

**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, 13 MARCH 2006,
COMMENCING AT 9.30 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, 13 February 2006

RECOMMENDATION

That the minutes of the Meeting of the Finance and Operational Performance Committee held on Monday, 13 February 2006, as circulated, be taken as read and now be confirmed.



PART B - LEGAL AND CONSTITUTIONAL

4 AFFIXATION OF COMMON SEAL

EXECUTION OF DOCUMENTS: 7 February 2006 – 2 March 2006

N°	NAME	PARTICULARS
3576	WCC – JB & OL Holmes	Deed of Waiver s.40 Public Works Act – 121A Millbrook Road – Resolution 1289/2003
3577	WCC – Garry Morrison	Warrant of Appointment & Evidence of Identity – No.WCC221
3578	WCC – Anton Welsh	Warrant of Appointment & Evidence of Identity – No.WCC222
3579	WCC – Vaughan Taylor	Warrant of Appointment & Evidence of Identity – No.WCC223
3580	WCC – Paul Vaa	Warrant of Appointment & Evidence of Identity – No.WCC224
3581	WCC – Timothy John Hemopo	Warrant of Appointment & Evidence of Identity – No.WCC225
3582	WCC – JF & DS Marsden	Drainage Easement in gross – CT.20618 – 7 MacKenzie Street – SPW 21961
3583	WCC – P Escher	Drainage Easement in gross – CT.121574 – 25 Roland Hill Road – SPW 21639
3584	WCC – AJ & MJ Gilbert	Drainage Easement in gross – CT.121575 – 25 Roland Hill Road – SPW 21639
3585	WCC – Triangular Investments Ltd	Discharge of Encumbrance B120282.1 – 2-10 Triangle Road – SPW 22273
3586	WCC – Triangular Investments Ltd	Memorandum of Encumbrance – road encroachment – DP359643 – 2-10 Triangle Road – SPW 22273
3587	WCC – Triangular Investments Ltd	Drainage Easement over Area X DP359643 – 2-10 Triangle Road – SPW 22273
3588	WCC – Triangular Investments Ltd	Consent as Encumbrancee to Easement over Area X DP359643 – 2-10 Triangle Road – SPW 22273
3589	WCC – GJ Robertson	Drainage easement in gross – CTs.254857 & 254858 – 21 Kelwyn Road – SPW 22179
3590	WCC – Triangular Investments Ltd	Consent as Encumbrancee to deposit of Unit Plan 359643 – 2-10 Triangle Road – SPW 22273
3591	WCC – AH & SN Longmire	Memorandum of Encumbrance – CT.NA670/168 – 70 Tanekaha Road
3592	WCC – WCC	Performance Bond in respect of incomplete work under s.222 RMA re subdivision of 6 Waipareira Avenue
3593	WCC – WCC	Easement Certificate specifying easements to be created over part

Nº	NAME	PARTICULARS
3594	WCC – WCC	of site in favour of Glidepath – Subdivision of 6 Waipareira Avenue Fencing Agreement re boundary between new Esplanade reserve and adjoining lots – Subdivision of 6 Waipareira Avenue
3595	WCC – OJ Bewsher & LJ Weaver	Deed of Waiver – s.40 Public Works Act – 13C Inver Street – Resolution 1348/2005
3596	WCC – DJ White & VA Worhington	Deed of Waiver – s.40 Public Works Act – 14B Woodglen Road – Resolution 1348/2005
3597	WCC – Michael Robert Campbell	Warrant of Appointment & Evidence of Identity – No.WCC217
3598	WCC – Barry Stevens	Deed of Waiver – s.40 Public Works Act – 339 West Coast Road – Resolution 1348/2005
3599	WCC – CV Gatland & DJ Beynon	Fencing Agreement – CT.NA135C/798 – 1 Triangle Road – SPW 21109

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 C - FINANCE

5 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

A1 This report covers expenditure for the seven months to 31 January 2006. The financial summaries are attached on page A1.

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 7 months to 31 January 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.



6 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

A2 The Special Fund report is separated into restricted and non-restricted funds. The balances and summary transactions for the seven months ended 31 January 2006 are attached at page A2.

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.

RECOMMENDATIONS

That the Status of Special Funds report be received.

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



7 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 January 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.

A3-A8

The relevant portfolio and graphs reflect the estimated position as at 31 January 2006 and are attached at pages A3 to A8.

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 organisation 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 JANUARY 2006

Council's estimated gross term debt position has increased by \$7.159 million since December 2005, with an estimated closing balance at January month end of \$204.762 million. Estimated working capital borrowings of \$15.456 million as at 31 January 2006 have been funded using unsecured bank facilities and internal borrowing.

SIGNIFICANT FUNDING TRANSACTIONS ENTERED INTO DURING JANUARY 2006

- New Interest Rate swap. Notional Value \$10 million, for a term of 10 years, Council pays fixed interest of 6.54% and receives floating interest rate of New Zealand 90 day mid bank bill rate;
- New forward start interest rate swap. Notional value \$10 million for a term of 2 years starting in 1 year, Council pays fixed interest of 6.59% and receives floating interest rate of New Zealand 90 day mid bank bill rate;
- Negotiated new bond issue of \$20 million for issue in March 2006, for a term of 5 years at floating interest rate of New Zealand 90 day mid bank bill rate plus a margin of 10 basis points;
- Negotiated new bond issue of \$5 million for issue in April 2006 for a term of 5 years at a fixed interest rate of 6.71%;
- New forward start interest rate swap. Notional value of \$5 million for a term of 5 years, starting April, Council pays floating interest rate of New Zealand 90 day mid bank bill rate plus a margin of 10 basis points and receives fixed interest of 6.71%;
- Sinking funds investment of \$2,944,682.49 for 42 days at an interest rate of 7.56%.

FINANCIAL MARKET COMMENTARY

Market Overview

Interest Rates over the past month have continued to be relatively stable, with 90 day bank bills remaining near the 7.55% area reported last month. Long term rates have settled in again in the 6.60%-6.70% range. Financial markets are waiting for signals from the Reserve Bank of New Zealand's Monetary Policy Statement on the future direction of the Official Cash Rate. It is unlikely that there will be any change to the existing interest rate 7.25%.

Over the past month however, signs of the long awaited depreciation in the New Zealand dollar began to surface with the New Zealand / US cross falling from high 0.68 cents to a current mid 0.66 cents.

Up Coming Dates

Monetary Policy Statement 9 March 2006
Official Cash Rate Announcement 27 April 2006

CONCLUSION

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

RECOMMENDATION

That the Borrowing and Investment report be received.

Report prepared by: Bruce Wilkin, Treasury Manager.



8 PAYMENTS FOR APPROVAL

PURPOSE OF THE REPORT

The purpose of this report is to advise 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

A9-A18

A summary schedule of payments made for the period 11 November to 13 January 2006 is attached at pages A9 to A10. A further schedule of all payments of \$5,000 and above, together with the reason for the payment is attached at pages A11 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 11 November 2005 to 13 January 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 D - GENERAL

9 MASSEY LEISURE CENTRE SIX MONTH PERFORMANCE REPORT 2005/2006

PURPOSE OF THE REPORT

The purpose of this report is to update the Finance and Operational Performance Committee on the performance of the Massey Leisure Centre (the Centre) for the first six months of the 2005/2006 year. Arvid Ditchburn, Executive Director from the YMCA, will be present to answer any questions that the Committee may have.

BACKGROUND

The Centre is a purpose built facility which has a fitness centre, two-court stadium, a crèche facility and a sub-dividable community meeting/activity room. The Centre is managed by YMCA as part of a management contract. The agreement has been in place since the facility was opened in 1999. In July 2003 Council and the YMCA entered into a ten year contract with the next review period being the end of the 2006/2007 year.

Officers negotiate the subsidy level and targets annually with the YMCA. The level of the operating subsidy is reduced every three years. Council currently provides \$100,000 towards operational costs. In addition, the YMCA agreed to deliver an increased level of youth programmes and services. A sum of \$40,000 was allocated from the subsidy for the delivery of such programmes.

