



**AGENDA FOR A MEETING OF THE FINANCE AND OPERATIONAL PERFORMANCE  
COMMITTEE TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE,  
LINCOLN, WAITAKERE CITY, ON MONDAY, 12 JUNE 2006,  
COMMENCING AT 10.00 AM.**

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**PART A - OPENING OF MEETING**

**1 APOLOGIES**



**2 URGENT BUSINESS**

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 provides that where an item of business is not on the agenda, it may only be dealt with at the meeting if:

- (i) the Committee by resolution so decides; and
- (ii) the Chairperson has explained at the beginning of the meeting (when open to the public) that the item will be raised for discussion and decision, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting.

The Committee may make a decision on a matter determined to be urgent.

**NOTE:** Urgent Business need not be dealt with now and may be delayed until later in the meeting.



**3 CONFIRMATION OF MINUTES**

Meeting Minutes - Monday, 8 May 2006

**RECOMMENDATION**

That the minutes of the Meeting of the Finance and Operational Performance Committee held on Monday, 8 May 2006, as circulated, be taken as read and now be confirmed.



**PART B - PRESENTATION**

**4 ZERO WASTE – ENVISION NEW ZEALAND**

Warren Snow from Envision New Zealand will give a presentation to the Finance and Operational Performance Committee on Zero Waste.



## **PART C - PROPERTY**

### **5 AUTHORITY TO PREPARE AN EASEMENT FOR PART OF ROAD RESERVE - 1118 HUIA ROAD**

#### **PURPOSE OF THE REPORT**

The purpose of this report is to seek approval from the Finance and Operational Performance Committee to prepare an easement for part of the legal road reserve at 1118 Huia Road to the adjoining property owners, for the purpose of providing an effluent disposal field.

#### **BACKGROUND**

The owners of 1118 Huia Road have requested Council approval to utilise approximately 137m<sup>2</sup> of legal road reserve in front of their property. This area is required to increase the site area available to install an onsite wastewater treatment and disposal system in the said property.

A1

A plan of the property is attached at page A1.

#### **STRATEGIC CONTEXT**

The provision by property owners of onsite wastewater treatment and disposal, where there is no reticulation, is a component of the Three Waters platform to protect public health and the environment.

#### **ISSUES**

At present, wastewater systems for this property comprise the following:

- an electric toilet;
- a long drop for blackwater; and
- soakholes for greywater.

These systems are not working satisfactorily due to poor soil drainage, as the soil is a clay base with clumps of sandstone and rock at the rear of the section. As well there are numerous fresh water springs that soak the rear of the section and during winter a small waterfall frequently flows through the middle of the site. Since Huia has significantly high rainfall the section becomes waterlogged in winter and onsite wastewater systems are not able to function effectively in the present location.

An engineer has been engaged by the owners to investigate options and recommend a preferred solution for on site wastewater treatment and disposal.

The rear of the section is predominantly bush and rises steeply away from the house to the rear boundary. Therefore, this location is not suitable for a disposal field and thus the disposal field needs to be located at the front of the section.

The engineer's report has established that the best option is to construct a disposal field at the front of the house partly on the property and partly on road reserve. This will require the use of approximately 137 square metres of road reserve in front of the property. The road reserve is not required for roading purposes as the carriageway of Huia Road is located approximately 9.5 metres from the property boundary.

It is therefore recommended that authority be given to prepare an easement with the owners to occupy the road reserve.

## RESOURCES

The owners will be responsible for the cost of legal documents and any other costs incurred by Council.

## CONCLUSION

The proposal to prepare an easement for part of the road reserve in front of 1118 Huia Road will enable the owners of this property to install an efficient wastewater system. In turn, this will benefit the Huia community by protecting public health and avoiding adverse effects.

The land is not required for roading purposes and therefore the proposal will not compromise the roading network.

## RECOMMENDATIONS

1. That the Authority to Prepare an Easement for Part of Road Reserve – 1118 Huia Road report be received.
2. That the Chief Executive Officer be given authority to execute legal documents for an easement in favour of the owners of 1118 Huia Road to occupy the road reserve for the purposes of constructing a wastewater disposal field.

Report prepared by: Tony Miguel, Group Manager: Asset Management.



## 6 SALE OF SURPLUS PROPERTY AT 8 HUGH BROWN DRIVE, NEW LYNN

### PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Finance and Operational Performance Committee to sell a property at 8 Hugh Brown Drive, New Lynn which is now surplus to Council's requirements.

### BACKGROUND

Council purchased the property at 8 Hugh Brown Drive, New Lynn (Lot 23 DP 20556) in November 2001 to enable the development of a pump station on the rear of the property to improve the New Lynn wastewater system.

A2 Construction of the pump station has been completed, and the area of land around the pump station has been fenced. A concrete driveway has been constructed to provide vehicle access to the pump station site. The lot that Council is retaining includes this driveway so that uninterrupted vehicle access to the pump station will be available at all times. The land to be retained for the pump station and the access are shown on the attached plan at page A2.

The balance of the property at 8 Hugh Brown Drive, which includes a residential dwelling on a 574m<sup>2</sup> site, is now surplus to Council requirements. The dwelling is currently subject to a tenancy arrangement.

A report on this issue was submitted to the Finance and Operational Performance Committee's meeting of 11 July 2005, and the Committee resolved as follows:

1. *That the Sale of Surplus Property at 8 Hugh Brown Drive, New Lynn report be received.*
2. *That it be recommended to Council:*
  - (a) *That it be noted that the surplus land has been offered back to the former owners consistent with the requirements of Section 40 of the Public Works Act 1981, and they have declined;*
  - (b) *That the land for the pump station at 8 Hugh Brown Drive, New Lynn be requested to be set apart pursuant to Section 52(4) of the Public Works Act;*
  - (c) *That a report on opportunities for development around the surplus land at 8 Hugh Brown Drive, New Lynn be brought to the September 2005 meeting of the Finance and Operational Performance Committee.*

1334/2005

## STRATEGIC CONTEXT

The strategic context for the three waters is for an innovative approach in managing drinking water supply, wastewater and stormwater. This is to ensure that the services in all three areas are efficient, reliable and high quality and minimise impacts on the environment over the long term.

Council is committed to managing wastewater and stormwater in ways which will:

- Protect public health;
- Enhance environmental values; and
- Use financial resources wisely.

## ISSUES

For the sale to proceed the Finance and Operational Performance Committee should recommend to Council that approval to the sale be given and that the requirements of Section 40 of the Public Works Act 1981 have been fulfilled.

Section 40 of the Public Works Act 1981 provides that where any land held for a public works is no longer required for that public work, the local authority shall offer to sell the land to the person from whom it was acquired. Such an offer has been made to the former owner who has confirmed in writing that they do not wish to purchase the surplus property.

A survey of the pump station site has been carried out and the site can now be 'set apart' for a pump station in terms of Section 52(4) of the Public Works Act 1981. This process is exempt from the Resource Management Act 2001 and therefore a subdivision consent is not required. A statutory declaration from Council will be required in terms of Section 52(7) of the Public Works Act 1981 stating that Council is authorised by law to undertake the work for which it is proposed to set the land apart.

An evaluation of options for the use of this property has been completed in association with Waitakere Properties Limited. The conclusion of this evaluation is that the best return to Council will be achieved by selling the property in its current state.

## **RESOURCES**

The net proceeds from the sale will be used to pay off debt as the purchase of the property was funded from loans raised from wastewater works. The estimated sale price is circa \$300,000.

## **CONCLUSION**

Part of the property at 8 Hugh Brown Drive is surplus to Council requirements now that the pump station has been constructed on the rear portion of the property. The surplus property has been offered back to the former owner in terms of section 40 of the Public Works Act 1981, and they have declined the offer.

An evaluation of options has concluded that the best option is to sell the property in its current state.

For the sale of the property on the open market to proceed, Council must now approve the sale of the surplus property on the open market and determine that the requirements of Section 40 of the Public Works Act 1981 have been fulfilled. It is recommended that this Committee make these recommendations to Council.

## **RECOMMENDATIONS**

1. That the Sale of Surplus Property at 8 Hugh Brown Drive, New Lynn report be received.
2. That it be a recommendation to Council:
  - (a) That it be noted that the surplus land has been offered back to the former owners consistent with the requirements of S40 of the Public Works Act 1981, and they have declined;
  - (b) That the land for the pump station at 8 Hugh Brown Drive, New Lynn be set apart pursuant to S52(4) of the Public Works Act 1981;
  - (c) That the residue of Lot 23 DP 20556 be approved to be sold with the Chief Executive Officer authorised to execute any Agreement for Sale and Purchase; and
  - (d) That the net proceeds of sale as aforesaid be applied to reduce the relevant Wastewater Loan.

Report prepared by: Tony Miguel, Group Manager: Asset Management.



