



**AGENDA FOR AN ORDINARY MEETING OF THE FINANCE AND OPERATIONAL  
PERFORMANCE COMMITTEE TO BE HELD IN THE CIVIC CENTRE,  
6 WAIPAREIRA AVENUE, LINCOLN, WAITAKERE CITY, ON  
MONDAY, 14 JUNE 2004 COMMENCING AT 9.30 AM**

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**1 APOLOGIES**



**2 URGENT BUSINESS**

Section 46A(7) and (7A) 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 item is a minor matter; 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, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting; and
- (iii) the Committee resolves to deal with the item.

No resolution, decision, or recommendation may be made in respect of the item except to refer the item to a subsequent meeting for further discussion.

**NOTE:** Urgent Business need not be dealt with now and may be delayed until later in the meeting.



**3 CONFIRMATION OF MINUTES**

Ordinary - Monday, 10 May 2004

**RECOMMENDATION**

That the minutes of the Ordinary Meeting of the Finance and Operational Performance Committee held on Monday, 10 May 2004, as circulated, be taken as read and now be confirmed.



## **PART I - PRESENTATIONS**

### **4 WAITAKERE PROPERTIES LIMITED – QUARTERLY REPORT TO 31 MARCH 2004**

#### **PURPOSE OF THE REPORT**

*A1-A18*

This report presents the company's Financial Statements attached at pages A1 to A18 for the period ending 31 March 2004 (balance date is 30 June 2004) and under the respective Declarations of Trust, together with a brief synopsis of activities. Waitakere Properties Limited presents detailed financial information together with a formal Report on Operations at the completion of each half-year and full year period.

#### **BACKGROUND**

Waitakere Properties Limited is 100% owned Waitakere City Holdings Limited which is in turn 100% owned by the Waitakere City Council. Waitakere Properties Limited was set up to perform and facilitate property development on behalf of the City. It also undertakes consultancy services for the City and other parties. Waitakere Properties Limited is required by its Statement of Intent to report quarterly, through the parent company, to Council.

#### **STRATEGIC CONTEXT**

Waitakere Properties Limited assists the Council in meeting its strategic outcomes by involvement in strategic projects, economic development and in support of service delivery.

#### **WAITAKERE PROPERTIES LIMITED**

The Financial Statement demonstrates a net surplus for the 9 months ended 31 March 2004, \$75,397.

Allan McGregor relinquished his association with the company with effect from 31 December 2003. URBANPartnerships Limited, with Allan McGregor as Managing Director, has continued to provide consultant support with respect to the Henderson Central Project including scoping development potential with respect to the balance of the landholding. Gregory Parker has been appointed as the new Chief Executive, and will take up that role at the end of June 2004. Graham Wakefield is acting as Company Secretary meantime and is securing progress on operational issues with respect to properties held under the Declaration of Trust mechanism.

Waitakere Properties Limited is operating within budget and should conclude the 2003/2004 financial year in a surplus position.

#### **CORBAN WINERY ESTATE**

Activities under this Declaration of Trust were completed some time ago and outstanding bond issues relating to the esplanade development area have now been resolved with a bond refund amounting to \$43,181 having been subsequently paid.

Accordingly, the accumulated deficit has been established as \$890,256. Although this is not a "loss" in the sense that the remainder of the Corban Estate land (returned to Council jurisdiction, at Council's request) has been enhanced in value to a greater extent by virtue of the roading and other works undertaken, it is necessary for this deficit to be extinguished and the Trust account closed for accounting purposes.

The Directors of Waitakere Properties Limited consider that this can be achieved by a further distribution applied for that purpose from the credit balance currently held in the Harbour View Estate account. Implementation on that basis requires resolution authority, but can be made prior to 30 June 2004. This will still be consistent with advice previously provided to Council officers regarding budgeted distributions anticipated to be made by the Company during the current and 2004/2005 financial years. Accordingly, the Board has endorsed this approach and recommends that action be approved by the Finance and Operational Performance Committee.

#### **GLEN EDEN - CORNER WEST COAST AND GLENDALE ROADS**

Deficit as at 31 March 2004 of \$59,912. However, the preliminary subdivision to vest an additional area as road has been completed and the development concept approved in conjunction with the site purchaser, Prodeal Investments Limited, has subsequently received both land use and building consent. Accordingly, the transaction became unconditional and was settled on 21 May 2004 in favour of Prodeal's nominee, Linero Holdings Limited.

An interim distribution amounting to \$400,000 will be paid over to Council prior to 30 June 2004 as budgeted, with the final accounting in July after the current period GST return has been filed and actioned.

#### **HARBOUR VIEW ESTATE**

Surplus as at 31 March 2004 of \$1,812,289. This figure has since been reduced by virtue of further expenditures, but all subdivision and construction works commissioned by Waitakere Properties Limited have now been completed. Remaining disposals comprise seven self-contained dwellings at Park Mews, four being subject to Agreements for Sale and Purchase. Council has issued Notices to Rectify in relation to these dwellings because of the monotek cladding construction and application has been made to the Building Industry Authority for a determination.

The company's involvement in the Harbour View Estate development will be fully concluded by 30 June 2005.

#### **HENDERSON CENTRE - 2-6 HENDERSON VALLEY ROAD**

Surplus at 31 March 2004 of \$54,070. This property has been tenanted to the extent practicable since acquisition and the company has undertaken site management on Council's behalf. Stage I demolition is now scheduled to be undertaken by Council during July/August. Waitakere Properties Limited will commence the preliminary subdivision immediately the contiguous rail corridor land is able to be vested, and Council's own land requirement is established with certainty and is scheduled to report later this month with respect to the preliminary scoping work and analysis undertaken with regard to the development potential of the residue landholding. This account has moved into a deficit balance by end May 2004 and this circumstance will continue until the development nears completion.

#### **HENDERSON VALLEY STUDIOS - HICKORY AVENUE**

Deficit at 31 March 2004 of \$105,055. Occupation of the majority of the site by the Lion, the Witch & the Wardrobe production commenced during March 2004 and is licensed until end December 2004. Expenditure has continued to be incurred with respect to building maintenance and incremental upgrades to refit for studio purposes are ongoing. Nevertheless, a credit balance in this account is anticipated to be achieved by end July 2004, and maintained thereafter. The Council has resolved that any surplus be applied to debt repayment, and associated interest cost, related to the original purchase and subsequent capital upgrade of the site.

### **NEW LYNN - 10 AMBRICO PLACE**

Deficit at 31 March 2004 of \$5,553. Consent to the preliminary subdivision necessary to reconfigure this site and vest additional roading and reserve area was delayed pending resolution of remediation issues involving the substantial retaining wall structure at the rear of the property. Consent has subsequently been received and tenders called for the construction work. Disposal of the balance of the site will not be actively pursued until this work has been further advanced.

### **TESTING STATION**

Surplus at 31 March 2004 of \$24,092. This amount is being held to discharge obligations retained by Waitakere Properties Limited to be met in conjunction with construction scheduled to be undertaken by the purchaser of the final Future Development Unit.

### **WEST HARBOUR (WESTPARK MARINA)**

Surplus at 31 March 2004 of \$47,507. Waitakere Properties Limited is a passive investor pending Westpark Marina Limited establishing its final development concept plan and committing to any associated negotiations.

### **NEW PROJECTS**

- (a) **81A Godley Road**  
Council has authorised this property being conveyed under Declaration of Trust, with effect from 1 May 2004.
- (b) **Hugh Brown Car Park**  
A report will be submitted to the June 2004 Council meeting.
- (c) **Strategic Land Acquisitions**  
The new Chief Executive of Waitakere Properties Limited will commence, in consultation with Council and Enterprise Waitakere, to scope the potential to initiate strategic land acquisitions on Council's behalf and complete an analysis with respect to particular properties.

### **CONCLUSION**

The Chairperson, Ross Jewell, and Rob Noakes (Director), will be in attendance together with the Company Secretary, to respond to questions.

### **RECOMMENDATIONS**

1. That the Report and Financial Statements as at 31 March 2004 as now presented, applicable to Waitakere Properties Limited and to properties held under Declaration of Trust, be received.
2. That authority be given for the deficit balance in the Corban Winery Estate Trust Account to be extinguished prior to 30 June 2004 by application of the proceeds of a further distribution to be made to Council by Waitakere Properties Limited from the Harbour View Estate Account.

Report prepared by: Graham Wakefield, Company Secretary: Waitakere Properties Limited



5 **QUARTERLY REPORT OF WAITAKERE CITY HOLDINGS LIMITED AND SUBSIDIARIES**

**PURPOSE OF THE REPORT**

The purpose of the report is to inform the Finance and Operational Performance Committee as to the performance of Waitakere City Holdings Limited, its subsidiaries and associated organisations for the third quarter of the current financial year (nine months ended 31 March 2004).

**BACKGROUND**

The Statements of Intent of the Holding Company and its subsidiaries state that they will report on their performance on a quarterly basis. As the Holding Company is only a consolidation of the two subsidiaries, its financial performance is not specifically reported on and as Enterprise Waitakere reports separately to the Finance and Operational Performance Committee with respect to its operational performance (the May meeting of the Finance and Operational Performance Committee) that group's financial statements are attached for information only. Waitakere Properties Limited is the subject of a separate report within this agenda.

**STRATEGIC CONTEXT**

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

**ISSUES**

*A19-A44*

The Third Quarter Reports for the reporting entities are attached as follows: Techscape Limited as attached at pages A19 to A26; Enterprise Waitakere as attached at pages A27 to A44.

The reporting in respect of Waitakere Properties Limited is the subject of a separate report within this agenda. With the exception of Enterprise Waitakere, these reports should be read in conjunction with the presentations of the respective Board Chairpersons and Chief Executives scheduled for this Committee meeting. As reported in the Second Quarter Report, due to difficulties in establishing certain new contractual requirements, Techscape is projecting a lower than budgeted profit at year end. The company has indicated that it will meet its current year financial commitment to the Holding Company in respect of convertible note interest payments and in turn the Holding Company will meet its budgeted financial commitments to the Council in the current year.

