

**AGENDA FOR A MEETING OF THE FINANCE AND OPERATIONAL PERFORMANCE
COMMITTEE TO BE HELD AT WAITAKERE CENTRAL, 6 HENDERSON VALLEY
ROAD, HENDERSON, WAITAKERE, ON MONDAY, 9 JUNE 2008
COMMENCING AT 9.30 AM**

TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE NO.</u>
<u>PART A - OPENING OF MEETING</u>	1
1 APOLOGIES	1
2 URGENT BUSINESS	1
3 CONFLICTS OF INTEREST	1
4 CONFIRMATION OF MINUTES	1
<u>PART B - LEGAL AND CONSTITUTIONAL</u>	2
5 AFFIXATION OF COMMON SEAL	2
<u>PART C - FINANCE</u>	3
6 OPERATING AND CAPITAL EXPENDITURE SUMMARY	3
7 STATUS OF SPECIAL FUNDS	4
8 BORROWING AND INVESTMENT REPORT	5
9 PAYMENTS FOR APPROVAL	9
<u>PART D - GENERAL</u>	10
10 WAITAKERE ENTERPRISE STATEMENT OF INTENT 2008	10
11 ACCESSWAY STOPPING AND SALE OF LAND AT 167 AND 169 RATHGAR AND 26 LONGBURN ROADS, HENDERSON	12
12 COMMUNITY BOARD MINOR PARKS PROJECTS	14
13 WAITAKERE PROPERTIES LIMITED STATEMENT OF INTENT 2008 REPORT	17
<u>PART E - REPORTS FROM THE SUBCOMMITTEES</u>	19
14 TENDERS SUBCOMMITTEE	19
<u>PART F - PUBLIC EXCLUDED MATTERS</u>	20
15 ORATIA DOMAIN LAND PURCHASE UPDATE	20
16 97 AND 97A STATE HIGHWAY 16 AND PART OF 13 AND 19 HOBSONVILLE ROAD – PROPOSED ACQUISITION OF PROPERTY UNDER THE PUBLIC WORKS ACT 1981	20

**AGENDA FOR A MEETING OF THE FINANCE AND OPERATIONAL PERFORMANCE
COMMITTEE TO BE HELD AT WAITAKERE CENTRAL, 6 HENDERSON VALLEY
ROAD, HENDERSON, WAITAKERE, ON MONDAY, 9 JUNE 2008
COMMENCING AT 9.30 AM**

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 Chairman 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 CONFLICTS OF INTEREST

The Council has acknowledged in its Code of Conduct that Elected Members 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. This note is provided as a reminder to members to check that no such conflicts arise in relation to any items on this agenda.



4 CONFIRMATION OF MINUTES

Meeting Minutes - Monday, 12 May 2008

RECOMMENDATION

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

Receive the minutes of the Meeting of the Finance and Operational Performance Committee held on Monday, 12 May 2008, as circulated and that they be taken as read and now be confirmed.



PART B - LEGAL AND CONSTITUTIONAL

5 AFFIXATION OF COMMON SEAL

RECOMMENDATIONS

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

1. **Receive** the Affixation of Common Seal report.
2. **Agree** that the action taken in affixing the Common Seal on the documents as set out in the agenda report be adopted.

EXECUTION OF DOCUMENTS: 5 May to 30 May 2008

No	NAME	PARTICULARS
4451	WCC – B & KW Nand	Drainage easement in gross – CTs. 374550, 374551 and 374553 – 18-20 Stottholm Road, Titirangi – RMA 20050725
4452	WCC – HNZN Property Developments Ltd (St Just Enterprises Ltd)	Fencing Agreement – CT.407403 – 59 Portage Road – RMA 20071576
4453	WCC – SK & YK Pivac	Conservation Covenant – 10 Thuja Street, New Lynn – resolution 2090/2003
4454	WCC – Jireh International & Neha Shagun Enterprises Ltd	Deed of Sub-Lease of Gloria Jeans' Coffee Shop Henderson – resolution 2208/2005
4455	WCC – Limatautama Limatau	Warrant of Appointment & Evidence of Identity – No.WCC390
4456	WCC – William Dennison	Warrant of Appointment & Evidence of Identity – No.WCC391
4457	WCC – Li Hang	Warrant of Appointment & Evidence of Identity – No.WCC392
4458	WCC – NZ Housing Foundation	Fencing Agreement – CTs.357066-357068 – 423-429 West Coast Road, Glen Eden – RMA 200611078
4459	WCC – MA & LS Rose and Smith & Partners Trustee Co Ltd	Drainage easement in gross – CT.384907 – 21 Vina Place – RMA 20051107
4460	WCC – BBS 2006 Ltd	Drainage easement in gross – CTs.405262, 405263 and 405257 – 12 Brick Street, Henderson – RMA 20071279
4461	WCC – BBS 2006 Ltd	Water supply easement in gross – CTs.405262 & 405263 – 12 Brick Street, Henderson – RMA 20071279
4462	WCC – BBS 2006 Ltd	Variation of Consent Notice – CTs.405261-405264 – 12 Brick Street, Henderson – RMA 20071279
4463	WCC – Jason Paul Sheehan	Warrant of Appointment & Evidence of Identity – No.WCC181 (Replacement – lost)
4464	WCC – Donald Graeme Leitch	Warrant of Appointment & Evidence of Identity – No.WCC187 (Replacement – lost)
4465	WCC – Jai Vijay Mungro	Warrant of Appointment & Evidence of Identity – No.WCC393
4466	WCC – Tauloto Latasi	Warrant of Appointment & Evidence of Identity – No.WCC394
4467	WCC – Matthew Dennison	Warrant of Appointment & Evidence of Identity – No.WCC395
4468	WCC – Kerry Prendergast	Nomination for Office of President of Local Government New Zealand
4469	WCC – Andre Williams	Warrant of Appointment & Evidence of Identity – No.WCC396
4470	WCC – NN & T Ali	Memorandum of Encumbrance – CT.NA403/137 – 2 Rimu Street, New Lynn
4471	WCC – S & J Kukulcan	Memorandum of Encumbrance – CT.NA10B/939 – 73 Piha Road, Piha