**PART D - LEGAL AND CONSTITUTIONAL**

**7 AFFIXATION OF COMMON SEAL**

**EXECUTION OF DOCUMENTS: 2 May 2006 to 2 June 2006**

<b>Nº</b>	<b>NAME</b>	<b>PARTICULARS</b>
3646	WCC – Auckland City Council Manukau City Council North Shore City Council Papakura District Council Rodney District Council	Deed of Variation to Shareholders' Agreement relating to Watercare Services Ltd
3647	WCC – D Barton & TA Bedford	Memorandum of Encumbrance – Council owned land – CT.NA988/218 - 8 Warner Park Avenue
3648	WCC – KR & Z Huljich	Drainage easement – Council Resolution 460/06 (Realm Reserve, Massey)
3649	WCC – JC & SK Calcott and RP Goodman	Deed of Covenant in gross – CT.NA57D/1393 – 2 Glenview Road – RMA 20050793
3650	WCC – T & BM Halaapiapi	Deed of Lease - 63 Keeling Road – Resolution 677/2006
3651	WCC – Glen Eden Properties Ltd	Drainage easement in gross – CT.224659 – 94-98 Glengarry Road – SPW 22487
3652	WCC – Onyx Group Ltd/ERS New Zealand Limited	Deed of Assignment of Contract TA05001B – City Cleaning & Roadsweeping
3653	WCC – JP Harwood	Drainage easement in gross – CT.186485 – 24 Matipo Road – RMA 20020933
3654	WCC – MW & LM Lemman	Drainage easement in gross – CTs.165797 & 165798 – 18A Maynell Court – SPW 21653 – RMA 20022054
3655	WCC – Techscape Ltd	Deed of Lease for part of Te Rangi Hiroa Reserve
3656	WCC – Parcel Investments Ltd	Drainage easement in gross – CT.223016 – 75 Pleasant Road – RMA 20041668
3657	WCC – WPL	Deed of Nomination re acquisition of 12-22 Totara Avenue, New Lynn ex Lennan Family Company Ltd – NA678/300, NA599/156 & NA599/287
3658	WCC – AM Heising	Deed of Waiver under s.40 Public Works Act – 342 West Coast Road – Finance & Operational Performance Committee resolution 1348/2005
3659	WCC – GR & FE Hughes	Deed of Waiver under s.40 Public Works Act – 59B Savoy Road - Finance & Operational Performance Committee resolution 1348/2005
3660	WCC – DP & S Croft	Memorandum of Encumbrance – road encroachment - CT.NA720/782 – 10 Raroa Terrace

Nº	NAME	PARTICULARS
3661	WCC – CG & M Chambers & Liston Trustee Services Ltd	Memorandum of Encumbrance – road encroachment - CT.NA1012/6 – 2 Okewa Road
3662	WCC – JH Lee & IS Song – A Tavola Breads	Extension of lease at Lopdell House – Ross McLeod Delegated Authority – 18/5/2005
3663	WCC – Theodora Pearce	Memorandum of Encumbrance – CT.57A/1193 – 31 Vintage Drive, Henderson
3664	WCC - SM Wortley	Drainage Easement – 426 West Coast Road, Glen Eden – Council resolution 1975/2000

### **RECOMMENDATIONS**

1. That the Affixation of Common Seal report be received.
2. That the action taken in affixing the Common Seal on the documents as set out in the agenda report be adopted.

Report prepared by: Magdalene Conceicao, Executive Officer (Legal).



## **PART E - FINANCE**

### **8 OPERATING AND CAPITAL EXPENDITURE SUMMARIES**

#### **PURPOSE OF THE REPORT**

The purpose of this report is to inform the Finance and Operational Performance Committee as to the level of the year to date operating and capital expenditure by unit compared to budget.

#### **BACKGROUND**

Through the Long Term Council Community Plan processes, the Council approves operating and capital expenditure. The Council follows good practice for procurement of goods and services and ensures that funding has been provided from appropriate sources.

#### **ISSUES**

A3 This report covers expenditure for the ten months to 30 April 2006. The financial summaries are attached on page A3.

If any further information is required in respect of this report, other than of a general nature, please contact either the writer or the Director: Finance prior to the meeting to enable the query to be researched.

#### **CONCLUSION**

Expenditure for the 10 months to 30 April 2006 is on track as per the operational budget.

## **RECOMMENDATION**

That the Operating and Capital Expenditure Summaries report be received.

Report prepared by: Bob Preston, Group Manager: Financial Management.



## **9 STATUS OF SPECIAL FUNDS**

### **PURPOSE OF THE REPORT**

The purpose of this report is to inform the Finance and Operational Performance Committee on the status of Council's Special Funds.

### **BACKGROUND**

Special funds are those funds held or designated by Council for a specific purpose or purposes. With the exception of the Auckland Regional Services Trust funds which are held in a separate bank account, the balances of these funds are used to offset Council's borrowing requirements. Interest is allocated to funds where applicable.

Special fund movements are recommended through the Long Term Council Community Plan and Annual Plan adoption process. Special funds are classified as either "Restricted Funds" or "Non-Restricted Funds". Restricted funds are those funds that have been received by Council from a third party or parties and are to be used for a specific purpose or purposes. Non-restricted funds are funds established by a Council resolution to use and set aside its own funds and also to meet a specific purpose or purposes.

### **ISSUES**

A4 The Special Fund report is separated into restricted and non-restricted funds. The balances and summary transactions for the ten months ended 30 April 2006 are attached at page A4.

If any further information is required in respect of this report, other than of a general nature, please contact either the writer or the Director: Finance prior to the meeting to enable the query to be researched.

### **CONCLUSION**

Special Funds are being held or designated for a specific purpose or purposes. The fund balances have been reported as required.

## **RECOMMENDATION**

That the Status of Special Funds report be received.

Report prepared by: Bob Preston, Group Manager: Financial Management.



## 10 **BORROWING AND INVESTMENT REPORT**

### **PURPOSE OF THE REPORT**

The purpose of this report is to provide the Finance and Operational Performance Committee with an update on the estimated borrowing and investment activity for April 2006.

### **BACKGROUND**

Waitakere City Council enters into treasury related financial contracts in the ordinary course of its business. It is the role of Council's Funds Management section to manage such contracts and the impact that they have on the organisation. All funds management transactions are governed by the Liability Management and Investment Policy, prepared in compliance with the Local Government Act 2002. As a requirement of that Policy this report informs the Committee on the current and future movements of Council's debt and cash investments and provides a general commentary of financial market conditions.

A5-A10

The relevant portfolio and graphs reflect the estimated position as at 30 April 2006 and are attached at pages A5 to A10.

### **ISSUES**

Council's Funds Management function actively manages a large portfolio of various debt and investment instruments. The benefit of borrowing is that it enables Council to carry out the projects identified in the Annual Plan and Long Term Council Community Plan, while spreading the costs for those projects over time to recognise the future benefits. Borrowing funds therefore assist Council with its entire loans funded strategic initiatives. The Liability Management and Investment Policy requires that a report detailing the management of the portfolio be presented to the Finance and Operational Performance Committee on a regular basis. The report must include information on the following subjects:

- Cash/Debt position;
- Forecasted borrowing profile;
- Interest rate profile;
- Risk management;
- Material transactions;
- Market commentary.

This report addresses the requirement of the Policy and may include other information that is relevant to the Funds Management function.

### **FINANCIAL IMPLICATIONS**

The active management of the treasury portfolio seeks to minimise Council's borrowing costs and maximise investment returns of liquid assets. The Funds Management function is also charged with seeking investors, thus ensuring that there is sufficient liquidity available for the Council to continue its work programme. New Zealand financial markets are significantly volatile and therefore interest rate risk management is a key responsibility of the Funds Management function. Detailed financial information included within this report is intended to give assurance of the prudent management of Council's portfolio.

Council approved a new loans funded capital works programme for the 2005/2006 year, including carry forward projects from the 2004/2005 year, through the 2005/2006 Annual Plan to a maximum gross debt of \$296.681 million. Interest expense for the 2005/2006 year is budgeted to be \$10.166 million.

Council maintains Standard and Poor's Credit Ratings of A-1 short term, and A+ long term (stable).

### **ESTIMATED SUMMARY OF BORROWING AND INVESTMENT MOVEMENTS TO APRIL 2006**

Council's estimated gross term debt position has increased by \$10.293 million since March 2006, with an estimated closing balance at April month end of \$227.278 million. Estimated working capital borrowings of \$10.147 million as at 30 April 2006 have been funded using internal borrowing.

### **SIGNIFICANT FUNDING TRANSACTIONS ENTERED INTO DURING APRIL 2006**

- Sinking Fund investment of \$3,000,125.49 at 7.46% for 42 days;
- Issue \$10 million bond for a term of 3 months, at a fixed interest rate of 7.50%.

### **FINANCIAL MARKET COMMENTARY**

#### **Market Overview**

Interest rates over the past month have remained relatively stable with short term 90 day bank bills holding at around 7.50%, while the 10 year swap rate has remained around 6.70%. With the Reserve Bank of New Zealand's next Monetary Policy Statement to be made on 8 June 2006, the Financial Markets expect the Official Cash Rate to remain steady at 7.25%.

#### **Up Coming Dates**

Monetary Policy Statement	8 June 2006
Official Cash Rate Announcement	27 July 2006

### **CONCLUSION**

All transactions covered by this report have complied with the requirements of Council's Liability Management and Investment Policy.

### **RECOMMENDATIONS**

That the Borrowing and Investment report be received.

Report prepared by: Bruce Wilkin, Treasury Manager.