**CONCLUSION**

The Third Quarter Report for Techscape Limited and financial statements for Enterprise Waitakere are attached for your information. Although issues of not meeting budget have been raised in respect of Techscape Limited, the Holding Company will still meet all of its current year budgeted obligations to Council.

Any questions or queries should be directed to the respective Board Chairpersons and Chief Executives during the presentation of their reports.

## **RECOMMENDATION**

That the Quarterly Report of Waitakere City Holdings Limited and Subsidiaries report be received.

Report prepared by: Alec Third, Accountant - Waitakere City Holdings Limited.



## **PART II - PROPERTY**

### **6 MAINTENANCE OF TOWN CENTRES**

#### **PURPOSE OF THE REPORT**

The purpose of this report is to advise the Finance and Operational Performance Committee of proposed action to improve maintenance service levels for town centres.

#### **BACKGROUND**

At the deliberations of the draft 2004/2005 Annual Plan, issues were raised regarding the maintenance levels for town centres.

A report on this issue was presented to the Finance and Operational Performance Committee meeting of 5 April 2004, with a timeline to address the issues by December 2004. The Committee considered that this matter needed to be addressed with great urgency, and resolved as follows:

- 1. That the Maintenance of Town Centres and High Profile Roads report be received.*
- 2. That a report be submitted as soon as practicable to the Finance and Operational Performance Committee on possible improvements to Town Centre Maintenance.*

505/2004

#### **STRATEGIC CONTEXT**

The 2020 Vision for Urban and Rural Villages - Town Centres is that they are thriving places, providing exciting options for people to live and play. Public facilities, places and spaces teem with people; the streets are alive and busy. The goals over the next ten years include:

- Encouraging lots of living and working in town centres.
- Practice and support sustainable urban development.
- Enhance village centres in the City's rural areas.

#### **ISSUES**

There are a number of different contracts required to maintain town centres, based on various skill sets, as follows:

- Litter collection;
- Solid waste collection;
- Footpath maintenance;
- Garden and landscape maintenance;

- Road and car park sweeping;
- Streetlights maintenance;
- Traffic signals maintenance;
- Graffiti removal;
- Bylaw enforcement;
- Cleaning and repainting of facilities including seats, handrails, rubbish bins, bollards, posts;
- Car park sweeping;
- Grass renovation and edge treatment to grassed areas;
- Garden replacements.

These contracts are managed by Solid Waste, Parks and Transport Assets.

A review has been undertaken to establish the opportunities for co-ordination and efficiency and a joint officer group has been established to ensure alignment of work programmes.

However, there still is a need to provide more proactive co-ordination and instant response to maintenance issues in town centres. Therefore, it is proposed to enter into a contract to increase the levels of service, as follows:

- For 2004/2005 providing two dedicated crews for New Lynn, Titirangi, Glen Eden and Henderson, with expansion to other high profile areas in 2005/2006;
- The crews would operate 24/7 and be uniformed;
- The crews would provide an instant response to non-specialist maintenance issues and contact the Call Centre to organise specialist contractors.

## **RESOURCES**

The estimated cost of providing the additional service is \$200,000 as this funding has not been included in the draft 2004/2005 Annual Plan, it will be necessary to provide an appropriate recommendation to the Long Term Council Community Plan and Annual Plan Special Committee 2004/2005.

## **CONCLUSION**

It is proposed to improve the levels of service for town centres through the following initiatives:

- improving co-ordination between Council sections responsible for town centre maintenance; and
- implementing two dedicated crews to provide instant response for New Lynn, Titirangi, Glen Eden and Henderson.

The provision of the additional service will cost \$200,000 per annum. A report recommending this additional funding has been submitted to the Long Term Council Community Plan and Annual Plan Special Committee 2004/2005.

## **RECOMMENDATION**

That the Maintenance of Town Centres report be received.

Report prepared by: Tony Miguel, Group Manager: Asset Management.



**PART III - LEGAL AND CONSTITUTIONAL**

**7 AFFIXATION OF COMMON SEAL**

**EXECUTION OF DOCUMENTS: 3 May 2004 - 31 May 2004**

<b>Nº</b>	<b>NAME</b>	<b>PARTICULARS</b>
2994	WCC - Western Indoor Bowling Assoc Inc	Deed of Lease for part of Olympic Park - Resolution 855/2003
2995	WCC - Darren Michael Wells	Fencing Agreement - CT 58140 - 93 Sunnyside Road Stage 1 - SPW 20871
2996	WCC - Alan May Limited	Drainage Easement in gross - CTs 120577-120578 - 3 & 4 Dellwood Avenue - SPW 21837
2997	WCC - Telecom New Zealand Limited	Cancellation of Consent Notice C988696.2 in respect of CTs NA103D/492 & 493 - 153-157 Brigham Creek Rd - SPW 21972
2998	WCC - Waiatarua Ratepayers and Residents Association Incorporated	Deed of Lease - Renewal - Resolution 349/96
2999	WCC - Te Whanau O Waipareira Trust	Memorandum of Transfer creating Stormwater Detention and Drainage Easement in gross affecting CT NA117B/312 - and consent as mortgagee - SPW 20913
3000	WCC - Te Whanau O Waipareira Trust	Memorandum of Transfer creating Right-of-Way Easement in gross affecting CT NA117B/312 - and consent as mortgagee - SPW 20913
3001	WCC - 435 West Limited	Memorandum of Transfer creating Right-of-Way Easement in gross affecting CT's 119436-119445 inclusive - SPW 20913
3002	WCC - 435 West Limited	Memorandum of Transfer creating Water Supply Easement in gross affecting CT's 119436-119450 inclusive - SPW 20913
3003	WCC - 435 West Limited	Agreement as to fencing - SPW 20913
3004	WCC - Y&Y Jiang, SP Tang, Z Chen & XM Deng	Water Supply easement in gross Lot 10 DP 329455 - 76-92 Seabrook Avenue - SPW 21659
3005	WCC - David Coleman	Warrant of Appointment & Evidence of Identity - No.WCC131
3006	WCC - ANZ Banking Group (NZ) Limited	3 year revolving credit facility agreement (\$20m) - Council Resolution 4195/2003
3007	WCC - ANZ Banking Group (NZ) Limited	5 year revolving credit facility agreement (\$30m) - Council Resolution 4195/2003
3008	WCC - JR & B Cridge	Withdrawal of Caveat No.B822079.5 - CT NA19B/494
3009	WCC - Leataata O Le Lumanai O Samoa Trust	Management Agreement for Moire Road Hall - City Development Committee Resolution 4274/2003

3010	WCC - Moire Road Hall Society Incorporated	Surrender of Deed of lease - City Development Committee Resolution 4274/2003
3011	WCC - Waitakere Properties Limited	Agreement re vesting of Edgelea Park - Lot 85 DP 208882 – CT NA137A/346

### **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 IV - FINANCE**

### **8 OPERATING AND CAPITAL EXPENDITURE SUMMARIES**

#### **PURPOSE OF THE REPORT**

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

#### **BACKGROUND**

A45 This report covers expenditure for the 10 months ending 30 April 2004. The financial summaries are attached at page A45.

#### **ISSUES**

A full financial review, including forecasts through to the end of the year has been carried out as part of the year's third quarter review.

The draft Annual Plan 2004/2005 allowed for a carry forward rates surplus of \$1.332 million. In addition to this amount, a refund from Watercare Services Limited for \$805,107 to be received by 30 June 2004 had been included to reduce the rate requirement in 2004/2005. The forecast financial position to year end shows that the expected surplus from rates to be carried forward may be \$1.6 million and a further refund from Watercare Services Limited of approximately \$700,000 is now expected.

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 Operating and Capital Expenditure Summaries report be received.

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



## 9 STATUS OF SPECIAL FUNDS

### PURPOSE OF THE REPORT

The purpose of this report is to keep the Finance and Operational Performance Committee informed as to the status of Special Funds.

### FUNDS

A46 The Special Fund balances as at 30 April 2004 and summary transactions for the first 10 months of the current financial year is attached at page A46.

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



## 10 BORROWING AND INVESTMENT REPORT

### PURPOSE OF THE REPORT

A47-A52 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. The relevant portfolio and graphs are attached at pages A47 to A52.

### STRATEGIC CONTEXT

Council's Fund 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 assists 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 also, from time to time, includes 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 in 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 management is also 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 2003/2004 year, including carry forward projects from the 2002/2003 year, through the Long Term Council Community Plan of \$101.912 million. Interest expense is budgeted to be \$8.946 million.

Council approved through the Long Term Council Community Plan to borrow up to \$131.692 million to cover the loans funded work programme and for the refinancing of maturing loans.

Council has also resolved to obtain a Standard and Poor's Credit Rating.

*"1. That approval is given to obtain a credit rating for Waitakere City Council."*

2970/2001

## Completed

The Finance and Operational Performance Committee has since resolved to:

- execute a facility agreement with the ASB Bank for a term loan of \$15 million and offer \$3 million of security for interest rate risk management instruments, completed March 2003:

*"3. That authority is given to execute under seal the standard International Swap Dealers Association agreement with ASB Bank Limited, and the proposed facility agreement for the \$15m term loan subject to the Corporate Solicitor's approval as to the form of the facility agreement."*

2592/2002

## Completed

- renegotiate, as required, uncommitted bank facilities which are used to cover working capital requirements on a daily basis, currently totalling \$35 million:

- “1. That the information be received.
2. That the Director: Finance is delegated authority to act as Council’s authorised representative for the purposes of negotiating cash facilities agreements on the basis outlined in the agenda report.
3. That authority is given to execute under seal any facilities agreement which may be required by the parties scheduled, or any other registered bank, to continue these cash facilities or in relation to any such new facility, subject to the Corporate Solicitor’s approval as to form in each instance.”