No	NAME	PARTICULARS
4472	WCC – BBS 2006 Ltd	Drainage easement in gross – CTs.4244262, 434467 and 424468 – 12 Brick Street, Henderson – RMA 20071279 - [Note: Re-approval sought re 223 & 224 – Surveyor plan had to be resubmitted creating new LT Numbers – refer No.4460 above]
4473	WCC – BBS 2006 Ltd	Water supply easement in gross – CTs.424467 & 424468 – 12 Brick Street, Henderson – RMA 20071279 - [Note: Re-approval sought re 223 & 224 – Surveyor plan had to be resubmitted creating new LT Numbers – refer No.4461 above]
4474	WCC – BBS 2006 Ltd	Variation of Consent Notice – CTs.424466-424469 – 12 Brick Street, Henderson – RMA 20071279 - [Note: Re-approval sought re 223 & 224 – Surveyor plan had to be resubmitted creating new LT Numbers – refer No.4462 above]
4475	WCC – Hobsonville Residential Developments Ltd	Water supply easement in gross – CTs.393990, 393991, 393995, 393996 and 394543 – 54 Bannings Way, Hobsonville – RMA 20061348
4476	WCC – Hobsonville Residential Developments Ltd	Fencing agreement – CTs.393987, 393991, 393994, 393995, 393996 and 394543 – 54 Bannings Way, Hobsonville – RMA 20061348

Report prepared by: Denis Sheard, Manager: Legal Services.



PART C - FINANCE

6 OPERATING AND CAPITAL EXPENDITURE SUMMARY

EXECUTIVE SUMMARY

The purpose of this report is to inform the Finance and Operational Performance Committee on the level of operating and capital expenditure to the end of April 2008 by unit compared to budget.

RECOMMENDATION

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

Receive the Operating and Capital Expenditure Summary report.

BACKGROUND

1. Through the Long Term Council Community Plan and Annual Plan process, 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.
2. If any further information is required in respect of this report, other than of a general nature, please contact the writer prior to the meeting to enable the query to be researched.
3. This report covers expenditure for the ten months to 30 April 2008. The financial summary is attached on page A1.

DECISION MAKING

4. There are no decisions required in respect of this report.

STRATEGIC CONTEXT

5. The Council's operating and capital expenditure delivers projects necessary to achieve the Council's strategic direction.

CONSULTATION

6. No consultation was required in respect of this report.

RESOURCES

7. This report has no resource implications.

IMPLEMENTATION ISSUES

8. There are no implementation issues in respect of this report.

Report prepared by: Khee Mee Soo, Group Manager: Financial Projects



7 STATUS OF SPECIAL FUNDS

EXECUTIVE SUMMARY

A2

The purpose of this report is to inform the Finance and Operational Performance Committee on the status of the Council's special funds as at 30 April 2008, as attached at page A2.

RECOMMENDATION

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

Receive the Status of Special Funds report.

BACKGROUND

1. Special funds are those funds held or designated by the Council for a specific purpose or purposes. The balances of these funds are used to offset the Council's borrowing requirements. Interest is allocated to funds where applicable.
2. 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 the 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.

DECISION MAKING

3. There are no decisions required in respect of this report.

STRATEGIC CONTEXT

4. The Council uses special funds as provided for in Long Term Council Community Plan and Annual Plans.

CONSULTATION

5. No consultation was required in respect of this report.

RESOURCES

6. This report has no resource implications.

IMPLEMENTATION ISSUES

7. There are no implementation issues in respect of this report.

Report prepared by: Khee Mee Soo, Group Manager: Financial Projects



8 BORROWING AND INVESTMENT REPORT

GLOSSARY

Long Term Council Community Plan (LTCCP)

EXECUTIVE SUMMARY

This is a monthly report to the Council's Finance and Operational Performance Committee and is also a requirement of the Council's adopted Liability Management and Investment Policy. It provides information on the Council's borrowing and investment activities over the past month and also high level information on current financial market conditions. From time to time additional and more detailed information is requested on particular areas of interest by the Finance and Operational Performance Committee or other Committees.