## **11 PAYMENTS FOR APPROVAL**

### **PURPOSE OF THE REPORT**

The purpose of this report is to advise the Finance and Operational Performance Committee of payments made by the Council.

### **BACKGROUND**

This report provides details of payments made to external suppliers in excess of \$5,000. In addition there is a summary listing, which aggregates payments made to various organisations and suppliers for the Committee's information. These payments have already been processed as allowed by delegations approved by the Council. If any Councillor requires information regarding the nature of any payment, that information can be provided.

## STRATEGIC CONTEXT

The Council makes various payments as provided for in its Long Term Council Community Plan and Annual Plans. The Council follows good practice for procurement of goods and services and ensures that funding has been provided from appropriate sources.

## PAYMENTS

A11-A18

A summary schedule of payments made for the period 24 March 2006 to 4 May 2006 is attached at pages A11 to A12. A further schedule of all payments of \$5,000 and above, together with the reason for the payment is attached at pages A13 to A18. If a committee member wishes to ask specific questions relating to any of these payments, prior to the meeting, then such questions can be directed to the Director: Finance.

## CONCLUSION

The summary schedule of payments is shown for the period 24 March 2006 to 4 May 2006. Payments have been provided for in accordance with approved budgets.

## RECOMMENDATIONS

1. That the Payments for Approval report be received.
2. That the contracts let and payments made be approved.

Report prepared by: Andrew Pollock, Director: Finance.



## PART F - GENERAL

### 12 NEW ZEALAND LOCAL GOVERNMENT INSURANCE CORPORATION LIMITED AND LOCAL GOVERNMENT MUTUAL FUNDS TRUSTEES LIMITED - ELECTION OF DIRECTORS

#### PURPOSE OF THE REPORT

The purpose of this report is to seek Council's guidance on the election of Directors for the New Zealand Local Government Insurance Corporation Limited (trading as Civic Assurance) and its subsidiary New Zealand Mutual Funds Trustees Limited (trading as Riskpool).

#### BACKGROUND

Council has a small shareholding in New Zealand Local Government Insurance Corporation Limited and is a member of New Zealand Mutual Funds Trustees Limited. As such, the Council is entitled to nominate persons to be Directors of both Companies and to vote on the election of Directors for the Company.

The annual meetings of both Companies are to be held on Friday, 23 June 2006.

At the annual meeting of Civic Assurance this year, two of the existing Directors will retire by rotation, meaning that two positions on the Board are up for election. The retiring Directors this year are Messrs Howard Stone who has been in office longest since the last election and Michael Hannan who was appointed by the Civic Assurance Board earlier this year after an extensive search for someone with an insurance background to replace Warwick Davis who resigned late last year. Mr Davis was also an independent director with insurance experience. The two retiring Directors Messrs Howard Stone and Michael Hannan are both eligible for re-election. In addition to those two Mr Wayne Guppy has been nominated. There are three candidates for two positions.

Among the other members of the Directorate of the Company is Mr Darryl Griffin, who is an employee of Waitakere City Council.

The constitution of Riskpool requires the election of all four local authority Directors retire at the same time. This is not best governance practice and a change to the Constitution will be proposed at a future date. In the mean time, at the annual meeting of Riskpool this year, all four local authority Directors will retire and three of those retiring are offering themselves for re-election. The retiring Directors this year are Messrs Bob Lineham, Michael Ross and Bryan Taylor. In addition to those three, Ms Mary Bourke, Messrs Ian Alexander, Wayne Guppy, Jim Palmer and Denis Sheard have been nominated. There are eight candidates for four positions.

## **ISSUES**

### **New Zealand Local Government Insurance Corporation Limited:**

Messrs Howard Stone and Michael Hannan are the retiring Directors who are both eligible for re-election at this time and Mr Wayne Guppy has also been nominated. There are three candidates for two positions.

Staff have discussed the attributes of the nominees and recommended that the Council support the nomination Messrs Howard Stone and Michael Hannan by casting its votes for them at the annual meeting of the Company.

### **New Zealand Mutual Funds Trustees Limited:**

Messrs Bob Lineham, Michael Ross and Bryan Taylor are the retiring Directors this year who are all eligible for re-election at this time. Mr Roger Duncan, a board member of Riskpool since Riskpool's inception in 1997 is not standing for re-election. Ms Mary Bourke and Messrs Ian Alexander, Wayne Guppy, Jim Palmer and Denis Sheard have also been nominated. There are eight candidates for four positions.

Staff have discussed the attributes of the nominees and recommended that the Council support the nomination Messrs Bryan Taylor, Denis Sheard, Ian Alexander and Bob Lineham by casting its votes for them at the annual meeting of the Company.

## **RESOURCES**

There are no resource issues associated with this report.

## **CONCLUSION**

The annual meetings of the New Zealand Local Government Insurance Corporation Limited and New Zealand Mutual Funds Trustees Limited are to be held on Friday, 23 June 2006.

An election will be held for Directors of the Company and the Mutual Fund. Staff are recommending that Council support the nominations of Messrs Howard Stone and Michael Hannan for New Zealand Local Government Insurance Corporation Limited and the nominations of Messrs Bryan Taylor, Denis Sheard, Ian Alexander and Bob Lineham for the New Zealand Mutual Funds Trustees Limited.

### **RECOMMENDATIONS**

1. That the New Zealand Local Government Insurance Corporation Limited and New Zealand Mutual Funds Trustees Limited - Election of Directors report be received.
2. That Council support the nominations of Messrs Howard Stone and Michael Hannan for New Zealand Local Government Insurance Corporation Limited and the nominations of Messrs Bryan Taylor, Denis Sheard, Ian Alexander and Bob Lineham for the New Zealand Mutual Funds Trustees Limited.
3. That the Chief Executive Officer be authorised to exercise the votes of Council either:
  - a) In person, or
  - b) By delegation to another officer, or by proxy through delegation to the Chairperson or a Director of the Companies present at the meeting.
4. That the Chief Executive Officer be authorised to exercise either in person or by delegation to a proxy or other person, the votes of Council at the Annual meeting of the New Zealand Local Government Insurance Corporation Limited and the New Zealand Mutual Funds Trustees Limited in relation to any other matters as he sees fit so long as the exercise of votes is not contrary to any Council policy position.

Report prepared by: Andrew Pollock, Director: Finance.



## **13 LINCOLN ROAD WIDENING**

### **PURPOSE OF THE REPORT**

The purpose of this report is to seek approval from the Finance and Operational Performance Committee to approve adjustment to the approved Annual Plan 2005/2006 to cover costs for Lincoln Road Widening project.

### **BACKGROUND**

Lincoln Road has been widened into four lanes in a number of stages with the first stage being carried out during 2003/2004. The consultation process for widening of the full length of Lincoln Road was carried out at the initial stage. The widening of Lincoln Road between Abel Tasman Avenue and Sel Peacock Drive is the final stage of the widening process.

The final stage from Abel Tasman Avenue to Sel Peacock Drive was provided for in the Annual Plan 2005/2006. Now that the design of this final stage has been completed and an engineering estimate is available it is evident that costs have increased from the original estimate.

Delays have occurred in the land purchase and Council has commenced compulsory acquisition of two of the properties.

### STRATEGIC CONTEXT

The Waitakere City Council's 'Integrated Transport and Communication' platform provides the strategic context for this report. The vision is for public transport and communications systems that provide fast, effective services, and for city travel facilitated by integrated, environmentally responsible, and innovative design, with a focus on meeting the essential needs of all, for access, communication, and safety.

### ISSUES

The project includes widening of Lincoln Road (from Abel Tasman Avenue to Sel Peacock Drive) by one lane to complete the four lane configuration of Lincoln Road from the motorway to Great North Road. Lincoln Road is to be widened by 4.4 metres for a length of 185 metres from Abel Tasman Avenue to Sel Peacock Drive.

Water, Telecom, power utilities as well as street lighting poles and power transformers are present in the work area. These services will have to be moved before work can commence. Modifications are also required to the existing traffic signals.

Land purchase is still in progress. A total of seven properties are affected by the strip of 4.4 metres required from their frontage. Four of the property purchases are complete with a price agreement being reached on a fifth property. Settlement on this fifth property is expected in a few months. Two of the property purchases have had slow progress and consequently compulsory acquisition purchase papers have been served on these two property owners.

A consultant has been approached to design a landscaping plan for this area. This plan is a requirement in the land purchase agreements. It is expected that the plan will be available by the middle of May 2006. The implementation of the landscaping work is expected during September and November 2006 as part of the land purchase agreements.