The Centre provides a range of recreation, leisure and sport programmes, as well as hall/stadium hire and meeting space for community and user groups.

STRATEGIC CONTEXT

Council leisure facilities and activities contribute significantly to the wellbeing of the City's residents by providing recreation opportunities that promote health and social cohesion. The Council's Leisure Strategy, Community Facility Plan, Parks Strategy, Youth Recreation Needs Assessment and the Funding Policy guide the provision of these facilities and activities to ensure that they are available to all residents, responsive to changing demands and are provided efficiently.

Council's strategic objective for leisure is that a comprehensive range of leisure, recreation and sports services and facilities are provided.

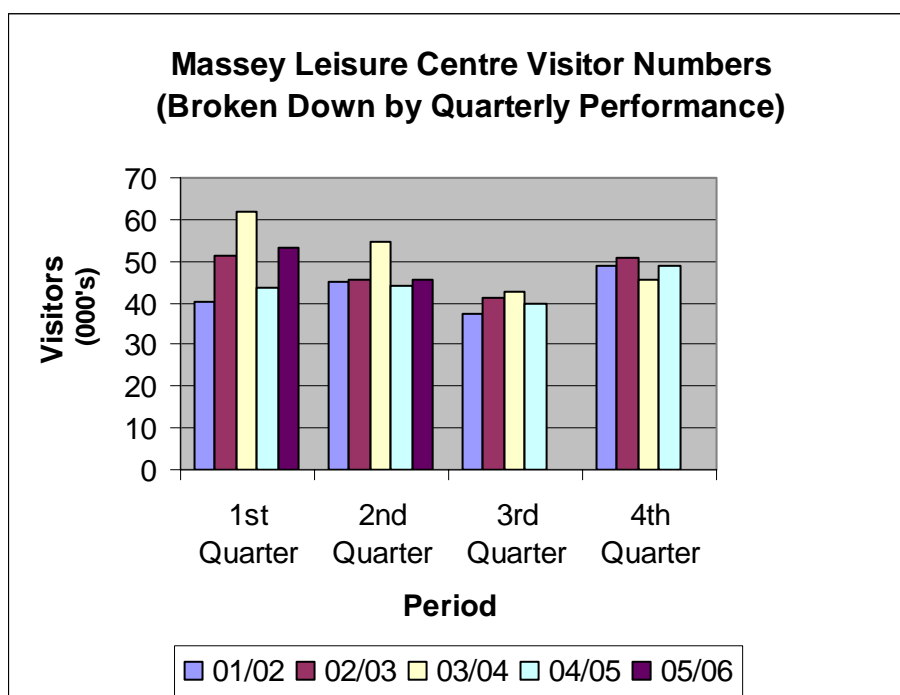
To improve the well being of the City's people and communities, the Council provides and supports a diverse range of leisure opportunities through facility operation and development, direct funding, assistance to access other funding and support of activity initiatives.

Through the Strategic Plan Council has adopted a platform of 'Strong Communities' stating that in the next 10 years Council will develop the City as a renowned hub of social activity, arts, leisure, sports and recreation.

ISSUES

Visitor Statistics

The total number of visitors to the Centre was 53,220 and 45,310 respectively for the first two quarters of 2005/2006, which is 4% above the YMCA forecast for the 2005/2006 year. Forecasts for the second half of the year indicate that the Centre is expected to meet the Council's annual target band of between 190,000 – 195,000 visitors. The total number of visitors for the Centre during the two combined quarters is the second highest since the Centre was opened in 1999 (although there are concerns over the validity of the 2003/2004 results), and represents an increase of 12% on the previous year. This trend is highlighted in the bar chart below.



An evaluation of quarterly visitor numbers suggests that new management initiatives are starting to improve visitor numbers with both quarters being higher than those of 2004/2005. A similar result was evident in the fourth quarter visitor numbers for 2004/2005 which was the first period of new management.

Programme Statistics

Adult programmes, while only marginally above target (3%), have increased significantly from last year with attendance nearly doubling. The sports leagues struggled with the opening of The Trusts Stadium. However, the Centre introduced new leagues such as table tennis to boost numbers.

Council provides \$40,000, as part of the annual operational subsidy, for the development of youth programmes at the Centre and in New Lynn. The "Raise up n Represent" team has had a very successful six months, exceeding programme targets for the Centre (achieving 112% above their target). The large increase in visitor numbers is from the success of events run at the Centre (this is reported on by the City Events Coordinator).

The Raise up n Represent programmes include a well established Friday night programme for youth. The programme continues to grow with an average of 216 youth attending every week. Activities include a basketball league, break dancing, table tennis and Hip Hop dance classes. The Centre also provides a homework space for youth.

This has been set up in conjunction with the library. Numbers continue to be low and don't seem to be growing as expected with an average attendance of nine students per week.

During the six month period the crèche has experienced a significant increase in visitor numbers (from 4,579 in 2004/2005 to 5,257 in 2005/2006), exceeding the six month target by 40%. During the previous year the YMCA sought Council approval to increase the hours of operation and to review the pricing structure. Changes to both are principal reasons for increased visitor numbers.

Fitness centre usage and hirers of the Don Buck community room did not meet their targets. Last year fitness centre visits decreased but actual memberships increased (which meant either there was an error with statistical data collected or people were visiting the gym less often, which is possible due to the warmer weather). This trend is continued in the latest six month period when actual membership increased but the YMCA did not meet their six month performance visitor target of 33,372 visitors. The number of visitors, however, increased from 23,435 to 29,755 compared with the same period from the last financial year. The YMCA has recently purchased \$70,000 worth of new equipment to replace aging equipment and to assist with excess demand on existing equipment as membership grows.

Users of the Don Buck community room have significantly decreased from 5,072 visitors in 2004/2005 to 3,667 during the six months (which is becoming an on-going trend). After negotiation between Council and the YMCA, the target was amended for the 2005/2006 year to reflect a more achievable target and to acknowledge the difficulty the YMCA has had in finding suitable users of the space. However, even with the reduced target of 3,990 visitors the YMCA is struggling to find suitable users. During the period October–December 2005 the room was used for a total of 364 hours, of which 156 hours were for community use and the remaining 208 hours was for YMCA run programmes. YMCA programmes currently make up 57% of the user time and community groups make up the remaining 43%. The YMCA is contracted to ensure the room is available for community use for a minimum of 50% of the time.

Below is a table indicating the visitor targets vs. actual visitors broken down by each programme for the six month period.

Table 1: Massey Leisure Centre Visitor Targets vs. Actuals for the first six months of 2005/2006 year

Category	Target/Indicator 2005/2006	Actual 05/06	Variance (between target and actual)	Actual 2004/2005
Children's Programmes	21,390	23,154	+8%	27,509
Youth Programmes	3,210	6,830	+112%	
Adult Programmes	6,016	6,190	+3%	3,665
Hirers	15,930	16,462	+3 %	15,581
Fitness Centre	33,372	29,755	-11%	23,435
Group Fitness	7,350	7,215	-2%	7,828
Crèche	3,750	5,257	+40%	4,579
Don Buck Room	3,990	3,667	-8%	5,072
TOTAL	95,008	98,530	+4%	

* Targets are negotiated between Council and the YMCA on an annual basis. Annual targets have been divided by two to derive six monthly targets. Due to programme changes and seasonal fluctuation, six monthly performance will vary slightly. The targets are therefore indicative only.

New Lynn Community Centre

The regular Wednesday youth programme facilitated by the Raise up n Represent team from 4.30 - 7.30 pm provides a range of games such as 3 on 3 basketball competitions and table tennis. The programme has continued to experience a reduction in numbers attending. There was an average of 12 people per week during the six month period. While the programme has been struggling for some time, the YMCA and Council are keen to persevere with the programme. Limited resources have also impacted on the performance, however, the YMCA has successfully gained additional funding from the Portage Licensing Trust for staff and the promotion of the programme.

RESOURCES

Through the Annual Plan an operating subsidy of \$100,000 was provided for the Centre in 2005/2006, of which \$40,000 is dedicated for youth programmes run at the Massey Leisure Centre and the New Lynn Community Centre. This subsidy will be reduced to \$90,000 for the 2007/2008 year as in accordance with the Management Agreement.