RECOMMENDATIONS

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

1. **Receive** the Borrowing and Investment Report.
2. **Approve** the Borrowing and Investment Report.

BACKGROUND

1. Waitakere City Council enters into treasury related financial contracts in the ordinary course of its business. It is the role of the 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 the Council's debt and cash investments, and provides a general commentary of financial market conditions.
2. The relevant portfolio and graphs reflect the estimated position as at 30 April 2008 and are attached at pages A3 to A8.

DECISION MAKING

3. There are no decisions in relation to this report.

Issues

4. The Council's Funds Management function actively manages a large portfolio of various debt and investment instruments. The benefit of borrowing is that it enables the Council to carry out the projects identified in the Annual Plan and Long Term Council Community Plan (LTCCP), while spreading the costs for those projects over time to recognise the future benefits. Borrowing funds therefore assist the 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.
5. This report addresses the requirement of the Policy and may include other information that is relevant to the Funds Management function.

Financial Implications

6. The active management of the treasury portfolio seeks to minimise the Council's borrowing costs and maximise investment returns of liquid assets. The Funds Management function is also charged with seeking investors, thus ensuring that there is sufficient liquidity available for the Council to continue its work programme. New Zealand financial markets are significantly volatile and therefore interest rate risk management is a key responsibility of the Funds Management function. Detailed financial information included within this report is intended to give assurance of the prudent management of the Council's portfolio.
7. The Council maintains a Standard and Poor's Credit Ratings of A-1 short term, and A+ long term (stable).

Interest Rates

8. Interest rates over the past month have been volatile. Statistics released during April had begun to reinforce financial markets expectation that the Reserve Bank of New Zealand would be more likely to decrease the Official Cash Rate much sooner than they are currently predicting. The Reserve Bank in its press statement on 24 April 2008 had taken a much softer tone on the cash rate and consequently financial markets began pricing interest rates lower. This was short lived with the release of the Government Budget on 22 May 2008, which was far more fiscally expansionary than the financial market had expected. The immediate result was that most interest rate cuts priced into interest rates were reversed and the New Zealand dollar again appreciated against most traded currencies.

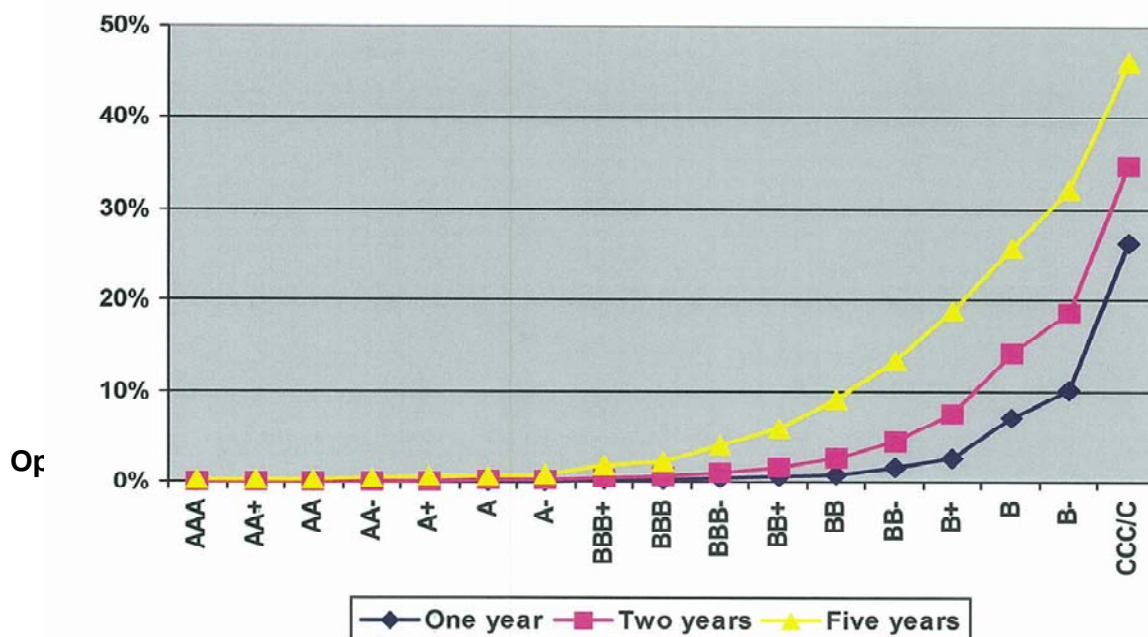
Standard and Poor's Credit Rating

9. On 14 May 2008 Standard and Poor's released a press statement regarding the Council's credit rating. Waitakere City Council is currently rated by Standard and Poor's as A+/A1, which represents a strong ability to repay interest and debt when they fall due. Watercare Services Limited are also currently rated by Standard and Poor's with their last rating report dated 10 May 2007 ranking them at A/A1, one rating "notch" lower than Waitakere City Council. There are a number of different ratings which rank varying organisations on their different strengths and weakness. The following table, which has been sourced from Standard and Poor's explains this very well:

Capacity To Make Timely Payment	AAA	Extremely
	AA	Very Strong
	A	Strong
	BBB	Adequate
Vulnerable To Non Payment	BB	Less Vulnerable
	B	More Vulnerable
	CCC	Currently Vulnerable
	CC	Currently Highly Vulnerable
	D	Default

10. Each rating band can be further modified to have a plus(+) or a minus(-) to indicate the relative standings within a rating band. For example, Waitakere City Council is rated A+, meaning it is rated higher than an A rating but lower than AA-. The rating strength is directly correlated to the probability of default in time. The higher the credit rating, the lower is the probability that the organisation will default. Standard and Poor's has also produced material that explains this:

Probability of default rates for different ratings over 1,2 and 5 years



*Data derived from Standard & Poor's global pool of rated issuers for the period 1981 to 2006.

11. There are no options identified in this report.
12. As shown in the above graph, the probability of default over time increases dramatically as the credit standing is lowered. At the BBB rating, for instance, the likelihood of defaulting in one or two years is relatively low but over a five year time span the risk is elevated. At CCC/C credit ratings, which are not regarded as investment grade ratings the risk of defaulting in one year is almost 30% and the risk of defaulting within five years is almost 50%.
13. During early May 2008, Standard and Poor's conducted a review on the proposed guarantee that would be provided to Watercare Services Limited investors, in order to decrease Watercare Services Limited borrowing costs. Watercare Services Limited is currently rated at "A" by Standard and Poor's, therefore, the risk of default is very low. Due to the low default risk, the probability of the guarantee being triggered would equally be low. However, while the risk of providing the guarantee is low, it does, to some degree, introduce financial risk to the Council. Quantifying that risk is not necessarily as easy as it sounds. If a default did occur however, it could result in 16.7% of the defaulting debt being financed temporarily by the Council. As a result of this, Standard and Poor's has taken a conservative approach of placing both Auckland City and Waitakere City Councils on credit watch with negative implications. The credit watch is an alert to the financial market that rating action might be taken by Standard and Poor's at some stage in the near future.
14. The action taken by Standard and Poor's has not come as a surprise and the Council continues to openly discuss the situation with them. If rating action is to occur, the most likely outcome would be for the Council to be down graded to an A rating. This would likely have minor to no effects on the Council's long term borrowing costs.

STRATEGIC CONTEXT

15. The management and use of borrowing and investments is aligned to all of the Council's strategic objectives, as adopted in both the LTCCP 2006/2016 and the Annual Plan 2007/2008.

Preferred Option

16. There is no preferred option presented with this report.

CONSULTATION

17. This report includes data sourced by the Council's external treasury advisors, Asia Pacific Risk Management, and opinions or views sourced from various financial institutions.

RESOURCES

18. The Council, through its Annual Plan 2007/2008, provided for total new borrowings of \$183.265 million, including loans attributable to projects carried forward from previous years totalling \$62.255 million. Total interest cost of \$20.020 million has been provided in the Annual Plan 2007/2008.

IMPLEMENTATION ISSUES

19. There are no implementation issues identified for this report.

Report prepared by: Bruce Wilkin, Treasury Manager



9 PAYMENTS FOR APPROVAL

EXECUTIVE SUMMARY

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

A9-A15

A summary schedule of payments made for the period 13 April 2008 to 10 May 2008 is attached at page A9. A further schedule of all payments of \$5,000 and above, together with the reason for the payment, is attached at pages A10 to A15.

Payments have been provided for in accordance with approved budgets.

If a Committee member wishes to ask specific questions relating to any of these payments please direct them to the Director: Finance prior to the meeting. This will enable a response to be adequately researched.

RECOMMENDATIONS

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

1. **Receive** the Payments for Approval report.
2. **Approve** the contracts let and the payments made.

BACKGROUND

All payments made by the Council are presented to this Committee on a progressive monthly basis. Elected Members are able to review the information provided and seek information or clarification in respect of any of those payments.

DECISION MAKING

There are no decisions required in respect of this report.

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.

CONSULTATION

No consultation was required in respect of this report.

RESOURCES

This report has no resource implications.

IMPLEMENTATION ISSUES

There are no implementation issues in respect of this report.

Report prepared by: Alec Third, Group Manager: Financial Operations



PART D - GENERAL

10 WAITAKERE ENTERPRISE STATEMENT OF INTENT 2008

GLOSSARY

Statement of Intent (SOI)

EXECUTIVE SUMMARY

A16-A39

As a council-controlled organisation Waitakere Enterprise is required to prepare and deliver to its shareholders a completed Statement of Intent on or before 30 June each year. The content of the Statement of Intent is specified in Schedule 8 of the Local Government Act 2002. A draft Statement of Intent (SOI) for 2008 was received from Waitakere Enterprise and presented to Council for comments on 16 April 2008. The final SOI, with a number of revisions, is attached at pages A16 to A39 for approval by the Finance and Operational Performance Committee.