### Costs Estimate

The estimated costs for Lincoln Road Widening - Abel Tasman Avenue to Sel Peacock Drive are as set out in the table below:

Items	Costs
Professional Fees	\$ 45,000
Land Purchase	\$ 310,000
Landscaping	\$ 50,000
Service Relocation	\$ 250,000
Construction Costs	\$ 445,000
Contingency	\$ 70,000
<b>TOTAL</b>	<b>\$ 1,170,000</b>

### Source of Funds

Budget Items	2005/2006 Approved Annual Plan	Draft 2006/2007 Annual Plan	Proposed offset within 2005/2006 annual plan	Total
Lincoln Road Widening completion Woodford to Norval	C/O \$170,000 \$ 80,000		-	\$ 250,000
Lincoln Road Widening Abel Tasman to Sel Peacock	C/O \$300,000		-	\$ 300,000
Land Purchase Road Reserves General Budget	\$100,000	\$ 40,000	-	\$ 140,000
Rail Crossing			\$ 360,000	\$ 360,000
Hobsonville Detailed Design			\$ 120,000	\$ 120,000
<b>Total</b>	<b>\$ 180,000</b>	<b>\$ 510,000</b>	<b>\$ 480,000</b>	<b>\$1,170,000</b>

### Additional Funding

There is thus a shortfall in funding of \$480,000 (i.e. \$1,170,000 - \$690,000).

The additional land purchase costs are due to the increase in the land value, the employment of a Land Agent to assist with the purchase and the cost of noise mitigation necessary as the road is 4.4 metres closer to the properties. The noise mitigation involved replacing window frames, double glazing of the glass, house ventilation systems and fencing for each of the properties. Due to the additional fumes from the road, fresh air from open windows was not possible, mechanical ventilation of the houses became necessary.

The additional landscape plan and work required as part of the requirement in the land purchase agreement was also not anticipated. The landscaping plan involved a fencing and planting plan, rearranging of parking areas and relocation of structures.

An increase in cost for the relocation of the substantial services existing in the area has also increased the costs of the project. There are substantial water, gas, telecom and power services to be relocated.

The available funds for this project within the approved Annual Plan 2005/2006 are \$650,000. \$80,000 will be committed for the Lincoln Road project and \$100,000 will be committed for land purchases during 2005/2006 and \$470,000 of these funds is to be carried over to 2006/2007. Additional proposed funding included in the draft Long Term Council Community Plan in 2006/2007 is \$40,000. There is thus a shortfall in funding of \$480,000 (i.e. \$1,170,000 - \$690,000). The additional funding required for this project is \$ 480,000 and can be provided by making adjustments to the 2005/2006 Annual Plan line items as follows:

1. The Rail Crossing budget of \$480,000 was made available in the Annual Plan 2005/2006. A number of barrier arm projects planned for crossings within Waitakere City will now be provided by ONTRACK as part of the rail double tracking. The only project being carried out by Council within this budget is the Portage Road pedestrian crossing at a cost of \$120,000. The balance funding available is \$360,000 from Rail Crossing budget. It is recommended that this funding be offset to the Lincoln Road Widening project and carried over to 2006/2007.

2. The Hobsonville detailed design budget of \$425,000 was made available within the approved Annual Plan 2005/2006. It has become evident that \$120,000 of this budget will not be spent on projects within this financial year. The Air Force have not vacated the airbase in Hobsonville yet and some of the capital works have been delayed as a result. It is recommended that \$120,000 of this funding be offset to the Lincoln Road Widening project and carried over to 2006/2007.

## RESOURCES

In order to address the funding shortfall of \$480,000, it is recommended that approved funding within 2005/2006 be offset to the Lincoln Road Widening budget from the following two budgets:

- Rail Crossing budget line item to the amount of \$360,000;
- Hobsonville detailed design budget line item to the amount of \$120,000.

Due to delays in land purchasing, it is recommended that the total budget requirement of \$950,000 within the 2005/2006 annual plan be carried forward to 2006/2007.

## CONCLUSION

The level of funding for the Lincoln Road Widening from Abel Tasman Avenue to Sel Peacock Drive is not sufficient to complete the project scope of works. It is recommended to offset an amount of \$360,000 from the Rail Crossing budget and \$120,000 from the Hobsonville detailed design budget to provide the additional amounts required for this project, for the completion of this project.

## RECOMMENDATIONS

1. That the Lincoln Road Widening report be received.
2. That the Group Manager: Asset Management be authorised to offset \$360,000 of the Rail Crossing budget allocated within the Annual Plan 2005/2006 to the Lincoln Road widening project.
3. That the Group Manager: Asset Management be authorised to offset \$120,000 of the Hobsonville detailed design budget allocated within the Annual Plan 2005/2006 to the Lincoln Road widening project.
4. That the carry-over to the draft Annual Plan 2006/2007 of \$170,000 under Lincoln Road Widening (completion of Woodford to Norval) and an amount of \$300,000 under Lincoln Road Widening (Abel Tasman to Sel Peacock) and amount of \$360,000 under Rail Crossing and \$120,000 under Hobsonville detailed design within the approved Annual Plan 2005/2006 be approved.

Report prepared by: Edwin Dearham - Principal Transport Engineer Planning.



## 14 WATERCARE SERVICES LIMITED FUNDING PLAN 2006

### PURPOSE OF THE REPORT

The purpose of this report is to provide information to the Finance and Operational Performance Committee on the future costs of bulk water and wastewater services provided by Watercare Services Limited.

### BACKGROUND

Watercare Services Limited has now released the latest Funding Plan in March 2006 which outlines charges for bulk water supply and wastewater disposal for the next three years, starting 2006/2007.

This report provides a summary of the price increases indicated in the Funding Plan and the impact on the draft 2006-2016 Long Term Council Community Plan.

### STRATEGIC CONTEXT

The strategic context for this report is that services provided by Watercare Services Limited are an integral part of Council's Three Waters strategic platform.

### ISSUES

Watercare Services Limited operates under the Local Government Act which requires it to prepare a Statement Intent in which to outline the pricing mechanisms to apply to customers.

The Local Government Act also requires Watercare Services Limited to prepare an annual Funding Plan.

The 2006 Funding Plan forecasts significant cost increases that are higher than previous forecasts which were included in the draft 2006-2016 Long Term Council Community Plan.

The reasons for the forecast increases in the Funding Plan include the following:

- interest rates;
- inflation and in particular increases in power and chemicals;
- capital projects funding as outlined in Watercare Services Limited 2005 Asset Management Plan;
- to fund additional depreciation as a result of assets being revalued;
- the requirement to maintain Watercare Services Limited balance sheet structure in terms of financial ratios for credit rating purposes, and;
- to maintain Watercare Services Limited balance sheet a requirement to increase revenue and net profit after tax.

Watercare Services Limited has outlined the pricing mechanisms that are needed under the Standard and Poors credit rating to maintain specific financial ratios, in particular:

- an interest cover ratio that measures having sufficient net profit after tax to cover interest payments; and
- a gearing ratio that measures debt cover to equity (net company worth).

Watercare Services Limited considers that it must operate within this financial framework so that it can have access to cost effective capital and debt financing.

### **Bulk Water Supply and Wastewater Contracts**

Watercare Services Limited has a three year supply contract with Council that ends on 30 June 2008. Under this contract, price increases are limited so that in the remaining two years of this contract, namely 2006-2007 and 2007-2008 increases of \$284,000 and \$445,000 will apply.

These cost increases have been provided in the draft Long Term Council Community Plan 2006-2016.

### **Future Cost Increases**

The Funding Plan signals that in 2008/2009 there will be a need to increase bulk water charges by 13% followed by increases of up to 1% in future years. These cost increases have not been included in the draft Long Term Council Community Plan 2006-2016 and will result in an increase of approximately \$960,000 in 2008/2009 over the previous year.

The Funding Plan also signals that in 2008/2009 wastewater charges will increase by 11% followed by an 8% increase in 2009/2010, 3% in 2010/2011, 3% in 2011/2012 and thereafter increasing up to approximately 13% in 2014/2015. The proposed increase in 2008/2009 will amount to approximately \$1,620,000.

A preliminary analysis of these costs shows that there may be some options to mitigate price increases, as set out below:

- Price smoothing by Watercare Services Limited. Under this option cost increases could be applied from 2006/2007 to minimise the impact in future years. However, this has the disadvantage of passing on the cost to customers prior to the actual need for capital investment;
- Joint planning to reduce capital costs. Under this option, the Shareholders Representative Group and the Local Network Operators Group would work jointly with Watercare Services Limited to explore opportunities to minimise the capital work programme and associated funding requirements. At this stage this option is preferred.

### **Year End Rebates**

For the past two years Council has received a price adjustment and in June 2005 Watercare Services Limited paid \$10 million to customers, with Council's share being \$749,000 for water and \$568,000 for wastewater.

The 2006 Funding Plan specifically states that it has been prepared on a no rebate basis for the current and future years, and that if a price rebate was paid then it "may require prices in subsequent years to be higher to meet the debt servicing costs arising from that payment."

Therefore it is not appropriate to assume that a rebate will be received in June 2006 as was the case in the past two years.

### **RESOURCES**

The draft Long Term Council Community Plan 2006-2016 provides funding for bulk water and wastewater services based on Watercare Services Limited 2005/2006 Funding Plan.

Watercare Services Limited 2006/2007 Funding Plan forecasts higher increases that have not been included in the Draft Long Term Council Community Plan 2006-2016.

At this stage it is recommended that the draft Long Term Council Community Plan 2006-2016 remain unchanged and that any budget adjustment for the cost of bulk water and wastewater charges be considered and the draft Annual Plan 2008/2009.

## CONCLUSION

Watercare Services Limited 2006 Funding Plan forecasts higher increases that have not been included in the draft Long Term Council Community Plan 2006-2016.