Funding of staff for relationship management, coordination and contract monitoring has also been provided for through the Annual Plan.

CONCLUSION

The Centre had a total of 98,530 visitors during the first two quarters for the 2005/2006 year which was 4% above their target of 95,008 and higher than in the comparable period of the previous year. Council officers are confident the Centre will reach Council's annual target of 190,000 – 195,000 visitors for 2005/2006. While the Centre achieved above gross targets there are some key areas where the Centre did not meet targets which are being supported by better than targeted performance in other areas. The Centre exceeded targets for youth programmes, adult programmes, children's programmes, general hirers of the stadium, and the crèche but fell short of meeting its visitor targets for group fitness and the hireage of the Don Buck community room. While Management did not meet the set target for the fitness centre, actual visitor numbers are up on previous years.

The regular youth programme facilitated by the Raise up n Represent team at New Lynn has continued to experience a reduction in numbers attending. However, both Council and the YMCA view the programme as very important and have entered into discussions on how to ensure its on-going sustainability, which includes the provision of additional resources for New Lynn by the YMCA.

RECOMMENDATION

That the Massey Leisure Centre Six Month Performance 2005/2006 report be received.

Report prepared by: Clare Dwyer, Leisure Planner.



10 COMMUNITY CENTRE SIX MONTH PERFORMANCE REPORT (2005/2006)

PURPOSE OF REPORT

The purpose of the report is to inform the Finance and Operational Performance Committee on the Community Centres six monthly performance for the 2005/2006 financial year and to update the Committee on current operations.

BACKGROUND

Council owns and manages six Community Centres that cater for a wide range of community groups and activities through the provision of bookable spaces and the facilitation of activities. Community Centres also play a role in hosting civic events, including the City's key festivals such as the Going West Literary Festival (including Storyfest) and the Moon Festival.

Community Centres also play host to a number of community events and festivals – examples include the Titirangi Music Festival, Te Atatu Christmas Parade and other cultural events. Local and Central Government meetings and workshops, corporate conferences and functions, and many more one-off celebrations are also staged at the Community Centres.

The other major role of the Community Centres is to provide space for community groups to meet and participate in local activities.

STRATEGIC CONTEXT

The Centres contribute to Council's strategic and policy objectives within the Strong Communities platform by providing accessible public buildings which contribute to a sense of belonging and foster community well-being. The First Call for Children policy is a priority in identifying the need for provision of programmes within the centres for youth.

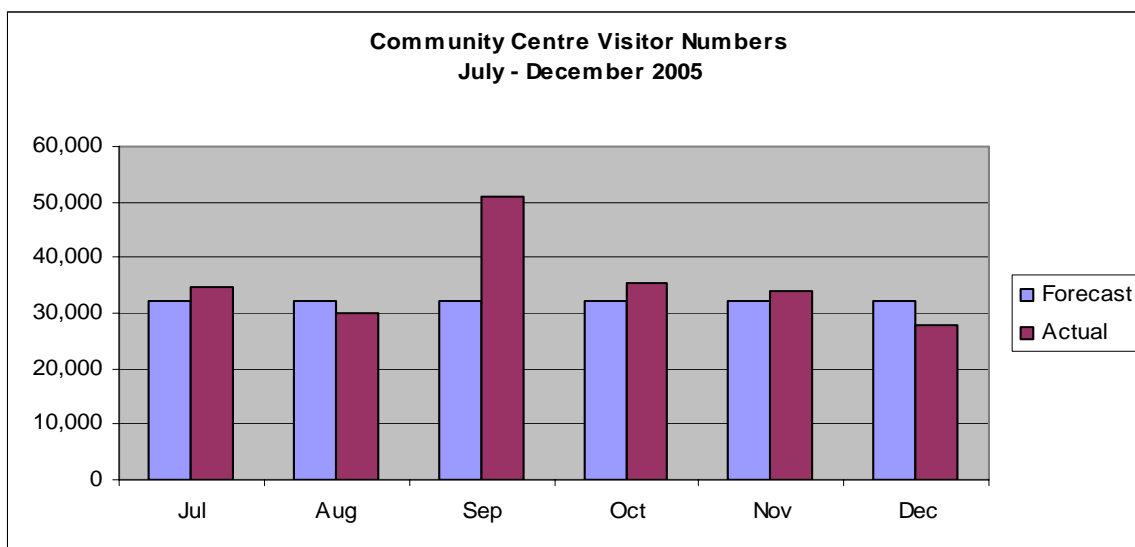
Council adopted a Community Facilities Plan in 2000, which outlines the strategies and actions to be undertaken over the next ten years on how Council will help to provide buildings for the general community to use.

ISSUES

Six Monthly Performance Measures

The key measures of Community Centre performances are number of visits, volume of occupancy, and achievement of financial targets. The table below shows the number of visitors to the Community Centres.

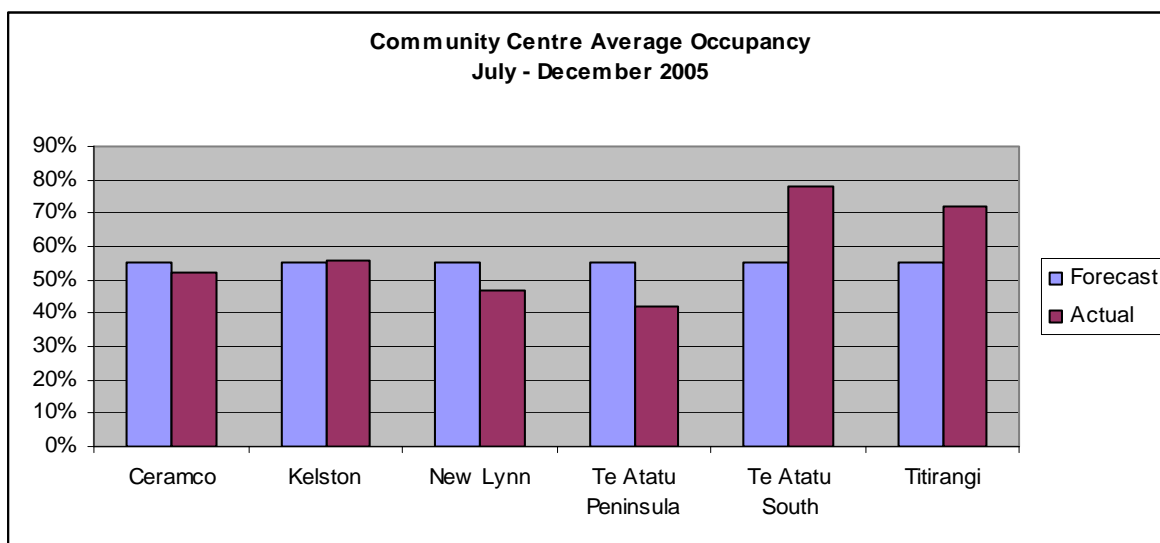
Number of Visits



A total of 213,025 people have visited the Centres to attend some form of activity or event during July to December 2005. Council events such as Moon Festival and Going West Festival continue to attract high visitor numbers in September. This is a decrease in comparison to last year's actual figure for this period (254,517 visitors). A drop in weekend bookings over the 2005/2006 six month period has affected visitor numbers.

Despite this the target set for this period was 193,002 visitors, which has been exceeded significantly.