2591/2002

**Completed**

- execute a facility agreement with the Bank of New Zealand for a 364 day committed cash advance facility of \$20 million, now completed but not drawn:

- “1. That the information be received.
2. That the Director: Finance is delegated authority to complete negotiations forming part of the said facilities documentation with the BNZ Bank.
3. That authority is given to execute under seal the proposed facility agreement for \$20 million with the BNZ, subject to the satisfactory review by Council’s external Solicitors.”

2840/2002

**Completed**

- renegotiate the ANZ committed cash advance facility to a value of \$50 million, and a further \$7.5 million in security for interest rate risk management instruments:

- “1. That the information be received.
2. That the continuation of the existing facilities and facility limits as outlined in the agenda report to the meeting be approved.
3. That the terms and conditions applicable to the ANZ Banking Group (New Zealand) Limited facilities agreement be accepted to a limit of \$50 million term debt draw down and a limit of \$7.5 million risk management instruments for interest rate hedging and the common seal of Waitakere City Council be authorised to be affixed to that document.
4. That the Chief Executive and the Director: Finance be delegated authority to act as Councils authorised representatives for the purposes of the ‘General Conditions’ forming part of the said facilities agreement with the ANZ Banking Group (New Zealand) Limited.”

938/2002

**Completed**

- use the \$56,353,589.60 received from the sale of the UnitedNetworks Limited shares to repay debt:

“That the \$56,353,589.60 received from the sale of the UnitedNetworks Limited shares be applied in accordance with the Borrowing and Investment Policy to repay debt.”

3612/2002

**Completed**

## **ESTIMATED SUMMARY OF BORROWING AND INVESTMENT MOVEMENTS, APRIL 2004**

Council's estimated gross term debt position has decreased by \$3.9 million since March 2004, with an estimated closing balance at April month end of \$91.796 million. Estimated working capital borrowings of \$22,539 million as at 30 April 2004 have been funded using internal funds and unsecured bank loans.

### **SIGNIFICANT FUNDING TRANSACTIONS ENTERED INTO DURING APRIL 2004**

- Sinking Fund Investment of \$1,640,760.02 for 42 days at 5.66%
- ARST Fund Investment of \$1,202,702.64 for 42 days at 5.66%
- Sinking Fund Investment of \$1,823,631.26 for 42 days at 5.65%
- Sinking Fund Investment of \$2,463,118.93 for 42 days at 5.67%

### **FINANCIAL MARKET COMMENTARY**

#### **Market Overview**

After the increase of the Official Cash Rate by the Reserve Bank of New Zealand on 29 April 2004 to 5.50%, the 90 Day Bank Bill has trended upwards to a level just below 6.0%. Meanwhile, longer term interest rates have also trended higher over the past month from lows of 6.30% to a current level of approximately 6.80%.

The New Zealand dollar weakened against the US Dollar from highs of 0.71 at its peak in February 2004 to a low below 0.60 in mid May 2004 before rebounding to a current level of approximately 0.63.

The trend in the 90 Day Bank Bill rate demonstrates the financial markets expectation of at least a further 0.50% in the Official Cash Rate over the coming months. This appears to be consistent with the view that inflation pressures, largely offset earlier in the year by the New Zealand dollar strength, are still prevalent in the New Zealand economy. Although residential building activity and the housing market have slowed from recent peaks, there are significant pressures such as labour capacity constraints and the ramifications of increased oil costs to consider.

#### **Upcoming Dates**

Monetary Policy Statement	10 June 2004
Official Cash Rate Announcement	29 July 2004

### **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, Funds Accountant.



## 11 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 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.

### PAYMENTS

A53 A summary schedule of payments made for the period 8 April 2004 to 12 May 2004 is attached at page A53.

A54-A57 A further schedule of all payments of \$5,000 and above, together with the reason for the payment is attached at pages A54 to A57. 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.

### 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.



## 12 QUARTERLY PERFORMANCE REPORT - THIRD QUARTER 2003/2004

### 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 third quarter of the 2003/2004 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.

It should be noted that a review of these performance measures and targets took place in concurrence with the strategic review and development of Council's Long Term Council Community Plan (2003/2013). These revised measures are in place to be monitored over the 2003/2004 financial year.

## ISSUES

### Third Quarter Results (January - March 2004)

A58-A62

The performance results for the third quarter of 2003/2004 are summarised below. The complete list of the third quarter results for 2003/2004 is attached at pages A58 to A62.

Of the 29 performance results reported in the third quarter of 2003/2004, 86% are on track to meet or exceed target, with no measures unreported (29 measures total).

#### Positive Results

- Town Centre development plans are progressing well with some plans already complete (i.e. Henderson, Lincoln North).
- The Council's role in the collaboration strategy is achieving positive outcomes.
- AA grade achieved in the quality of Waitakere City's water (supply), complying with the Ministry of Health's Drinking Water Standards for New Zealand (2000).
- 100% compliance with resource consent conditions and other legislative requirements for ensuring safe and environmentally acceptable former waste sites.

#### Key Issues

- City Council collected domestic waste deposited at the Transfer Station is increasing slightly (per person). A considerable improvement is expected when the Council introduces a kitchen food waste collection service in the City (this is likely to be implemented in the 2006/2007 Annual Plan). In addition, an updated educational pamphlet has been delivered to all the households in the City.
- Slightly less waste entering the Transfer Station (from within and outside the city) that is able to be diverted from landfill through reuse, recycling, recovery or composting initiatives. The recruitment of four additional staff for resource recovery is still to be realised.
- Lesser percentage of flood callouts that were able to be responded to in less than 3 hours. This is due to three significant storm events that were above the resource capacity provided for responding to flood events. (For flood callouts that were within the resource capacity for responding to significant flood events, 100% were responded to within three hours).

## CONCLUSION

Of the performance measures reported in the third quarter, the majority are on track to meet target. The fourth quarter results will be reported to the Finance and Operational Committee in August 2004.

## RECOMMENDATION

That the Quarterly Performance Report - Third Quarter 2003/2004 be received.

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



### 13 FLOOD DAMAGE FUNDING

#### PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Finance and Operational Performance Committee for additional funding for stormwater, wastewater and roading budgets as a result of the multiple severe storm events experienced so far in 2003/2004.

#### BACKGROUND

The stormwater and wastewater budgets included in the 2003/2004 Annual Plan do not allow for response to significant storm events. Budgets are included for normal levels of reactive and preventative maintenance and are sufficient to cover response to storms up to a 1 in 1 year event. This has been reported annually to Annual Plan deliberation meetings in the EcoWater Unit Overview Report.

Furthermore, in significant storm events, new flooding problems occur which require investigation and remedy through capital works.

#### STRATEGIC CONTEXT

Waitakere takes innovative approach in managing drinking water supply, wastewater and stormwater together. This is to ensure that the services in all three areas are efficient, reliable and high quality and minimise impacts on the environment over the long term.

Council is committed to managing stormwater and wastewater wastewater in ways which will:

- protect public health;
- enhance environmental values; and
- use financial resources wisely.

#### ISSUES

A number of significant storm events have occurred to date in 2003/2004, as outlined below, that have resulted in a number of emergency flooding calls, wastewater overflows and road slips.

These storm events required to additional response costs associated with the maintenance contract, follow up maintenance work such as video inspections to check the condition of pipes and hydro-jet flushing to remove blockages.

#### Monthly Weather Indicators

Rainfall and storms during 2003/2004 has been unpredictable and unseasonal. There have been several high intensity, short duration storms in the city as well as long periods of consistent rainfall. Table 1 below shows rainfall records for 2003/2004.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Rainfall in mm	141	91	164	148	89	85	100	240	14	59	TBA
Rainfall % compared to 100% Average	80%	68%	164%	146%	88%	79%	114%	343%	15%	54%	TBA

**Table 1 - Storm Events 2003/2004**

In February 2004 rainfall was 343% of normal and it was a new rainfall record for February in Waitakere City.

Ironically in March 2004 rainfall was only 14mm and it was a new record low being just 15% of average March rainfall.

A summary of significant storm events and consequences is shown in Table 2 below.

Date	Storm Return Period	Number of Wastewater Overflows	Number of Properties Affected by Flooding
12 October 2003	2 year event, of 20 minute duration	11	28
28-31 January 2004	10 year, 6 hours	32	27
2 February 2004	2 year, 2 hours	29	35
28 February 2004	5 year, 24 hours	23	15
8 May 2004	80 year flood in Opanuku and 5 year, 24 hours	26	42
<b>Total</b>		<b>121</b>	<b>147</b>

**Table 2 - Significant Storm Events and Consequences during the Year**

### Reactive Maintenance Costs

Reactive Maintenance costs as a consequence of the storm activity for both stormwater and wastewater have been significant. Financially the accumulated budget over expenditure is shown in Table 3.

	Budget 2003/04	Forecast 2003/04	Budget over expenditure
Stormwater	\$473,460	\$649,323	\$175,863
Wastewater	\$710,809	\$833,425	\$122,616
<b>Total</b>	<b>\$1,184,269</b>	<b>\$1,482,748</b>	<b>\$298,479</b>

**Table 3 - Stormwater and Wastewater Maintenance Forecasts**

The most recent flooding events that occurred on 8 May 2004 are not included in these costs as the full costs of work orders with Techscape for the month of May are not yet closed. However based on previous occurrences it will appear that could increase by a further \$75,000. Thus the total additional funding requested for 2003/2004 is \$363,479 to cover the cost of responding to flooding over and above the 2003/2004 Annual Plan allowance of a storm frequency of one in one year.

### Roading Slips

A63-A64

Five slips have occurred on Council's roading network, with an estimated cost of repairs of \$400,000, as attached at pages A63 to A64. This work is likely to receive Transfund funding and accordingly an application will be lodged with Transfund.

### Stormwater, Wastewater Capital Works

A65

The storms have highlighted a number of stormwater and wastewater problems which require urgent attention. A list of the capital works required is given as attached at page A65 and summarised below.

