



Waitakere City Council
Te Taiao o Waitakere

NOTICE OF MEETING

FINANCE AND OPERATIONAL PERFORMANCE COMMITTEE

I hereby give notice that a Meeting of the Finance and Operational Performance Committee will be held on:-

DATE: **Monday, 6 December 2004** **TIME:** **9.30am**

VENUE: **Civic Centre, 6 Waipareira Avenue, Lincoln, Waitakere City**

to consider the business as set out herein and to take any necessary action connected therewith.

2 December 2004

Ngareta Delamere
COMMITTEE SECRETARY

Telephone (09) 836 8000 extn 8552

MEMBERSHIP:

Councillors	JM	Clews, QSO, JP (Chairperson)
	RI	Clow (Deputy Chairperson)
	DQ	Battersby, JP
	PJ	Booth, OBE
	MFP	Chan, JP
	LA	Cooper
	AK	Corban, OBE, JP
	RP	Dallow, QPM, JP
	WW	Flaunty, QSM, JP
	DE	Gilmour
	PA	Hulse
	JP	Lawley
	VS	Neeson, JP
	CA	Stone

Mayor RA Harvey, QSO, JP (ex officio)

(Quorum 5 members)

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(The reports and recommendations contained in all agendas are reports and recommendations only and are not to be construed, in any way, as Council policy until adopted.)

**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, 6 DECEMBER 2004,
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, 15 November 2004

RECOMMENDATION

That the minutes of the Meeting of the Finance and Operational Performance Committee held on Monday, 15 November 2004, as circulated, be taken as read and now be confirmed.



PART B - PRESENTATION

There will be no presentations.



PART C - PROPERTY

4 ROAD STOPPING AND SALE OF LAND AT SCENIC DRIVE NORTH, SWANSON

PURPOSE OF THE REPORT

This report seeks the Finance and Operational Performance Committee's recommendation to Council to stop a part of Scenic Drive North and sell it to the adjacent property owner.

BACKGROUND

A1 In April last year, the owners of the house property at 1234 Scenic Drive North, Swanson approached Council with a request to purchase a part of the road outside their house property. The location of this part of the road is shown on the diagram attached at page A1.

It will be seen from the diagram that the land in question is at the end of a slip road which turns sharply to give access to the house property at No.1234. The owners of this property advise that members of the public frequently park in this part of the formed road in such a way as to restrict entry onto their property and also use their own private driveway for parking and as a turnaround area to travel back along the slip road to the main road.

A2 The precise area of land it is desired to purchase is shown on the diagram attached at page A2.

ISSUES

In addition to vehicular traffic the road proposed to be stopped serves as a pedestrian link to the footpath which runs down to Scenic Drive North. For this reason the proposed purchasers will be required to construct a new footpath link from the formed road through the road reserve to the existing footpath. They will also be required to build a fence to Council standards running between the stopped road and the new footpath to be constructed. They will be further required to obtain any resource consents or building consents necessary for this purpose. All costs of construction and obtaining of consents will be borne by the purchasers.

There are two Council water mains running through the road proposed to be stopped and therefore should a sale proceed then Council will reserve in its favour a water supply easement over the entire area.

LEGAL ISSUES

Council is empowered under s.342 of the Local Government Act 1974 to stop any road. Under s.345 it is empowered to sell the stopped road to an adjoining owner. The process prescribed in s.342 is set out in the Tenth Schedule to the Act which requires public notification in the newspaper, the installation of signs on-site and the sending of written notices to all adjoining owners. It is considered that this process is more than adequate to satisfy the consultation required by the Local Government Act 2002.

When an approach is made to stop a piece of road and sell it to an adjoining owner, Council policy dictates that it must first be established that the land is no longer required for road or future road. The road in this case serves only the owners of the adjacent house property. Its stopping and sale is therefore consistent with this policy. In addition to receiving the sale proceeds Council is relieved of the financial responsibility for the future maintenance of the road.

RESOURCES

In addition to the costs payable by the purchasers referred to above, the purchasers will be required to pay all valuation, survey and title costs and all the costs of statutory compliance.

CONCLUSION

A registered valuation of the land has placed a figure of \$10,000 thereon and this figure has been accepted by the purchasers. The parties have also agreed to all other essential terms of the proposed sale. The purchasers however have been advised that the road stopping and sale of land cannot proceed without the approval of Council expressed by resolution on the recommendation of this committee.

RECOMMENDATIONS

1. That the Road Stopping and Sale of Land at Scenic Drive North, Swanson report be received.
2. That it be recommended to Council that the part of Scenic Drive North, Swanson adjacent to No.1234 as defined on the diagram attached at page A1 be stopped in accordance with the Tenth Schedule of the Local Government Act 1974.
3. That it be recommended to Council that after the land ceases to be road it be sold to the owners of 1234 Scenic Drive North because due to its size, shape and situation it could not be expected to be sold to any person who did not own adjoining land.

Report prepared by: Maurice Hieatt, Solicitor.



PART D - LEGAL AND CONSTITUTIONAL

5 AFFIXATION OF COMMON SEAL

EXECUTION OF DOCUMENTS: 1 November 2004 - 30 November 2004

NO	NAME	PARTICULARS
3181	WCC – Graeme Garrett	Warrant of Appointment & Evidence of Identity – WCC171 (Duplicate – Report 15 November 2004 – No.3175)
3182	WCC – Hebron Trust Inc	Drainage Easement in gross re DP 323672 – CTs 95389-95394 – 115 Royal Road – SPW 21122
3183	WCC – Hebron Trust Inc	Water Supply Easement in gross re DP 323672 – CTs 95389-95394 – 115 Royal Road – SPW 21122
3184	WCC – Hebron Trust Inc	Fencing Agreement – re Lot 1 DP 323672 – CT 95387 – 115 Royal Road – SPW 21122
3185	WCC	Application by way of Transmission – Lot 5 DP 62620 – Glenmall
3186	WCC – J A McGinley	Drainage Easement in gross – CT NA138D/937 – 79C Pleasant Road – SPW 20931
3187	WCC – JA McGinley	Water Supply Easement in gross – CTs NA138D/936 & NA138D/937 – 79C Pleasant Road – SPW 20931
3188	WCC – M Hoy & K Chappell	Memorandum of Encumbrance for road encroachment at 355 Titirangi Road
3189	WCC – Thirtyderwent Ltd	Surrender of Drainage Easement in gross – CT NA60/274 – 30 Derwent Crescent – SPW 21872
3190	WCC – Thirtyderwent Ltd	Water Supply Easement in gross – CTs 165846-165850 – 30 Derwent Crescent – SPW 21872
3191	WCC – Thirtyderwent Ltd	Drainage Easement in gross – CTs 165846-165850 – 30 Derwent Crescent – SPW 21872
3192	WCC – Waitakere Arts & Cultural Development Trust	Funding & Service Agreement 2004/2005
3193	WCC – Clark & Botica Holdings Ltd	Drainage easement in gross – CT 134212 – 17 Glenorchy Street – SPW 21702
3194	WCC – Whenuapai Residents & Ratepayers Association Inc	Deed of Lease of part of Whenuapai Hall Reserve – Lot 24 DP 15956
3195	WCC – John Hanson	Warrant of Appointment & Evidence of Identity – WCC172
3196	WCC – Terry Evans & John Hunt	Deed of Renewal of Lease – 5A Trading Place, Henderson
3197	WCC – Waitakere Properties Ltd	Declaration of Trust – CT NA184001 – resolution 4418/2003
3198	WCC – Waitakere Properties Ltd	Memorandum of Transfer – CT NA184001 – resolution 4418/2003
3199	WCC – CC & DS Murray	Water Supply Easement in gross – CT 80146 – 235A Titirangi Road – SPW 20873
3200	WCC – CA Davidson	Water Supply Easement in gross – CT NA106B/489 – 235A Titirangi Road – SPW 20873
3201	WCC – CJ & J Drury	Water Supply Easement in gross – CT NA106B/490 – 235A Titirangi Road – SPW 20873
3202	WCC – DM Atkinson	Water Supply Easement in gross – CT NA106B/491 – 235A Titirangi Road – SPW 20873
3203	WCC – AF & A Blakemore	Water Supply Easement in gross – CT NA1533/86 – 235A Titirangi Road – SPW 20873

RECOMMENDATIONS

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

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



PART E - FINANCE

6 OPERATING AND CAPITAL EXPENDITURE SUMMARIES

PURPOSE OF THE REPORT

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

STRATEGIC CONTEXT

Through the Long Term Council Community 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.