Six Monthly Averaged Occupancy

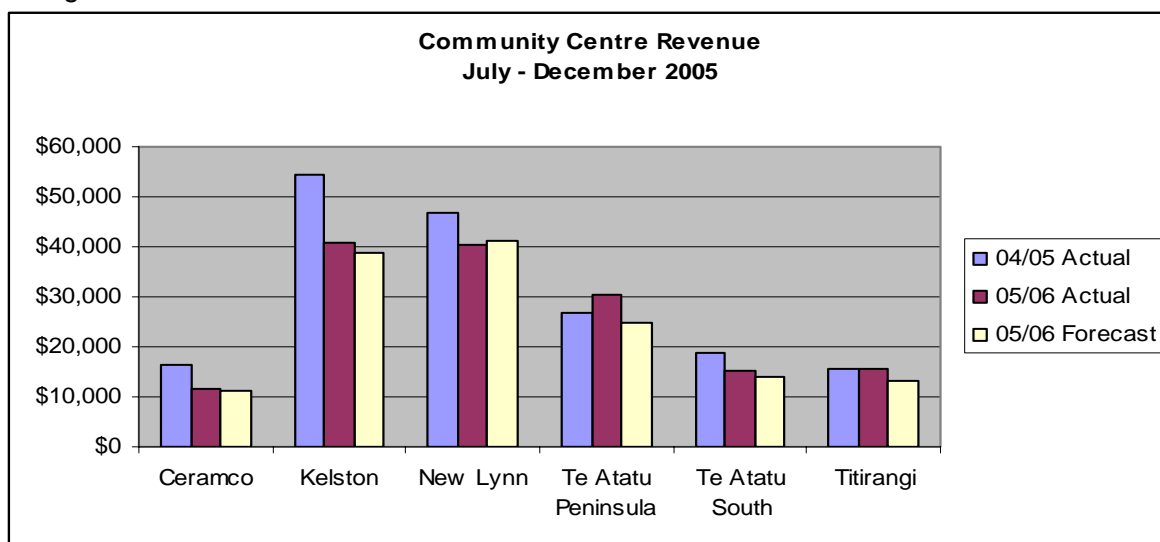


A19

The target occupancy (or overall percentage of room usage) set for 2005/2006 for all Community Centres is 55%. Kelston, New Lynn and Te Atatu Peninsula occupancy levels are affected by the low use of its smaller rooms. Te Atatu South and Titirangi have relatively high occupancy rates and are counted as one room Centres as sound issues prevent more than one room being used at a time. The main halls in these affected Centres have a 70% occupancy rate. Attached at page A19 is a breakdown of the occupancy levels per room per Centre to illustrate this. Last years actual figure for this measurement was 52%. Overall the Community Centres average occupancy is 57%, exceeding its target for this period.

Financial

The actual revenue six monthly figures for July to December 2005 Community Centre hireage are as follows:



A19

The total income for the Community Centres for this period was \$153,685. This figure is lower than last year's actual figures (\$178,973). A decrease in weekend bookings has contributed to the difference in revenue actual figures. Despite this, the target for this period was \$143,196, which has been exceeded significantly. This information in a table format is attached at page A19.

Promotions and Publicity

The following work is also being carried out:

- Community Centre Open Days to be held at New Lynn, Te Atatu Peninsula and Kelston Community Centre in March. User groups have been invited to participate showcasing their activities through performances / demonstration and display boards. The Open Day will be a good opportunity for residents to have a look at the facility and its activities;
- Newspaper Advertisements;
- Brochures designed for each Community Centre, available at all Libraries, Community Centres, Community Houses and Citizens Advice Bureau.

CONCLUSION

For the period of July - December 2005 the following has been achieved:

Overall targets have been met for the six monthly period.

- Approximately 213,025 people visited Waitakere Community Centres;
- Community Centres average occupancy rates are 57%;
- A number of marketing and promotion initiatives continue to take place;
- The total income for the Community Centres for this period was \$153,685.

RECOMMENDATION

That the Community Centre Six Month Performance Report be received.

Report prepared by: Robert Matamu, Community Activity Facilitator, Leisure Services.



11 COMMUNITY ACCOMMODATION ASSISTANCE FUND POLICY REVIEW

PURPOSE OF THE REPORT

The purpose of this report is to provide the Finance and Operational Performance Committee with information following a review of the Community Accommodation Assistance Fund Policy.

BACKGROUND

The Council's rates remissions policy allows for support to sports, community groups and not for profit organisations under the Rating Powers Act 1988. The rates remissions policy expired after five years at the end of June 2004, and the Council needed to consider whether or not to continue the rates remission policy under the provisions of the new Local Government (Rating) Act 2002. The Council noted that the rates remission policy was inequitable in providing accommodation assistance as the groups renting/leasing property were not eligible for such assistance, and acknowledged that this anomaly needed to be rectified by introducing an assistance system that would be more inclusive than rates remissions.

At the meeting held on 1 March 2005, the Long Term Council Community Plan and Annual Plan Special Committee considered the staff report draft Grants Policy - Community Accommodation Assistance Fund (to support sports and community groups and not- for- profit organisations), and resolved:

- “1. That the draft Grants Policy - Community Accommodation Assistance Fund (To Support Sports and Community Groups and Not-For-Profit Organisations), in lieu of rates remission, as attached at pages 86 to 88 to the Agenda report be adopted for consultation during the draft Annual Plan 2005/2006 process.
2. That a sum of \$33,000 be provided in the draft Annual Plan 2005/2006 for the Community Accommodation Assistance Fund.
3. That a sum of \$1,000 be provided for in the draft Annual Plan 2005/2006 for meeting the administration expenses of the Community Accommodation Assistance Fund.
4. That the powers to authorise the grants payments from the Community Accommodation Assistance Fund be delegated to the Finance and Operational Performance Committee.
5. That a review of the Grants Policy - Community Accommodation Assistance Fund (in particular the fund size, the validity period and the amounts granted per application) be undertaken after one year.”

401/2005

As requested in resolution five above a review of the Grants Policy was undertaken by the Rates Financial Analyst, Rates Group Manager and the Community Assistance Facilitator, recommendations from this meeting is included in this report.

STRATEGIC CONTEXT

The social, environmental and cultural wellbeing of present and future communities is a major strategic goal of the Council. The Council has identified “Strong Communities” as a strategic platform that addresses how the Council supports the health and wellbeing of the City’s residents. The Council recognises that in addition to the services directly provided by the Council, the activities undertaken by community groups, not-for-profit organisations and individual property owners also make a valuable contribution to the community outcomes and the strategic outcomes pursued by the Council. Where these activities provide wider social benefits, and are not undertaken for commercial gain, the Council provides a range of assistance to these groups.

ISSUES

It was recommended by the Finance and Operational Performance Committee that a review of the fund be undertaken after the first funding round in particular focussing on *the fund size, the validity period and the amounts granted per application*. The review also considered misunderstanding of the policy that was highlighted when applications came in from Community Groups for this first funding round. It was completed by the Community Assistance Facilitator, the Rates Group Manager and the Rates Financial Analyst. The following recommendations came from that meeting.

The first round of the Community Accommodation Assistance Fund closed on 30 September 2005. In total 38 applications were received, of which six applications were ineligible as they did not fit the criteria. Of the 32 eligible applicants 27 were from organisations who have historically received rates remissions from Council the remaining applicants were new. It is expected that with extensive promotion of the fund through funding workshops that are currently taking place within the community the numbers of new applicants will increase over the coming years. Of those applicants who have historically received rates remissions and who failed to apply this time the Community Assistance Facilitator will contact them again to assist them to apply for this contestable fund in the next round.

The review recommended that the amount of the fund for the year 2006/2007 be set at \$51,000 (the original amount of \$33,000 was reconsidered at a meeting of Council held on 16 November 2005 and an additional amount of \$18,000 was provided to meet the shortfall). Of this \$50,000 would be made available for grants and \$1,000 for promotion/printing/postage costs.

It was also recommended that the 2006/2007 funding round being an annual funding round to further capture new community groups who would be eligible under the new policy. But that consideration being given to making applications for a three year funding cycle for the 2007/2008 funding round. This would require to have additional safeguards added to the policy that confirmation would be required annually of continuation of community use. Only if significant changes occur would an applicants grant be reconsidered.

There is some misunderstanding of the policy, mostly in the area of what the fund covers and how much can be applied for. The original policy stated:

“Grants are available only for the payment of property rates or lease rental by sports and community groups and not-for-profit organisations.”

This statement lead to applicants that leased properties to believe that they were able to claim the whole of their lease payments, whereas the policy intended that only that part of lease rentals that covers their rates payments were eligible. Hence it is recommended that the paragraph be amended to read:

“Grants are available only for the payment of property rates or that part of a lease rental that covers rates by sports and community groups and not-for-profit organisations.”