RECOMMENDATIONS

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

1. **Receive** the Waitakere Enterprise Statement of Intent 2008 report.
2. **Approve** the Waitakere Enterprise Statement of Intent 2008.

BACKGROUND

1. The Waitakere Enterprise Trust is a council-controlled organisation as defined by section 6 of the Local Government Act and is wholly owned by Waitakere City Council. The Director: Strategic Planning manages the relationship between Council and Waitakere Enterprise.
2. As a council-controlled organisation Waitakere Enterprise is required to prepare and deliver to its shareholders a completed SOI on or before 30 June each year. The content of the SOI is specified in Schedule 8 of the Local Government Act 2002. According to Schedule 8, the following procedure is to be followed:
 - (a) The board of a council-controlled organisation must deliver to its shareholders a draft SOI on or before 1 March each year.
 - (b) The shareholders have 2 months from 1 March to make comments on the draft SOI (i.e. till 30 April).
 - (c) The board must consider any comments on the draft SOI that are made to it by the shareholders and deliver the final SOI to the shareholders on or before 30 June each year.
3. A first draft SOI was received from Waitakere Enterprise in February 2008, and was reviewed and commented on by officers and Directors.
4. Waitakere Enterprise's responses to these comments were included in the draft SOI presented to the Council on 16 April 2008. After receiving the draft SOI, the Council resolved to:

"1. Receive the Waitakere Enterprise Draft Statement of Intent 2008 report.

2. *Invite comments on the Waitakere Enterprise draft Statement of Intent for 2008 that will be formally referred back to the Board of Waitakere Enterprise.*
3. *Approve authority to the Director: Strategic Planning to formalise Council's feedback on the Waitakere Enterprise draft Statement of Intent 2008."*

616/2008

A40-A41

5. Following these resolutions, the Council's comments were reported to the Board of Waitakere Enterprise on 16 April 2008. Waitakere Enterprise's response to these comments is conveyed in a letter from their Chief Executive attached at pages A40 to A41.
6. As part of the SOI process the Council's Chief Executive Officer has indicated a desire to review the governance of Waitakere Enterprise within the next few months, to ensure alignment with Council's strategic direction. This matter is being pursued with Waitakere Enterprise.

DECISION MAKING

Issues

7. The final SOI incorporates changes made as a result of consultation with Council in the following areas:
 - Closer alignment with Council's strategic economic development objectives;
 - More emphasis on the measurement of the impacts of the Trust's activities;
 - Closer alignment with Council's sustainability objectives, including the addition of seven 'Sustainable Business' outcomes in the Service Performance Objectives Schedule;
 - Prioritisation of the Trust's activities;
 - Adopting a more short term overall objective with regard to the percentage of the workforce leaving the City;
 - The addition of the Gateway programme to the Activity Schedule.
8. A feature of the performance indicators is that the Council funded 'Business Attraction, Expansion and Retention' programme is expected to produce 200 new jobs and assist 20 businesses to locate in Waitakere. These are double the target levels in the previous SOI. Similarly, the performance objectives for June 2011 are for 500 new jobs and assisting 40 businesses to locate in Waitakere. These are significant objectives in view of the fact that in recent year's total Waitakere employment has expanded by roughly 1,200 per year.

STRATEGIC CONTEXT

9. The 2008 SOI has been amended to have a closer alignment with the Council's Strong Innovative Economy strategic platform.

CONSULTATION

10. The Chief Executive of Waitakere Enterprise has been consulted throughout the process of developing the SOI. The Council's comments were reported to the Board of Waitakere Enterprise on 16 April 2008.

RESOURCES

11. There are no resource implications other than staff time.

IMPLEMENTATION ISSUES

12. There are no implementation issues.

Report prepared by: Steve Wilcox, Manager: Economic Development Strategy



11 ACCESSWAY STOPPING AND SALE OF LAND AT 167 AND 169 RATHGAR AND 26 LONGBURN ROADS, HENDERSON

GLOSSARY

Pedestrian Accessway (the accessway)

EXECUTIVE SUMMARY

A42

The purpose of this report is to seek the Finance and Operational Performance Committee's recommendation to Council that the pedestrian accessway (the accessway) extending from Rathgar Road to Longburn Road in Henderson be stopped and sold to three of the adjoining owners. The location of the accessway is shown on the plan attached at page A42.

RECOMMENDATIONS

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

1. **Receive** the Accessway Stopping and Sale of Land at 167 and 169 Rathgar and 26 Longburn Roads, Henderson report.
2. **Approve** a recommendation to Council that the pedestrian accessway being Lot 79 Deposited Plan 42984 be stopped as provided in s.342 of the Local Government Act 1974.
3. **Approve** a recommendation to Council that the Chief Executive Officer be authorised to sign the conditional agreements for sale and purchase entered into with the adjoining land owners at 167 and 169 Rathgar Road and 26 Longburn Road, Henderson.

