising of any vacancy on the Board and the name of the Director or former Director to which such vacancy relates within five Working Days of the vacancy occurring or of the Board becoming aware of the impending vacancy, whichever shall occur first.

14.1 Amend this clause to read:

The Directors will elect one **of the independent directors** as chairperson of the board after consultation with the majority shareholder.

22.1 Replace this clause in its entirety with the following:

- (a) No remuneration shall be paid to a Director in his or her capacity as a Director unless that remuneration has been authorised by an Ordinary resolution or by the Majority Shareholder. Each such resolution shall express remuneration as either:
 - (i) A monetary sum per annum payable to all directors taken together; or
 - (ii) A monetary sum per annum payable to any person who from time to time holds office as a director.
- (b) Nothing in this clause shall affect the remuneration of executive directors in their capacity as executives.

27 Replace existing clause 27 with the following

Rotation of the Board

Directors shall retire from office as follows:

- (a) On a date specified by the majority holder, such date being within three months following the triennial elections for the election of officers of Local Authorities, all Council Directors shall retire but are eligible to be reappointed.
- (b) At the annual general meeting each year, at least one third of the independent directors, or if their number is not a multiple of three then at least one of the independent directors, shall retire from office provided that no director shall continue in office for three consecutive years without being subject to re-election.
- (c) The Independent directors selected for retirement shall be those who have been in office the longest since appointment or reappointment and if more than the necessary number of Independent Directors were appointed on the same day then, unless they agree among themselves, the determination of which Director is to retire shall be by lot.
- (d) All retiring directors are eligible to be reappointed.

- (e) Any Director who has retired under this clause 27 shall be deemed to have been reappointed unless the Holding Company has given written notice to the Director and to the Company that:
- (i) reappointment is not to be assumed under this clause; or
 - (ii) another person has been appointed to fill the vacated office; or
 - (iii) that the vacated office shall not be filled for the time being.

28 **Statement of Intent**

Replace existing detailed Clause 28 with the following words which provide for it to always be consistent with any legislation changes:

The company shall have a Statement of Intent which complies with the local Government Act 2002 or any subsequent amending or replacing legislation.

Note: The three Schedules relating to proceedings of meetings and the proxy form have not been reviewed in any detail as they appear to be standard.

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20. IANZ ACCREDITATION – ESTIMATED FINANCIAL IMPACT ON COUNCIL

General Manager responsible:	General Manager Corporate Services Ph 941 8528
Officer responsible:	Corporate Finance Manager
Author:	Funds & Financial Policy Manager

PURPOSE OF REPORT

1. This report outlines the direct financial cost to Council arising from the recent loss of International Accreditation New Zealand (IANZ) accreditation for the issuance of building consents.

EXECUTIVE SUMMARY

2. Four sources of direct costs have been identified, as shown in the table, and explained in the following paragraphs:

Estimated costs associated with IANZ Accreditation loss, by source and year

	Crown Manager	Accreditation	Insurance Premium	Interest Costs	Total
2013/14 year	700,000	100,000	withheld	20,000	820,000
2014/15 year	120,000	-	withheld	120,000	240,000
beyond (present value)	-		withheld	1,060,000	1,060,000
Total	820,000	100,000	withheld	1,200,000	2,120,000

* Note that the cost of replacement insurance has been withheld for reasons of commercial sensitivity (refer paragraph 5)

Crown Manager (direct costs)

3. The Crown Manager is engaged until December 2014. Council is required to pay for his remuneration plus some administrative and reasonable sundry costs.
 - The total cost to Council from this source is estimated at around \$820,000.

Regaining IANZ Accreditation (direct costs)

4. IANZ conducts a routine bi-annual audit of the Council's consenting processes. An additional audit will be required during the 2013/14 year in order to regain accreditation, although the details of this have not been finalised with IANZ.
 - The total cost to Council from this source is estimated at around \$100,000.

Insurance

5. Loss of IANZ accreditation resulted in the scope of Council's normal professional indemnity insurance cover being reduced to exclude building consent activities. Replacement cover has been secured from an alternative underwriter. The current cost of this replacement cover is commercially sensitive; the long-term cost to Council will depend on the length of time that a separate policy is required, and movements in future-year premiums.