RESOURCES

Provision has been made in the draft 2006/2007 Long Term Council Community Plan for \$51,000, of this \$50,000 being made available for grants and \$1,000 for promotion/printing/postage costs.

CONCLUSION

A review of the Community Accommodation Assistance Fund took place in February 2006 as recommended by the Finance and Operational Performance Committee. This review recommended that the 2006/2007 Community Accommodation Assistance Fund remain as an annual grant but that consideration be given in 2007/2008 to making applications for a three year funding cycle.

That the size of the fund remain at \$51,000 of which \$50,000 would be available for grants and \$1,000 for administrative expenses. (This was the amount that was required to meet eligible applicants in the 2005/2006 financial year).

That the Policy is amended to clear up a misunderstanding on what the funding is intended to cover. The wording would change from:

“Grants are available only for the payment of property rates or lease rental by sports and community groups and not-for-profit organisations.”

to

“Grants are available only for the payment of property rates or that part of a lease rental that covers rates by sports and community groups and not-for-profit organisations.”

RECOMMENDATIONS

1. That the Community Accommodation Assistance Fund Policy Review report be received.
2. That the 2006/2007 Community Accommodation Assistance Fund remain as an annual grant but that consideration be given in 2007/2008 to making applications for a three year funding cycle.
3. That the following Community Accommodation Assistance Fund Policy wording change be made to clarify the intent of the fund:

“Grants are available only for the payment of property rates or that part of a lease rental that covers rates by sports and community groups and not-for-profit organisations.”

Report prepared by: Jan Brown, Community Assistance Facilitator.



12 COMMUNITY HALLS REVIEW 2006 PROJECT BRIEF

PURPOSE OF THE REPORT

The purpose of this report is to present the attached Project Brief for the Community Halls Review 2006 to the Finance and Operational Performance Committee for approval and sign off.

BACKGROUND

There are a number of Community Halls available for community use in Waitakere City consisting of ten Council owned (and community operated) and ten community owned (and community operated). Council assistance for halls includes; Council funded and managed maintenance for Council owned halls, allocating maintenance grants (of up to \$3,000 each or \$42,000 total per year) from the Annual Community Halls Fund, and listing the Community Halls in Council's Community Facilities Directory.

A Community Halls Review was carried out in 2002/2003 which resulted in a document titled *Waitakere City Community Halls Review Study June 2003*. This document essentially presents key identification information on each Community Hall for that time.

Health and Safety Inspections were carried out by Council in the 2003/2004 and 2004/2005 financial years, which resulted in many of the Halls requiring additional maintenance work for continued use by the community. For the Council owned Halls, Council was able to assist with many of these repairs from Property Services' renewals budget. However, the Community owned Halls were required to fund the extra work themselves.

A report was to be presented to this Committee on 12 September 2005 regarding an update on the Laingholm Beach Hall with the recommendation that the Laingholm Beach Hall be retained and repairs (estimated to be approximately \$38,000) be undertaken by Council. However, the report was withdrawn before the meeting due to concerns Councillors had in the Laingholm area and it was at this time that a request came to Leisure Services to conduct a review of all of the Community Halls.

STRATEGIC CONTEXT

Community Halls contribute to Council's Strong Communities, Urban and Rural Villages strategic platforms by providing appropriate and accessible public buildings as key community focal points that offer a wide range of low cost community activities.

The Local Government Act 2002 defines one of Council's responsibilities as to promote the social, economic, environmental and cultural wellbeing of communities, in the present and for the future.

ISSUES

As identified in the 2002/2003 Community Halls Review, some of the Halls were not being used 'up to potential' by the community due to the poor condition of the facility. With the subsequent repairs undertaken post that review, and the need for each Hall to undergo Council's Health and Safety Inspection before the end of this 2005/2006 financial year, it is an opportune time to review the 'status' of each Hall, not only to provide an update of the Hall's details and condition (in order to inform Council), but also to take a wider perspective and assess each Hall's ability to effectively meet the needs of the immediate surrounding community.

Councillors need updated information and the assurance that the Community Halls are well utilised and of benefit and value to the local community.

Project Objectives

The business objective of this project is two fold:

- The production of a reference document that will outline the key identifiers of each Community Hall that will hold updated information and be available for use throughout Council and Council Committees;
- An assessment on each Community Hall regarding whether it is effectively meeting the needs of the immediate surrounding community with recommendations to Council regarding the future of that particular hall.

Project Approach

A20-A29

It is recommended that a contractor is employed to carry out approximately 75% of the activities required in this project which is attached at pages A20 to A29 as well as be responsible for associated reported deliverables. It is anticipated that one Council Officer from Leisure Services would devote approximately one-quarter of his/her time for the remaining of this financial year as Council's contribution to the development of this project. The Council Officer would also undertake a management / oversight role for the employed contractor in order to ensure quality outcomes from the project.

Upon approval of this Project Brief, engagement with potential contractors will initiate and a full tender process will be undertaken for contractor identification.

Project Deliverable / Timeframes

It is expected that a comprehensive report (including recommendations for each Community Hall) will be produced and provided to the Finance and Operational Performance Committee for approval at the Long Term Council Community Plan in June 2006 so that Councillors are well informed in Annual Plan deliberations regarding the current status of Council's Community Halls.

RESOURCES

It is estimated that this project will cost approximately \$15,000 to be sourced from the existing Leisure Services budget.

Council officer resources are provided for project and coordinator support within current work programmes.

CONCLUSION

This project brief is in response to a request from Councillors that a review on the future use of Council owned Community Halls needs to be undertaken in order to assist Councillors in their decisions regarding particular halls.

Council's Health and Safety Inspections of all of the Community Halls are scheduled to take place before the end of this 2005/2006 financial year which requires meeting with each Hall's Management Committee. This is an opportune time to collect hall details not only on health and safety aspects and the condition of the hall, but also on such things as usage data, financials, etc.

It is recommended that a contractor be employed to carry out the majority of the activities required in this project (other than the Health and Safety Inspections), with the assistance of one Council officer at approximately 1/4 Full Time Employee (FTE) as Council's contribution to the development of this project. That officer will also undertake a management / oversight role to ensure quality outcomes of the project.

The business objectives of the project are:

- The production of a reference document that will outline the key identifiers of each Community Hall that will hold updated information and be available for use throughout Council and Council Committees;
- To assess whether each Community Hall is effectively meeting the needs of the immediate surrounding community, and provide appropriate recommendations to Council regarding the future of that particular hall.

A comprehensive report (including recommendations for each Community Hall) will be produced and provided to Council in June 2006 through presentations to Council Committees so that Councillors are well informed in Annual Plan deliberations regarding the current status of Council's Community Halls.

RECOMMENDATIONS

1. That the Community Halls Review 2006 Project Brief report be received.
2. That the Project Brief for the Community Halls Review 2006 be approved.

Report prepared by: Kimberly Rees, Project Leader, Community Resources.



13 WAITAKERE CITY HOLDINGS LIMITED AND SUBSIDIARIES 2006/2007 DRAFT STATEMENTS OF INTENT

PURPOSE OF THE REPORT

The purpose of this report is to present to the Finance and Operational Performance Committee the 2006/2007 draft Statements of Intent in respect of Waitakere City Holdings Limited, Techscope Limited, Waitakere Properties Limited and the Waitakere Enterprise Trust Board.

BACKGROUND

The Local Government Act 2002 requires that the Board of a Council-controlled organisation must deliver to its shareholders a draft Statement of Intent on or before 1 March each year. The respective Boards are required to deliver the completed Statement of Intent to the shareholders on or before 30 June each year.

STRATEGIC CONTEXT

Council has a financial investment in its Holding Company and Subsidiaries. These companies assist the Council in meeting its strategic outcomes by a return on investment, involvement in strategic projects, economic development and in the support of service delivery.

ISSUES

The Committee is not required at this point to make any comment in respect of the tabled Statements of Intent. It is proposed that Councillors and Council officers review the documents and report back to the April 2006 meeting of the Finance and Operational Performance Committee where appropriate comments can be formalised and forwarded to the Holding Company Board for consideration with a view to finalising the Statements.