ISSUES

A4-A9

This report covers expenditure for the 4 months to 31 October 2004. The financial summaries are attached at pages A4 to A9. Also attached at pages A4 to A9 is a summary of major direct costs and revenue for the four (4) months to 31 October 2004 as requested by the Finance and Operational Performance Committee.

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 four (4) months to 31 October 2004 is tracking well against operational budgets.

RECOMMENDATION

That the Operating and Capital Expenditure Summaries report be received.

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



7 **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.

STRATEGIC CONTEXT

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

A10

The Special Fund report is separated into restricted and non-restricted funds. The balances and summary transactions for the four (4) months ended 30 October 2004 are attached at page A10.

CONCLUSION

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.

RECOMMENDATION

That the Status of Special Funds report be received.

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



8 **BORROWING AND INVESTMENT REPORT**

PURPOSE OF THE REPORT

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.

A11-A16

The relevant portfolio and graphs reflect the estimated position as at 31 October 2004 and are attached at pages A11 to A16.

STRATEGIC CONTEXT

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 2004/2005 year, including carry forward projects from the 2003/2004 year, through the Annual Plan 2004/2005 to a maximum gross debt of \$239.468 million. Interest expense for the 2004/2005 year is budgeted to be \$9.668 million.

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

ESTIMATED SUMMARY OF BORROWING AND INVESTMENT MOVEMENTS OCTOBER 2004

Council's estimated gross term debt position has increased by \$3.809 million since September 2004, with an estimated closing balance at October month end of \$110.919 million. Estimated working capital borrowings of \$20.894 million as at 31 October 2004 have been funded using internal funds and unsecured bank facilities.

SIGNIFICANT FUNDING TRANSACTIONS ENTERED INTO DURING OCTOBER 2004

- Issue new \$10 million Floating Rate Note for seven (7) years at an interest rate of New Zealand 90 day bank bill mid rate plus 20 basis points;
- Issue new \$5.025 million Floating Rate Note for five (5) years at an interest rate of New Zealand 90 day bank bill mid rate plus 14 basis points;
- Issue new \$5 million Floating Rate Note for seven (7) years at an interest rate of New Zealand 90 day bank bill mid rate plus 17 basis points;
- Mature \$5 million Floating Rate Note;
- Mature \$2 million pre-1998 stock;
- Sinking Fund release of \$403,085 for the repayment of pre-1998 stock.

FINANCIAL MARKET COMMENTARY

Market Overview

New Zealand short term interest rates have remained relatively stable since the November 2004 Borrowing and Investment Report, with only a small decrease of 0.02% in the 90 day bank bill to 6.68% over the month. Local financial market commentators consider that the currently stability in New Zealand short term interest rates will endure well into the 2005 year. Longer term rates have shown a slightly increasing trend from last month, which has resulted in the clearly inverted yield curve reported last month to a relatively flat position again.

Market expectations of a further increase in the New Zealand Official Cash Rate are unlikely at the 9 December 2004 Monetary Policy Statement meeting. However, with the current Official Cash Rate set at 6.50% and 90 day bank bills currently trading 0.18% higher, there is still some expectation of a further hike in the Official Cash Rate some time in the future.

The New Zealand dollar has remained relatively strong against all major trading partners over the month, with the NZD/USD cross again trading above the 70 cent level.

Up Coming Dates

Monetary Policy Statement	9 December 2004
Official Cash Rate announcement	27 January 2005

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.



9 PAYMENTS FOR APPROVAL

PURPOSE OF THE REPORT

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

BACKGROUND

This report provides details of payments made to external suppliers in excess of \$5,000. In addition there is a summary listing, which aggregates payments made to various organisations and suppliers for the Finance and Operational Performance 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

A17-A20

A summary schedule of payments made for the period 15 October 2004 to 11 November 2004 is attached at page A17. A further schedule of all payments of \$5,000 and above, together with the reason for the payment, is attached at pages A18 to A20. 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 15 October 2004 to 11 November 2004. 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.



10 INSURANCE ARRANGEMENTS 2004/2005

PURPOSE OF REPORT

The purpose of this report is to summarise Council's insurance placements for the period commencing 1 July 2004 to 1 July 2005 for all classes of insurance except Public Liability/Professional Indemnity where the period is from 30 June 2004-2005, as well as to provide information on associated issues.

INSURANCE TRENDS

Council's insurance broker, Jardine Lloyd Thompson Limited has reported stabilised conditions in the insurance market that in recent past has seen a very small number of commercial insurers now operating within the New Zealand market.

The significant change to emerge over the past eighteen months or so has been the withdrawal of long established British insurers from the market and the prominence of Australian insurance companies IAG Group, Vero, QBE and Lumley General in their place or remaining. Except for the New Zealand Local Government Insurance Corporation (Civic Assurance) and New Zealand Mutual Liability RiskPool, both owned by local government, all insurance companies now represented in New Zealand are overseas owned.

As signalled in the equivalent report last year, insurers and reinsurers have had to price risk and set policy terms to ensure ongoing underwriting surpluses before any consideration of investment income with a view to achieving financial stability and performing to investors' expectations. However, a stabilising environment has meant that for the 2003 financial year virtually all insurers have reported improved results.

In 2004, premium rates on property lines (Property & Business Interruption insurance) are experiencing a notably more modest level of increase than over the previous two years, with the rates and excess level increases now more directly linked to individual clients' claims experiences. In many instances, including this Council's, terms of coverage have remained unchanged from last year with no new exclusions applied.

RENEWAL ISSUES

The developments outlined above have led to a market where reduced flexibility in terms of risk pricing and setting policy terms is evident to some extent. Additionally, there appears to have been a noticeable disinterest among major existing insurers to underwrite local government risks probably due to Civic Assurance and RiskPool being considered niche underwriters in this area.

In this context, and as a two or three yearly cycle of inviting quotations from alternative insurers has become the norm, Jardine have this year not sought alternative quotations but expect to do so for the next 2005 renewal round or in 2006, depending on market conditions.

Council's insurers, Civic Assurance and RiskPool, continue to remain heavily reliant on the international reinsurance market to provide capacity and protection.

Almost all classes of insurance this renewal have experienced modest or nil premium increases with the exception of Property. While renewal premium terms offered for this cover were the same as 2003/2004, due however to continuing poor claims experience of Council (notably claims in relation to the Corban Estate fire and Aquatic & Recreation Centre chlorine leak), an increase in the property claim deductible from \$2,500 to \$5,000 was necessary to cap the amount of the increase. Jardine's analysis, extrapolating from Council's past three years claims history as to the effect of this proposed higher deductible, found that the lowest retained cost option (albeit by a small margin) would be to renew at the higher deductible of \$5,000. The analysis took account of a \$19,968 premium increase if the previous year's \$2,500 deductible was to be maintained, but was academic as Council was not offered a renewal at the lower excess level.

COVERS ESTABLISHED

A21 Details of Council's policies that have been renewed for the current period are attached at page A21.

COMPARISON

A comparison of the premiums charged over the past three years is provided in the schedule below. While the premiums indicated for the current financial year 2004/2005 are those quoted and charged, these will be subject to further adjustment as the result of ongoing changes to assets and or sums insured.

PREMIUM COMPARISON

POLICY	PREMIUM 2002/2003	PREMIUM 2003/2004	PREMIUM 2004/2005
Material Damage	\$238,799 (N1)	\$304,788(N1)	\$336,750
Business Interruption	\$28,456	\$36,799	\$39,866
Motor Vehicle	\$47,541(N2)	\$43,352 (N3)	\$35,666(N4)
Fidelity Guarantee	\$14,875	\$30,000	\$26,500
Machinery Breakdown	\$1,700	\$1,768	\$1,768
Travel	\$698	\$772	\$772
Public Liability/ Professional Indemnity	\$132,000	\$165,000	\$186,450
TOTAL		\$572,879	\$627,772

Notes

1. 2002/2003 and 2003/2004 premiums adjusted to reflect sum insured changes during that year.
2. Includes burning cost adjustment.
3. Includes estimated burning cost adjustment.
4. Subject to burning cost adjustment.
5. All amounts exclusive of GST and brokers remuneration.

POLICY COVERAGE

There have been no significant policy wording changes at the June 2004/July 2004 renewal where all policies were renewed as expiring.