BACKGROUND

1. The accessway was vested in the Waitemata County Council in 1955 consequent upon the deposit of the original subdivisional plan for this area. Council has never formed or maintained it and it appears never to have been used. To the casual observer, there does not appear to be an accessway at this location at all. Existing pedestrian linkages in this location have functioned satisfactorily without the accessway.
2. There are four adjoining owners and three of these, at 167 and 169 Rathgar Road and 26 Longburn Road are interested in purchasing the part adjacent to their properties. A fourth owner at 28 Longburn Road does not wish to purchase.

A43

3. The diagram attached at page A43 shows the properties in question and the parts of the accessway that each of the three owners has agreed to purchase.
4. A valuation has been obtained which places a figure of \$20,000 on the accessway and the three proposed purchasers have accepted Council's asking prices based on this valuation. They have agreements to purchase which are conditional upon completion of the statutory road stopping process.

DECISION MAKING

Issues

5. It must now be decided whether or not Council should form, seal and fence the accessway or accede to the adjoining owners' request that it be incorporated into their properties.

Assessment of Options

6. If the accessway is brought into use the cost will be approximately \$115,000 and it would require continued maintenance.
7. The owners of 26 Longburn Road have established a Polynesian pre-school institution on their property known as the Ranui Boys Pre-School and Childcare Centre. Should the accessway be established, they would have to remove the various structures and installations which have been inadvertently placed on that part of the accessway adjacent to their property.
8. If the accessway is sold, it would yield a net amount of approximately \$14,000 and would not incur future maintenance cost. The Polynesian pre-school would remain undisturbed and the other two adjacent owners would absorb the rest of the accessway into their properties.

Consideration of Community Views

9. The members of the community most closely concerned with the proposed action are the four adjoining owners with whom all issues have been thoroughly canvassed and who have made it clear that they support the proposal.
10. The accessway stopping procedures set out in the Tenth Schedule to the Local Government Act 1974 will be required to be followed and these entail two public notices in the New Zealand Herald at a 40 day interval with the notice being reproduced in the form of a prominent sign which would be placed at each end of the accessway. The notices invite interested members of the public to call at Council's offices to inspect all plans and documents and if desired to lodge objections in writing to the proposed stopping.
11. It is considered that this process is more than adequate to satisfy the consultation requirements of the Local Government Act 2002.

Preferred Option

12. The preferred option is to stop the accessway and sell it because it will yield the proceeds of sale, eliminate the possibility of future maintenance, and leave the Polynesian pre-school undisturbed.

STRATEGIC CONTEXT

13. Council's Integrated Transport Communication Strategy encourages increased connectivity in local neighbourhoods which the accessway if formed would provide. However, the accessway would not give improved connections to key destinations and is not considered to be of critical importance to the neighbourhood.
14. Should the accessway be reinstated, it would entail the Polynesian pre-school considerable expense in relocating the facilities that have been established on the accessway and this will have a negative effect on their business. Council's Strong Innovative Economy Strategy seeks to promote and encourage local business.

CONSULTATION

11. Consultation has been carried out with Council's Transport Assets and Strategy Departments. In addition, Council has consulted with Vector Limited who has advised that there is a distribution sub-station on the accessway and also an electric cable which runs for almost its entire length. Vector Limited has however agreed to the proposed stopping and sale provided its interests are protected by an easement, the costs of which are to be met by the proposed purchasers.

RESOURCES

12. It is proposed that all parties pay their own costs but Council, as a gesture to the Polynesian pre-school, has agreed to pay one-half of the legal costs charged to them by the solicitors for Vector Limited. This is considered appropriate as they have limited resources and perform a valuable social service. This share of costs is estimated to amount to between \$300 and \$400.

IMPLEMENTATION ISSUES

13. Should Council approve the accessway stopping and sale, the procedures required by the Tenth Schedule to the Local Government Act 1974 will be commenced. If no objections are received, the stopping procedure will be completed and a survey office plan prepared based on the plan attached at "B". Settlement of the sale of the accessway will then be completed.

Report prepared by: Maurice Heatt, Solicitor



12 COMMUNITY BOARD MINOR PARKS PROJECTS

EXECUTIVE SUMMARY

The purpose of this report is to seek the approval of the Financial and Operational Performance Committee to increase the maximum amount to be spent on any one Community Board Minor Parks Project from \$10,000 to \$20,000.

RECOMMENDATIONS

It is recommended that the Financial and Operational Performance Committee resolve to:

1. **Receive** the Community Board Minor Parks Projects report.
2. **Agree** that the maximum amount to be spent on any one Community Board Minor Parks Project be increased from \$10,000 to \$20,000.