	Number of Projects	Total Cost Estimate
Stormwater Capital Works	21	\$1,645,000
Wastewater Capital Works	4	\$45,000
<b>Total</b>		<b>\$1,690,000</b>

In order to address these issues, approval of additional capital works funding as outlined above is sought.

### RESOURCES

Additional funding of \$363,479 is requested to cover the cost of flood emergency response in the 2003/2004 Annual Plan. The additional funding can be offset from increased recoveries in the 2003/2004 budget, arising from one off financial contributions. These increased recoveries have now become available because financial contribution has exceeded forecast levels due to high levels of activity in the construction and development sectors.

It is not proposed to increase net expenditure in the wastewater and stormwater budgets in the draft 2004/2005 Annual Plan, on the proviso that storm events will be specifically reported to the Finance and Operational Performance Committee for additional funding approval.

However, it is recommended that the draft 2004/2005 Annual Plan be amended to provide capital expenditure funding for remedial works arising from 2003/2004 flood damage, as follows:

- Stormwater capital works \$1,645,000
- Wastewater capital works \$45,000
- Roading capital works \$400,000

The additional works can be implemented in 2004/2005 with existing staff resources.

### CONCLUSION

The significant storms that occurred in 2003/2004 have required emergency response which was not allowed for in the 2003/2004 Annual Plan. In addition, the storms have highlighted additional stormwater, wastewater and roading work which is urgently required as a result of the storms.

Additional operational and capital funding is requested to cover the additional maintenance costs and remedial capital works.

### RECOMMENDATIONS

1. That the Flood Damage Funding report be received.
2. That the Finance and Operational Performance Committee approve additional funding of \$363,479 in the 2003/2004 Annual Plan to cover the cost of flooding emergency response to events with frequency greater than a one in one year return period, with the additional cost offset by increased recoveries in the stormwater and wastewater budgets for 2003/2004.

3. That it be a recommendation to the Long Term Council Community Plan and Annual Plan Special Committee that additional capital expenditure funding be provided in the 2004/2005 Annual Plan for urgent remedial works arising from 2003/2004 flood damage, as follows:
- Stormwater capital works \$1,645,000
  - Wastewater capital works \$45,000
  - Roading capital works \$400,000

Report prepared by: Richard Taylor, Assets and Network Manager



## **PART V - GENERAL**

### **14 WATERCARE SERVICES LIMITED UPDATE - PROPOSED NEW SHAREHOLDERS REPRESENTATIVE GROUP PROCESS**

#### **PURPOSE OF THE REPORT**

The purpose of this report is to seek the Committee's approval of the Watercare Services draft Statement of Corporate Intent and to present a proposed new annual process for the Shareholders Representative Group.

#### **BACKGROUND**

Watercare, the provider of bulk water and wastewater services to much of the Auckland Region, is owned by the Territorial Local Authorities of Auckland. The Council's shareholding stands at 16.7%. The Council has two representatives on the Watercare Shareholders Group, Councillors Clews and Lawley. The main functions of the Shareholders Group are to appoint the Board of Watercare, to provide input to Watercare's Statement of Corporate Intent and monitor the performance of the Board against the Statement of Corporate Intent. An Officers Group with representatives from the shareholder Territorial Authorities supports the Shareholders Group.

A66-A99

A workshop was held on 15 March 2004, where Councillors discussed issues relating to water management and formulated a response to Watercare's draft Statement of Corporate Intent. The draft Statement of Corporate Intent is attached at pages A66 to A99.

On 10 April 2004 the Finance and Operational Performance Committee considered the results of the workshop and passed the following resolutions:

4. *That the Shareholders Group Representatives from Waitakere City Council make the following general recommendations to the Shareholders Group*
- *That the Shareholders Group focuses on strategic directions and key processes stipulated in the Shareholders Agreement, which are the Statement of Corporate Intent, Asset Management Plans, Funding Plans and Board Performance.*
  - *That the Shareholders Group meets quarterly with additional meetings for emergency purposes only.*
  - *That the Shareholders Group explores other management options for the Officers Working Group.*

- *That the Shareholders Group be provided with more opportunity to workshop key issues, such as the meaning of sustainable management of water, Asset Management Plans, Funding Plans and Statement of Corporate Intent.*
5. *That the Shareholders Group Representatives from Waitakere City make the following recommendations to the Shareholders Group on the draft Statement of Corporate Intent:*
- *That a workshop on the 2005 Statement of Corporate Intent be held when new Board members are elected, with a view to placing the document more in the context of sustainable management of water and the four wellbeing.*
  - *That a provision be included in the 2004 Statement of Corporate Intent that if the Board wishes to make submissions to Central Government on aspects of the legislation that governs the Company, then it should first discuss its intentions with the Shareholders Group.*
  - *That the following changes be made to section 5:*
    - i) *Under "Economic Policy":*
      - *Remove "To Manage the Business Efficiently".*
      - *Include economic instruments for sustainable management options for 1 in 20 to 1 in 200 events (including risk and cost/benefit measurements).*
    - ii) *Under "Environmental Policy" remove "To Operate the Business in a Sustainable Manner".*
    - iii) *Under "Social Policy":*
      - *Remove "To Act in a Socially Responsible Manner".*
      - *Define what Watercare means by "Socially Responsible".*
      - *Change "Reasonable Corporate Citizen" to read "Responsible Corporate Citizen".*
      - *Amend the targets under corporate citizenship to include a new target a) "To actively seek opportunities to contribute to the social, economic, environmental and cultural wellbeing of people and communities, thereby aligning Watercare to the principles relating to its shareholding territorial local authorities as stipulated in Section 14 of the Local Government Act 2002".*
    - iv) *That efficiency measures be included in the Statement of Corporate Intent, as follows:*
      - *Watercare Services Limited be required to achieve a 5% per annum reduction in capital and operating costs; and*
      - *Watercare Services Limited is required to benchmark its cost per cubic metre of water and wastewater services.*
6. *That a further Council workshop be held in July 2004 to further progress the issues with regard to Water care's governance processes.*

503/2004

At the Shareholders Representative Group's 23 April 2004 meeting, Waitakere and North Shore City Councillors presented resolutions from their Councils relating to the Draft Statement of Corporate Intent. The Shareholders Representative Group resolved that the Councils' proposals be referred to the Officer's Working Group and to the May 2004 meeting of the Shareholders Representative Group.

A84-A88

The Officers Working Group met and collectively analysed Waitakere's and North Shore's proposals. The Councils' proposals and officers' analysis is attached at pages A84 to A88.

In general, officers' recommendation to the Shareholders' Representative Group for each proposal is that it be either:

- referred for consideration in the next Statement of Corporate Intent review;
- dealt with by seeking information directly from Watercare by way of letter or update at a Quarterly Briefing; or
- addressed through a new (proposed) process for the Shareholders Representative Group.

A84-A88

Officers will be recommending that the Waitakere and North Shore City Councils' recommendations regarding the Statement of Corporate Intent could be dealt with through the above three mechanisms, rather than amending the draft 2004 Statement of Corporate Intent (see officers' analysis attached at pages A84 to A88). Therefore, it is anticipated that the Shareholders Representative Group will recommend to each of the shareholding Councils that the draft 2004 Statement of Corporate Intent be approved, subject to the assurance that the Councils' proposals are addressed through the above three mechanisms. A verbal update will be given at the June Finance and Operational Performance Committee meeting.

### **Officers' recommendation to improve Shareholder Representative Group processes**

At the 23 April Shareholders Representative Group meeting, discussions over Waitakere's and North Shore's proposals gave rise to questions by representatives about the current processes for reviewing the Draft Statement of Corporate Intent as well as for promoting Shareholder Representative Group priorities to Watercare.

At the 28 May Shareholders Group meeting, the Officers Working Group will present a proposal for a new Shareholders Representative Group process, not only for the review of the draft Statement of Corporate Intent, but for improved communication of Shareholders Representative Group priorities and expectations to Watercare.

The new process is designed to:

- Improve the quality of communication between the Shareholder Representative Group and Watercare through revising the relationship framework.
- Improve efficiency of Shareholder Representative Group processes, e.g. to increase the opportunity for council input, and coordination of this input, in the annual review of the Draft Statement of Corporate Intent.

The process would also be beneficial for the Shareholder Representative Group-Watercare board relationship in terms of communicating Shareholder Representative Group priorities, and will increase the effectiveness of the Statement of Corporate Intent as a direction-setting tool.

A89-A99

The Shareholders Representative Group will consider the new process at the 28 May meeting and will refer it to shareholding Councils for their individual comment before considering it again at the 14 July meeting. A summary of the proposed process is attached at pages A89 to A99.

### **STRATEGIC CONTEXT**

The Council's strategic goal of sustainable management of the three waters, water supply, and wastewater and stormwater is integral to its relationship with Watercare and to its role on the Shareholders Representative Group.

The Council has two major roles in connection with Watercare - one as shareholder/owner, the other as customer. The extent to which this Council can add strategic input to the governance of Watercare, through its ownership and governance role, heavily influences the extent to which it can supply retail services to the City's ratepayers that meet the Council's own strategic goals, and at the most efficient price possible.

## ISSUES

The proposed process rests on a philosophical change in the Shareholder Representative Group's approach to the Statement of Corporate Intent: that the Shareholders Representative Group move from a *report-card approach* to the Statement of Corporate Intent - by which it instructs Watercare to meet the Shareholders Representative Group's requests and expectations - to a *relationship-centred approach* - by which the Shareholders Representative Group seeks first to communicate requests and expectations to Watercare outside the Statement of Corporate Intent process and, if Watercare declines, then the Shareholders Representative Group would seek to instruct Watercare to comply through inclusion of a target in the Statement of Corporate Intent.