As reported last year, a Weathertight Homes Resolution Service exclusion was applied to the underlying reinsurance arrangements between liability insurer RiskPool and offshore reinsurers, meant that so called 'leaky building' claims at the Weathertight Homes Resolution Service made against this Council (exceeding the relevant claim deductible) are being dealt with under the self-insured retention of RiskPool who are closely monitoring such claims trends with the view to assessing whether the self-insured losses retained by them continue to be manageable in this fashion. It remains a distinct possibility, judging from the Weathertight Homes Resolution Service claims trends relating to this Council alone that RiskPool could introduce a like exclusion in the insurance arrangements with their member Councils. Provision has been made for deductible claims for leaky buildings at \$375,000 for 2004/2005 and a further \$375,000 for 2005/2006, to be 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 e.g. water, sewage reticulation networks, traffic light systems, roads, bridges, flood protection schemes etc., 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 organisation 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. It is understood that their broker, Penney McMurtrie & Associates, has arranged Trustees Liability insurance for board members, in their capacity as trustees.

RECOMMENDATION

That the Insurance Arrangements 2004/2005 report be received.

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



PART F - GENERAL

11 ANNUAL PLAN 2005/2006 COMMUNICATIONS PLANNING

PURPOSE OF THE REPORT

The purpose of this report is to present the proposed Annual Plan 2005/2006 communications plan and final outputs for Council consideration and approval.

BACKGROUND

With the introduction of the Long Term Council Community Plan under the Local Government Act 2002, the role and place of the Annual Plan process has become a subset of the Long Term Council Community Plan itself.

It is proposed that the Annual Plan communication and production process be simplified and streamlined in order to release time and money resources for the Long Term Council Community Plan and other key projects.

A22-A25

The proposed consultation plan is attached at pages A22 to A25.

STRATEGIC CONTEXT

The Long Term Council Community Plan itself will be up-dated in 2006 (adopted by June 2006) and a separate round (or rounds) of community consultation will be undertaken during 2005 and 2006 to enable the revision to reflect up-to-date community expectations.

The Purpose of an Annual Plan is to:

- a) describe the Council's work programme, budget and rates impact work for the year ahead.
- b) identify any major variation from the Long Term Council Community Plan in respect of that year.
- c) help provide integrated decision-making and co-ordination of the resources of the local community.
- d) contribute to the council's accountability to the community.
- e) provide opportunities for the public to participate in the Council's decision-making and budgeting processes.

While it is necessary to consider locally and regionally significant issues such as the Ranges protection project and the Local Government Auckland Amendment Act process, both of these have separate but complementary consultation processes.

ISSUES

Product

Staff are proposing a Waitakere City News in March 2005 to act as the summary, supported by an Annual Plan of similar content and structure to previous years. Communication tools would be the Waitakere City News which would summarise the key points of the Annual Plan and the draft Annual Plan document itself, supplemented by billboards. The legislative requirement for a summary document is not prescriptive:

"S89 Summary of information

A summary of the information contained in a statement of proposal must –

- (a) be a fair representation of the major matters in the statement of proposal; and*
- (b) be in a form determined by the local authority; and*
- (c) be distributed as widely as reasonably practicable (in such manner as is determined appropriate by the local authority, having regard to the matter to which the proposal relates) as a basis for general consultation; and*
- (d) indicate where the statement of proposal may be inspected, and how a copy may be obtained; and*
- (e) state the period within which submissions on the proposal may be made to the local authority."*

Local Government Act 2002

It is felt that a special edition of the Waitakere City News in March 2005 would meet these requirements.

Process

Staff are proposing a communications plan which provides for information to the public through the usual sources such as Waitakere City News, billboards etc but does not include mall displays etc. These are time and resource intensive, using resources which would be more useful to be focused on the next Long Term Council Community Plan 2006 rather than the Annual Plan 2005/2006.

RESOURCES

Resources for the proposed Annual Plan communications and production of the document are included in current budgets. If Councillors wish for an increased level of consultation, additional funding will need to be provided.

CONCLUSION

Approval is sought from Council regarding the proposed Annual Plan 2005/2006 communications plan prior to undertaking future preparatory work.

While the communications programme remains similar in style and content to previous years, the proposed consultation has been streamlined in order to support resources being focussed on the Long Term Council Community Plan 2006 process.

It is also proposed that the Waitakere City News act as the summary document, and the draft Annual Plan be in the usual format.

RECOMMENDATIONS

1. That the Annual Plan 2005/2006 Communications Planning report be received.
2. That the Communications plan for the draft Annual Plan 2005/2006 be approved as attached at pages A22 to A25 in the agenda report.
3. That the material for consultation for the draft Annual Plan 2005/2006 be a dedicated issue of the Waitakere City News and the draft Annual Plan 2005/2006.

A22-A25

Report prepared by: Cathy Kenkel, Group Manager: Strategic Planning and Policy.



12 RECOGNITION OF ROTARY 100 YEARS OF SERVICE

PURPOSE OF THE REPORT

The purpose of the report is to obtain the Council's support for the recognition of the Rotary Clubs in Waitakere City at the time of their celebration of Rotary International's 100 years of service.

The Rotary Club of Waitakere City requested that, as part of their celebrations to mark Rotary's 100 years of 'service above self', to have a street named in honour of this event.

The Rotary Club of Waitakere City has been advised that the naming of streets is the responsibility of subdividers and if the proposed street names are appropriate they are approved by Council under delegated authority.

The Chief Executive has suggested that a suitable plaque or plinth be erected by the Council in Rotary Park in recognition of all Rotary service in Waitakere City.

Current Policy

Council has no current policy in relation to the contribution to local service/voluntary organisations, however, Council have always been supportive of and recognises the importance of volunteers within the community.

A suitable plaque would cost in the vicinity of \$600 to \$1000.

Location of Plaque

The Service Manager Parks has confirmed that it would be appropriate for a plaque to be installed in Rotary Park if Council are in agreement with the proposal.

CONCLUSION

Rotary Clubs play an important role in our community and Council are keen to support community groups. The original request was for acknowledgement of the contribution made by Rotary in the community by naming a street in honour of their service. The Council could acknowledge the community service given over many years by all Rotarians past and present from the four Clubs in the City by it providing a suitable a plaque for permanent display in Rotary Park to recognise the 2005 Rotary centennial year.

RECOMMENDATIONS

1. That the Recognition of Rotary 100 Years of Service report be received.
2. That Council install a plaque in Rotary Park, in consultation with the Rotary Clubs in Waitakere City, to a maximum cost of \$1000 commemorating the 'service above self' aspect of Rotarians in Waitakere City.
3. That the sitting of the plaque be confirmed after consultation with a representative of the Rotary Clubs of New Lynn, Henderson, Waitakere and West Harbour.

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



13 EARTHSONG CENTRE - CONSIDERATION OF LOAN APPROVAL

PURPOSE OF THE REPORT

The purpose of this report is to request final approval from the Finance and Operational Performance Committee for an interest free loan of \$300,000 to the Earthsong Centre Trust for the construction of an Earthsong Centre (common house) at 457 Swanson Road, Ranui, subject to agreements being reached to the Chief Executive's satisfaction and finalisation of outstanding matters.

BACKGROUND

A26-A29

At the 8 December 2003 meeting of the Finance and Operational Performance Committee a report on the application for funding of the Earthsong Centre was received. The report is attached at pages A26 to A29 and the following recommendations were passed:

"That it be recommended to Council that an interest free loan of \$300,000.00 for three years to Earthsong Eco-Neighbourhood or an appropriate legal entity to develop the Earthsong Centre be granted on terms and conditions to be specified by the Finance and Operational Performance Committee, subject to:

- *Satisfaction by the Chief Executive as to community access to the Centre;*
- *Appropriate security being provided to Council by the borrower to ensure full repayment of the loan can be achieved;*
- *Loan documentation being prepared and executed to the satisfaction of the Director: Corporate and Civic Services and Manager: Legal Services;*
- *Council's contribution being acknowledged as per the Memorandum of Understanding; and*
- *The planned services to be offered, particularly the planned Earthsong Community Centre, will be of benefit to the people of Waitakere City.*

4331/2003

"That it be recommended to Council that, subject to the Chief Executive's approval and satisfaction of appropriate loan documentation, security, conditions and requirements to Earthsong Eco-Neighbourhood or an appropriate legal entity, that the Finance and Operational Performance Committee consider final approval of the loan.