At this stage it is recommended that options be explored with the Shareholders Representative Group and the Local Network Operators Group to work together with Watercare Services Limited to minimise long term costs, with reporting back to Council through the Annual Plan 2007/2008 process.

## RECOMMENDATIONS

1. That the Watercare Services Limited Funding Plan 2006 report be received.
2. That options be explored with the Shareholders Representative Group and the Local Network Operators Group to work together with Watercare Services Limited to minimise long term costs, with reporting back to Council through the Annual Plan 2007/2008 process.
3. That the price impact of Watercare Services Limited Funding Plan 2006 be reported to the Long Term Council Community Plan and Annual Plan Special Committee.

Report prepared by: Tony Miguel, Group Manager: Asset Management.



## 15 LEISURE SERVICES – ACTIVE COMMUNITIES

### PURPOSE OF THE REPORT

The purpose of this report is to provide information about the Active Communities Project (the Project) and to seek the Council's commitment to the development of the Project.

### BACKGROUND

Sport and Recreation New Zealand is the major funding agency for sport and recreation in New Zealand, with the majority of its revenue coming from Central Government and the Lottery Grants Board.

Sport and Recreation New Zealand has a mission to make New Zealand the most active nation in the world, which is measured by 30 minutes of exercise a day for at least five days a week for six months or more, and have set out a strategic plan to achieve this.

Sport and Recreation New Zealand have identified communities as a key link to increasing physical activity levels and set up an Active Communities fund in 2003 for territorial and regional authorities to build opportunities for activity. They have set aside \$10 million every three years to fund projects designed to increase physical activity levels in communities.

These projects are required to be collaborative projects for Sport and Recreation New Zealand funding and require strong partnerships with key stakeholders in the community with the local authority and Regional Sports Trusts.

## STRATEGIC CONTEXT

The Waitakere City Council has identified in strategic documents such as the draft Leisure Strategy, the Wellbeing document, and the Auckland Regional Physical Activity and Sport Strategy, the need to develop a more active city where residents participate in a minimum of 30 minutes of physical activity per day.

Council and Sport and Recreation New Zealand have identified key groups within the community as needing help increasing physical activity levels, such as Maori, Pacific Islanders and youth, whose activity levels fall below the national average.

Council has also identified that achieving greater physical activity levels will require a coordinated partnership approach involving many community organisations, and that Waitakere City Council will be one of the key partner organisations.

Research conducted by Sport and Recreation New Zealand in 2005 found that Waitakere has proportionally fewer active people than in other areas of in New Zealand. Relative to the New Zealand population Waitakere also has a higher proportion of obese people. This research also found that although awareness of the impact of physical activity on health was high, an understanding of the specific benefits was limited.

## ISSUES

### Concept – Families on the Move

Through consultation with organisations such as Sport Waitakere, local health organisations and Child Youth and Family, the Council has developed a concept called “Families on the Move.”

“Families on the Move” is a family based programme encouraging families to individually or collectively participate in physical activity and healthy lifestyle opportunities in a supportive and non threatening environment.

Sport and Recreation New Zealand have identified a number of ‘Barriers to Action’ which inhibit various groups from participating in physical activity. The key to getting these groups active is not just about providing the activities, sometimes it is barriers such as transport, or lack of encouragement/support, lack of education about the benefits of exercise, or that the environment around them is not safe and friendly to use, which is preventing them from becoming active. Because of this the Council has developed a multi pronged approach designed to break down these barriers to action.

With the help of key project partners it is believed it is possible to provide not just programmes and events for families to increase their physical activity levels, but to be able to educate them, support them, provide family friendly environments to exercise in and help with the cost of joining programmes, gyms and clubs, and thus breaking down their barriers to action.

Local neighbourhood places i.e. schools, community centres, community houses and Pacific Island churches etc will be the focal points from which the activities/events will be initiated. It is envisaged that key neighbourhoods are identified in Year 1 and then new target groups be identified in Years two and three. In circumstances where the community is already targeted through an existing programme of a key partner, “Families on the Move” will increase the opportunities available and add another dimension for these groups.

The project will employ strategies to target the under-served populations who are of high need. These groups will be identified through agreement with all project partners, and a unique need specific set of programmes, events, seminars etc will be developed to increase their level of physical activity.

### **Project Partners**

The key to this project is to get strong and committed project partners, who see the value of the project and can contribute not only in terms of cash but also expertise to help support the programme. Sport and Recreation New Zealand have identified this as key and will only invest in projects with strong local support both financially and non-financially.

Council has approached various organisations in the community to discuss the project and to get feedback as to who may be interested and at what level. Sport Waitakere, Waiora Healthcare Public Health Organisation and HealthWest Public Health Organisation have all signalled an interest in the project and are prepared to contribute towards the project financially as well as "in kind" contributions, providing the project gets approved by Council and Sport and Recreation New Zealand. They will form the Steering Committee to oversee and drive this project.

The Council is continuing to look for other key project partners. Other organisations are interested in helping and becoming project advisors, such as the National Heart Foundation, Waipareira Trust, Walsh Trust and Waitemata District Health Board. These groups would not sit on the governing committee but would be involved with the working group and lend their expertise to develop the project.

### **Goal**

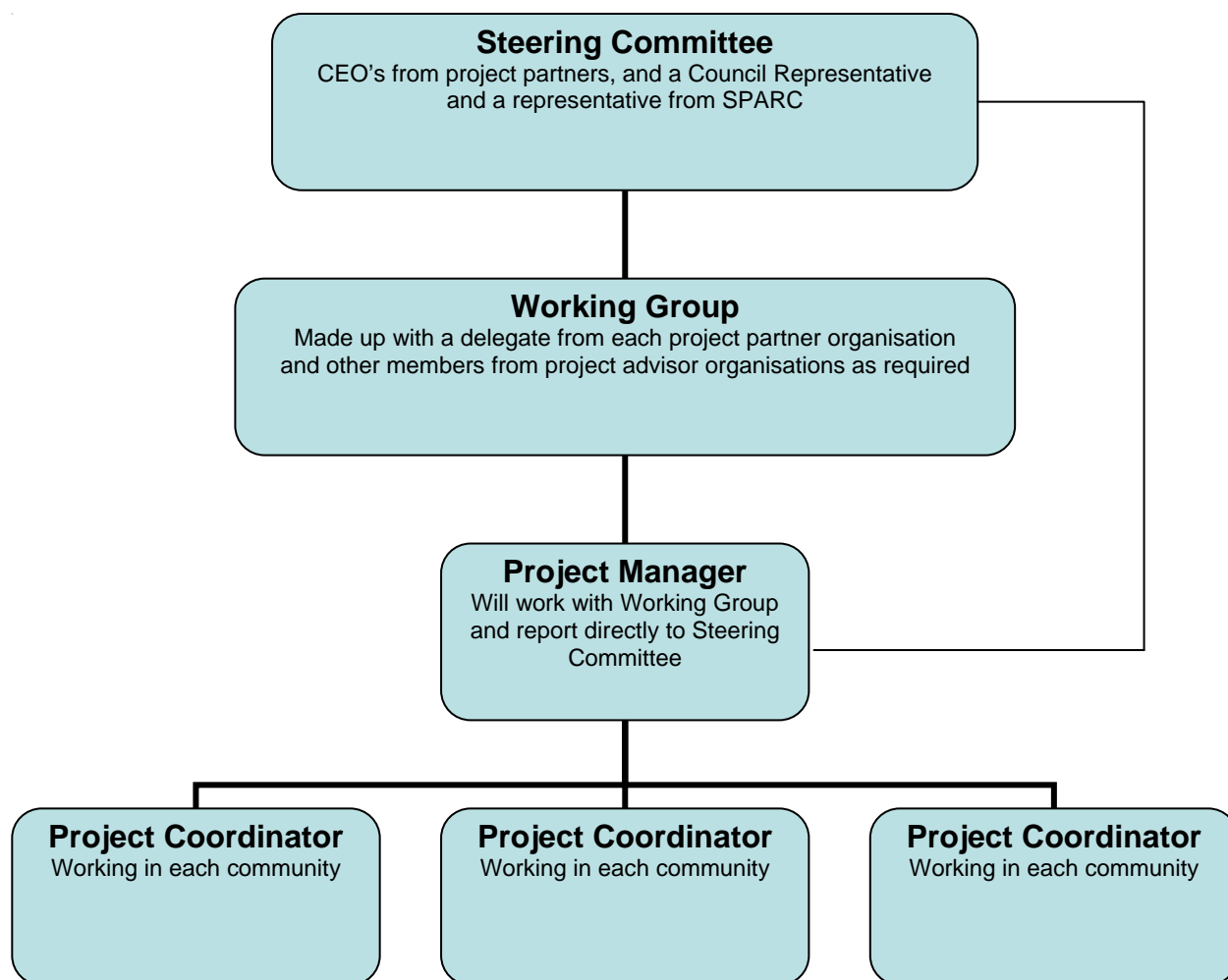
The underlying goal of this project is to increase the level of physical activity in the City and specifically amongst the most at risk groups. The secondary goal is to increase the health and wellbeing of the entire City.

