

Finance and Operational Performance Committee

MONDAY, 7 APRIL 2008
Commencing at 9.30 am

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**Item 15A: Elected Members
Remuneration -
Remuneration Authority
Determination 2008-2009**

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COMMITTEE TO BE HELD AT WAITAKERE CENTRAL, 6 HENDERSON VALLEY
ROAD, HENDERSON, WAITAKERE, ON MONDAY, 7 APRIL 2008
COMMENCING AT 9.30 AM**

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**SUPPLEMENT TO A MEETING OF THE FINANCE AND OPERATIONAL PERFORMANCE
COMMITTEE TO BE HELD AT WAITAKERE CENTRAL, 6 HENDERSON VALLEY
ROAD, HENDERSON, WAITAKERE, ON MONDAY, 7 APRIL 2008
COMMENCING AT 9.30 AM**

**15A ELECTED MEMBERS REMUNERATION - REMUNERATION AUTHORITY
DETERMINATION 2008/2009**

EXECUTIVE SUMMARY

The purpose of this report is to advise the Finance and Operational Performance Committee of the distribution of the new pool available for the remuneration of Waitakere City Council Elected Members released by the Remuneration Authority for the period 1 July 2008 to 30 June 2009.

This is an annual process and the next new determination will be made available for the year commencing 1 July 2009.

The Council in previous workshops and meetings in 2005, 2006 and 2007 has confirmed the basis for allocating the remuneration. This is required to be confirmed by a formal resolution and submitted to the Remuneration Authority for re-approval.

Consultation must take place with Community Boards who have the opportunity to advise the Remuneration Authority whether they agree or disagree with the Council's determination. The Community Boards have also previously discussed the basis for allocating remuneration for Elected Members at Waitakere and generally agree with the Council's decision. Each Community Board has been advised of the informal decision by the Council to propose an unchanged allocation for the year ahead and any decisions made by the Boards will be available at the meeting for the Finance and Operational Performance Committee's consideration.

The Remuneration Authority will consider proposals put forward by the Council, and any comments made by the Community Boards, before making their final determination.

RECOMMENDATIONS

It is recommended that the Finance and Operational Performance Committee resolves to:

1. **Receive** the Elected Members Remuneration - Remuneration Authority Determination 2008/2009 report.
2. **Approve** that it be recommended to Council that the following salaries for Elected Members be recommended to the Remuneration Authority:
 - Deputy Mayor - \$77,434;
 - Chairmen of Committees:
 - (Planning and Regulatory, Finance and Operational Performance, Infrastructure and Works, NorSGA Urban Development, and Culture and Community Committees) - \$68,000.
 - Chairmen of Other Committees:
 - Chairman - Long Term Council Community Plan and Annual Plan;
 - Committee - \$65,000;
 - Chairman - Policy and Strategy, Emergency Services Committee – 0;
 - Chairman - Performance Review Committee – 0;

- Chairman – Tenders - 0;
 - Chairman Creative Communities Funds Allocation Subcommittee – 0
 - Deputy Chairmen:
 - Deputy Chairmen Infrastructure and Works, Planning and Regulatory and Culture and Community Committees - \$55,000.
 - Other Councillors \$52,409;
 - Community Board Chairmen - \$23,963;
 - Community Board Members - \$12,334.
3. **Approve** it be recommended to the Remuneration Authority that Councillors and Community Board Members receive a monthly allowance to cover reimbursement and expenses of the following costs incurred as appropriate:
- Reimbursement of one domestic line rental and one domestic line maintenance charge related to telephone, fax and email operation and the call minder facility (currently \$46);
 - The provision of a cell phone or mobile device to Councillors and Community Board Chairmen on the Council's plan under the same terms and conditions as cell phones are provided for business use for staff including the repayment of private calls, or, where a cell phone/mobile device is not provided but a private cell phone/mobile device is made available for Council use, an allowance on the basis of the Council's Call Plan including the call minder facility (currently \$35);
 - Reimbursement of the best flat rate monthly fee available to the Council for a Broadband connection suitable for Council business operations (currently \$30) (available to Community Board Chairmen but not currently available to Community Board Members).
4. **Note** that the resource consent hearing fees will be paid in accordance with the determination of the Remuneration Authority (currently \$85 per hour of meeting time for the Chairman and \$68 per hour of meeting time for Elected Members).
5. **Approve** that Councillors and Community Board Members claim reasonable business related call costs on telephone or cell phone on a monthly basis provided they are supported by presentation of an account detailing to whom the calls have been made.
6. **Approve** that Councillors be paid a flat monthly fee of \$20 to cover all consumables (not currently available to Community Board Members) for computers including laptops, printers, facsimiles etc.
7. **Approve** that Councillors and Community Board Chairmen will be supplied with either a personal computer at home or a laptop if necessary and that those Councillors who provide their own computer equipment be paid an additional monthly allowance of \$50.
8. **Note** that no other telephones, fax machines, cell phones etc will be provided to Elected Members unless specifically provided for in this determination.
9. **Approve** that when on approved Council business all actual or related expenses will be met by the Council.