That the Finance and Operational Performance Committee be advised of the progress of the development of the Earthsong Centre and loan related matters at six monthly intervals."

4332/2003

The above recommendations were approved at the Council meeting held on 17 December 2003.

STRATEGIC CONTEXT

The Council's Strategic Plan sets the City's direction for sustainable management through to 2013. Earthsong Eco-Neighbourhood's vision to establish a cohousing neighbourhood based on the principles of permaculture that will serve as a model of a socially and environmentally sustainable community, aligns with all nine of the Council's strategic platforms underpinning the City's direction.

Earthsong Eco-Neighbourhood's vision aligns particularly well with the Council's Three Waters objective to demonstrate innovative water management, and its Zero Waste, Sustainable Energy and Clean Air, Strong Communities and Active Democracy platforms.

PROGRESS TO DATE

Community Access to the Centre and Services

Earthsong Eco-Neighbourhood has advised that community access is important and is regarded as a successful outcome for the Centre. Discussions have confirmed that appropriate community access and availability of the Centre for external groups will be suitably satisfied. Aspects of that access will be formally appended to the loan agreement.

Appropriate Loan Security

Valuation reports in respect of two units with unencumbered freehold titles within the development have been supplied and reviewed. The valuations were supplied by Bristow Barbour and Walker, a valuation firm in which the Council has confidence. The valuation reports confirm that the properties offer adequate security for the proposed advance. In addition to the mortgage securities over these two properties, personal guarantees have been offered from a number of the owners. Statements of financial position from these proposed guarantors were supplied and have been reviewed. The proposed guarantees provide further comfort to the Council.

Loan Documentation

Loan and mortgage security documentation will be prepared as soon as practicable after the Committee's approval. The documentation must be prepared and executed to the satisfaction of the Director: Corporate and Civic Services and the Manager: Legal Services. Documentation costs are at no cost to Council, as per the Committee's December 2003 resolution.

Memorandum of Understanding

A30-A38 An amendment to the present Memorandum of Understanding is attached at pages A30 to A38 between Council and Earthsong Eco-Neighbourhood will be undertaken to recognise the existence of the community use facility and the Council's contribution. The amendment will be brought back to the Finance and Operational Performance Committee. A Memorandum of Understanding with the new Earthsong Centre Trust will also be initiated.

FUNDING

A39-A54 The construction of the Centre is expected to commence in mid 2005, with a budget estimate of \$1.4 million. The Earthsong Centre Trust has requested that the Committee give final approval at this time, as it is seeking other funding sources. Interested funders have expressed their willingness to provide grants on the basis of the Council's final loan commitment to the Centre. The Council has provided for the loan and interest costs in the Annual Plan 2004/2005. Repayment is expected to occur within three (3) years. The Application for Funding of the Earthsong Centre is attached at pages A39 to A54.

The interest expense on this loan would be approximately \$20,000 per annum. The proceeds from the development of the next stage of the Earthsong complex will provide for the repayment of the loan.

FINALISATION OF DOCUMENTATION

It is recommended that finalisation of all documentation, security and outstanding matters be subject to the Chief Executive's approval. If these matters cannot be finalised to the Chief Executive's satisfaction, the matters will be reported back to the Finance and Operational Performance Committee.

CONCLUSION

Discussions have taken place over the past 12 months to further progress the establishment of the Earthsong Centre. A Trust has been established and adequate financial security has now been offered.

The provision of an interest free loan will greatly assist in the development of a facility that Council has previously determined will provide community benefit and enhance knowledge of practical sustainable development principles and practices.

RECOMMENDATIONS

1. That the Earthsong Centre - Consideration of Loan Approval report be received.
2. That approval of an interest free loan of \$300,000 for a period of three (3) years be given, subject to the necessary loan documentation, security and agreements regarding community access and Memorandum of Understandings being prepared and agreed to the Chief Executive's satisfaction.
3. That the Chief Executive be delegated authority to sign all necessary documentation in respect of the loan and associated security arrangements.

Report prepared by: Andrew Pollock, Director: Finance.



14 ANALYSIS OF IMPACT ON RATES OF CHANGES TO LAND VALUATIONS

PURPOSE OF THE REPORT

The purpose of the report is to provide information on the rating impacts of the new land valuations.

BACKGROUND

Quotable Value New Zealand released new property valuations in October 2004. These property valuations must be used to share the rate requirement between rateable properties in the City from the 2005/2006 financial year commencing 1 July 2005. A presentation on the results of the revaluation was made to the 15 November 2004 meeting of the Committee by Quotable Value New Zealand.

STRATEGIC CONTEXT

Rates must be levied in accordance with the provisions of the Local Government (Rating) Act 2002, and any changes to the rating system, whether as a result of the new property values, or other changes proposed, must be adopted as part of the Annual Plan process.

RATES MODELS

The rates models included in this report show the impact on rates of the new property values. The Committee at its meeting held on 15 November 2004 resolved that rating models be also prepared showing the impact of changes to the level of the Uniform Annual General Charge.

In preparing the rates models included in this report, the following assumptions have been made:

- The same rate requirement as for the 2004/2005 year;
- The current Uniform Annual General Charge of \$460;
- The current Uniform Annual Charge of \$10 for Refuse;
- The current Uniform Annual Charge of \$86 for Rural Sewerage;
- The current Uniform Annual Charge of \$15 for Environmental Monitoring;
- The current Uniform Annual Charge of \$8 for the Harbourview Park;
- The same rate requirement from the Business Sector (20.5% of the total rate requirement);
- Amendments to the stepped differentials in both the land values at which they apply and the differential rating factors applied to reflect the movements in land values;
- An allowance has also been made for growth in the rating base between 1 July 2004 and the date on which the new values were assessed.

Uniform Annual General Charges have also been modelled at \$410 and \$510, the latter Charge being at a level close to the legal maximum that could have been charged for the 2004/2005 year.

The new stepped differentials have been applied at land values of \$150,000, (being the new average land value of a single dwelling), and \$380,000, (being the approximate new land value at which rates would be double the rates on the \$150,000 valued property assuming no stepped differential). These stepped differentials apply to the residential property category, but do not apply to Business Sector properties.

The rates models have been based on the following differential rating factors:

Step	Land Value Range	Differential Rate
Step 1	Part of land value up to \$150,000	Base Rate
Step 2	Part of land value from \$150,001 to \$380,000	75% of the Base Rate
Step 3	Part of land value over \$380,000	50% of the Base Rate

The differential rating factors used in the model are suggested ones with the purpose of attempting to minimise the difference in rates on the old and new average single dwelling land value, and higher valued properties many of which had a higher than average increase in land value.

There are a very large number of alternative differentials that could be applied with varying impacts on high value, low value and average value properties.

SUMMARY OF PERCENTAGE MOVEMENTS IN RATES RESULTING FROM NEW LAND VALUES

A55-A62 Attached at pages A55 to A62 are tables showing movements in rates in percentage terms within bands of new land values based on the differential factors of 75% and 50%. Of the approximate 52,727 residential and other properties in the Inner Area, 24,633 will have either a reduction in rates, or no change in rates, whilst 28,094 will have an increase in rates of varying magnitude. In the Outer Area of the approximate 5,558 properties, 3,344 will have a reduction in rates, whilst 2,214 will have an increase in rates of varying magnitude.

In the Business Sector, to which the differential factors do not apply, of the approximate 2,588 properties in the Inner Area 1,374 properties will have either a reduction in rates, or no change in rates. The remaining 1,124 properties will have an increase in rates of varying magnitudes, solely as a result of the new property values. The same rate requirement has been distributed between properties on the basis of the new values, in place of the old values.

INDICATIVE CHANGES IN RATES

A63-A66 Attached at pages A63 to A66 are tables showing indicative rates based on the new land values.

Column B shows the rates actually levied for the 2004/2005 year on the old land values for comparison. Also shown in column C are the rates that would have been levied if no stepped differential had applied.

Columns F shows the indicative rates with the new land values if no stepped differential applied.

Columns G, H and I show the indicative rates on the new land values under three different levels of Uniform Annual General Charges as requested by the Committee, column G the current level of \$460, column H \$410 and column I \$510.

The characteristics of changes to the level of Uniform Annual Charges are that a lower Charge decreases rates on properties with a land value below the average, and increases rates on properties with a land value above the average, and properties with a land value at the average are relatively unaffected. Conversely a higher Uniform Charge increases rates on properties with a land value below the average, and decreases rates on properties with a land value above the average.

