

## **Library Report to the Piha R&R Association AGM held on 8 Jan 2012**

This report has been prepared to explain to Members, the issues that have arisen from the formation of the Library Trust and the activities that recent R&R Committees have engaged in, to try and resolve these issues.

It all started in Aug 2007 when a small deputation from the R&R Library Sub-committee met with the R&R Committee to discuss the concept of setting the library up as a separate trust. The R&R Committee made it clear that they would like the community to have a say in this process. The meeting concluded that the next stage was to determine some of the questions that arose from discussions surrounding ownership of the assets.

Then in Oct 2008 the library sub-committee confirmed it was still working on the process that would be needed to “legally put the library under a separate trust deed and move the accounting system etc out of the R&R Assn.”

The R&R Committee was therefore surprised to be advised in Oct-09, without any further consultation, that the library volunteers had formed a separate Piha Community Library Trust and that they were requesting transfer of the lease of the land the building is located on, to the Trust. The R&R Committee received a number of letters from R&R members and library users expressing concern at this development, and asked members of the Library committee to attend the next R&R Committee meeting to discuss the matter further. Unfortunately they did not attend. The Library sub-committee was also asked to provide details of the Library income and expenditure accounts and balance sheet, for inclusion in the R&R annual accounts for the YE Oct 2009 but they refused to do so.

In Jan 2010 the R&R President, and the Trust Chairman, had some informal discussions that led to an attempt to resolve the situation with a Settlement Deed. For a variety of reasons that was unacceptable to the R&R Committee. Also during 2010 the R&R Committee researched the history of the R&R involvement in the development, funding and management overview of the library from its inception to that time.

This documentation clearly confirms that the R&R was directly involved with the development, funding and building of the library from its inception and had controlled the process delegating the detailed work to the Library sub-committee. The evidence confirming this is quite overwhelming.

The Trust was again asked to provide P & L account and balance sheet details for inclusion in the 2010 R&R annual accounts but they were not provided, though it was noted that the Trust accounts included the funds missing from the R&R accounts from 2009.

Then at last year's R&R AGM the following resolutions were passed: (1) “That the incoming committee develop a proposal to resolve the dispute over the assets held in the Library accounts, to be ratified at a SGM.” and (2) “That the incoming committee negotiate a resolution of the Library issue that reflects the ongoing ownership of the Library premises by the Piha R&R Assn.”

The 2011 Committee have been working hard to fulfil these 2 resolutions without success. In Feb 2011 the committee wrote to the Trust requesting a meeting to resolve the issues but the Trust declined. The Committee wrote again in March, April, May, June and July continually requesting a meeting and the Trust responded each time with a series of queries and continued to avoid a meeting. Finally, in July, after the R&R detailed some of the evidence confirming the R&R's involvement in the library development, the Trust agreed to a meeting which was eventually held on 2 Nov. It was facilitated by Mark Allen, Senior Local Board Advisor, Auckland Council.

The R&R made the point clearly that to transfer or sell the building to the Trust they would need a strong and compelling argument that the R&R could take back to it's membership and suggested a sub-lease could be an option worth considering.

The Trust stated that they wanted 'control of their destiny' and the ground lease transferred to them to achieve that and that a sub-lease was not acceptable. While the meeting did not develop an acceptable solution, at the conclusion of the meeting, an agreement was made that the Trust would present a proposal for a solution to the R&R.

The R&R received a letter from the Trust on 21 Dec 2011, stating that they would not accept a sub-lease and that they had not changed their previously stated views. There was no proposal to resolve the issues.

The Committee has prepared a position paper outlining the events I have detailed and including some of the evidence confirming the R&R's involvement with the development of the library and this is now available on the R&R website.

In conclusion the Committee confirms that the R&R have always been fully accountable for the Library and it's financial performance and have always held ownership of the Library building, all of its contents and its working capital (cash in the bank). It has two written legal opinions that also confirm this.

The present situation is that the Trust continues to occupy the R&R owned building without the agreement of the R&R and in conflict with the terms of the Lease from the Council, the Trust is operating with R&R funds, and the R&R continues to be accountable for the building and the financial performance of the Trust. These circumstances cannot be left in abeyance.

The Committee believes that the only way the differences between the Association and the Trust can be resolved is by meeting and working together objectively in the interests of the wider community.

The Committee now recommends that a settlement of these issues should continue to be pursued and seeks the support of this Meeting to continue to do that.