BACKGROUND

1. In December 1999, the Community Facilities and Recreation Committee resolved to provide a discretionary budget for allocation by the Community Boards for parks capital development projects. This decision recognised that there are a number of projects, generally less than \$10,000 in cost, which are raised as possible projects through the Annual Plan submissions, Community Board public forum and other consultation processes. Undertaking these small projects is an important means of meeting local needs within the community. It is recognised that Community Boards are the decision making bodies closest to the community and therefore best able to determine the priority for meeting these local needs.
2. The budget is allocated to each Ward on a needs basis, calculated based on the current rate of population growth and the current population within the ward as a proportion of the City. In addition, each project within the ward must have a maximum cost of \$10,000.
3. The above framework was established in 1999 and since that time, construction costs have increased significantly. Therefore, the maximum amount able to be spent on any one project needs to be increased to reflect cost fluctuations.
4. On 3 September 2007, the Henderson Community Board made the following resolution:

“That the Henderson Community Board recommends to the City Development Committee that consideration be given, for Community Board Minor Parks Projects, to raising the maximum amount spend on any one project from \$10,000 to \$20,000.”

(3376/2007)
5. On 3 September 2007, the New Lynn Community Board made the following resolution:

“That the New Lynn Community Board recommends to the City Development Committee that consideration be given, for Community Board Minor Parks Projects, to raising the maximum amount spend on any one project from \$10,000 to \$20,000.”

(3339/2007)
6. On 4 September 2007, the Waitakere Community Board made the following resolution:

“That the Waitakere Community Board recommends to the City Development Committee that consideration be given, for Community Board Minor Parks Projects, to raising the maximum amount spend on any one project from \$10,000 to \$20,000.”

(3413/2007)

7. On 3 September 2007, the Massey Community Board made the following resolution:

“That the Massey Community Board recommends to the City Development Committee that consideration be given, for Community Board Minor Parks Projects, to raising the maximum amount spend on any one project from \$10,000 to \$20,000.”

(3376/2007)

DECISION MAKING

Issues

8. As per paragraph 3, since the framework for the budget was established in 1999, construction costs have increased significantly. The total budget amount has increased to reflect this; from \$100,000 in 2005/2006 to \$124,000 in 2007/2008. However, the maximum amount able to be spent on any one project also needs to be increased to reflect the rising costs of any one project.
9. While some projects achieved through this budget remain at a cost of under \$10,000, the following table outlines types of projects typically achieved through this budget where the cost has now risen above \$10,000. These costs are an average only, and do not take into account site-specific situations and variability.
10. Current decision-making principles of this budget state that should the Community Board wish to extend the maximum amount spent on any one project above \$10,000, a recommendation to the appropriate Council Committee is required.

Project Type	Approximate Cost including Consents, Supply and Installation
Basketball half court	\$14,000
Sealing an existing gravel car park of approximately 250m ²	\$12,500 for 10 car parking spaces including markings
Set of two swings with bark under surfacing, scuff mats, new edging and local drainage (new stand alone park)	\$15,000
Small skate ramp on existing slab	\$16,000

STRATEGIC CONTEXT

11. These projects contribute to Council's Urban and Rural Villages Platform, which has the objective that Town Centres are thriving places, providing exciting options for people to live, work and play. Public facilities, places and spaces teem with people; the streets are alive and busy.
12. This platform is about ensuring people have choices in housing, transport, employment and recreation in their neighbourhoods and town centres. The objective is to make the city a vibrant and enjoyable place to live, work and play by creating attractive urban places that encourage growth and economic development, with minimal environmental impacts.

CONSULTATION

13. Consultation has been carried out with the four Community Boards as per the resolutions provided under paragraphs 4 to 6.

RESOURCES

14. No additional financial resources outside of future allocated budget to Community Board Minor Parks Projects would be required to implement the decision.

IMPLEMENTATION ISSUES

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

Report prepared by: Sarah Natac, Customer Liaison Officer, Parks and Open Space.



13 WAITAKERE PROPERTIES LIMITED STATEMENT OF INTENT 2008 REPORT

GLOSSARY

Statement of Intent (SOI)

EXECUTIVE SUMMARY

A44-A61

As a council-controlled organisation Waitakere Properties Limited is required to prepare and deliver to its shareholders a completed Statement of Intent on or before 30 June each year. The content of the Statement of Intent is specified in Schedule 8 of the Local Government Act 2002. A draft Statement of Intent (SOI) for 2008 was received from Waitakere Properties Limited and presented to Council for comments on 16 April 2008. The final SOI is attached at pages A44 to A61 for approval by the Financial and Operational Performance Committee.

RECOMMENDATIONS

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

1. **Receive** the Waitakere Properties Limited Statement of Intent 2008 report.
2. **Approve** the Waitakere Properties Limited Statement of Intent 2008 report.