To assist in evaluating the impact of the new land values on rates, an old land value for each new land value band has been calculated from the average increase in land value of properties in each band (column J) and is shown in column K, with the 2004/2005 old value rates shown for comparison in column I. Within most bands of new land value there were a range of % increases in value, some higher, and some lower than the average.

The total numbers of rate accounts in each band of land value are shown in Column L.

A67-A68 The impact of the new land values on rates payable on Business Sector Properties is also shown at page A67 to A68.

DISTRIBUTION OF PROPERTY VALUES

A69

To assist in understanding the impacts of the new values on rates, attached at page A69 is a graph showing the distribution of property values in bands of land value. This graph shows that the numbers of properties within some narrow bands of land value around \$70,000, i.e. just below the average value have reduced, and are now more spread out over the range of bands. This change indicates that property value increases have not been uniform within that former narrow band of land values around the former average value.

CONCLUSION

The rates models broadly replicate the relativity between high, low and average valued properties of the current rating system, but cannot address the impact on rates of particular properties in specific locations or with particular characteristics which have resulted in changes in land value significantly different to the average.

Rates movements on properties are unavoidable in the first year after revaluation, with some receiving increases in rates and others receiving decreases in rates. The rates modelling shows that approximately 54% of residential and other properties in the Inner Area, and 40% in the Outer Area may have an increase in rates solely as a result of property value movements and consequential adjustments to the stepped differential rating system. The remainder of residential properties will have either a reduction or no change in rates.

In the case of Business Sector properties, approximately 47% will have an increase in rates solely as a result of property value movements, with the remainder having a reduction in rates or no change.

RECOMMENDATIONS

1. That the Analysis of Impact on Rates of Changes to Land Valuations report be received.
2. That the Finance and Operational Performance Committee give direction as to further rates modelling it requires on the stepped differential factors and the level of the Uniform Annual General Charge.

Report prepared by: John MacKenzie, Group Manager: Rates.



15 **LEASE OF PATUROA BAY HALL**

PURPOSE OF THE REPORT

The purpose of this report is to consider an application from the Paturoa Bay Residents & Ratepayers Association (Titirangi Beach) Incorporated to lease the land occupied by the community owned Paturoa Bay Hall near Titirangi Beach.

BACKGROUND

Community halls (Council or community owned) are small to medium scale buildings, used for community meetings, social events and activities. Many are located in more isolated or outer areas of the City. Council currently owns ten community halls in Oratia, Massey, Glen Eden, Laingholm, Waiatarua, French Bay, Titirangi, Herald Island and Waitakere Village. These are leased to and run by independent management committees, all of whom are local volunteers. There are also ten community halls owned by Residents and Ratepayers or other community groups. Some of these halls are located on reserve land which is leased to the group who own the hall by Council.

The Paturoa Bay Hall is owned and managed by the Paturoa Bay Residents and Ratepayers Association which is an incorporated society. They have a committee of 6 dedicated people who meet once a month. They are affiliated with the Titirangi Residents and Ratepayers Association and go to each other's annual general meetings. The Titirangi Beach community built the hall in the 1940's. The hall was well used in the past by a number of community groups and for a range of purposes including movie screenings.

In recent years the hall has experienced a decrease in user numbers and has not had any major maintenance work carried out on it for some years. The hall is on the edge of a reserve across from Titirangi Beach but is physically located on unused legal road. Council staff however consider that the building has a lot of potential as a community venue for functions and group use once renovations have been carried out. After discussions with Council staff the management committee have recently developed a fundraising and development plan for the modernisation of the hall to increase usage. They have applied to the Portage Licensing Trust for approximately \$50,000 for upgrade work and are currently awaiting the outcome of this application. In the meantime the hall is currently used by a local folk singing group, a meditation group and also for one-off functions and parties.

A70

A map attached at page A70 shows the location of the Paturoa Hall in Paturoa Road.

STRATEGIC CONTEXT

Community Halls contribute to Council's Well-being and Urban Village strategic and policy objectives by helping provide networks of appropriate and accessible public buildings as key community focal points and through a wide range of low cost, low impact community activities.

Under the Community Facilities Plan 2000 Council continues to provide support for Community Halls given the community benefits they provide (such as helping to build community spirit by bringing people together), which contribute to Council's strategic objectives.

As the hall is not within a reserve it is not mentioned in the Manukau Harbour Foreshore Reserves Management Plan which was adopted in August 2001.

ISSUES

The Paturua Residents and Ratepayers Association has applied to lease the footprint of the land on which their hall stands. The funders they are approaching require them to have a lease in place before funding can be made available.

Section 45 of the Public Works Act 1981 provides that: "If any land is held for any public work under this or any other Act or in any other manner, the Minister or local authority, as the case may be, may grant a lease or tenancy of the land or a licence to occupy the land on such terms and conditions as he or it may think fit". The delegations to committees provide that this committee has power to lease land except for land to which the Public Works Act applies. This power is reserved to Council.

The Community Leases Policy provides that priority will be given to lease applicants who increase participation in community activities. The policy also provides for a standard five year term and it is proposed that a lease of this term should be granted with a right of renewal for a further five years at Council's option. The rent the group should pay has been assessed at the standard minimum fee.

The proposed lease of part of the road to the association has been discussed with the Principal Transport Engineer: Design and he has affirmed that there is no prospect of this land being required as part of the roading network as the area is currently adequately served by Aydon Road.

RESOURCING

The Council provides financial support for the maintenance of community halls through the Community Halls Fund. The Community Halls Fund is an annual fund distributed to community operated, not-for-profit halls, which are available for public use and hire. The 2004/2005 Annual Plan has \$42,000 included for the Community Halls Fund (up to \$3000 per eligible hall) for facility maintenance and operation costs. As the management committee of the Paturua Bay Hall, the Paturua Bay Residents and Ratepayers are eligible to apply to the Community Halls Fund for funding to assist with maintenance and development of the hall and they received funding in 2004/2005 from this fund.

Council staff provide information and advice to community hall management committees and also have a role in monitoring the lease. As owners of the hall, the management committee (Paturua Residents and Ratepayers) are responsible for the maintenance of the hall, however, Council is responsible for the upkeep of the surrounding land including tree pruning. The management committee retain hire fees from hall users which are utilised for running and upkeep costs. Council staff are also currently looking into the possible removal of an old, unused bus shelter situated directly outside the Paturua Bay Hall as this building blocks access, light and sight lines to the hall and from time to time attracts vandals and homeless people.

CONCLUSION

The Paturua Bay Residents & Ratepayers Association (Titirangi Beach) Incorporated was established in 1946 and built their hall around this time. The Association now requests from Council a lease of the land on which the hall stands in order for them to be able to have access to funding to upgrade the hall. It is recommended that a lease be granted to the Association.

RECOMMENDATIONS

1. That the Lease of Paturoa Bay Hall report be received.
2. That it be recommended to Council that the Chief Executive be given authority to negotiate and execute a lease with the Paturoa Bay Residents & Ratepayers Association (Titirangi Beach) Incorporated for the footprint of the Paturoa Hall under section 45 of the Public Works Act 1981.

Report prepared by: Alastair Dougal, Solicitor, Legal Services and Polly O'Brien, Community Resources Project Leader.



16 **LEASE OF 39 GLENMALL PLACE, GLEN EDEN - GROUND FLOOR AND FIRST FLOOR**

PURPOSE OF THE REPORT

The purpose of this report is to seek the Finance and Operational Performance Committee's approval to lease the ground floor and first floor located at 39 Glenmall Place for a term of eight years.

BACKGROUND

Council owns the property at 39 Glenmall Place comprising approximately 420 square metres of prime retail space. The two levels have recently become vacant and available to lease. The Property Assets Unit currently has two written offers from two different parties to lease the ground floor and first floor.

The ground floor comprises 210m² and the prospective tenant's business is a delicatessen.

The first floor also comprises 210m² and the prospective tenant is Harcourts Henderson.

Both of the rental sums offered are in line with current market rates presenting Council with the opportunity to capitalise on the buoyant current market conditions.

ISSUES

The maximum sign off for any Council owned property is two years without full Council consent. This adversely impacts on the quality of the tenant attracted and the potential rental return and subsequent capital value which is calculated in accord with the strength of the tenant, rental income and location. In order to maximise Council return, a longer lease term is required to attract stronger tenants with strong brands.