CONCLUSION

A30-A92

The 2006/2007 draft Statements of Intent in respect of Waitakere City Holdings Limited, Techscape Limited, Waitakere Properties Limited and the Waitakere Enterprise Trust Board are attached at pages A30 to A92 for the Committee's consideration. The appropriate Council officers will review the documents and bring back a report to the April 2006 meeting of the Finance and Operational Performance Committee and together with comments / issues raised by Elected Members, request, through the Holding Company, that any appropriate amendments, if any, be made to the respective Statements of Intent before they are finalised.

RECOMMENDATIONS

1. That the Waitakere City Holding Limited and Subsidiaries 2006/2007 Draft Statements of Intent report be received.
2. That a report be brought back to the next meeting of the Finance and Operational Performance Committee with recommendations as to amendments and comments, if any, to the Statements of Intent.

Report prepared by: Robert Rudd, Director: Quality Assurance.



14 INORGANIC COLLECTION FREQUENCY

PURPOSE OF THE REPORT

The purpose of this report is to detail the collection pattern for the inorganic refuse collection.

BACKGROUND

A report was provided to the Finance and Operational Performance Committee on 12 December 2005 identifying a number of negative impacts with the current inorganic collection. These are:

1. Unsightly clutter on the streets;
2. Issues with volumes put out on right-of-way properties;
3. Co-mingling of waste;
4. Illegal dumping;
5. Inorganic scavenging, which can create untidiness;
6. Safety issues;
7. Illegal waste.

At the Finance and Operational Performance Committee, 12 December 2005 it was resolved:

1. *That it be recommended to Council that the inorganic collection currently in operation continue at this time.*
2. *That the Chief Executive Officer be requested to investigate a tighter pattern of inorganic collection to further reduce the unsightly clutter on the streets."*

2459/2005

STRATEGIC CONTEXT

Zero waste to landfill by 2020 is one of Council's nine strategic platforms. The Long Term Council Community Plan vision for solid waste is that by 2020 Waitakere will be a clean and attractive city that turns all its waste into resources. The city has made good progress on waste minimisation with kerbside recycling, composting of green waste and the establishment of a re-use centre, education and cleaner production programmes. The inorganic collection provides some control to Council in order to achieve this strategic aim by collecting the refuse and providing further recycling at the transfer station.

ISSUES

What options are there to tighten up the pattern of the inorganic collection to further reduce the unsightly clutter on the streets?

Council has entered into a shared service refuse collection contract together with North Shore City Council. The residential inorganic refuse collection which is part of this contract is on the basis of a once per financial year from each residential rateable property. This is a non-compacted collection service which operates on a 20 week cycle in each of Waitakere and North Shore cities. This brought a change to the previous service condensing the inorganic collection cycle from the previous 48 week collection cycle. Contract savings were brought about as the contractor could implement a single fleet to operate across the two councils and there would be no overlap between the respective 20 week collection cycles for the two cities. The contract term is five years in order for both councils to re-evaluate their inorganic service after that time with provision for a further renewal of five years after this time.

The 20 week inorganic collection cycle for Waitakere city commenced in February 2006. In summary the advantages of this collection cycle, over an entire year's collection cycle, are:

1. The economies of scale between North Shore city and Waitakere;
2. A larger fleet meaning greater resources in the event of any mechanical breakdowns;
3. The unsightliness of inorganic collections is confined to 20 weeks of the year;
4. Residents are given only one week's notice, which includes a weekend to put out their inorganic refuse.

Financially the 20 week cycle provides the optimum period for the fleet size of the contractor. Reducing this cycle further would necessitate further contract negotiations with the current contractor. The likely result is an increase to the cost of the contract as more fleet would need to be purchased and the contractor would lose that optimum balance of capital investment and service.

RESOURCES

The budget for the once per year inorganic collection is included in the 2005/2006 Annual Plan. This cost is \$540,000. The cost for 2006/2007 is \$380,000, based on last year's volumes reflecting a cost reduction after first year start-up costs have been taken into account, and also an increase in the recyclable portion arising from enforcement of the new bylaws. At the time of writing, this amount was below the line in the draft Long Term Council Community Plan 2006-2016.

CONCLUSION

The pattern of inorganic collection is prescribed in the current contract and cannot easily be adjusted. It involves a 20 week inorganic collection cycle which reflects the least time exposure for the optimum contract price.

RECOMMENDATIONS

That the Inorganic Collection Frequency report be received.

Report prepared by: Jon Roscoe, Manager: Solid Waste.



15 INSURANCE ARRANGEMENTS 2005/2006

PURPOSE OF REPORT

The purpose of this report is to summarise Council's insurance placements for the period commencing 1 July 2005 to 1 July 2006 for all classes of insurance except Public Liability/Professional Indemnity where the period is 30 June 2005 to 30 June 2006, and to provide information on associated issues.

INSURANCE TRENDS

Council's insurance broker, Jardine Lloyd Thompson Limited, has reported 'hardened' conditions in the global insurance marketplace which means capacity has reduced, premiums increased and cover narrowed. This had followed major upheaval in the global insurance and reinsurance industry where in 2003, Standard & Poor's rating agency stated that an estimated \$200 billion of capital was lost by the industry in the 3 years prior due to underwriting losses (including significant losses from natural events), September 11th claims and poorly performing investment markets; and that since early 2002, there had been 47 downgrades and only 3 upgrades in ratings among the world's largest 150 reinsurers.

Significant rate increases and policy coverage cutbacks in 2002 and 2003 from underwriters reviewing their practices and business models over those years, appeared to have peaked in 2004 and remained relatively stable since. Neither the substantial hurricane losses nor the Indian Ocean tsunami appeared up to this point to have had noticeable effect on terms provided by both reinsurance and direct insurance markets.

As a microcosm of the global marketplace, the New Zealand market has in one way or another and to different extents been influenced and affected by trends in the global marketplace. The effects of this has been felt even more quickly and directly in recent years due to the changing face of the local industry with its relatively light regulation.

In New Zealand, the past decade has witnessed a diminishing number of insurers operating here for a number of reasons - closure of local operations, liquidation, mergers and acquisitions. In the past two years, except for the New Zealand Local Government Insurance Corporation (Civic Assurance Ltd) and New Zealand Mutual Liability RiskPool - both owned by local government, all insurance companies now represented in New Zealand are overseas owned.

In that background, with conditions stabilising in 2004, there has been some discernible downwards pressure on property premiums for insureds with good risk profile and claims experience.

RENEWAL AND ASSOCIATED ISSUES

Council's 2005/2006 overall renewal premium terms received at 30 June 2005, before adjusting for the latest 2005 assets revaluations, saw the overall premium terms reduced by \$44,802 or 9.12% lower than the previous 2004/2005 year's. Most of this reduction was in the Property & Business Interruption premiums where the insurance market generally softened in 2005.

However, after the Property & Business Interruption premiums portion of the overall 2005/06 premium was adjusted in September 2005 to reflect premiums based on Council's *buildings* as well as *plant* - key locations only insurance (re)valuations received in August 2005, the overall premium liability for 2005/2006 rose by \$83,399 or 13% relative to the previous year, negating the previously signalled premium reduction.

Properties added over the year to Council's property insurance portfolio (eg. the new Glen Eden and New Lynn Libraries, acquisitions by Waitakere Properties Limited of ex Apple & Pear Board warehouses at Keeling Road and 'film studios' warehouses at Henderson Valley Road) account for a part, but not all, of the increase which is primarily the result of higher than anticipated insurance valuations received, of building assets in particular. Council's insurance values are based on estimated reinstatement value. The significant *across the board* increase in values as at 30 June 2005, compared to values two years earlier when the last valuations were undertaken, are attributable to higher building costs (including increased compliance costs) within the construction industry which, we understand, has seen costs escalating to high levels, peaking around the middle of last year. On balance it is still felt that the cost (both valuation and premium) benefits of 2 yearly revaluations outweigh any advantages from rapid unanticipated cost increases due to inflation.

