

**MINUTES OF A MEETING OF THE FINANCE AND OPERATIONAL PERFORMANCE  
COMMITTEE HELD AT WAITAKERE CENTRAL, 6 HENDERSON VALLEY ROAD,  
HENDERSON, WAITAKERE, ON MONDAY, 11 FEBRUARY 2008  
COMMENCING AT 9.34 AM**

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**PRESENT:** Councillors RI Clow (Chairman)  
JM Clews, QSO, JP (Deputy Chairman)  
DQ Battersby, JP  
BA Brady, JP (from 10.23 am)  
MFP Chan, JP  
LA Cooper, JP  
AK Corban, OBE, JP  
RP Dallow, QPM, JP  
WW Flaunty, QSM, JP  
PA Hulse (from 9.54 am)  
MM Jolley  
JP Lawley, JP  
PG Mitchell  
VS Neeson, JP

**IN ATTENDANCE:** Director: Finance  
Group Manager: Financial Operations  
Group Manager: Financial Management  
Group Manager: Asset Management  
Financial Analyst: Rates  
Treasury Manager  
Library and Information Services Manager  
Manager: Quality Assurance  
Manager: Strategic Projects  
Senior Community Liaison Officer  
Strategic Planner: Strategic Projects  
Strategic Planner Team Leader  
Leisure Facility Project and Contracts Officer  
Democracy and Governance Team Manager  
Committee Secretary: A Chan

**ALSO IN ATTENDANCE:** Andrew McKenzie, General Manager Finance, Auckland City Council  
Chris Carroll, Treasury Officer, Auckland City Council

**PART A - OPENING OF MEETING**

**1 APOLOGIES**

94/2008

MOVED by Cr Neeson, seconded Cr Lawley:

That apologies from Crs Brady and Hulse for lateness be received and sustained.

**CARRIED**

**2 URGENT BUSINESS**

95/2008

MOVED by Cr Clews, seconded Cr Cooper:

That the matter of Justice and Electoral Select Committee Inquiry into the 2007 Local Authority Elections be considered as Urgent Business because of the need for Council to ratify as soon as possible the submission made to the Select Committee which closed on 8 February 2008.

**CARRIED**

**2A JUSTICE AND ELECTORAL SELECT COMMITTEE INQUIRY INTO THE 2007 LOCAL AUTHORITY ELECTIONS**

96/2008

MOVED by Cr Clews, seconded Cr Clow:

1. That the Justice and Electoral Select Committee Inquiry into the 2007 Local Authority Elections report be received.
2. That the Council approves the submission on Justice and Electoral Select Committee Inquiry into the 2007 Local Authority Elections for consideration by the Justice and Electoral Select Committee.

**CARRIED**

**NOTE:** Pursuant to Standing Order 32.12 Crs Flaunty and Lawley requested that their vote against the motion be recorded.

**3 CONFLICTS OF INTEREST**

Elected Members were reminded via the agenda, the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member of the Council and any private or other external interest they might have.

**4 CONFIRMATION OF MINUTES**

97/2008

MOVED by Cr Clews, seconded Cr Chan:

That the minutes of the Meeting of the Finance and Operational Performance Committee held on Monday, 10 December 2007, as circulated, be taken as read and now be confirmed.

**CARRIED**

## **PART B - PRESENTATION**

### **5 PRESENTATION BY WATERCARE SHAREHOLDERS REPRESENTATIVE GROUP**

9.54 am Cr Hulse entered the meeting.

A presentation was made to the Finance and Operational Committee by Andrew McKenzie (General Manager: Finance, Auckland City Council) on behalf of the Watercare Shareholders Representative Group (SRG), on a proposal by the SRG for Auckland City Council to provide a guarantee to Watercare Services Limited supported by back to back guarantees from the other shareholding councils.

98/2008

MOVED by Cr Clow, seconded Cr Clews:

That the Presentation by Watercare Shareholders Representative Group be received.

**CARRIED**

### **PRECEDENCE OF BUSINESS**

99/2008

MOVED by Cr Clews, seconded Cr Neeson:

That Item 14: Proposal for the Guarantee of Watercare Services Limited's Debt be accorded precedence at this time.