Both prospective tenants have requested a total lease term of eight years (four years plus four years right of renewal). The reason for the eight year term is to minimise the commercial risk in order to amortise the tenants fitout cost identified above. In addition, the eight year term is realistic ensuring the viability of both businesses.

STRATEGIC CONTEXT

New Lynn Ward - Glen Eden Shopping Mall

Having had discussions with the Strategy and Development Unit, the lease term of eight years will have no detrimental strategic impact in the Glen Eden Shopping Mall. This property is defined as an investment property, therefore the primary driver is to secure stable long term tenants at a market rental rate. This is in line with the objectives of the two strategic platforms - Urban and Rural Villages and Strong Innovative Economy - as identified in the 2004/2005 Annual Plan.

RESOURCES

There are adequate resources within Council to deal with this issue.

CONCLUSION

Given the longer term lease does not impact on the strategic direction of the Glen Eden Shopping Mall, it would be advantageous for Council to extend the lease term on both properties to eight years.

The benefits to Council include:

- secure tenants, one with a strong brand;
- the negotiated rentals are excellent reflecting current market rates;
- the increased rental, in line with current market rates, effectively increases the capital value of the property should Council decide to sell at any time;
- the increased rental benefits ratepayers with income reducing costs to ratepayers.

RECOMMENDATIONS

1. That the Lease of 39 Glenmall Place, Glen Eden - Ground Floor and First Floor report be received.
2. That the Finance and Operational Performance Committee approve and recommend to Council that the Chief Executive be delegated authority to negotiate the lease term for eight years (four years plus four year right of renewal) based on market rental rates for the two floors located at 39 Glenmall Place.

Report prepared by: Marilyn Storey, Property Assets Unit.



17 **AUCKLAND WAR MEMORIAL MUSEUM AND MUSEUM OF TRANSPORT & TECHNOLOGY PROPOSED LEVIES FOR 2005/2006**

PURPOSE OF THE REPORT

The purpose of this report is to update the Financial and Operational Committee with regard to the proposed 2005/2006 levies being sought by the respective Museums.

BACKGROUND

Council is a contributing member (2 voting representatives) on the Territorial Local Authority Electoral College. The Electoral College exercises a governance role over the respective Boards of The Auckland War Memorial Museum and the Museum of Transport and Technology. By legislation, territorial local authorities within the Auckland Region are required to contribute to the running costs of these organisations, the share of which is allocated based on the respective capital values (rating) within the contributing authorities. The Electoral College must agree the amount of the levy with each of the Museum Boards.

During the deliberations in respect of current years levy, the Electoral College developed a formula which it was to use as a guide to future levy increases. That formula is depreciation plus an inflation adjustment to the balance of the operating costs.

As both Museums are engaged in significant development projects the Electoral College recognises that this will result in an upward pressure on future levies through extra operating costs to run and maintain extended facilities along with the requirement to fund the extra depreciation on the additional capital works.

STRATEGIC CONTEXT

The Auckland War Memorial Museum and the Museum of Transport and Technology are facilities contributing to the preservation of cultural and heritage history on a regional basis.

ISSUES

At a meeting of the Electoral College held Friday 19 November 2004 the two Museum Boards and management presented information and data pertaining to their anticipated levels of expenditure, and resulting levies, for inclusion in their respective 2005/2006 draft annual plans. The proposed levies are as follows:

Auckland War Memorial Museum

Proposed levy	\$17,156,000
Increase over current years levy	\$ 2,602,000
Percentage increase	17.9%
Estimated Waitakere City Council share (9.5%)	\$1,629,820
Estimated increase over current year	\$ 247,120

Whilst \$881,000 of the increase relates to depreciation on the new development, there is a proposed increase of \$1,235,000 in new operating initiatives bringing the total to \$1,772,000. The Electoral College requested that the Museum Board re-look at its operational development programme and restrict projects to those relating to the operations of the new facilities as they come on stream. It is estimated that this would bring the overall percentage increase down from 17.9% to approximately 12.2% and given the need to operate the extended facilities, this was seen as reasonable.

Museum of Transport and Technology

Proposed levy	\$5,400,000
Increase over current years levy	\$1,000,000
Percentage increase	22.7%
Estimated Waitakere City Council share	\$513,000
Estimated increase over current years levy	\$ 93,811

The Museum of Transport and Technology Act 2000 was enacted in recognition of the fact that the Museum of Transport and Technology was in desperate need of adequate, formal funding if it were to survive and develop into a regional asset. The Museum, over the last couple of years, has been planning and entering into the development faze. The Electoral College has been fully briefed with the development plans and it is recognised that there will be increased cost to allow the facility to move forward. To this end the Electoral College was reasonably comfortable with the indicated levy to be included in the draft Annual Plan. There is likely to be an opportunity for a formal presentation to be made early in the new year to Council by MOTAT in respect of their development plans.

Once the draft Annual Plans of the two Museums have been published and made available, they will be placed on the agenda of the next meeting of the Finance and Operational Performance Committee and at which time formal submissions can be made either directly to the Museums themselves or through the Electoral College via Council's two representatives.

A71-A128

The agenda and minutes of the Electoral College meeting held on 19 November 2004 are attached at pages A71 to A128.

CONCLUSION

At a meeting of the Electoral College held on Friday, 19 November 2004 the two Museum Boards and management presented information and data pertaining to their anticipated levels of expenditure, and resulting levies, for inclusion in their respective 2005/2006 draft annual plans. Both Museum Boards are asking for considerable increases on the current years levies, however, in the case of the Museum of Transport and Technology, the Electoral College in general is of the opinion that the request is reasonable in light of the development programme that is in place. In the case of the Auckland War Memorial Museum, the Electoral College felt that the increase was excessive and have requested that the Museum review their operational development programme with a view to reducing the levy requirement to be included in their draft Annual Plan.

Although the Finance and Operational Performance Committee may wish to start formulating it's stance with regard to the information currently available, there will be opportunity for formal submissions, either directly to the respective Museums or through the Electoral College, when the draft 2005/2006 Annual Plans of the two Museums are published and made available.

RECOMMENDATIONS

- 1 That the Auckland War Memorial Museum And Museum Of Transport & Technology Proposed Levies For 2005/2006 report be received.
- 2 That further reports be brought back to the Finance and Operational Performance Committee in respect of the 2005/2006 draft Annual Plans of the Auckland War Memorial Museum and the Museum of Transport and Technology when those plans are made available.

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



18 SINKING FUND COMMISSIONERS 30 JUNE 2004 FINANCIAL STATEMENTS

PURPOSE OF THE REPORT

The purpose of this report is to present to the Finance and Operational Performance Committee the audited financial statements of the Sinking Fund Commissioners for the year ended 30 June 2004.

BACKGROUND

Sinking Funds were a requirement of the Local Authority Loans Act, which was repealed with effect from 1 July 1998. There is no statutory requirement for the Sinking Fund Commissioners to continue, though Council has resolved that the sinking funds relating to debt raised prior to 1 July 1998 should continue to be administered by the Commissioners. Any monies collected to repay debt issued after 1 July 1998 is administered through the Council's Liability Management and Investment Policy. The administration of the Sinking Funds by the Commissioners is expected to cease in 2007.

STRATEGIC CONTEXT

The Liability Management and Investment Policy governs the management of the sinking fund investments. More specifically, under section 5.1.3 of the Policy, the following points illustrate the management of the investments:

- The Council is not required to use sinking funds as a mechanism for loan repayments. The minimum required contribution will be maintained until the settlement of debt raised prior to 1 July 1998;
- A statement of sinking funds is prepared half yearly and annually by the Sinking Fund Commissioners;
- The Sinking Fund Commissioners, if they choose to maintain cash investments, will manage those investments as per the following investment policy and within the prescribed credit limits outlined in section 5.3 of this policy document;
- Given that the Council will be a net borrower for the remaining life of the existing sinking funds, the sinking funds should be either invested in short term bank deposits and be maturity matched with equivalent borrowings, or invested within Council in accordance with Section 299 of the Local Government Act 2002.

ISSUES

The annual audit of the Sinking Fund Commissioners was recently conducted by Audit New Zealand, with no matters or irregularities reported.

With the introduction of the Local Government Act 2002, the Sinking Fund Commissioners can now legally invest the sinking fund investment into Council. This provision was also included in the Council's Liability Management and Investment Policy, and adopted during the Long Term Council Community Plan. The Commissioners agreed, at their meeting held on 16 October 2003 that this position was acceptable. However, the funds remain as liquid investments at this time.