BACKGROUND

1. The Waitakere Properties Limited is a council-controlled organisation as defined by section 6 of the Local Government Act and is wholly owned by Waitakere City Council. The Director: Strategic Planning manages the relationship between Council and Waitakere Properties Limited.
2. As a council-controlled organisation Waitakere Properties Limited is required to prepare and deliver to its shareholders a completed SOI on or before 30 June each year. The content of the SOI is specified in Schedule 8 of the Local Government Act 2002. According to Schedule 8, the following procedure is to be followed:
 - a) The board of a council-controlled organisation must deliver to its shareholders a draft SOI on or before 1 March each year.
 - b) The shareholders have 2 months from 1 March to make comments on the draft SOI (i.e. till 30 April).

- c) The board must consider any comments on the draft SOI that are made to it by the shareholders and deliver the final SOI to the shareholders on or before 30 June each year.
3. A first draft SOI was received from Waitakere Properties Limited in February 2008, and was reviewed and commented on by officers and Directors.
4. Waitakere Enterprise's responses to these comments were included in the draft SOI presented to the Council on Wednesday, 16 April 2008. After receiving the draft SOI, the Council resolved to:
- “1. Receive the Waitakere Properties Limited Draft Statement of Intent 2008 report.*
- 2. Invite comments on the Waitakere Properties Limited draft Statement of Intent for 2008 that will be formally referred back to the Board of Waitakere Properties Limited.*
- 3. Approve authority to the Director: Strategic Planning to formalise Council's feedback on the Waitakere Properties Limited draft Statement of Intent 2008.”*
- 617/2008*
5. Following these resolutions, the Council's comments were reported to the Board of Waitakere Properties Limited on 29 May 2008. At the time of writing the Board's decision was not available and will be reported to the Financial and Operational Performance Committee.
6. As part of the SOI process the Council's Chief Executive Officer has indicated a desire to review the governance of Waitakere Properties Limited within the next few months, to ensure alignment with Council's strategic direction.

DECISION MAKING

7. The final SOI incorporates changes made as a result of consultation with Council in the following areas:
- To ensure that Trust projects set out the strategic objectives/outcomes and how these objectives/outcomes are to be achieved.
 - To clearly state in the Business Objectives the achievement of sustainable building practices.
 - The development of performance measure and targets rather than just financial measures (and this will be a separate exercise from the SOI approval).
 - To ensure that Development Projects and the Assessment Criteria achieve best practice in urban design and sustainable building practice.

STRATEGIC CONTEXT

8. The 2008 SOI has been amended to improve the alignment with the Council's eco city objective and in particular the Urban and Rural Villages strategic platform. In addition the SOI also contributes towards the Strong Innovative Economy strategic platform as the development projects that are delivered by Waitakere Properties Limited are contributing towards economic opportunities for the City.

CONSULTATION

9. The Chief Executive Officer of Waitakere Properties Limited has been consulted throughout the process of developing the SOI. The Council's resolution was reported to the Board of Waitakere Properties Limited on 29 May 2008.

RESOURCES

10. There are no resource implications other than staff time.

IMPLEMENTATION ISSUES

11. There are no implementation issues.

Report prepared by: Lesley Jenkins, Group Manager: Long Term, Urban and Environmental Strategy



PART E - REPORTS FROM THE SUBCOMMITTEES

14 TENDERS SUBCOMMITTEE

THE SUBCOMMITTEE SUBMITS THE FOLLOWING REPORT OF ITS MEETING HELD ON FRIDAY, 16 MAY 2008.

MATTERS CONSIDERED

A62-A65

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 A62 to A65.

The Subcommittee Recommends:

That the Finance and Operational Performance Committee resolve to:

Receive the report of the Meeting of the Tenders Subcommittee held on Friday, 16 May 2008.

RI CLOW
CHAIRMAN



PART F - PUBLIC EXCLUDED MATTERS

15 ORATIA DOMAIN LAND PURCHASE UPDATE

16 97 AND 97A STATE HIGHWAY 16 AND PART OF 13 AND 19 HOBSONVILLE ROAD – PROPOSED ACQUISITION OF PROPERTY UNDER THE PUBLIC WORKS ACT 1981

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

PROCEDURAL MOTION TO EXCLUDE THE PUBLIC

That the public be excluded from the following parts of the proceedings of this meeting, namely, Oratia Doman Land Purchase Update and 97 and 97A State Highway 16 and Part of 13 and 19 Hobsonville Road – Proposed Acquisition of Property Under the Public Works Act 1981.

The general subject of the matters to be considered while the public is excluded, the reasons for passing this resolution in relation to each of the matters 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 matters.	Ground(s) under Section 48(1)(a) for the passing of this resolution.
<ul style="list-style-type: none"> • Oratia Domain Land Purchase Update 	<p>The withholding of information is necessary in order to:</p> <ul style="list-style-type: none"> • Protect the privacy of natural persons, including that of deceased natural persons; • Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). 	<p>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>
<ul style="list-style-type: none"> • 97 and 97A State Highway 16 and Part of 13 and 19 Hobsonville Road – Proposed Acquisition of Property Under the Public Works Act 1981 	<ul style="list-style-type: none"> • Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). 	

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

- *These reports contain information which if released could affect the privacy of the individuals involved and Council's negotiations.*