It is envisaged that the project will be setup in five communities each year for three years and during those three years the community will gradually take ownership of each programme and continue to run it after that initial three years. Each community will have a potential target audience of between 1,000 to 1,500 residents. The project has the scope to reach up to 20,000 residents over the three years.

### **Governance Model**

This project is not intended to be driven by Council. The application to Sport and Recreation New Zealand is to be submitted by Council but Sport and Recreation New Zealand intends these projects to be a collaborative approach with all partners deciding on the direction and format of the project.

Below is a possible governance model which would enable each project partner to equally contribute to the project and drive its direction and format. This model is purely used to show a possible governance structure. Initial talks have already been conducted with the Quality Assurance department and they are aware of this project and are happy with where the project is at. Once further details regarding project partners and funds are finalised Quality Assurance will work closely with the Project officers to develop the governance structure, in line with Council guidelines.



### ***A possible Governance Model***

The Steering Committee would meet monthly and would be the key decision makers. It is important that Council has a member on this Committee, and it would be important for that person to have a certain level of authority.

The Working Group would be the Group to develop the full proposal. Once the full proposal is developed a Project Manager and Project Coordinators would be employed to implement the Project, with advice and direction from the working group and steering committee. The Project Manager would report directly to the Steering Committee once the project is operational.

### **Benefits to Council**

There are various benefits to Council of supporting this project. As identified earlier part of Council's strategic objectives are to create and support an environment which fosters partnerships that generate leisure outcomes and align with strategic leisure priorities. The Project is based on partnership, and this is an ideal opportunity to create and or strengthen relationships with other key organisations in Waitakere City.

One of Council's goals through the draft Leisure Strategy is to "develop Waitakere into a more active City where residents participate in a minimum of 30 minutes of physical activity per day." The Project will directly help Council achieve this objective.

The Project aligns itself well with the Wellbeing Collaboration Project as it has the potential to improve the overall health of the community but also the lifestyle on offer in the City, and will build stronger and closer communities. It could therefore become a call to action, and be used as a tool for Council to achieve some its goals as set out in the Wellbeing Collaboration Project. This requires further investigation before this could take place.

The Ministry of Health state that an increase in physical activity can reduce the chances of developing health problems such as Osteoporosis, Arthritis, Cancer, Cardiovascular disease, Type II diabetes and mental health diseases. By reducing the occurrence of these diseases, it will reduce the numbers requiring treatment which in term will reduce the cost associated with providing that care. But to add to that the Minister of Health, Pete Hodgson recently said that "There's been a lot of talk about what the obesity epidemic will mean for the future of our public health system in terms of dollars and cents. But what's more important is the impact that it will have on New Zealand families. More New Zealanders are dying preventable deaths as a result of poor nutrition and lack of exercise than from any other factor, including smoking".

As well as the health and cost benefits there are all so social benefits, such as an increase in self esteem, self confidence, energy and enthusiasm. This frequently corresponds to an increase in productivity in the work place, which can be a major benefit for employers and businesses throughout the city.

Council has an opportunity to leverage off a Central Government fund as well as funds from other organisations in the City that can benefit the City immensely, and which Council invests 20% to 30% of the total project cost.

### **Current Situation**

Further planning and analysis needs to be conducted before any decisions are made. This stage needs to have full support from each project partner, with each partner needing to have significant input into the direction and shape the project will take. A working committee made up of a member from each group will be formed to work through this next stage, to firstly get enough information together to submit an expression of interest to Sport and Recreation New Zealand and then to develop the full proposal to be submitted to Sport and Recreation New Zealand in late September 2006.

### **Council Commitment**

As a key project partner Council will need to have a representative on the Working Committee who will form part of the team to develop the full project proposal.

### **RESOURCES**

The initial planning and scope has identified that this project would cost around \$1 million over a three year period with the cost to Council being between \$150,000 and \$200,000 over that 3 year period. This figure is based on the Project targeting five communities per year. However depending on the funding the Project is able to secure the scope can be adjusted, for example the number of communities per year can be reduced.

There is no funding included in the draft Long Term Council Community Plan 2006-2016.

If after the planning and feasibility phase is completed, it can be demonstrated that investment in this project by Council will produce beneficial outcomes then funding could be sought through the 2007/2008 Annual Plan process.

As the Project is still in the planning phase, only human resources are required at this time, to sit on the working group.

## **CONCLUSION**

Sport and Recreation New Zealand have identified communities as a key link to increasing physical activity levels and set up an Active Communities fund in 2003 for territorial and regional authorities to build opportunities for activity.

The Council, with consultation from key organisations throughout the City, has developed a concept called "Families on the Move". This is a family based concept designed to break down the barriers to action that inhibit low active or non active people from participating in physical activity, with a goal of increasing their overall level of physical activity.

It is a holistic approach, not only delivering programmes and events to increase physical activity but also providing support, education, subsidies for transport and membership to access physical activity opportunities, and developing family friendly environments around communities for families to exercise in.

The Project will target the most at need communities throughout the City as identified by Sport and Recreation New Zealand, Council and project partners.

The initial scope and budget for the Project indicates that the Project would cost approximately \$1 million over the three years, targeting up to 20,000 people over that period.

The goal is to increase the level of physical activity in Waitakere City and in particular the most at risk and needy communities.

Sport and Recreation New Zealand's Active Communities fund has the potential through "Families on the Move" to reach a large group of people in Waitakere with help from a wide array of community organisations. The potential benefits are huge, and Council has the opportunity to improve and meet many of its strategic objectives through being involved in this project.

The Project already has support from other interested organisations, which see this as a valuable project to increase the health and wellbeing of the City, through increasing physical activity levels.

Further research and planning needs to be conducted before any commitment is made. A working group is being formed to develop the concept further, comprising of delegates from each key partner organisation. Council's Quality Assurance department have been consulted in the early stages of this project and will work closely with the Project team in developing the governance model and evaluation criteria for the project.

Council has the opportunity to access a large pool of funds from Sport and Recreation New Zealand and to leverage further funding from other organisations.

The issues facing the City with increasing health problems such as obesity, diabetes and heart conditions will not go away unless there is a collaborative approach targeted at the most at risk groups within the community

The Project has the scope, funding potential and vision to reach the most at need communities within the City, which will significantly lift the overall wellbeing of the City.

### **RECOMMENDATIONS**

1. That the Leisure Services - Active Communities report be received.
2. That the Council commit to the development of the Active Communities Project.
3. That a further report from the Working Group on the Active Communities Project be brought back to the Finance and Operational Performance Committee.

Report prepared by: Rob McGee, Leisure Projects and Contracts Officer.



## **16 HENDERSON PAID PARKING TRIAL REVIEW**

### **PURPOSE OF THE REPORT**

The purpose of this report is to advise the Finance and Operational Performance Committee of the outcomes from the Henderson paid parking trial at the conclusion of the trial and to make recommendations for its future operation.

### **BACKGROUND**

The Henderson paid parking trial commenced on 19 July 2004 at three sites:

- Corban Hill car park;
- Falls Park car park;
- Part of the Alderman Drive / Edmonton Road car park.

The charge is \$3.00 per day Monday to Saturday (Monday - Thursday and Saturday 6.00am – 6.00pm, Friday 6.00am – 9.00pm). The trial is being managed by Care Park New Zealand Limited (Care Park) in accordance with an agreement with the Council. The trial is for a two year period ending 19 July 2006, unless terminated earlier by one month's notice or unless the parties agree to another termination date. The Council owns the infrastructure (machines, lighting and security devices) in relation to the trial.

This Committee has resolved that the Council analyse impacts of the car parking strategies on local streets and parks in the surrounding area of the charged car park trial (1489/2004).

The Henderson Community Board resolved at its meeting on 2 December 2004:

- “1. That the Henderson Community Board opposes paid parking in Henderson.
2. That this decision be advised to the Finance and Operational Performance Committee with a request from the Henderson Community Board that the paid parking trial in Henderson be terminated.”

2231/2004

Further feedback has been received from Henderson Traders and other users over the trial period. This feedback has been considered and incorporated into the analysis of the paid parking trial.

## STRATEGIC CONTEXT

Paid parking is a key component of achieving the Council's strategic direction, both in terms of supporting a compact urban form and alternatives to the use of single occupant motor vehicles. Paid parking is used as a travel demand management mechanism to achieve these and other local goals in a number of cities including North Shore, Auckland and Wellington.

To support its strategic direction, Waitakere City Council implemented a paid parking trial in Henderson. The purposes of the trial were (in accordance with this Committee's resolution):

*"That the amended purposes of the charge car parking trial be confirmed."*

*1487/2004*

- To upgrade the car parks with extra security;
- To determine the best way to implement charge parking in the Henderson Town Centre, achieving safety and travel behaviour outcomes;
- To set the right market conditions for charge parking;
- To test how the trial affects safety, security and travel behaviour, and its effectiveness as a travel demand management measure;
- To recover costs in relation to the infrastructure by the end of the trial.

### Growth Management Strategy for Waitakere City

Henderson is one of the three major town centres in Waitakere City, and is recognised as a key centre in the Council's Growth Management Strategy. It is located on the rail corridor and has the largest percentage of retail floor space and community facilities. There has been significant recent investment, notably at Westfield's West City Mall, Waitakere Gardens retirement complex, West Wave, Unitec campus and Waitakere City library, and the Waitakere Central development.