A129-A139 Attached at pages A129 to A139 are the audited financial statements for the year ended 30 June 2004, including the audit report on behalf of the Auditor-General.

CONCLUSION

The Sinking Fund Commissioners financial statements for the year ended 30 June 2004 have been completed and audited with no issues reported.

RECOMMENDATION

That the Sinking Fund Commissioners 30 June 2004 Financial Statements report be received.

Report prepared by: Bruce Wilkin, Treasury Manager.



19 REPORT ON THE 2004 TRIENIAL ELECTION

PURPOSE OF THE REPORT

The purpose of this report is to provide Council with a summary of the conduct of the 2004 Triennial Elections by the Electoral Project Team.

BACKGROUND

Project Team

The 2004 Elections was run by a Project Team within Council, with processing contracted out to a New Zealand company electionz.com Ltd. The Project Team comprised the Electoral Officer, Deputy Electoral Officer and Election Project Manager together with contributions from staff within Public Affairs, Legal Services, Maori Issues, Strategy and Development, Information Management, Democracy and Support Services and Quality Assurance. This cross organisational team made a significant contribution to the successful running of the elections.

Contested Issues

The 2004 Triennial Election was held on Saturday 9 October 2004. All issues in Waitakere City were contested.

Elections were held for:

Mayor

- Henderson, Massey, New Lynn and Waitakere Ward Councillors;
- Henderson, Massey, New Lynn and Waitakere Community Board Members;
- Waitakere Licensing Trust (Wards 1 to 4).

Elections were also conducted, by Council, on behalf of Independent Election Services Limited (as employer of the Electoral Officer), for:

- Auckland Regional Council (Waitakere Constituency);
- Portage Licensing Trust (Wards 2 to 5);
- Waitemata District Health Board.

Nominations

Nominations opened on 23 July 2004 and closed at 12 noon on 20 August 2004. At the close of nominations Council had received a total of 176 nominations.

The 176 nominations included 3 for the Mayoralty, 47 for Council, 49 for Community Boards and 18 for the Waitakere Licensing Trust. There were also 49 nominations received on behalf of Independent Electoral Services for the Auckland Regional Council (Waitakere Constituency), Portage Licensing Trust (Wards 2 to 5) and the Waitemata District Health Board.

Following the close of nominations a total of 118,696 voting documents and candidate profile statements were prepared and mailed out on 17 September 2004.

Voting Documents

All voting documents and Candidate Profile Statement booklets were printed and mailed out by Moore Gallagher Limited. Apart from a printing error, picked up early and rectified, service delivery was excellent.

While the quality of the voting documents was high and facilitated easy scanning for processing, some aspects of the voting paper design could be improved. These include avoiding the splitting of issues into two columns wherever possible, ensuring that candidates names are not printed over paper fold lines, and that the tick boxes be made more obvious. These suggestions have been favourably received by the mail pack service provider, although the limited shading of the tick box was a scanning platform requirement.

Progressive Processing

Progressive processing of the voting forms commenced on 17 September 2004. For the first time this process was contracted out by Council to a private company, electionz.com Limited.

This Company, Electionz Com Limited, were contracted by a number of Local Authorities throughout the country to process voting papers and established a processing centre at Mystery Creek near Hamilton to process the papers for the Auckland, Waikato and Bay of Plenty regions, including, Rotorua District, Hamilton City, Taupo District, Tauranga City, Waitomo District, Franklin District and Matamata Piako District Councils as well as Waitakere City Council.

At all times of processing Waitakere City Council had a senior electoral staff member present to oversee the process. A Justice of the Peace was also present, as required by the Local Electoral Act 2001.

Results

The preliminary results were available at 6.30 pm on Election Day, Saturday, 9 October 2004. Auckland City and other authorities who had their processing done by Independent Election Services Limited determined to release provisional results ahead of the preliminary results. The Waitakere Electoral officer entered an agreement that all results from the processing centre would be released at the same time. Whilst there is obviously some change likely between provisionally released results and the preliminary and final results, there is some merit in revisiting the decision to advise provisional results as soon as possible after close of voting for the next elections.

The days following Election Day were spent processing special votes and the final results were declared on Thursday, 16 October 2004.

Special Votes

Special Votes were available for electors at the Civic Centre at Waipareira Avenue, as well as by mail. Special Voting was available from 17 September until noon on 9 October 2004.

In total 833 Special Voting documents were issued, with 282 valid votes included in the final count. A total of 89 votes were ruled as invalid due to the absence or incompleteness of the required special vote declaration. The balance of Special Voting documents were not returned.

A number of Special Voting documents were issued as a result of an error in the compilation of the Electoral Roll for the Portage Licensing trust where a small section of one Ward was disenfranchised and for some other electors in Licensing Trust Wards where the boundaries of the Wards are not contiguous with Mesh Block boundaries and the manual compilation of the roles was inaccurate. This occurred despite considerable effort made in the compilation of the Rolls. The problem is that properties are split between Mesh Blocks. The Local Government Commission has now taken an interest in this issue and every effort will be made, with the Licensing Trusts support, to endeavour to change the legislation and the boundaries before the next election to align the boundaries with mesh blocks.

Other contributing factors to the high number of special votes issued were the non delivery of some voting papers by New Zealand Post, and the Roll purging process whereby the Electoral Enrolment Centre removed some names even though those persons had not moved or changed address for a number of years (based on the assumption that the electors details were no longer correct).

Communications/Promotions

Leading up to the election there was extensive advertising/promotion carried out both locally and nationwide.

The Council held an evening meeting for prospective candidates and prepared and distributed a comprehensive Candidate Information Booklet.

Council also held an interested persons evening and a public information evening. A pamphlet explaining the election process and STV was distributed throughout the community and a meeting was held with representatives of ratepayer groups, ethnic communities, Marae and other interested person to encourage them to spread communications about the elections to others.

A "Have You Voted Yet" leaflet was produced and students were employed to distribute these at shopping malls on 1, 2 and 3 October 2004. Posters were also distributed encouraging people to return their voting documents by the due time and date.

Nationwide advertising focused mainly on the District Health Board elections and the STV voting system. Locally, Council focused their advertising on the Western Leader and the Aucklander.

Council also contributed (together with all the other Councils in the Auckland/Northland regions, apart from North Shore City) to a regional television advertising campaign on TV1. This was an initiative raised by Waitakere and arranged on behalf of the region by Manukau City. The contract with Television New Zealand Ltd was very favourable with a broadcast of one additional free advertisement for each one paid for.

Elector Turnout

The final turnout was 35.89% which, although disappointing, was in line with the National statistics. There has been discussion at National level in relation to the low turnout and the possible reasons for this.

Local Government New Zealand is conducting some research into the 2004 election and will release their findings in 2-3 months time.

STRATEGIC CONTEXT

Active democracy is one of Council's Nine Strategic Platforms. The Triennial Elections are one of the most fundamental contributions that Council makes to this platform.

ISSUES

Election Hoardings

It is suggested that when Council next reviews its Election Hoardings Policy for the 2007 elections, the intention and principles of the policy be fully scrutinised.

Currently it is the stated intention of the policy to promote active democracy through a permissive regime, allowing the erection of hoardings on public land subject to minimal restrictions. The electoral office received a number of complaints from members of the public as to the poor environmental image that plethora of signs creates.

Furthermore, the electoral office operated on the principle of responding to complaints on any allegations that the policy was being breached, rather than taking a pro-active approach to the enforcement of the policy. However, it should be noted that almost invariably the communication of a complaint to a candidate would result in a number of counter complaints about other candidates. The Electoral Team could have concentrated more on other aspects of running the election if the distractions caused by complaints about signage were not so numerous.

The Minister of Justice has sought the assistance of Local Government New Zealand and the New Zealand Society of Local Government Managers to encourage Councils to develop a more standardised approach to parliamentary election hoardings.

Delays in counting STV issues

As has been well documented, STV elections processed by Electionz.com and Datamail were subject to significant delay in the declaration of results. This matter is being fully investigated by both the sub-contractors auditors and the relevant Parliamentary Select Committee. The delays did not affect the Waitakere City Council issues as Council had voted to retain the First Past The Post system.

Despite STV not being delayed in some localities, the staff view is that the complexity of the system contributed to the delays, and also caused confusion among voters. From an administrative and efficiency, as well as a community understanding point of view, staff would advise against the use of STV in the Council context in the future.