The proposed process contains:

- i) A new meeting structure with fewer Shareholders Representative Group meetings. Specifically four Shareholders Representative Group meetings during the year, with additional special meetings as required. (For example, to discuss the results of the cost efficiency review or to approve Watercare's Statement of Corporate Intent).
- ii) An improved process for dealing with other priorities (i.e. issues outside the Statement of Corporate Intent and Funding Plan process). For example, one of Waitakere City Council's recommendations with regard to the draft Statement of Corporate Intent is to require Watercare to define what is meant by "socially responsible". The proposed process will provide a mechanism to enter into a constructive dialogue with Watercare around this issue outside the Statement of Corporate Intent process.
- iii) An improved Statement of Corporate Intent and Funding Plan review process that will commence with an annual high-level meeting for individual councils to present their issues in November.

### **Proposed new meeting structure**

#### November priority-setting meeting

It is proposed that the Shareholders Representative Group holds one high-level meeting in November each year when it will discuss priorities for Watercare for the upcoming year, including priorities for the Draft Statement of Corporate Intent, Asset Management Plan and the Funding Plan.

In October, individual councils may consider their key strategic issues for Watercare (including priority areas for the upcoming Draft Statement of Corporate Intent) and instruct their officer representative accordingly. The Officers Working Group will then hold a planning meeting to discuss and develop focus areas. From this meeting, the Officers Working Group will present the Shareholders Representative Group with advice on, and recommendations relating to, direction for Watercare for the upcoming year, including priorities for the Draft Statement of Corporate Intent and Funding Plan.

The Shareholders Representative Group should then consider these recommendations and add any of its own before conveying them to Watercare.

### Quarterly meetings

It is proposed that the Shareholders Representative Group moves to conducting its general business in quarterly meetings and holding other meetings only as required. For example, to approve Watercare's draft Statement of Corporate Intent or to consider the findings of the cost efficiency review.

These meetings will continue to have two parts: the first part will be the Shareholders Representative Group alone and will provide time for the Shareholders to discuss issues and general business and the second part will include representatives from Watercare, who will present a briefing on quarterly performance.

When the Officers Working Group first discussed this process for dealing with other priorities, it was agreed to structure the quarterly meetings around the "four wellbeings", so that each quarterly meeting would provide a forum where social, economic, environmental and cultural considerations could be discussed. For example, the September 2004 quarterly meeting was to have an "Environmental" theme, which would provide Waitakere City with an opportunity to present its approach to sustainable demand management to the other Shareholders. Since the Officers' Working Group meeting, this concept has been removed from the proposed process which will be presented to the Shareholders Representative Group at its 28 May meeting. It is suggested that this Council recommend to the Shareholders Representative Group that the new process be linked to the four wellbeings as originally suggested by its officers. The rationale for this is that the Shareholding Councils are required by the Local Government Act 2002 to have regard to the social, economic, environmental and cultural impact of their decisions. Watercare's reporting processes are also structured around the four wellbeings. Therefore it makes sense to structure the Shareholder Representative Group's meetings accordingly.

As part of the new process, Watercare will be asked to provide information either immediately or at the next Quarterly Briefing. Officers propose a "**Matters of Interest Log**" be kept by the Shareholders Representative Group as a list of issues or concerns that the Shareholders Representative Group is monitoring. This could be kept as part of the "Shareholder Representative Group Update Report" as a *living* list, on which items can be added and subtracted, at each Shareholders Representative Group meeting.

If any matter is not managed to the Shareholders Representative Group's satisfaction, then it could be included in the Statement of Corporate Intent.

Items for the **Matters of Interest log** could include:

- Research into beneficial use of bio solids.
- Research into effluent reuse and other demand management initiatives.
- Work on recovering the cost of growth from developers, in conjunction with the Local Network Operators.
- The bulk water and wastewater contract negotiations with the Local Network Operators.

### Special meetings

The proposed timetable only includes two special meetings. However, Shareholders can call for other meetings, in order to address projects or special issues, such as the cost efficiency review, the findings from which will be available in October 2004.

### Officer Working Group meetings

To support the Shareholders Representative Group and to better utilise diverse Officers Working Group resources, the Officers Working Group will hold its own meetings quarterly before the Shareholders Representative Group meeting to discuss issues that will be raised at the Shareholders Representative Group meeting and, where possible, to reach a combined Officers' position on issues.

The Officers Working Group quarterly meeting in October 2004 will be a special annual meeting where officers will discuss issues and focus areas for the coming Statement of Corporate Intent and Funding Plan processes.

### Proposed improved process for dealing with Shareholder concerns

The Officers Working Group suggests improvements could be made to make a more strategic and appropriate use of the Statement of Corporate Intent. The Statement of Corporate Intent is the primary tool for the Shareholders Representative Group and Watercare to communicate shareholder priorities and expectations. It contains directional targets for Watercare and provides a basis for accountability of the Directors to Shareholders for the Organisation's performance. Shareholders Representative Group priorities and expectations are, thus, appropriately signalled.

However, there are times when the Shareholders Representative Group has a concern or issue with a particular aspect of Watercare's operations and these concerns/issues could be dealt with more effectively using non-Statement of Corporate Intent methods. Officers consider that, in these cases, better outcomes could be achieved by directly engaging with Watercare to obtain more information or regular updates (as opposed to placing the matter, in the first instance, in the Statement of Corporate Intent).

A more expansive communication framework would create:

- An improved shareholder relationship with Watercare;
- Greater flexibility in communicating Shareholder concerns; and
- Increased effectiveness in using the Statement of Corporate Intent as a tool to influence the direction of Watercare.

The improved communication framework would work as follows:

#### **Shareholding Council priority or concern**

If a shareholding council has a concern or wishes for Watercare to provide information about its business or a possible initiative, then that council may bring it to the Shareholders Representative Group.



#### **Shareholders Representative Group deliberation**

The Shareholders Representative Group will consider the issue and, if deemed appropriate, will resolve to write to Watercare to request further information.



#### **Watercare responds immediately or at next Quarterly Briefing**

Watercare will be requested to provide the information immediately or at the next quarterly meeting. The item is included in the "Matters of Interest" Log.



#### Shareholders Representative Group deliberation

- *If the Shareholders Representative Group found Watercare's response **satisfactory**, then the Shareholders Representative Group may also choose to request Watercare to provide **updates** at every quarterly meeting on some key issues, such as progress in contract negotiations with the Local Network Operators.*
- *If the Shareholders Representative Group found Watercare's response **unsatisfactory**, and Watercare refuses to meet a Shareholders Representative Group request, then the Shareholders Representative Group could consider including the request as a requirement in the **Statement of Corporate Intent**.*

This process, therefore, moves away from the report-card approach - where every request the Shareholders Representative Group has is included in the Statement of Corporate Intent and reported against regularly - to an approach based on the maturing relationship between the Shareholders Representative Group and Watercare.

#### Improved Statement of Corporate Intent and Funding Plan Process

Officers propose a new process for the Shareholders Representative Group's reviews of the Funding Plan and draft Statement of Corporate Intent. As mentioned before, the proposed process begins annually in November and is centred on an important Shareholders Representative Group meeting in November for the Shareholders Representative Group to discuss directions for Water care in the upcoming year, including priority areas for the Statement of Corporate Intent and Funding Plan.

It is not proposed that Watercare be requested to provide its Funding Plan and draft Statement of Corporate Intent any earlier than it is currently required to. It will, therefore, continue to be made available at the end of February each year.

March and April will be especially important for the Shareholders Representative Group in terms of its review of the Draft Statement of Corporate Intent. There will be a Shareholders Representative Group meeting in March (the normal quarterly meeting) *and* two special meetings in April at which the Shareholders Representative Group will be able to consider the draft Statement of Corporate Intent.

There is an opportunity to rationalise the Statement of Corporate Intent so that it only contains appropriate directional targets for Watercare and to provide a better basis for accountability of the directors to shareholders for the organisation's performance. Rationalisation could be an area of focus for the next Statement of Corporate Intent review round.

#### RESOURCES

Technical support provided by Council officers for the Watercare Shareholders Group is included in the 2003/2004 Annual Plan and the Draft 2004/2005 Annual Plan.

#### CONCLUSION

At the Shareholders Representative Group's 23 April 2004 meeting, Waitakere and North Shore City Councils presented resolutions from their Councils relating to the Draft Statement of Corporate Intent. The Shareholders Representative Group resolved that the councils' proposals be referred to the Officer's Working Group and to the May 2004 meeting of the Shareholders Representative Group.

The Officers Working Group met and collectively analysed Waitakere's and North Shore's proposals and has recommended that each proposal be either:

- referred for consideration in the next Statement of Corporate Intent review;
- dealt with by seeking information directly from Watercare by way of letter or update at a Quarterly Briefing; or

- addressed through a new (proposed) process for the Shareholders Representative Group.

Officers will be recommending to the Shareholders Representative Group that the Waitakere and North Shore City Councils' recommendations regarding the Statement of Corporate Intent could be dealt with through the above three mechanisms, rather than amending the draft 2004 Statement of Corporate Intent.

The new process for the Shareholders Representative Group rests on a philosophical change in the Shareholder Representative Group's approach to the Statement of Corporate Intent: that the Shareholders Representative Group move from a *report-card approach* to the Statement of Corporate Intent - by which it instructs Watercare to meet the Shareholders Representative Group's requests and expectations - to a *relationship-centred approach* - by which the Shareholders Representative Group seeks first to communicate requests and expectations to Watercare outside the Statement of Corporate Intent process and, if Watercare declines, then the Shareholders Representative Group would seek to instruct Watercare to comply through inclusion of a target in the Statement of Corporate Intent.

It is suggested that this Council recommend to the Shareholders Representative Group that the new process be linked to the four wellbeings. The rationale for this is that the Shareholding Councils are required by the Local Government Act 2002 to have regard to the social, economic, environmental and cultural impact of their decisions. Watercare's reporting processes are also structured around the four wellbeings. Therefore it makes sense to structure the Shareholders Representative Group's meetings accordingly.