As reported in the equivalent report in December 2004, major existing insurance companies appeared disinterested or unwilling to underwrite New Zealand local government risks. The accepted wisdom, in light of the practical and commercial realities, seems to be that Civic Assurance and NZ Mutual Liability RiskPool ("RiskPool") are niche underwriters of local government in New Zealand. This is given the property and liability risk profiles and insurance needs that are unique to this sector. Jardine Lloyd Thompson have not sought alternative terms for the 2005/2006 renewal as such but indicated they may do so in the upcoming 2006/2007 renewal round. Civic Assurance and RiskPool continue to be heavily reliant on the international market to provide capacity and protection by way of reinsurance contracts.

COVERS ESTABLISHED

A93

Details of Council's policies that have been renewed for the current insurance year 2005/2006 are attached at page A93.

COMPARISON

A comparison of the premiums charged over the past three years is provided in the schedule below.

The Property i.e. Material Damage policy premium shown for the current 2005/2006 year reflects the final premium.

PREMIUM COMPARISON

POLICY	PREMIUM 2003/2004	PREMIUM 2004/2005	PREMIUM 2005/2006
Material Damage	\$304,788 (N1)	\$336,750	\$399,619 (N1)
Business Interruption	\$36,799	\$39,866	\$37,091
Motor Vehicle	\$43,352 (N2)	\$35,666 (N3)	\$35,666 (N3)
Fidelity Guarantee	\$30,000	\$26,500	\$26,500
Machinery Breakdown	\$1,768	\$1,768	\$1,768
Travel	\$772	\$772	\$768
Public Liability/ Professional Indemnity	\$165,000	\$186,450	\$209,759
TOTAL	\$582,479	\$627,772	\$711,171

Notes:

- 2003/2004 and 2004/2005 premiums adjusted to reflect sum insured changes from revised assets valuations undertaken in these years. Excludes minor premium adjustments on minor additions and or deletions separately invoiced or refunded during the year;
- Includes estimated burning cost adjustment;
- 2004/2005 and 2005/2006 motor premiums shown are subject to burning cost adjustments. These premiums net of burning cost adjustments (based on actual claims incurred in the respective completed 2003/2004 and 2004/2005 insurance years) of \$9,600 (additional premium) and \$8,907 (premium refund) are \$45,266 and \$26,759 for 2004/2005 and 2005/2006 respectively;
- All amounts shown are exclusive of GST and brokers remuneration. Jardine Lloyd Thompson's 2005/2006 remuneration for the provision of insurance scheme management and advisory services is \$25,000 plus GST.

POLICY COVERAGE

All policies were renewed with no change to the terms of coverage nor any new exclusion applied. But RiskPool has now advised a significant change to Council's liability insurance as far as 'leaky building claims' registered with the Weathertight Homes Resolution Service are concerned.

As reported in the equivalent report in December 2004, a leaky building policy exclusion was applied during that 2004/2005 insurance period to the reinsurance arrangements between RiskPool and offshore reinsurers in respect of such claims. All so called leaky building claims (exceeding the relevant claim deductible) have therefore ever since then been dealt with under the self-insured retention of RiskPool, which has been monitoring claims trends to see if the self-insured losses retained by it continued to be manageable in that fashion.

A94-A95

While there was no change to Council's liability cover with RiskPool at renewal on 30 June 2005, Council was informed by RiskPool by letters dated 23 December 2005 and 16 February 2006 - attached at pages A94 to A95, that claim excesses in respect of all leaky building claims would increase to \$50,000 per claim with effect from 1 February 2006 in respect of claims registered with the Weathertight Homes Resolution Service or otherwise notified after this date. This new excess is \$35,000 higher than the previous excess of \$15,000.

RiskPool advised that this change, part way through the insurance year, is necessary due to a substantial fall in the Scheme's surplus because of the extra reserving required to allow for leaky building claims, claims at the Weathertight Homes Resolution Service in particular. It is being imposed to be fair to councils that do not have a high exposure to leaky building claims.

The implications of this change (in effect the withdrawal of \$35,000 worth of cover on each claim subject to the new excess) have not been fully assessed at the time of preparation of this report. Existing claim provisions made by the Council will need to be reviewed, but the impact of this change is not immediate and is unlikely to have any effect in the current year.

Council's 2005/2006 provision for leaky building claims deductibles stands at \$375,000, reviewed annually.

UNINSURED EXPOSURES

Uninsured exposures are any risks not covered by the classes of insurances identified above. Significant areas where there is no insurance or indemnity and the risks are accepted and retained by Council include: infrastructural assets such as water and sewage reticulation networks, traffic light systems, roads, bridges and flood protection works (the list is not exhaustive), statutory liability in respect of breaches of legislation, computer breakdown (of equipment under warranty or maintenance contract whereas the assets themselves are insured on the material damage schedule), and employment disputes.

Council-Controlled Organisations

'The Insured' for the purposes of public liability/professional indemnity, material damage and fidelity guarantee insurances, includes Waitakere Properties Limited and Waitakere City Holdings Limited as council-controlled organisations.

The current Local Government Act 2002 prohibits councils from indemnifying directors of a council-controlled organisations in respect of any liability arising out of such persons acting in their capacity as directors of the council-controlled organisations. As such, Waitakere City Holdings Limited and its wholly owned subsidiary Waitakere Properties Limited now hold Directors & Officers Liability insurance coverage for any such liability historically dealt with by way of direct indemnities available from Council in favour of their directors.

Waitakere Enterprise Trust Board has its own combined Public Liability/Professional Indemnity insurance, Fidelity Guarantee, as well as property (Material Damage) insurances. Its insurances, including Trustees Liability insurance for its board members, are arranged through their own broker, Penney McMurtrie & Associates.

RECOMMENDATION

That the Insurance Arrangements 2005/2006 report be received.

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



16 **TRIENNIAL REPRESENTATION - REVIEW UPDATE ON INFORMAL PUBLIC INFORMATION PROCESS**

PURPOSE OF THE REPORT

The purpose of this report is to inform the Finance and Operational Performance Committee of the outcome of the informal community information process undertaken to explore three options for future Ward and Community Board boundaries. This will enable the Finance and Operational Performance Committee to provide a recommendation to the Council in the respect of adoption of a single preferred option for formal public consultation.

BACKGROUND

The Local Electoral Act 2001 reduced the frequency of reviews of the basis of elections by local authorities from every three years to at least one every six years. Because the Council chose not to undertake a review in 2003 it must do so in the 2006 year. The Local Government Commission has advised that its workload to deal with any appeals and objections when considering Final Proposals from territorial authorities and regional councils is likely to be substantial. Accordingly, the Commission advises that if a local authority is able to make its determination ahead of the statutory deadlines then it is much more likely that local hearings will be possible.

The Representation Review is required to determine the boundaries for election of the Council and its Community Boards, in order to provide for fair and effective representation, as defined in the Local Electoral Act 2001.

The Electoral Officer started this process for Council by preparing a Discussion Document for Elected Members, which was presented to Councillors in a workshop held on 15 June 2005, and was the subject of reports to all four Community Boards in August 2005. Concurrently the Electoral Officer commissioned a consultant to undertake a study identifying Communities of Interest which was presented to a workshop of Councillors and Community Board Chairs on 17 August 2005. This workshop identified three options for further investigation.