**CARRIED**

### **14 PROPOSAL FOR THE GUARANTEE OF WATERCARE SERVICES LIMITED'S DEBT**

100/2008

MOVED by Cr Flaunty, seconded Cr Cooper:

1. That the Proposal for Guarantee of Watercare Services Limited's Debt report be received.
2. That the Finance and Operational Performance Committee approves in principle the proposal by the Watercare Shareholder Representative Group for Auckland City Council to provide a guarantee or, as a fall back option, a central borrowing service to Watercare Services Limited.
3. That the current review of Council's Liability Management and Investment Policy includes an amendment to allow guarantees to Council Organisations.
4. That a further report be brought back to the Finance and Operational Performance Committee alternatively the Long Term Council Community Plan and Annual Plan Committee for a final decision on the Watercare Shareholder Representative Group Watercare guarantee proposal, once updated price information has been received from Watercare Services Limited.

**CARRIED**

The Order of Business resumed at Item 6: Amendments to Rating System.

**PART C - PROPERTY**

**6 AMENDMENTS TO RATING SYSTEM**

10.23 am Cr Brady entered the meeting.

101/2008

MOVED by Cr Corban, seconded Cr Neeson:

1. That the Amendments to Rating System report be received.
2. That it be recommended to the Long Term Council Community Plan and Annual Plan Committee that the following Rates Stepped Differential be included for consultation in the draft Annual Plan 2008/2009.

Differential Group	Step	New Step
Residential (1 unit)	Step 1	\$1 to \$270,000
	Step 2	\$270,000 to \$950,000
	Step 3	\$950,000 +
Residential (2 units)	Step 1	\$1 to \$540,000
	Step 2	\$540,000 to \$1,900,000
	Step 3	\$1,900,000 +
Residential (3 units)	Step 1	\$1 to \$810,000
	Step 2	\$810,000 to \$2,850,000
	Step 3	\$2,850,000 +
Residential (4 units)	Step 1	\$1 to \$1,080,000
	Step 2	\$1,080,000+
Residential (5-9 units)	Step 1	\$1 to \$1,350,000
	Step 2	\$1,350,000+
Residential (10-39 units)	Step 1	\$1 to \$3,000,000
	Step 2	\$3,000,000+
Residential (40+ units)	Step 1	\$1 to \$12,000,000
	Step 2	\$12,000,000+

**CARRIED**

102/2008

MOVED by Cr Lawley, seconded Cr Brady:

That it be recommended to the Long Term Council Community Plan and Annual Plan Committee that the modelling on the level of the Uniform Annual General Charge based on the draft Annual Plan 2008/2009 be calculated on the current level of \$628, the maximum amount permissible, and at \$578.

**CARRIED**

**PART D - LEGAL AND CONSTITUTIONAL**

**7 AFFIXATION OF COMMON SEAL**

103/2008

MOVED by Cr Neeson, seconded Cr Cooper:

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.

**CARRIED**

**PART E - FINANCE**

**8 OPERATING AND CAPITAL EXPENDITURE SUMMARIES**

104/2008

MOVED by Cr Clews, seconded Cr Jolley:

That the Operating and Capital Expenditure Summaries report be received.

**CARRIED**

**9 STATUS OF SPECIAL FUNDS**

105/2008

MOVED by Cr Neeson, seconded Cr Clow:

That the Status of Special Funds report be received.

**CARRIED**

**10 BORROWING AND INVESTMENT REPORT**

10.44 am Crs Neeson and Hulse left the meeting.

106/2008

MOVED by Cr Mitchell, seconded Cr Jolley:

1. That the Borrowing and Investment Report be received.
2. That the proposed changes to the Liability Management and Investment Policy be endorsed and that a Statement of Proposal for public consultation be prepared for Council's consideration.

**CARRIED**

**11 PAYMENTS FOR APPROVAL**

107/2008

MOVED by Cr Cooper, seconded Cr Chan:

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

**CARRIED**

**PART F - GENERAL**

**12 AUCKLAND WAR MEMORIAL MUSEUM AND THE MUSEUM OF TRANSPORT AND TECHNOLOGY - ELECTORAL COLLEGE UPDATE**

108/2008

MOVED by Cr Battersby, seconded Cr Chan:

1. That the Auckland War Memorial Museum and the Museum of Transport and Technology - Electoral College Update report be received.
2. That a submission be made to the 2008/2009 draft Annual Plans of the Auckland War Memorial Museum and the Museum of Transport and Technology and that the submission recommending a reduction in the increased levy be approved by the Chairman of the Finance and Operational Performance Committee.