### **RECOMMENDATIONS**

1. That the Watercare Services Limited Update - Proposed New Shareholders Representative Group Process report be received.
2. That the draft 2004 Watercare Services Statement of Corporate Intent be approved, on the condition that the Shareholders Representative Group address the Finance and Operational Performance Committee resolutions of 10 April 2004 through the new process outlined in this report.
3. That the Shareholders Group Representatives recommend to the Shareholders Representative Group that the new process be structured to ensure that social, cultural, economic and environmental issues are discussed at each of the quarterly Shareholders Representative Group meetings.

Report prepared by: Annika Lane: Senior Analyst, Governance & Infrastructure and Tony Miguel, Group Manager: Asset Management



15 **WATERCARE SERVICES LIMITED: AMENDMENT TO AGREEMENTS RELATING TO THE SUPPLY OF BULK WATER AND THE COLLECTION OF DOMESTIC WASTEWATER**

**PURPOSE OF THE REPORT**

The purpose of this report is to obtain approval to amend the Agreements with Watercare Services Limited relating to the supply of bulk and the collection of domestic wastewater.

**BACKGROUND**

The Bulk Water Agreement was approved by Council on 29 May 2002 and the Collection of Domestic Wastewater Agreement was approved by Council on 30 July 2003.

Both Agreements expire on 30 June 2005.

**STRATEGIC CONTEXT**

The Agreements provide a framework for the achievement of the Three Waters platform. Specifically, the Council continues to advocate for pricing tariffs that promote water conservation and minimise wastewater overflows.

**ISSUES**

Watercare Services Limited sets prices through its annual Funding Plan. Charges to Council for 2003/2004 were identified in the 2003/2004 Funding Plan published in February 2003. At that time Watercare Services Limited set prices to recover costs.

In March 2004, Watercare Services Limited advised Council that there would be a price adjustment because its Revenue Requirement in the Agreement will exceed its actual revenue requirement for the 2003/2004 year and therefore it is necessary to amend the existing Agreements to enable this to happen in June 2004.

Legal advice obtained confirms that this is the appropriate process, provided that this is without prejudice to any future negotiation of bulk water and wastewater Agreements.

**RESOURCES**

The funding implications will be reported to the Long Term Council Community Plan and Annual Plan Special Committee.

**CONCLUSION**

It is necessary to amend the Agreements with Watercare Services Limited in order to formalise price adjustments.

Therefore, it is recommended that the Chief Executive be delegated authority to execute documents to amend the Agreements, provided that this is on a without prejudice basis to any future negotiation of bulk water and wastewater services Agreements.

**RECOMMENDATIONS**

1. That the Watercare Services Limited: Amendment to Agreements Relating to the Supply of Bulk Water and the Collection of Domestic Wastewater report be received.
2. That the Chief Executive be delegated authority to amend the Agreements with Watercare Services Limited relating to the Supply of Bulk Water and the Collection of Domestic Wastewater, without prejudice to any future negotiation of bulk water and wastewater Agreements.

Report prepared by: Tony Miguel, Group Manager: Asset Management



## 16 WAITAKERE HOSPITAL STORMWATER CONTRIBUTION

### PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Finance and Operational Performance Committee to ratify funding previously approved by Council.

### BACKGROUND

Waitemata District Health Board is undertaking a significant expansion of Waitakere Hospital to increase the range of services currently provided on the Waitakere site, and to meet population growth.

As part of the expansion project, Waitemata District Health Board is working with Waitakere City to incorporate a number of innovative stormwater quality features in the development, which, in addition to treating stormwater from their new development, will also treat stormwater from the existing hospital car park area and from the surrounding catchment, including parts of Lincoln Road.

These stormwater features utilise and demonstrate a number of low-impact approaches to stormwater management, including rain storage tanks, swales, sand filters, rain gardens and a wetland landscape acting as a stormwater quality and detention pond.

The stormwater projects have all been approved by Infrastructure Auckland for 50% grants, and previously, Council has passed resolutions to commit funding to the hospital in order to facilitate the building of the features.

In order to assist the construction of these stormwater projects the Finance, Policy and Property Committee considered this issue at its meeting of 15 February 2001, and resolved as follows:

*"That it be recommended to the Council whilst considering the 2001/2002 Annual Budget that the proposed project for joint stormwater management of Lincoln Road and the Waitakere Hospital be included in the draft 2001/2002 Annual Budget and that any funding from Infrastructure Auckland be taken into account.*

*That it be recommended to the Council whilst considering the 2001/2002 Annual Budget that a loan of \$70,000 be provided to Waitemata Health, in accordance with the Council's policy for loan advances for private drainage works.*

*That authority be given to lodge an application with Infrastructure Auckland for funding of this project.*

*That it be recommended to the Council that the Acting Chief Executive be given authority to execute all necessary documentation relating to this project."*

197/2001

As a consequence of this resolution an amount of \$198,000 was then added into Stormwater Capital Expenditure in the 2001/2002 Annual Plan. This amount has been carried over each year since then whilst awaiting confirmation from the hospital that the capital works have been completed. Furthermore the \$70,000 loan was also held over pending confirmation from the hospital.

A grant from Infrastructure Auckland of \$403,480 has been obtained for this project.

## STRATEGIC CONTEXT

The proposed upgrading of the existing hospital to a District General Hospital will contribute to the achievement of the Council's strategies for well being and stormwater and will bring to Waitakere citizens substantial benefits.

The brief for this project includes demonstrating the principles of sustainable development. Specifically, the development of Waitakere Hospital will assist in the restoration of the Henderson Creek by mitigating the effects of stormwater discharges from Lincoln Road and the Waitakere Hospital.

The benefits of this project are shown in the table below:

<b>Operational Efficiencies</b>	<b>Environmental Enhancement</b>
Reduce capital costs (pipes, drains) and water quality improvement costs by integrating storm water treatment into the landscape e.g. through swales and landscaping.	Reduced peak discharges into the Henderson Creek (less flood risk), increased site stabilisation due to planting, less contaminants into the Henderson Creek, increased bird and insect life and increased aesthetic appeal for the public.
Significant energy and water costs savings due to efficient building design and technology/materials selection.	Avoidance of ozone depleting substances, less pressure on water systems and storm water/waste water flows, reduced rainforest depletion, less toxic gases from paints/varnishes etc.

## ISSUES

The two issues addressed by this proposal are as follows:

- stormwater discharges from Lincoln Road and the Waitakere Hospital have adverse effects on Henderson Creek due to pollution loading and the volume of stormwater discharged; and
- expansion of the Waitakere Hospital will generate increased demand for water supply.

These issues will be addressed by providing stormwater treatment, stormwater detention and stormwater reuse. As the Waitakere Hospital is part of the Lincoln Road catchment, Waitemata Health considers that the project should be funded jointly and it subsequently requested that the Council consider this matter.

It is estimated that by using rain water, the hospital's annual water consumption bills will be reduced by \$6,500, while the amount of stormwater generated by the roof will be cut by up to 70%. All toilets are now connected to the reuse dual plumbing and are in working order.

Since there are significant public good benefits arising from this project, it was possible to obtain 50% funding from Infrastructure Auckland for the project.

## Costs

The stormwater features at the hospital have been completed, except for some planting and this will now be completed in the autumn season. The project managers for the hospital redevelopment have provided cost summaries of the various works, as shown in the table below.

Stormwater Feature	Description	Status	Total Works Final Costs	Funded by Waitemata DHB	Funded by Infrastructure Auckland	Funded by Waitakere City Council
Pond	Build, landscape and riparian planting	1	\$284,777	\$99,895	\$75,697	\$109,185
		2				
Swales	300m length	1	\$54,096	\$ -	\$27,046	\$27,048
Sand filters	Existing car parks treatment for 150 cars	1	\$141,680	\$ -	\$70,840	\$70,840
Rain gardens and swales	Parking area treatment for 400 new car parks	1	\$1,468,320	\$1,275,120	\$193,200	\$ -
Stormwater reuse tanks	6 x 25m <sup>3</sup> tanks, pumps and plumbing for flushing toilets	1	\$166,796	\$60,101	\$36,695	\$70,000
Signage		3	\$9,016	\$9,016	\$ -	\$ -
<b>Total</b>			<b>\$2,124,685</b>	<b>\$1,444,132</b>	<b>\$403,460</b>	<b>\$277,073</b>

## ACHIEVEMENTS AND COMMUNICATION

Redevelopment started in late 2001 and the new hospital is due to open in early December 2004.

The hospital's redevelopment of \$60 million has a new 14,700 square metre extension as part of Stage 1 of the development, and Stage 2, which includes the refurbishment of the existing hospital block and the establishment of new services. The new building complex is now being partly from used for some health services from October 2003 as part of Stage 1. The redevelopment includes an emergency care centre, special care baby unit, a child health unit, an expanded outpatients department and new medical/surgical wards.

The Ministry for the Environment Green Ribbon Awards awarded a Highly Commended to the hospital for "efficiency of water use and actions to improve water quality." The site has also been the subject of field visits by a Water and Wastes Association Conference in July 2003 and an international conference on stormwater held in Auckland in May 2003.

Council may wish to publicise the hand over of the funding for the new Waitakere Hospital, link it with some other event, or put it forward for a write up in Waitakere News.

EcoWater have taken some recent photographs of the stormwater works at the hospital that will be circulated at the meeting.

## RESOURCES

EcoWater included the sum of \$189,000 in the 2001/2002 Annual Plan for Stormwater Capital Works as per the Council's 2001 resolution. This amount has been carried over each year since then whilst awaiting confirmation from the hospital that the capital works have been completed. The Committee is now requested to approve an increase in the budget to \$7,073 against this budget item in 2003/2004.

A review of documentation has outlined that the terms of the \$70,000 loan is to be paid back over a 3 year period and will be as per the Council policy for loan advances for private drainage works. Interest rate to be at the Council's borrowing rate, and as advised by the Director: Finance this will be in the 6.5% range.

## CONCLUSION

Council has previously committed to funding the Waitemata District Health Board for the Waitakere Hospital and the recently constructed innovative stormwater quality features. The capital works have been completed and to standard, and can be used to demonstrate innovative stormwater quality features used in the city.