The Henderson Town Centre Concept Plan was produced in 2001 to guide the future development of Henderson in a planned and co-ordinated way, furthering the Council's key objectives in creating a sustainable city.

Key principles in planning for Henderson are as follows:

- Encourage mixed use development and improve the quality of the built environment;
- Develop the streams and the green networks, and improve the leisure facilities;
- Improve passenger transport, road, cycling and walking linkages; and
- Encourage a range of economic activities to sustain a robust economy in an adaptable innovative and dynamic way.

The Henderson Town Centre Concept Plan identified the need to generate a "movement economy" and that the location of car parking was a key method of ensuring pedestrian movement in and around the town centre. The practical implementation of such an approach is to ensure that longer stay/commuter car parking is located on the periphery of the town centre, and that centrally located car parking is targeted at shorter stay/shopper parkers.

### Transport Strategy

When considering the provision of car parking in town centres, a key issue is the implementation of the Transport Strategy and the Council's aspiration to increase the use of passenger transport. It will be difficult and expensive for the Council to provide further car parking in town centres as land availability is limited and the environmental, economic and urban design effects of taking up further land with car parking are significant.

A lack of appropriate car parking could restrict growth in the City's main centres. Therefore, the Council's focus has been on the provision of shopper parking to support town centre retail and economic activity. The provision of substantial areas of free long term and commuter parking has not been regarded as a priority in car park provision or development by the Council.

Restrictions on all day car parking and the introduction of charge car parking are mechanisms being developed to focus ratepayer's contribution on parking rather than subsidising the use of cars as a commuting option. They also support the Council's Transport Strategy and Growth Management Strategy. Charge car parking and all day parking restrictions will change the relative cost of private motor vehicle usage and passenger transport, making passenger transport a more viable option. In addition, the introduction of charge car parking will make it commercially viable to build car park buildings without relying on rates to pay for these facilities.

### ISSUES

#### 1. Progress Towards Objectives of the Paid Parking Trial

Progress against the trial's objectives is detailed in the table below.

Objectives	Progress
To upgrade the car parks with extra security	<i>Objective achieved.</i>
To determine the best way to implement charge parking in the Henderson Town Centre, achieving safety and travel behaviour outcomes	<i>We are considering more flexible payment arrangements such as prepay and also pay and display machines that take notes, credit cards and give change.</i>
To set the right market conditions for charge parking	<i>Work on setting the right market conditions needs to continue and be aligned with charging arrangements at the Council's car park buildings. The current rate of \$3 per day should be reviewed if required to ensure it remains consistent with charges for surrounding car parks.</i>
To test how the trial affects safety, security and travel behaviour and its effectiveness as a travel demand management measure	<i>During the trial there has been a significant improvement in safety and security. While there has been some displacement of parking to other parts of the town centre, this has been managed. It has not been easy to measure the travel demand effects due to the limited collection of data measuring this.</i>

Objectives	Progress
To recover costs in relation to the infrastructure by the end of the trial.	<i>The parking areas are being well used. Revenue collected to date exceeds the trial projection. The \$155,000.00 capital cost will be recovered.</i>

## 2. Issues or Impacts on Henderson Town Centre

The following issues have been raised regarding the implementation of paid parking in Henderson:

- Use of up-to-date technology - Following dissatisfaction regarding the inconvenience of current pay and display machines, Council officers are investigating new machines that give a greater variety of payment options. These are currently used in other parts of the Auckland region and include prepay, cell phone, credit card, notes, coins and machines which can provide change. Analysis indicates that revenue from these options will cover their cost.
- Increased volumes and lengths of stay have occurred in some surrounding areas including Takapu Street, the West Wave car park and Railside Avenue. This was initially a problem when the trial first commenced, however these issues have been addressed through proactive education and enforcement coupled with effective traffic management and the implementation of parking controls.
- Anecdotal evidence is that some people are using other modes of transport to get to Henderson.
- Anecdotal evidence suggests a perceived inconvenience for people coming to Henderson by car, which may impact on business and shopping in Henderson, however impacts on the town centre are considered to be minor. A small surplus will be generated after all the costs have been met. It is suggested that these funds could be earmarked to go directly into improvements for the town centre. In addition, it is suggested that any future surplus revenue from paid parking (after the recovery of all costs associated with charged parking, including depreciation) could be invested back into the town centre, particularly in projects which support parking such as electronic signage, and improve the linkages between the car park and town centre.
- In the short term, employees will bear cost of parking or alternatives. However, longer term, Henderson businesses will attract employees who wish to take advantage of passenger transport as a means of travel to work. Businesses are likely to continue to provide parking for their own employees, but will weigh up the merits of business use as an alternative.

### Decision Regarding Paid Parking After the End of the Trial

The paid parking trial has been successful, both in terms of achieving the Council's strategic objectives and in recouping the costs of the trial. Benefits of paid parking include:

1. Reducing traffic to Henderson by encouraging trips by passenger transport, car pooling, walking and cycling.

2. Supporting more efficient use of land in Henderson Central Business District in the future.
3. Encouraging the private sector to supply appropriate parking, by providing a stable policy of paid parking in Henderson Central Business District. (It is expected that parking demand will exceed supply by 2007. If the private sector supplies parking, the Council would not be required to bear the cost of supplying parking.)
4. Making it more commercially viable to build car park buildings.
5. Being consistent with arrangements by private and public sector to provide paid parking in Henderson Central Business District (for example, the Baptist Church's paid parking and the Trading Place car park building). Westfield is considering the introduction of paid parking for staff and a rebate scheme for shoppers.
6. Being consistent with the introduction of paid parking in the Council's off-street parking areas in the three main town centres – as proposed in the draft Transport Strategy.
7. Raising revenue for the Council that may be applied towards maintenance and the Henderson town centre. (Ministry of Transport's road pricing option indicates a charge of \$10. This charge is expected to be available for passenger transport in the region).
8. Leading to less reliance on the Council to provide car parking.
9. Removing some of the subsidy to car drivers, therefore putting public transport on a more equitable footing.

Given the success of the trial, it is recommended that following its completion on 19 July 2006, that charged car parking remain in Henderson. In addition, it may be appropriate for the Council to consider other parts of the City where charged car parking could be implemented. This would provide revenue to upgrade other off-street car parks or to invest back into Henderson town centre and reinforce the benefits of paid parking as outlined above.

#### Management of Paid Parking

The Council needs to consider whether it wishes to manage paid parking in-house or to continue to use an external organisation such as Care Park New Zealand Limited to manage the paid parking.

There are a number of benefits from the Council managing paid parking in-house including:

1. Council is building up its in-house knowledge and expertise regarding paid parking and needs to continue to do so to make effective decisions regarding paid parking areas and parking buildings.
2. Council would have more control over these car parks and integrate them with the car park buildings and other car parks. This enables Council to make its own decisions rather than negotiate changes to a contract with Care Park.
3. It may be cheaper for the Council to carry out the collection, customer service and maintenance responsibilities than pay these costs and a management fee to Care Park. This would be subject to a detailed business case.

The Council already has in-house expertise in managing parking issues within the City and it would be appropriate for this area to be expanded to manage paid parking alongside the other parking areas. However it may not be possible to work through the details and requirements of an in-house management contract prior to the cessation of this trial. Therefore, until such time that final details of in-house management are worked through, it may be appropriate to use the services of Care Park New Zealand Limited. Officers have worked well with Care Park and are satisfied with their management of costs, revenues, customer relations and collection services.

Council officers will continue to monitor and review the effectiveness of paid parking in Henderson, options for upgrading the current machinery and the potential for expansion of paid parking both within Henderson and other parts of Waitakere City. This will be reported to the Council as appropriate.

## RESOURCES

Care Park New Zealand Limited currently charges the Council 15% of the revenue from the car parking (minimum of \$24,000 pa). Care Park are currently making a profit from this trial and have indicated an interest in continuing to manage paid parking in Henderson. Council officers recommend that the in house management of paid parking be implemented, subject to a detailed business case concluding this as the more cost-effective option. It is estimated that a staff member would need to be employed for 30 hours a week to take over these responsibilities.

Neither the costs nor the revenues from paid parking are included in the draft Long Term Council Community Plan 2006-2016, however any cost of in house management of charged car parking is expected to be recovered from charged parking revenue.

## CONCLUSION

The charge parking trial has progressed well towards achieving the goals set by this Committee. The concept of paid parking continues to support the Council's overall eco city goals. It is a key mechanism for managing the conflicting demands on the limited land resources within town centres. Based on the above analysis the trial period in Henderson has run smoothly. The strong use of the paid parking areas demonstrates that there is willingness for people to change their behaviours and park on the periphery of the town centre for long-term commuter parking. This also shows that the market rate of \$3 per day is within acceptable limits.

## RECOMMENDATIONS

1. That the Henderson Paid Parking Trial Review report be received.
2. That paid parking at the existing locations in Henderson continue after July 2006.
3. That the Council consider the establishment of an in-house service delivery contract to manage paid parking facilities in Henderson as soon as deemed practicable by the Chief Executive Officer.
4. That the budget for capital expenditure be carried forward to enable changes, including upgrades, to pay and display machines and changes to align with proposed extension of Edmonton Road to Trading Place.
5. That the Finance and Operational Performance Committee resolve how any operating surplus from paid parking, after all costs of operating paid parking (including depreciation), be used.