Option One

Three Wards and three Community Boards - based on population, integrated land use, transport and landscape:

- Wards
- Northern (from Bethells to Hobsonville/ Whenuapai; includes Swanson, Ranui, Massey and West Harbour) (**four Councillors**)
 - Central (from Piha and Karekare to Te Atatu Peninsula. Includes Henderson, Western Heights, Bruce McLaren Park, Te Atatu South and Ranui) (**five Councillors**)
 - Southern (from Whatipu and Huia to New Lynn, includes Titirangi, Glen Eden and Oratia) (**five Councillors**)

Option Two

Four Wards and four Community Boards - based on land use and population:

- Wards
- Rural (Waitakere Ranges, Swanson, Titirangi, Huia, Piha, and Bethells/Te Henga) (**two Councillors**)
 - Northern Urban (Massey, West Harbour, Hobsonville, Whenuapai) (**three Councillors**)
 - Central Urban (Henderson, Ranui, Western Heights, Bruce McLaren Park, Te Atatu South, Te Atatu Peninsula) (**five Councillors**)
 - Southern Urban (New Lynn and Glen Eden) (**four Councillors**)

Option Three

Four Wards and four Community Boards - based on population only:

<u>Wards</u>	-	Waitakere (with the addition of Ranui) (three Councillors)
	-	Massey (without Ranui) (four Councillors)
	-	Henderson (no change) (three Councillors)
	-	New Lynn (no change) (four Councillors)

A revised report was presented to a workshop for Community Board Members on 27 September 2005 and then to a workshop for Councillors and Community Board Chairs on 4 October 2005.

At the workshop of 4 October 2005, the consensus of Councillors present was in favour of Option One, a three Ward model, with 14 Councillors, all elected by Ward, plus the Mayor. It was further suggested that there be three Community Boards (one for each proposed Ward), with six elected Community Board Members, elected at large from within the Community, for each. A further workshop, on 14 October 2005, which was attended by 16 out of the 22 Community Board Members, together with five Councillors, including the Deputy Mayor, considered the draft Initial Proposal. The consensus of this workshop was in favour of supporting Option One with the increase of the number of elected Community Board Members to seven per Board.

Feedback from the Community Boards was sought by Council in October/November 2005.

The Henderson Community Board resolved on 3 November 2005 to support Option Two. Massey Community Board gave its support to Option One on 2 November 2005. On 31 October 2005 New Lynn Community Board resolved to support Option One. The Waitakere Community Board resolved on 1 November 2005 to support the enhanced status quo option and request preliminary public consultation.

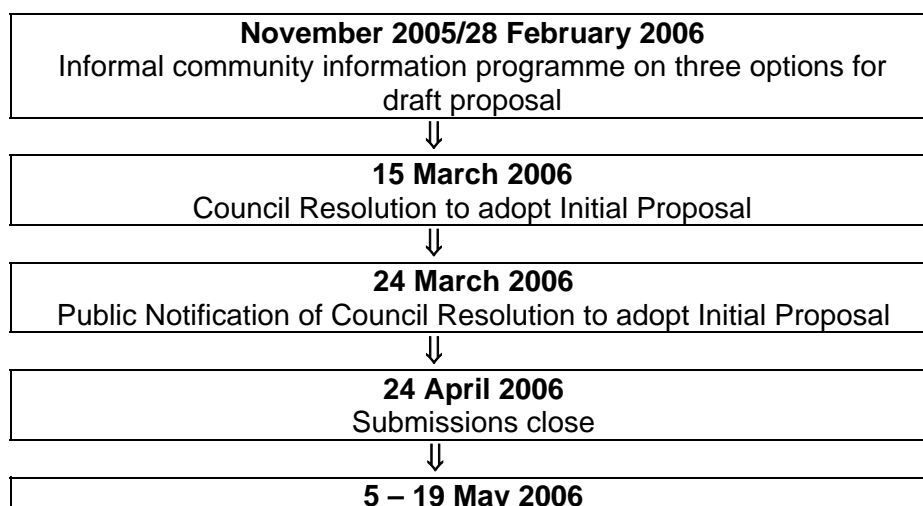
On 7 November 2005 the Finance and Operational Performance Committee resolved:

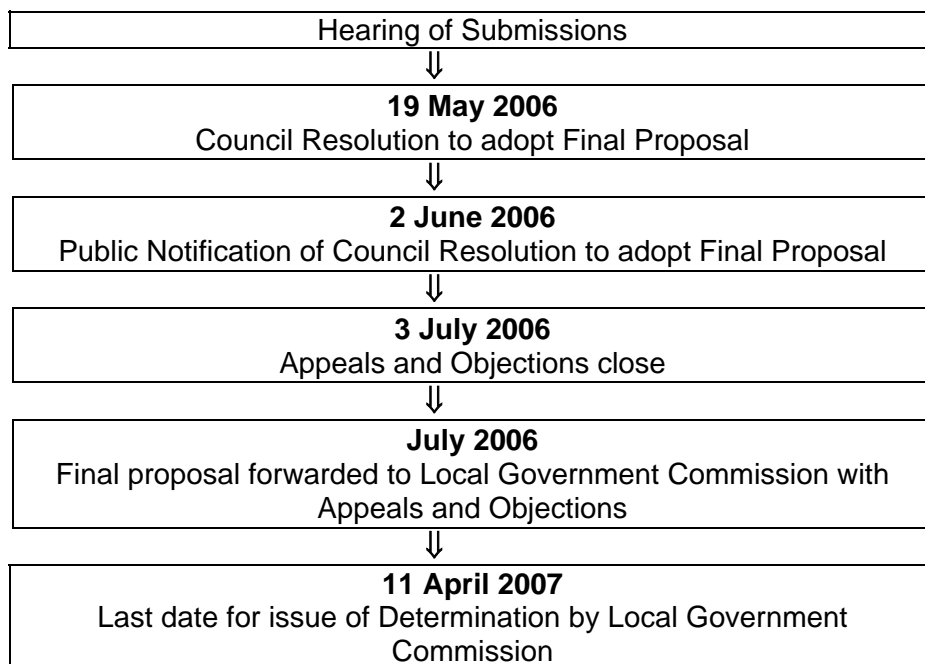
"That an informal information process be undertaken with the community finishing in late February 2006, prior to Council making its decision in March 2006 for formal consultation."

2198/2005

The following timeline was prepared to facilitate the implementation of this resolution.

Basis for Election provisional timescale:





STRATEGIC CONTEXT

Active Democracy is one of the Council's nine strategic platforms identified in its Long Term Council Community Plan and Annual Plan 2005/2006. This platform supports the involvement of citizens in the Council's decision-making process through education, removing barriers, developing partnerships, improving information flows and supporting the communities' own ways of interacting with the Council.

The electoral system is a key component of active democracy.

ISSUES

As part of the process of community information, four public meetings were held:

1. Waitakere Ward on 14 February 2006;
2. Massey Ward on 16 February 2006;
3. Henderson Ward on 17 February 2006;
4. New Lynn Ward on 21 February 2006.

During these public meetings Community Board Members from both Henderson and Waitakere Community Boards requested a full report to the Community Boards at the conclusion of the process. These reports will be presented to the Board's at their March 2006 meetings. The Finance and Operational Performance Committee will be updated verbally as to the recommendations of the Community Boards in respect to these reports.

As the outcome of the community information was not available at the time of going to print a verbal update will be presented to the Finance and Operational Performance Committee meeting.

RESOURCES

Provision has been made in the 2005/2006 Annual Plan to resource the Representation Review. No additional resources are required.

CONCLUSION

The Finance and Operational Performance Committee is being given the opportunity to review its prior resolution on the proposed new Ward and Community Board boundaries and if necessary rescind its prior resolution and make a further recommendation.

RECOMMENDATIONS

1. That the Triennial Representation Review - Update on Informal Public Information Process report be received.
2. That the Finance and Operational Performance Committee make a recommendation to Council on the subject of the preferred option for Ward and Community Board boundaries.

Report prepared by: Charlie Inggs, Deputy Electoral Officer.

NOTE: POSSIBLE ADJOURNMENT INTO A WORKSHOP

The meeting may also wish to consider the option of adjourning into a workshop as suggested by the Chairperson to discuss this report prior to reconvening to consider the recommendations.



PART E - REPORTS FROM THE SUBCOMMITTEE

17 TENDERS SUBCOMMITTEE

THE SUBCOMMITTEE SUBMITS THE FOLLOWING REPORT OF ITS MEETING HELD ON FRIDAY, 24 FEBRUARY 2006.

MATTERS CONSIDERED

A96-A98

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 A96 to A98.

The Subcommittee Recommends:

That the Meeting report of the Tenders Subcommittee held on Friday, 24 February 2006 be received.

JM Clews, QSO, JP
CHAIRPERSON