10. **Approve** that the rate for reimbursing an Elected Member for travel, using their own motor vehicle on Council business is the maximum set by the Remuneration Authority (currently \$0.70 per kilometre) the Council also pays the approved rate to appointed Elected Member and that any infringement fees e.g. parking and speeding infringements are by law the responsibility of the offender.
11. **Approve** that the Chairman of Te Taumata Runanga be paid a salary of \$21,474.
12. **Approve** that the non-elected Te Taumata Runanga representative appointed to the Policy and Strategy Committee be paid a meeting fee aligned with those fees payable for resource consent hearings members (refer to Clause 3 of this resolution) (currently \$68 per hour of meeting and workshop time).
13. **Approve** that all appointed non-elected Members of Council Committees (except Te Taumata Runanga representative to the Policy and Strategy Committee) and Subcommittees, except the Hearings Committee, be paid a meeting fee of \$221.

BACKGROUND

1. The Remuneration Authority is established and derives its delegations and functions from the Remuneration Authority Act 1977 and makes determinations on local authority remuneration pursuant to clause 6 of Schedule 7 of the Local Government Act 2002.
2. Until the enactment of the Local Government (Elected Member Remuneration and Trading Enterprises) Amendment Act 2001, Elected Members salaries and meeting allowances were set by a determination of the Minister of Local Government. That determination set maximum salaries and meetings allowances for local authority Elected Members. For each determination the remuneration was linked to the population of each local authority. Waitakere determination was in the over 150,000 population category. Each incoming Council needed to resolve Elected Members salaries and meeting allowances up to the maximum permitted. Over the course of a triennium the Minister would revise the remuneration and the Council would need to consider the issue in light of any new determination.
3. The responsibility for setting Elected Members remuneration is now with the Remuneration Authority. The Remuneration Authority is required to determine remuneration, allowances and expenses payable to all Elected Members, whilst having regard to:
 - the need to minimise the potential for remuneration to distort the behaviour of Members;
 - the need to achieve and maintain fair relativity with the levels of remuneration received elsewhere;
 - the need to be fair to both the person whose remuneration is being determined and rate payers; and
 - the need to recruit and retain competent persons.
4. The Remuneration Authority established remuneration for all Elected Members and all Local Authorities in 2002 following consultation on a discussion paper and the release of the first indicative pool. They have since released new pools on an annual basis and the Council has the opportunity to change the way it allocates remuneration each time a new pool is determined.

5. The Waitakere City Council has established the apportionment of that pool and this has been approved by the Remuneration Authority each year. The Community Boards also considered the Council's decision and made any representations to the Remuneration Authority. After due consideration, the Remuneration Authority has approved the Council's apportionment of remuneration.

DECISION MAKING

Issues

Remuneration Pool and Salaries

6. The total remuneration pool is set by the Remuneration Authority and cannot be adjusted. The total remuneration pool established by the Remuneration Authority for this consideration is \$1,143,378 (last year the pool was \$1,141,883, in 2006 it was \$1,078,343 and in 2005 it was \$1,026,872).
7. The Mayor's salary is set by the Remuneration Authority and cannot be adjusted. The Mayor's salary (including the value of any deduction for a motor vehicle) is included in the indicative pool although separately specified. The total salary payable to the Mayor is set at \$139,705 (last year \$138,210, in 2006 \$132,151 and in 2005 \$126,457), inclusive of a motor vehicle. A deduction of 20% of the cost of the vehicle is made for full private use of the vehicle. This deduction rate is set by the Remuneration Authority. The total increase in the indicative pool for 2008/2009 is attributable to the small increase in the Mayor's salary. There is no change to the adjusted indicative pool available for distribution to Councillors and Community Board Members.
8. A copy of the advice from the Remuneration Authority is attached at pages S1 to S7.
9. Half of the total sum payable to Community Board Members is deducted from the total remuneration pool and the other half is paid outside of the pool. The half outside the pool can be thought of as a "top up". Any further adjustment to the Community Board Chairmen and Members salaries will necessitate an adjustment to the salaries payable to Councillors but not the Mayor.
10. All Community Boards are treated equally as a matter of principle.
11. In 2006 the Council determined that all Elected Members should share the increase by an equal percentage (except the Mayor which is established as a fixed sum by the Remuneration Authority). A percentage increase was applied across the range of salaries established in 2005.
12. A change to the distribution was made following the 2007 elections to cater for additional Chairmen including making additional payments to three Deputy Chairmen.
13. For 2008/2009 there is no change in the indicative pool and the Council, after seeking advice about how it might challenge the Remuneration Authority's decision, decided to make no change to the current allocation. The Council also decided to leave the matter of the quantum of remuneration and the relationship between the complexity and work requirements of Elected Members, and the fact that payments for 2008/2009 were not to be increased, to the Mayor and Deputy Mayor to take up with the Government.