Representation Review

Council is required by the provisions of the Local Electoral Act 2001 (as amended by the Local Electoral Amendment Act 2002) to conduct a representation review in 2003 or 2006 and thereafter at least once every six (6) years.

On 26 March 2003 Council resolved:

“That Council review its Basis for Election in 2006.”

550/2003

A comprehensive representation review will commence in 2005. The last dates for Council resolutions detailing the outcome of the Representation Reviews to take effect for the 2007 local elections are:

- (a) 23 November 2005 if Maori Wards/constituencies are to be considered ; and
- (b) 31 August 2006 for review of Wards, Community Boards, number of Elected Members and related matters.

Material will be provided to Council in advance of these date to enable decisions to be made.

Issues with New Zealand Post and the Electoral Enrolment Centre

The high number of Special Votes requested when compared to previous elections would appear to have been caused in part by a) return of voting documents to Council as GNA (Gone No Address), where these were in fact correctly addressed, and b) the purging of the electoral roll by the Electoral Enrolment Centre prior to the preparation of Council's Final Electoral Rolls.

These matters are being actively pursued with New Zealand Post and the Electoral Enrolment Centre by the Electoral Officer.

RESOURCES

The financial and staff resources used to conduct the election were provided for in the 2003/2004 and 2004/2005 Annual Plans.

CONCLUSION

The 2004 Triennial Election was properly conducted in terms of the statutory requirements. Issues arising out of the elections process will be evaluated as necessary.

RECOMMENDATION

That the Report on the 2004 Triennial Election be received.

Report prepared by: Darryl Griffin, Electoral Officer.



20 QUARTERLY PERFORMANCE REPORT - FIRST QUARTER 2004/2005

PURPOSE OF THE REPORT

This report enables the Finance and Operational Performance Committee to monitor achievement of the quarterly performance targets. This report includes performance results for the first quarter of the 2004/2005 Annual Plan.

BACKGROUND

The performance measures in the Annual Plan relate to the Council's strategic objectives for the City. These performance measures are reported when available on a quarterly basis.

STRATEGIC CONTEXT

The performance measures in the Annual Plan relate to strategic objectives and provide a way of measuring the extent to which the objectives are being achieved. This report provides an opportunity for the Committee to review performance results and identify any issues relating to meeting targets or the strategic objectives.

ISSUES

First Quarter Results (July - September 2004)

A140-A142 The performance results for the first quarter of 2004/2005 are summarised below. The complete list of the first quarter results for 2004/2005 are attached at pages A140 to A142.

Of the 23 performance results reported in the first quarter of 2004/2005, 78% are on track to meet or exceed target, with no measures unreported (23 measures total).

Positive Results

- Number of businesses participating in environmental initiatives is continuing to increase;
- Number of visits to the West Wave Aquatic Centre and Massey Leisure Centre are increasing;
- Performance measures under the Three Waters platform are predominantly meeting or exceeding target.

Key Issues

Less waste entering the Transfer Station is able to be recycled, recovered or composted. Composition of the delivered commercial waste includes less recyclable waste as indicated by the composition survey carried out in 2003/2004 when compared with 2002/2003. This issue has not yet been resolved but will be addressed through initiatives such as the shared services collection agreement, higher capacity wheelie bins for kerbside recycling (planned for 2005/2006), introduction of kitchen food waste collection (planned for 2006/2007), and a reduced price mechanism for sorted commercial inorganic waste (commenced in August 2004).

CONCLUSION

Of the performance measures reported in the first quarter, the majority are on track to meet target. The second quarter results will be reported to the Finance and Operational Performance Committee in March 2005.

RECOMMENDATION

That the Quarterly Performance Report - First Quarter 2004/2005 be received.

Report prepared by: Janelle Anthony, Strategic Planner: Monitoring.



PART G - SUBCOMMITTEE REPORTS

21 EMERGENCY SERVICES SPECIAL COMMITTEE

THE COMMITTEE SUBMITS THE FOLLOWING REPORT OF ITS MEETING HELD ON TUESDAY, 30 NOVEMBER 2004

MATTERS CONSIDERED

A143-A144

The Committee 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 A143 to A144.

The Special Committee Recommends:

That the Meeting report of the Emergency Services Special Committee held on Tuesday 30 November 2004 be received.

DQ Battersby, JP
CHAIRPERSON



22 TENDERS SUBCOMMITTEE

THE SUBCOMMITTEE SUBMITS THE FOLLOWING REPORT OF ITS MEETING HELD ON FRIDAY, 26 NOVEMBER 2004

MATTERS CONSIDERED

A145-A148

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 A145 to A148.

The Subcommittee Recommends:

That the Meeting report of the Tenders Subcommittee held on Friday, 26 November 2004 be received.

JM Clews, QSO, JP
CHAIRPERSON



23 **CREATIVE COMMUNITIES SCHEME ALLOCATION SUBCOMMITTEE**

THE SUBCOMMITTEE SUBMITS THE FOLLOWING REPORT OF ITS RECONVENED MEETING HELD ON TUESDAY, 23 NOVEMBER 2004

1. **CREATIVE COMMUNITIES SCHEME ALLOCATION - NOVEMBER 2004**

The Subcommittee recommends:

That the Creative Communities Scheme Allocations as set out be approved:

No:	Group Name	Funding Requested	Funding Allocated
1	Hoani Waititi Marae	\$0.00	\$0.00
2	Monsignor Ante Klaric	\$0.00	\$0.00
3	Te Atatu Peninsula Kindergarten	\$0.00	\$0.00
4	Waitakere Gardens Residents Association	\$0.00	\$0.00
5	Whopper Chopper Trust	\$0.00	\$0.00
6	833 Records	\$5,000.00	\$3,395.00
7	Adoption Counselling Education & Research Trust	\$1,984.00	\$1,195.00
8	Henderson South School	\$4,565.00	\$2,695.00
9	Kumeu Arts Centre	\$1,491.80	\$995.00
10	New Zealand Chinese Culture & Art Centre Inc	\$5,000.00	\$2,495.00
11	Nga Kakano O Te Kaihanga Trust	\$5,000.00	\$2,795.00
12	Priscilla Cowie	\$3,458.00	\$2,745.00
13	Ranui Baptist Youth Group FBI	\$778.00	\$395.00
14	Somali Concern Refugees & Migrant Organisation Inc	\$5,000.00	\$2,995.00
15	Spectrum Care Trust	\$2,184.00	\$1,495.00
16	Te Korowi O Ti Iwi Trust	\$1,806.21	\$1,495.00
17	Te Putahitanga Rangatahi O Te Rautahi	\$2,816.00	\$1,611.00
18	Te Rautahi Maori Culture Group	\$5,000.00	\$2,845.00
19	Waitakere Arts & Cultural Development Trust	\$4,855.00	\$3395.00
20	West Auckland Mental Health Support Trust	\$995.00	\$745.00
21	YMCA of Auckland	\$3,000.00	\$1,995.00
22	Young & Emerging Artists Charitable Trust	\$4,500.00	\$2,495.00
23	Leataata O Le Lumanai Samoa Trust	\$3,511.00	\$2,195.00
24	Love to Sing Limited	\$4,946.00	\$0.00
25	Piha Media Trust	\$5,000.00	\$2,495.00
26	ROMA	\$1,327.00	\$0.00
27	Sturges Road Kindergarten	\$1,383.00	\$990.00
28	Timothy Hopkins	\$5,000.00	\$3,395.00
29	Warren Pohatu	\$5,000.00	\$3,395.00
30	What's in the Box? Theatre Inc	\$1,513.00	\$990.00
		\$85,113.01	\$49,241.00

2. OTHER MATTERS CONSIDERED

A149-A151

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 A149 to A151.

The Subcommittee Recommends:

That the Reconvened Meeting report of the Creative Communities Scheme Allocation Subcommittee held on Tuesday, 23 November 2004 be received.

JP Lawley

CHAIRPERSON



PART H - CONFIDENTIAL ITEM

24 TECHSCAPE LIMITED - GOVERNANCE REVIEW

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

PROCEDURAL MOTION TO EXCLUDE THE PUBLIC

That the public be excluded from the following part of the proceedings of this meeting, namely Techscape Limited - Governance Review.

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.
<ul style="list-style-type: none"> Techscape Limited - Governance Review 	<p>The withholding of information is necessary in order to:</p> <ul style="list-style-type: none"> protect the privacy of the 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>

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:

- The report contains information which if released, would affect the Council's negotiations and the need to maintain the privacy of property owners.*