Report prepared by: Kevin Wright, Manager: Transport Strategy.



17 **REPORT ON DRAFT MEASURES FOR PUBLICATION IN THE DRAFT LONG TERM COUNCIL COMMUNITY PLAN 2006-2016**

**PURPOSE OF THE REPORT**

The purpose of this report is to present to the Finance and Operational Performance Committee for review and approval, the draft Strategic Platform measures and Levels of Service measures prior to the finalisation of the draft Long Term Council Community Plan 2006-2016.

**BACKGROUND**

The Long Term Council Community Plan and Annual Plan Special Committee asked to have an opportunity to review all of the proposed measures and indicators presented in the draft Long Term Council Community Plan 2006-2016 prior to their inclusion in the finalised version.

The Local Government Act 2002 gives councils the mandate to act on behalf of their community in a manner that promotes their social, economic, cultural and environmental wellbeing both now and for the future. "These general powers are balanced by requirements to take account of principles set out in the Act and to report back to their communities".

The main requirements of the Local Government Act 2002 are in regards to the Council conducting business in a clear, transparent and democratically accountable manner. Schedule 10 of this Act states the following in relation to measuring the community outcomes:

- "state what measures will be used to assess progress towards the achievement of community outcomes" Part 1(f);
- "state how the local authority will monitor and, not less than once every 3 years, report on the community's progress towards achieving community outcomes" Part 1(g);
- "a statement of the intended levels of service provision for the group of activities, including the performance targets and other measures by which the actual levels of service provision may meaningfully be assessed" Part 2 (2)a.

Section 92 (2) of the Local Government Act states the following in regards to the Community Outcomes:

- "...the local authority must seek to secure the agreement of organisations and groups identified under section 91 (3) (a) to the monitoring and reporting procedures, including the incorporation of any research, monitoring or reporting undertaken by those organisations and groups".

**STRATEGIC CONTEXT**

The Community Outcome Measures and the Levels of Service Performance Measures need to relate to the requirements as identified by the Local Government Act 2002. They provide a way of measuring the extent of achievement in meeting the Council's strategic objectives and the community's expectations. All of the draft measures were designed to monitor annual performance by both the Council and the community in relation to the objectives outlined in the draft Long Term Council Community Plan 2006-2016. This report provides an opportunity for the Council to review and approve these measures and their associated targets prior to them being accepted into the draft Long Term Council Community Plan 2006-2016.

The Strategic Platform Measures are not required by the Local Government Act 2002, however they have been included in the draft Long Term Council Community Plan 2006-2016 to indicate the similarities and differences between the community outcomes and the current strategic direction of the Council.

Once finalised and approved, the Community Outcome Measures, Strategic Platform Measures and the Level of Service Measures are intended to be actioned in the 2006-2007 financial year.

## ISSUES

A19-A35

The draft measures, attached at pages A19 to A35, are intended to monitor key activities of the Council. They are designed to show the Council's compliance and detail accountability to both the community and to central government. This is to be displayed within the draft Long Term Council Community Plan 2006-2016 reporting process.

All measures must be able to meet the following criteria:

- They must be able to be measured;
- Preference is given to measures that can be measured annually;
- They must be clear and understandable;
- They must be valid, reliable measures;
- They must be objective wherever possible.

## Development of Strategic Platform Measures

A19-A23

Appendix One at pages A19 to A23 outlines the strategic platform measures. The Strategic Platforms and Priorities were established and adopted by the Council in 2002 after extensive consultation with the community. They were designed to hold a vision of achievement for the City. In response, the Council linked its work programme by grouping its core and discretionary services and activities under each of the nine platforms. Performance was then monitored on a quarterly and annual basis to ensure progress was being achieved.

Presented in this report for publication in the draft Long Term Council Community Plan 2006-2016 (Volume 3) under each platform, are broad measurement categories (similar to the structure for the Community Outcome Measures) for the each of the identified areas of desired achievement.

## Development of Levels of Service Performance Measures

A24-A35

Appendix Two at pages A24 to A35 outlines the levels of service performance measures. The levels of service measures contained in this report have been developed by each Unit and are the prioritised selection of measures that each Unit believes captures the essence of the role they undertake within the Council. Each measure relates directly to the associated activity plan and has been chosen based on its ability to determine performance and progress. Targets have also been allocated based on what each Unit feels is achievable by 2009 and 2016 given forecasted factors such as budgets, strategies and resources.

Approximately 40% of the measures are continuations from the current measures being reported in the quarterly performance monitoring reports, some of which have been reworded to become more accurate. Suggested targets for these measures have been based on historic data and trends.

The remaining 60% are new measures that have been created in association with the Units to reflect the activities undertaken.

### **Development of Community Outcome Measures**

A report will be presented during the draft Long Term Council Community Plan 2006-2016 final deliberations on the progress to date of discussions with various organisations and suggested amendments to the Community Outcome measures.

### **RESOURCES**

The main resource being used for the development of the draft Long Term Council Community Plan 2006-2016 measures is staff time.

### **CONCLUSION**

Waitakere City Council provides and has access to a comprehensive framework for monitoring its strategic direction so as to gain a clear understanding of the state of our City. This in turn ensures that we are charting the correct course for our future and making timely adjustments whenever necessary. Effective monitoring provides early warning of problems before they become serious or irreversible.

Draft Long Term Council Community Plan 2006-2016 monitoring will enable the Council and other agencies to channel their resources and effort (collaboratively where possible) into areas which will produce the best long-term benefits for the community. It encourages a greater level of transparency and accountability and contributes to a greater community understanding of the economic, social, environmental and cultural costs and benefits of the various activities taking place within Waitakere City.

The draft indicators and measures outlined in this report are intended for final inclusion in the draft Long Term Council Community Plan 2006-2016. They are designed to provide an indication of how well the Council and the community are progressing towards achieving the Community Outcomes and the Council's strategic direction for Waitakere City.

Each measure identified in this report was chosen because it satisfies the measurement criteria of being concise, clear and measurable. All are able to be monitored on an annual basis.

### **RECOMMENDATION**

That the Report on Draft Measures for Publication in the Draft Long Term Council Community Plan 2006-2016 be received.

Report prepared by: Vanessa McDonald, Strategic Planner: Monitoring.



18 **RECOMMENDATION FROM CITY DEVELOPMENT COMMITTEE: UPDATE ON COMMUNITY RESOURCE CENTRE AT TUI GLEN RESERVE**

**The City Development Committee Recommends to the Finance and Operational Performance Committee:**

That the \$70,000 savings identified in the 2005/2006 annual budget for Urban Development and Design be allocated to enable West Auckland District Council of Social Services to develop concept and working drawings.



**PART G - REPORTS FROM THE SUBCOMMITTEES**

19 **TENDERS SUBCOMMITTEE**

**THE SUBCOMMITTEE SUBMITS THE FOLLOWING REPORT OF ITS MEETING HELD ON FRIDAY, 5 MAY 2006 AND FRIDAY, 19 MAY 2006.**

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**MATTERS CONSIDERED**

*A36-A40*

The Subcommittee dealt with a number of items for which it has delegated powers to act and a copy of the minutes of the meeting is attached at pages A36 to A40.

**The Subcommittee Recommends:**

That the Meeting report of the Tenders Subcommittee held on Friday, 5 May 2006 and Friday, 19 May 2006 be received.

JM Clews, QSO, JP  
**CHAIRPERSON**



**PART H - PUBLIC EXCLUDED MATTERS**

**20 AUCKLAND REGIONAL TRANSPORT NETWORK LIMITED GENERAL TRANSFER AGREEMENT**

**21 PROJECT TWIN STREAMS - PROPERTY PURCHASES**

**22 LAND PURCHASE - CENTRAL PARK DRIVE EXTENSION**

These items will be considered in the Confidential Supplement of the agenda, and has been circulated to members separately with this agenda.

**PROCEDURAL MOTION TO EXCLUDE THE PUBLIC**

That the public be excluded from the following parts of the proceedings of this meeting, Auckland Regional Transport Network Limited General Transfer Agreement, Project Twin Streams - Property Purchases and Land Purchase - Central Park Drive Extension.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation of 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 of the matters to be considered.	Reason for passing this resolution in relation to each of the matters.	Ground(s) under Section 48(1)(a) for the passing of this resolution.
<ul style="list-style-type: none"> <li>• Auckland Regional Transport Network Limited General Transfer Agreement</li> <li>• Project Twin Streams - Property Purchases</li> <li>• Land Purchase - Central Park Drive Extension</li> </ul>	<p>The withholding of information is necessary in order to:</p> <ul style="list-style-type: none"> <li>• Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</li> <li>• Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</li> <li>• protect information where the making available of the information - would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</li> </ul>	<p>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>

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 7(2)(b)(ii) and 7(2)(i) of that Act which would be prejudiced by the holding of the relevant part of the proceedings of the meeting in public as follows:

- The reports contain information which if released, could affect the Council's negotiations.