As the works have been completed it is now appropriate to approve payment of Council's funding commitment.

## RECOMMENDATIONS

1. That the Waitakere Hospital Stormwater Contribution report be received.
2. That funding of \$207,073 be approved for payment in the 2003/2004 Annual Plan to the Waitemata District Health Board for the Waitakere Hospital and the recently constructed innovative stormwater quality features.
3. That a loan of \$70,000 be advanced to the Waitemata District Health Board for the Waitakere Hospital for three (3) years, to be repaid in three annual instalments on or before 30 June 2005, 30 June 2006 and 30 June 2007 in accordance with the Council's policy for loan advances for private drainage works, and at an annual interest rate to be at the Council's borrowing rate.
4. That the Director: Finance be given the authority to prepare and execute the necessary documentation for this loan.

Report prepared by: Tony Miguel, Group Manager: Asset Management



17 **WAITAKERE CENTRAL - HENDERSON STATION PRECINCT**

**PURPOSE OF THE REPORT**

The purpose of this report is to update the Finance and Operational Performance Committee on progress with the Infrastructure Auckland funding application for the Henderson Station Precinct. It also outlines the requirements being set by Infrastructure Auckland and the potential need for Waitakere City Council to underwrite the operational and renewals expenditure until agreement can be reached with Auckland Regional Council.

**BACKGROUND**

Waitakere City Council has been working alongside key regional organisations in the planning and development of the rail network including Henderson Rail Station. These organisations include Auckland Regional Council, Auckland Regional Transport Network Limited, other Territorial Local Authorities, Tranz Rail and New Zealand Railways Corporation. A funding application was lodged with Infrastructure Auckland in March 2004, with a final application being lodged at the end of April 2004. Since that time, Officers across the region have been working together to resolve outstanding issues.

**STRATEGIC CONTEXT**

The Regional Land Transport Strategy and the Regional Growth Strategy guide transport planning at a regional level. Waitakere City Council has been a key stakeholder in the development of these documents and the direction they provide. Development of the rail network is a key component of meeting Council's and the region's goals, particularly given that the rail network runs through some of Waitakere City's main town centres. Development of the rail network and its integration with other transport modes are key components of meeting the goals of the Regional Land Transport Strategy and the Regional Growth Strategy.

Station location, development, and linkages are important parts of developing the rail network. Henderson Station is a key interface between the rail corridor, town centre and the local community. It is categorised as a major station as part of the regional network and is one of the key stations on the western rail corridor.

**ISSUES**

**Henderson**

The Henderson Station Precinct has been the predominant focus of rail planning this year. An update on the station precinct including the funding application to Infrastructure Auckland was reported to Council in a confidential item on 14 May, 2004.

**Infrastructure Auckland Funding Application**

A funding application for \$11.558 million for the development of the Henderson Station Precinct was lodged with Infrastructure Auckland at the end of April 2004. Two copies of the final application are available in the Councillors dining room. A final decision on the application is scheduled to be made on 16 June 2004.

A delegation from Waitakere City Council, Auckland Regional Transport Network Limited and Auckland Regional Council presented to the 19 May 2004 Board meeting of Infrastructure Auckland. The presentation was well received, particularly the united support given to the project by all parties. Key issues raised by Infrastructure Auckland were:

1. The cost of the station is greater than the \$3.7m allowed for in the Rail Business Plan.
2. Some of the items such as the air bridge appear to serve urban development purposes rather than transport purposes.
3. Reaching agreement on who will fund operational expenditure and renewal costs.
4. Identification of any additional funding sources.

These issues are addressed below.

1. Council took considerable steps to address concerns regarding the scope of the costs in the application between the draft and final application. The Rail Business Plan was developed prior to Council's decision to relocate adjacent the rail station and included a generic cost based on patronage. Costs remain significantly higher than the Rail Business Plan for Henderson and some other major stations. The Rail Project Director at the Auckland Regional Council has recommended that Waitakere City Council should not agree to standards below the station guidelines. Officer's approach to date has been to not agree to reductions in station standards along the western line. The Committee will be updated regarding the approach taken at the meeting.  
An officer workshop to discuss possible cuts to the proposed rail upgrade programme was held on 24 May 2004 and was attended by Infrastructure Auckland, Auckland Regional Council, Auckland Regional Transport Network Limited and Territorial Local Authorities.
2. An analysis of the components of the station within Council's funding application and those of a standard station has been undertaken and shown that the main areas of cost difference are the air bridge and scope of station canopy. It should be noted that the Auckland Regional Council has verbally agreed that the cost of the additional length of platform should be borne by the rail project given that it is required for disabled access. It is the view of the officers that it may be appropriate for Infrastructure Auckland to fund an additional component of the air bridge above the standard Auckland Regional Transport Network Limited design given the development occurring in the vicinity of the station and that all bridges currently being built or designed are above standard. There is a risk that Infrastructure Auckland will not fund the air bridge capital costs above standard.
3. Officers are currently working with the Auckland Regional Council in implementing an agreement regarding the funding of operational and renewal expenditures. In terms of operational expenditures, this involves the Auckland Regional Council paying for the operating costs of components of the station up to the standards specified by agreed station guidelines. This also involves Waitakere City Council paying for the operating costs of all components of the station with standards above those specified by the agreed station guidelines. In effect this requires the Council to pay the costs of operating and maintaining the air bridge, part of the costs of the rail shelters and any additional components the Council wishes to add to the station design, for example ticketing office, escalators and toilets. It should be noted that the Auckland Regional Council has allocated funding within its Long Term Council Community Plan and Annual Plan Special Committee for the operating costs of stations consistent with its proposed station development programme. This allows for costs for Henderson from 2005/2006 onwards. It would be appropriate for the Council to consider including the funding of these operating costs from 2005/2006 onwards.

An agreement on funding renewals would be based on the same principles as the agreement on operating costs. The major problem is that the Auckland Regional Council has no policy on funding renewals. A policy on renewals is being developed by the Auckland Regional Council and it should provide the basis for officers agreeing renewals prior to the Infrastructure Auckland Board meeting on 16 June. However Infrastructure Auckland has indicated that it will not consider the funding application unless this issue is resolved. It would be prudent for the Council to have a fallback position. This could involve the Council agreeing to fund the renewal costs until such time that agreement is reached with Auckland Regional Council or Auckland Regional Transport Authority. This creates the risk that Waitakere City Council could be responsible for funding all renewal costs over the life of the asset.

4. A number of potential funding sources have been identified as detailed below:
  - **Westfield** - Officers have had a number of discussions with Westfield over the past year about the potential of extending a connection from the station into Westfield. While Westfield showed some interest in the concept, they have continued to be adamant that they would not be contributing to the cost. The current location of the station and air bridge is such that a direct connection across Railside Avenue would not be adjacent to the Westfield site. Should Council/other parties reconsider the need for a link at the Smythe Road end of the station, it is the officer's intention to commence discussions with Westfield regarding this, including joint funding of the project.
  - **Profit from the development of the Waitakere Properties Limited site** - the profit from the development of this site has already been included in the Long Term Council Community Plan and Annual Plan Special Committee as payment for the purchase of the site at 2-6 Henderson Valley Road. Current indications are that available funding is limited and will not be available until after the completion of the station precinct.
  - **Developer contribution** - If transport components are included in the Long Term Council Community Plan and Annual Plan Special Committee then there is ability to collect developer contributions towards that cost. Development in the locality may provide funds after 2006.
  - **Transfund** - It is the officer's intention to apply to Transfund for any components outside of the funding that Infrastructure Auckland provides that are consistent with Transfund's funding policy, for example, the bus interchange, walkway/cycleway components. An application has already been lodged with Transfund for the upgrade of the existing pedestrian over bridge.
  - **Council sources** - Amendments to the Long Term Council Community Plan and Annual Plan Special Committee 2003 and the Annual Plan 2004/05 will be required.
  - Application to Auckland Regional Transport Authority may be required for any shortfall in funding.

Progress on fulfilling Infrastructure Auckland requirements since the writing of this report will be reported to the Committee verbally.

#### **Options if Infrastructure Auckland doesn't grant full funding for Henderson Rail Station Precinct**

Should Infrastructure Auckland not grant the full amount applied for in Council's funding application, there are a number of options open to Council. These include:

- Applying directly to the Auckland Regional Council for funding, in the interim period between Infrastructure Auckland being disbanded and Auckland Regional Transport Authority not being set up.

- Applying to Auckland Regional Transport Authority for funding once it is set up.
- Dependent upon the funding gap, consideration of additional Council contribution.
- Reconsideration of the scope of the project.

Full details on how to progress the project will be reported to Council once final funding details are received from Infrastructure Auckland on 16 June 2004.

## **RESOURCES**

Should Council agree to underwriting renewal and/or operational costs, these are currently unbudgeted and will need to be considered for inclusion in the Annual Plan 2005/2006 and the Long Term Council Community Plan and Annual Plan Special Committee. This underwriting would be required for funding from completion of the station precinct in the 2005/2006 financial year until agreement has been reached with Auckland Regional Transport Authority.

The funding application is intended to be considered by the Infrastructure Auckland Board on 16 June 2004, and Councillors will be updated on the outcome of this meeting and any funding implications.

## **CONCLUSION**

The Finance and Operational Performance Committee support for the approach adopted to date regarding the review of costs of regional stations, a commitment to funding an appropriate share of operating and renewal costs for the Henderson Station and an underwriting commitment if agreement is not reached with the Auckland Regional Council or Auckland Regional Transport Network Limited regarding all operating and renewal costs. These commitments will need to be subject to the Council's Annual Plan and Long Term Council Community Plan and Annual Plan Special Committee processes. This approach is considered necessary in order for the Infrastructure Auckland Board to make a decision to fund the Henderson Station Precinct Project.