Increased Cost of Borrowing

6. A lower credit rating has a direct impact on the Council's borrowing costs. Specifically, the credit margins applied on new borrowing by banks and other investors will increase by an estimated 0.05%.
7. The total cost to Council of these increased borrowing margins will be affected by four factors:
 - How long the Council's credit rating can be realistically said to be adversely affected by the loss of IANZ accreditation.
 - How much money is borrowed over this period (both "new debt" and re-financing of existing maturities); and
 - The term to maturity of these borrowings (i.e. if money is borrowed for five years, then the 0.05% additional cost is "locked in" for the entire five years of the borrowing, irrespective of whether / when the accreditation issue is resolved).
 - The discount factor used to convert these future year losses into present value terms.
8. The total additional borrowing cost to Council is estimated at around \$1.2 million, based on the following assumptions:

CORPORATE AND FINANCIAL COMMITTEE 6. 9. 2013

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20 Cont'd

- The impact of Council's credit rating downgrade will affect borrowing for the whole of the 2013/14 and 2014/15 financial years (beyond which it is unreasonable to continue to associate Council's credit rating with the current accreditation issue).
- Debt raised in this period will all mature in May 2021, consistent with our current borrowing strategy.
- A reasonable discount rate to apply for present value purposes is 6%, being approximately the long-term average of the New Zealand Government's 10-year benchmark rate.
- Debt raised in 2013/14 will be \$125 million (for a present value of around \$350,000)
- Debt raised in 2014/15 will be \$365 million (for a present value of around \$850,000)

FINANCIAL IMPLICATIONS

9. Council's cost base has been increased compared with 2013-16 Three Year Plan (TYP) budgets, but this increase is not large enough to have a material impact on the viability of these budgets.
10. Costs incurred in the current financial year are unbudgeted and so will increase the forecast operating deficit. There are limited opportunities to find operational savings to offset these costs and the default position is that they be funded from borrowing as part of the operating deficit in accordance with the financial strategy.
11. The default position for 2014/15 and thereafter is that the additional interest costs are part of general corporate costs and so will be funded through rates; other cost items are specifically associated with the consents' function and may be funded through increased Building Consent revenue. The next Council will have the option to amend these allocations in the 2014/15 Annual Plan.
12. Council can determine to fund these costs differently than the default positions above. Options include:
 - Increasing rates in 2014/15 to recover costs incurred in 2013/14 (rather than borrowing);
 - Recovering all 2014/15 costs including interest from consent fees in 2014/15 (rather than some from rates);
 - Recovering some of the 2014/15 costs associated with consent fees from rates by amending the funding policy.
13. Changes effective post 1 July 2014 can be addressed by Council during the 2014/15 Annual Plan process.

Do the Recommendations of this Report Align with 2013-16 TYP budgets?

14. Not applicable.

LEGAL CONSIDERATIONS

15. None.

ALIGNMENT WITH TYP AND ACTIVITY MANAGEMENT PLANS

16. Not applicable.

Do the recommendations of this report support a level of service or project in the 2013-16 TYP?

17. No.

ALIGNMENT WITH STRATEGIES

18. Not applicable.

20 Cont'd**CONSULTATION FULFILMENT**

19. Not applicable.

STAFF RECOMMENDATION

It is recommended that the Corporate and Financial Committee receive this report.

9. RESOLUTION TO EXCLUDE THE PUBLIC (CONT'D)

Attached.

CCORPORATE AND FINANCIAL COMMITTEE **i**

RESOLUTION TO EXCLUDE THE PUBLIC

Section 48, Local Government Official Information and Meetings Act 1987.

I move that the public be excluded from the following parts of the proceedings of this meeting, namely items 21 to 23.

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 are as follows:

		GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER	GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF THIS RESOLUTION
PART A	21.	PROPOSED RETAIL DEVELOPMENT) GOOD REASON TO) WITHHOLD EXISTS) UNDER SECTION 7) SECTION 48(1)(a)))
PART B	22.	CAPITAL ENDOWMENT FUND))))
PART B	23.	CHAIRPERSON'S REPORT))))

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 are as follows:

ITEM	REASON UNDER ACT	SECTION	PLAIN ENGLISH REASON	WHEN REPORT CAN BE RELEASED
21.	To enable the Council to carry on negotiations, without prejudice or disadvantage.	7(2)(i)	Once insurance issues area settled the Council will be entered into negotiations with developers.	Once negotiations are successfully concluded.
22.	Commercial Activities	7(2)(h) and 7(2)(f)(i)	Commercial Activities	Never
23.	To enable the Council to carry on negotiations, without prejudice or disadvantage.	7(2)(i)	Conduct of negotiations	Once negotiations are successfully concluded.

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Chairperson's**Recommendation:** That the foregoing motion be adopted.**Note**

Section 48(4) of the Local Government Official Information and Meetings Act 1987 provides as follows:

- “(4) Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof):
- (a) Shall be available to any member of the public who is present; and
 - (b) Shall form part of the minutes of the local authority.”