

17 June 2013

Memo To: Mayor and Councillors

Memo From: Administration Advisers

**Subject: COUNCIL – TO APPROVE THE ANNUAL PLAN 2013/14
18 JUNE 2013 – LATE ITEMS**

1. Civic Assurance Annual General Meeting 2013

Document 1534053

A report titled Civic Assurance Annual General Meeting 2013 is attached to be considered as a major late item at this meeting.

In accordance with section 46A(7) of the Local Government Official Information and Meetings Act 1987 and Standing Order 3.7.5, a procedural resolution is required before a major item that is not on the agenda for the meeting may be dealt with.

In accordance with section 46A(7)(b)(i) the reason why the item was not on the agenda is because it came to hand after the agenda had been distributed.

In accordance with section 46A(7)(b)(ii) the reason why discussion of this item cannot be delayed until a subsequent meeting is because a resolution on the matter is required before the next scheduled meeting of the Council, to enable appropriate voting at the Civic Assurance Annual General Meeting on 21 June 2013.

Recommendation

THAT the item regarding Civic Assurance Annual General Meeting 2013 be considered at this meeting as a major item not on the agenda, pursuant to Section 46A(7)(a) of the Local Government Official Information and Meetings Act 1987, to enable appropriate voting at the Civic Assurance Annual General Meeting on 21 June 2013.

2. Potential Debtor Issue

A public excluded report titled Potential Debtor Issue is to be considered as a major late item at this meeting.

In accordance with section 46A(7) of the Local Government Official Information and Meetings Act 1987 and Standing Order 3.7.5, a procedural

resolution is required before a major item that is not on the agenda for the meeting may be dealt with.

In accordance with section 46A(7)(b)(i) the reason why the item was not on the agenda is because it came to hand after the agenda had been distributed.

In accordance with section 46A(7)(b)(ii) the reason why discussion of this item cannot be delayed until a subsequent meeting is because a resolution on the matter is required before the next scheduled meeting of the Council to enable Council to receive urgent advice.

Recommendation

THAT the public excluded item regarding Potential Debtor Issue be considered at this meeting as a major item not on the agenda, pursuant to Section 46A(7)(a) of the Local Government Official Information and Meetings Act 1987, to enable the Council to receive urgent advice.

PUBLIC EXCLUDED BUSINESS

3. Exclusion of the Public

Recommendation

THAT the public be excluded from the following parts of the proceedings of this meeting.

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 the matter to be considered	Reason for passing this resolution in relation to the matter	Particular interests protected (where applicable)
<p>Potential Debtor Issue</p> <p>This report contains information regarding a potential debtor issue.</p>	<p>Section 48(1)(a)</p> <p>The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7</p>	<p>The withholding of the information is necessary:</p> <ul style="list-style-type: none"> • Section 7(2)(a) To protect the privacy of natural persons • Section 7(2)(b) To protect information that may disclose a trade secret or the commercial position of a person • Section 7(2)(h) To carry out commercial activities

Civic Assurance Annual General Meeting 2013

1. Purpose of Report

- 1.1 To determine how Council should vote on the matter of an increase in Directors' Fees at the Civic Assurance Annual General Meeting (AGM) to be held on 21 June 2013

2. Recommendation

THAT Council votes against the proposed increase in directors' Fees at the Civic Assurance Annual General Meeting on 21 June 2013.

3. Background

- 3.1 Council is a shareholder of Civic Assurance, the New Zealand Local Government Insurance Corporation Limited.
- 3.2 Council received notification of the Civic Assurance AGM and a copy of the agenda on 5 June 2013.
- 3.3 There are a number of issues on the agenda for the Civic Assurance AGM. The only one that officers are seeking guidance from Council is regarding the proposed increase in Directors' Fees.
- 3.4 This item says:

Directors' Remuneration

To determine the remuneration of Directors

The Directors recommend to members for approval a total amount of \$172,350 pa effective from 1 July 2013. This is an increase of \$57,450 pa over the amount approved three years ago. It is proposed that the next review of the Directors remuneration be undertaken in 2014. (See the explanatory note on the reverse of the proxy form).

- 3.5 The proxy form says:

In accordance with Company Policy of reviewing Directors' fees three yearly the Board has resolved to recommend to shareholders an increase in Directors' fees from \$114,900pa to \$172,350pa effective from 1 July 2013.

The Board obtained and accepted advice from an independent consultant who surveyed insurance companies, Crown Entities, SOE's and Council Controlled Organisations and who also recognised that the Director's duties have been substantially extended as a result of the RBNZ licensing requirements which will be ongoing. The increase also allows for an increase in fee for the Audit and Risk Committee Chairman. The Directors have agreed that the next review of their fees should take place next year rather than wait three years.

4. Discussion

- 4.1 What is proposed by Civic Assurance is an increase of 50%.
- 4.2 When Council was setting Directors' Fees for its Council Controlled Organisations and Council Controlled Trading Organisations (also to be effective from 1 July 2013), increases were either not approved or capped at CPI.
- 4.3 On this basis it would be counterintuitive for Council to vote in favour of such a substantial increase for the Directors of Civic Assurance.

5. Conclusion

- 5.1 That Council vote against the proposed increase in Directors' Fees at the Civic Assurance Annual General Meeting in line with the decisions made regarding Directors' Fees for Council Controlled Organisations and Council Controlled Trading Organisations.

Nikki Harrison
Chief Financial Officer

No Attachments

No supporting information follows.