## **RECOMMENDATIONS**

1. That the Waitakere Central - Henderson Station Precinct report be received.
2. That the Finance and Operational Performance Committee endorses the officers' approach in regional discussion to:
  - a) review costs of the regional stations upgrade programme with a view to cutting costs where appropriate, having regard to the regional network; and
  - b) to seek to expand funding sources to meet agreed station guidelines.
3. That the Chairperson of the Finance and Operational Performance Committee be delegated authority to approve any regional agreement on a review of costs of the regional stations upgrade programme.
4. That an agreement between the Auckland Regional Council, Auckland Regional Transport Network Limited and Waitakere City Council be negotiated to provide the necessary commitment to funding operational costs and renewal costs relating to Henderson Station in accordance with the principles set out in this report.
5. That the Chief Executive and Director: Finance be authorised to execute such agreement referred to in (4) above.
6. That in the event that an agreement on funding operation expenditure and/or renewal expenditure in relation to the Henderson Station cannot be reached in time for the Infrastructure Auckland Board to make its grant for the Henderson Station Precinct Project, then the Waitakere City Council will enter into an underwrite arrangement whereby the Council will fund operational expenditure and/or renewal expenditure in relation to the Henderson Station.

7. That the Chief Executive and Director: Finance be authorised to execute such underwrite agreement referred to in (6) above.
8. That the Council continue to explore further sources of funding for the Henderson Station Precinct Project and if there is a shortfall in grant from Infrastructure Auckland, then the Council will consider funding that shortfall in its deliberations for the final Annual Plan 2004/2005.
9. That the report be referred to the Long Term Council Community Plan and Annual Plan Special Committee for consideration in the 2004/2005 Annual Plan.

Report prepared by: Glenda Lock, Project Manager Transport



## **PART VI - SUBCOMMITTEE REPORTS**

### **18 CREATIVE COMMUNITIES SCHEME ALLOCATION SUBCOMMITTEE**

**THE SUBCOMMITTEE SUBMITS THE FOLLOWING REPORT OF ITS ORDINARY MEETING HELD ON WEDNESDAY, 12 MAY 2004**

#### **1. CREATIVE COMMUNITIES SCHEME ALLOCATION - MAY 2004**

**The Subcommittee Recommends:**

That the following funding allocations from the Creative Communities Scheme be approved.

<b>No.</b>	<b>Group Name</b>	<b>Funds Requested</b>	<b>Granted</b>
3	Aloma Trust	\$2,120.00	\$1,000
4	Auckland Country Music Association	\$3,000.00	\$1,750
5	EFKS Massey Trust Board Youth Group	\$3,500.00	\$750
6	Faamasani Aoga Amata	\$3,250.00	\$1,500
7	Fruitvale School	\$1,120.00	\$900
8	Further Education & Training Service	\$2,140.00	\$1,500
9	Glen Eden Baptist Community Kindergarten	\$410.00	\$410
10	Green Bay Community House	\$2,493.00	\$1,200
11	Kiwi Kids Circus Inc	\$2,000.00	\$1,500
12	Mandy Patmore	\$4,264.00	\$2,000
13	NZ Ethnic Social Services Trust	\$3,730.00	\$1,500
14	Oratia District School	\$1,000.00	\$750
15	Ranui Community House	\$965.00	\$965
16	Song Hua	\$5,000.00	\$0
17	Tangi Kaara Ki Avaiki	\$2,000.00	\$1,000
18	Te Akoranga Playcentre Association	\$1,982.30	\$1,000
19	Te Atatu Cluster Music Festival	\$3,000.00	\$2,000

No.	Group Name	Funds Requested	Granted
20	Te Kura Kaupapa Maori o Hoani Waititi Marae	\$5,000.00	\$2,000
21	Te Piataata Trust	\$4,200.00	\$3,846
22	Te Ukaipo Mercy Initiatives for Neighbourhood	\$4,998.00	\$2,000
23	The Stage Challenge Foundation	\$945.00	\$945
24	Torotoro Trust	\$4,500.00	\$2,500
25	Viti Centre Trust	\$3,000.00	\$1,500
26	Waitakere Arts & Cultural Development Trust	\$4,810.00	\$2,500
27	Waitakere Arts & Cultural Development Trust	\$5,000.00	\$0
28	Waitakere Writers Networking Group	\$3,881.21	\$1,800
29	Westgate Homeschool Group	\$3,986.00	\$1,800
30	Andrew Naylor Serjeant	\$1,500.00	\$0
31	Ann Katrina Ingrid Poulsen	\$478.42	\$478
32	Auckland Handweavers - Spinners Guild	\$100.00	\$100
33	Class Act Opera Trust	\$2,600.00	\$1,800
34	Deborah Jane McDonald	\$2,989.00	\$0
35	Fruitvale School	\$900.00	\$0
36	Jane Parry-Jones	\$2,000.00	\$0
37	Kevin Jones	\$2,250.00	\$0
38	Lopdell House Gallery	\$1,250.00	\$750
39	Monsignor Ante Klaric	\$3,700.00	\$0
40	Pacific Culture & Art Exchange Centre	\$1,000.00	\$800
41	Pure Magic Concerts	\$2,571.00	\$1,300
42	Splash Flying Dance & Theatre Co	\$3,900.00	\$2,000
43	Te Whanau O Waipareira Trust	\$4,200.00	\$2,500
44	Titirangi Rudolf Steiner School	\$2,400.00	\$0
45	Waitakere City Orchestra	\$3,000.00	\$2,000
46	Womens Film Festival Auckland	\$3,000.00	\$1,500
	Total:	\$120,632.93	\$51,844
	Amount Available for Allocation:		\$51,844

## 2. **OTHER MATTERS CONSIDERED**

A100-A102

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 A100 to A102.

### **The Subcommittee Recommends:**

That the Ordinary Meeting report of the Creative Communities Scheme Allocation Subcommittee held on Wednesday, 12 May 2004 be received.

VS Neeson, JP  
**CHAIRPERSON**



19 **EMERGENCY SERVICES SPECIAL COMMITTEE**

**YOUR COMMITTEE SUBMITS THE FOLLOWING REPORT OF ITS ORDINARY MEETING HELD ON TUESDAY, 6 APRIL 2004 AND TUESDAY, 1 JUNE 2004**

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**MATTERS CONSIDERED**

*A103-A107*

The Special Committee dealt with a number of items for which it has delegated powers to act and a copy of the minutes of the meeting are attached at pages A103 to A107.

**The Special Committee Recommends:**

That the reports of the Ordinary meetings of the Emergency Services Special Committee held on Tuesday, 6 April 2004 and Tuesday, 1 June 2004 be received.

DQ Battersby, JP  
**CHAIRPERSON**



20 **REGIONAL ARTS AND CULTURE FUNDING ALLOCATION SUBCOMMITTEE**

**THE SUBCOMMITTEE SUBMITS THE FOLLOWING REPORT OF ITS ORDINARY MEETING HELD ON WEDNESDAY, 12 MAY 2004**

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**MATTERS CONSIDERED**

*A108-A109*

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 A108 to A109.

**The Subcommittee Recommends:**

That the Ordinary Meeting report of the Regional Arts and Culture Funding Allocation Subcommittee held on Wednesday, 12 May 2004 be received.

DA Yates, JP  
**CHAIRPERSON**



21 **TENDERS SUBCOMMITTEE**

**THE SUBCOMMITTEE SUBMITS THE FOLLOWING REPORT OF ITS ORDINARY MEETINGS HELD ON FRIDAY, 14 MAY 2004 AND FRIDAY, 28 MAY 2004**

1. **CONTRACT TA 03535.B - PAREMUKA BRIDGE PHYSICAL WORKS**

**The Subcommittee Recommends:**

1. That the 2003/2004 allocated budget for Contract TA 03535.B - Paremuka Bridge Physical Works totalling \$1,709,000.00 plus GST be carried forward to 2004/2005 financial year.
2. That the water supply 2003/2004 allocated budget for Contract TA 03535.B - Paremuka Bridge Physical Works totalling \$240,400.00 plus GST be carried forward to 2004/2005 financial year.

2. **OTHER MATTERS CONSIDERED**

A110-A116

The Subcommittee dealt with a number of items for which it has delegated powers to act and a copy of the minutes of the meetings are attached at pages A110 to A116.

**The Subcommittee Recommends:**

That the reports of the Ordinary meetings of the Tenders Subcommittee held on Friday, 14 May 2004 and Friday, 28 May 2004, be received.

C1

The public excluded minutes are attached at page C1 of the confidential supplement.

JM Clews, QSO, JP  
**CHAIRPERSON**



**PART VII - STANDING COMMITTEE REPORT**

22 **CITY DEVELOPMENT COMMITTEE**

**The City Development Committee recommends:**

That subject to ratification by the Finance and Operational Performance Committee it be recommended to Council that the current schedule of deposits for street damage be updated with effect from 1 October 2004, in pursuant to clause 11 (a) of Bylaw No 22, 1990: Use of Public Roads, as scheduled below:

<b>Work Value</b>	<b>Deposit (per street frontage)</b>
Any residential building work below \$5,000	No deposit
Residential alterations, additions, swimming pools and associated fences	\$1,000
New single unit, single storey dwellings	\$1,000

Work Value	Deposit (per street frontage)
Multi unit and multi storey dwellings (2-5 units)	\$2,500
Commercial building work, sub division work between \$5,000 and \$99,999	\$1,000
Commercial building work, sub division work between \$100,000 and \$249,999	\$2,500
Commercial building work, sub division work between \$250,000 and \$499,000	\$3,500
Commercial building work, sub division work above \$500,000	\$5,000
Building relocation, removal or demolition works	\$1,000



**PART VIII - CONFIDENTIAL ITEM**

**23 HENDERSON CHARGE CAR PARKING TRIAL**

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: Henderson Charge Car Parking Trial.

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"> <li>Henderson Charge Car Parking Trial.</li> </ul>	<p>The withholding of information is necessary in order to:</p> <ul style="list-style-type: none"> <li>protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied;</li> <li>enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</li> </ul>	<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)(c)(i)(ii) 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 could affect the Council's negotiations.*