**CARRIED**

11.02 am Cr Neeson returned to the meeting.

11.08 am Cr Brady left the meeting.

**DECLARATION OF INTEREST**

11.09 am Cr Flaunty declared an interest and withdrew from the table, taking no part in the debate or decision on Item 13: Leisure Facility Partnership Fund Stage Two Applications.

**13 LEISURE FACILITY PARTNERSHIP FUND 2007/2008 STAGE TWO APPLICATIONS**

109/2008

MOVED by Cr Cooper, seconded Cr Neeson:

1. That the Leisure Facility Partnership Fund 2007/2008 Stage Two Applications report be received.
2. That the Finance and Operational Performance Committee approve the application by Waitakere College to move onto stage three of the Leisure Facility Partnership Fund and allocate \$250,000 to the project, subject to the applicant meeting, by 30 June 2009, the stage three criteria and any other conditions as set out by the Management Team or else the Finance and Operational Performance Committee can withdraw all remaining funding and require the applicant to reapply.
3. That the Finance and Operational Performance Committee approve the application by Marina View School to move onto stage three of the Leisure Facility Partnership Fund and allocate \$250,000 to the project, subject to the applicant, by 30 June 2009, meeting the stage three criteria and any other conditions as set out by the Management Team or else the Finance and Operational Performance Committee can withdraw all remaining funding and require the applicant to reapply.
4. That the Director: Finance be authorised delegated authority to release part funding to the applicants to allow the applicants to produce design work for the successful completion of stage three.
5. That the Finance and Operational Performance Committee endorse the recommendation by the Management Team that \$15,000 be allocated from the Leisure Facility Partnership Fund for the Starling Park Sports Club to assist them

with design and resource consent fees and that the Management Team be given the authority to manage and distribute these funds as required.

6. That a report be brought back to the Finance and Operational Performance Committee in March 2008 providing an update on the status of the Ken Maunder Park and Green Bay High School projects and evaluating the success and learning of the Leisure Facility Partnership Fund to date and suggesting possible amendments to the Leisure Facility Partnership Policy.

**CARRIED**

**14 PROPOSAL FOR THE GUARANTEE OF WATERCARE SERVICES LIMITED'S DEBT**

This item was considered following Item 5: Presentation by Watercare Shareholders Representative Group.

**15 TENDERS SUBCOMMITTEE**

110/2008

MOVED by Cr Clews, seconded Cr Flaunty:

That the Meeting reports of the Tenders Subcommittee held on Friday, 7 December 2007, Friday, 21 December 2007 and Friday, 25 January 2008 be received.

**CARRIED**

**PART G - PUBLIC EXCLUDED MATTER**

**16 PROPOSED LAND ACQUISITION: RANUI LIBRARY REDEVELOPMENT PROJECT**

111/2008

MOVED by Cr Battersby, seconded Cr Neeson:

That the public be excluded from the following part of the proceedings of this meeting, namely, Proposed Land Acquisition: Ranui Library Redevelopment Project.

The general subject of the matter to be considered while the public is excluded, the reason for passing this resolution in relation of the matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of the matter to be considered.	Reason for passing this resolution in relation to the matter.	Ground(s) under Section 48(1)(a) for the passing of this resolution.
Proposed Land Acquisition: Ranui Library Redevelopment Project	The withholding of information is necessary in order to: <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> </ul>	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.

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)(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 report contains information which if released could affect the Council's negotiations.*

**CARRIED**

11.11 am The public were excluded.

11.15 am Cr Hulse returned to the meeting.

11.30 am The public were re-admitted.

**RESTATEMENT**

The Committee resolved while the public were excluded:

**Proposed Land Acquisition: Ranui Library Redevelopment Project**

(Moved by Cr Cooper, seconded Cr Flaunty) (resolution no. 112/2008) *"Proposed Land Acquisition: Ranui Library Redevelopment Project report and associated resolutions remain confidential until such time as the reasons for confidentiality no longer exist."*

11.30 am The Chairman thanked Members for their attendance and attention to business and declared the meeting closed.

CONFIRMED AT A MEETING OF FINANCE AND  
OPERATIONAL PERFORMANCE COMMITTEE  
HELD ON

**DATE:**.....

**CHAIRMAN:**.....