S1-S7

14. Payments to appointed Community and Iwi/Maori representatives on Committees are outside the indicative pool. These payments are matters that lie with the Council and are not within the Remuneration Authority's brief. Waitakere City Council has set a salary for the Chairman of Te Taumata Runanga and meeting fees as appropriate for appointed Members to Te Taumata and any other Committees of the Council. The Council has also determined that the representative from Te Taumata Runanga on the Policy and Strategy Committee be paid the same hourly rate as for Hearing Commissioners - currently \$68 per hour of meeting and workshop time. Any alteration to the determination made by the Council on this remuneration will not affect the indicative pool established by the Remuneration Authority for Waitakere. As there is no movement in Elected Members remuneration, it is recommended that no increase be applied to the salary for the Chairman of Te Taumata Runanga either.
15. No changes are proposed to the way in which payments are claimed or made.
16. Any payments to Elected Members for resource consent hearings are outside the pool.
17. Expenses, including mileage allowances, are outside the pool, although the actual amounts/rates that can be claimed are set by the Remuneration Authority.
18. This report also recommends amounts/rates for all allowances and reimbursement of expenses for submission to the Remuneration Authority. No changes are proposed to these payments either at this time.
19. Should the Council wish to, it may request the Remuneration Authority to reduce the remuneration pool. This requires a unanimous vote of the Council.

Expenses

20. The Council reviewed the expenses currently approved by the Remuneration Authority with a view to recommending any changes following the 2007 elections. All of the changes requested by the Council were approved. It is not proposed to seek any further changes at this time.
21. Elected Members may also incur expenses that arise as a direct result of carrying out the role of an elected representative. Some of those expenses not covered by allowances already paid may be claimable as an expense reimbursement through Waitakere. Other expenses may be claimable in an annual tax return.
22. Elected Members need to be aware of their responsibility for all taxation issues. Each will need to keep evidence of expenditure incurred for which the appropriately selected reimbursement allowances are claimed in case Inland Revenue seeks justification of the claim.
23. The Remuneration Authority have jurisdiction to make the determination and have requested representations from the Council. Consequently Elected Members have no pecuniary interests in voting on salaries and personal allowances. Elected Members will be advised when the determination has been made. Each Elected Member will have a choice whether to claim payment of allowances, part claim or not to make any claim at all. With respect to salaries, Elected Members are required to take the amount that is determined by the Remuneration Authority.

Meeting Allowance Rates

24. No meeting allowance rates will be payable except for appointed Members to Council Committees and Subcommittees and in respect of Members acting as Hearing Commissioners. The meeting allowance rate has been adjusted by the equivalent movement to remuneration levels.

STRATEGIC CONTEXT

25. The Council is committed to increasing community participation and democratic processes. The way Elected Members are remunerated and the quantum of that remuneration will have considerable bearing on who can and who cannot stand for election. It has long been recognised that the role of an Elected Member can require a substantial investment of time and commitment and that this commitment can make it difficult to hold down either full or part time employment. The interests of a diverse and young community such as Waitakere are unlikely to be best served should the only candidates putting themselves forward for election be those who have private income available to subsidise the Council duties.

CONSULTATION

26. Consultation has occurred with Community Boards as required by the legislation.

RESOURCES

27. Resources for the provision of payment to Elected Members are provided for in the Annual Plan.

IMPLEMENTATION ISSUES

28. There are no implementation issues associated with this report.

Report prepared by: Darryl Griffin, Group Manager: Democracy and Support Services

