

**AGENDA FOR A MEETING OF THE FINANCE AND OPERATIONAL PERFORMANCE
COMMITTEE TO BE HELD IN THE CIVIC CENTRE, 6 WAIPAREIRA AVENUE,
LINCOLN, WAITAKERE CITY, ON MONDAY, 10 OCTOBER 2005,
COMMENCING AT 9.30 AM.**

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PART A - OPENING OF MEETING

1 APOLOGIES



2 URGENT BUSINESS

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 provides that where an item of business is not on the agenda, it may only be dealt with at the meeting if:

- (i) the Committee by resolution so decides; and
- (ii) the Chairperson has explained at the beginning of the meeting (when open to the public) that the item will be raised for discussion and decision, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting.

The Committee may make a decision on a matter determined to be urgent.

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



3 CONFIRMATION OF MINUTES

Meeting Minutes - Monday, 12 September 2005
Hearing Minutes - Tuesday, 13 September 2005

RECOMMENDATION

That the minutes of the Meeting of the Finance and Operational Performance Committee held on Monday, 12 September 2005 and the Hearing of Submissions on the Community Wellbeing Fund Allocation 2005/2006 held on Tuesday, 13 September 2005, as circulated including the Public Excluded Minutes, be taken as read and now be confirmed.



PART B - PROPERTY

4 LEASE OF COMMERCIAL PREMISES AT SHOP 1, 601 TE ATATU ROAD, TE ATATU PENINSULA

PURPOSE OF THE REPORT

The purpose of this report is to seek the Finance and Operational Performance Committee's approval to grant a lease for Shop 1, 601 Te Atatu Road, Te Atatu Peninsula for a term of three years with a right of renewal for a further term of two years.

BACKGROUND

A1

On 1 June 1993 Waitakere City Council granted a lease of the premise located at Shop 1, 601 Te Atatu Road, Te Atatu Peninsula. A café has since operated from these premises and the current business is known as the Compass Point Café. The location of the premises is shown on the map as attached at page A1. The lease was for a 12 year term and provided no further renewals which meant that the final expiry date was 31 May 2005.

The tenant has remained in possession with Council's consent since the expiry date on a basis of a monthly tenancy but has now requested Council to formalise the arrangement by granting to them a new lease for 3 years with a right of renewal of two years.

Whilst strategically this property may eventually be utilised as part of any redevelopment in this area, the Council has no immediate alternate use for this property within the term of the proposed lease. However, if Council decided to bring forward work on the Te Atatu Peninsula as a result of the Long Term Council Community Plan 2006 review, the proposed lease term could be an obstruction. Countering this, the proposed lease term including the right of renewal provides an optimum commercial return and it is unlikely that in the current market a shorter term would be commercially viable. This is an issue which the Committee may wish to give consideration.

In addition the adjacent premise Shop 2, 599 Te Atatu Road is currently leased to Good Guys Retravisation until 2010. This proposal would align the leases for both Shop 1 and Shop 2 with a final expiry of 2010, thereby creating a more practical opportunity for the future.

STRATEGIC CONTEXT

Acquisition of commercial properties is undertaken by the Council where there is a clear strategic opportunity that supports attainment of actions under the Council's nine strategic platforms in the short, medium or long term. The 2020 Vision for the Urban and Rural Villages strategic platform is for Town Centres that are thriving places, providing exciting options for people to live, work and play.

Management of Council's commercial property portfolio is undertaken within the framework of the Strong Innovative Economy strategic platform. While seeking to maximise the return on the Council's investment, the ownership of these properties also allows the Council to support the goal of the City being home to innovative economic activities that provide local quality work and development options for its people.

ISSUES

Café businesses have operated successfully from this location for the past 12 years. The current business is well established in the Te Atatu Peninsula and provides a service to the residents in the locality.

Under the proposed new lease the annual rental charge has been assessed in accordance with market rentals and has increased by \$4,116.00 per annum, with a review after three years.

RESOURCES

In accordance with normal procedures the costs of preparing the lease and having it executed will be borne by the tenant.

CONCLUSION

The lease for Shop 1, 601 Te Atatu Road, Te Atatu Peninsula has expired. A new lease has been negotiated and approval is sought for the Council to enter into that lease.

RECOMMENDATIONS

1. That the Lease of Commercial Premises at Shop 1, 601 Te Atatu Road, Te Atatu Peninsula report be received.
2. That Council grant a lease of the commercial premises at Shop 1, 601 Te Atatu Road, Te Atatu Peninsula to A & S Nama for a term of 3 years with further right of renewal of two years.
3. That this Deed of Lease be executed by The Council under seal.

Report prepared by: Greer Russell, Senior Property Manager: Tenancy.



PART C - LEGAL AND CONSTITUTIONAL

5 AFFIXATION OF COMMON SEAL

EXECUTION OF DOCUMENTS: 6 SEPTEMBER 2005 – 23 SEPTEMBER 2005

Nº	NAME	PARTICULARS
3466	WCC – PE Meier	Drainage Easement in gross – CTs 218298 and 218299 – 32 Godley Road – SPW 20210
3467	WCC – MA Muir and JN Peters	Memorandum of Encumbrance – Road Encroachment – 75-77 Scenic Drive, Titirangi
3468	WCC – AE Wilcox, E Nobari and J Lau	Drainage Easement in gross – CT 180606 – 23B Westlynn Road – SPW 21967
3469	WCC – EFK Wong	Surrender of Drainage Easement in gross – CT 228934 – 67 Jaemont Ave – SPW 22067
3470	WCC – Sturges West Community House Inc	Deed of Lease – Resolution 1336/2005
3471	WCC – John Henry Centre	Consent of Caveator re Catherine & 4-8 Pioneer Streets – CTs NA28C/373, NA765/189 and NA765/194
3472	WCC – Paturoa Bay Residents & Ratepayers Association (Titirangi Beach) Inc	Lease of Paturoa Hall – Resolution 2286/2004
3473	WCC – JR, AD, LA & AP Hynds and DM Elliffe	Memorandum of Encumbrance – Road Encroachment – 33 North Piha Road, Piha
3474	WCC – Stephen Phillip Bishop	Warrant of Appointment & Evidence of Identity – No.WCC200
3475	WCC – Lesley Dianne Fairthorne	Warrant of Appointment & Evidence of Identity – No.WCC201
3476	WCC – Jan Mary Eckersley	Warrant of Appointment & Evidence of Identity – No.WCC202
3477	WCC – MJ Blackie & WR Hampton	Deed of Waiver s.40 Public Works Act – 63 Savoy Road, Glen Eden – Resolution 1348/2005
3478	WCC – Auckland City Council Auckland Regional Council Franklin District Council Manukau City Council North Shore City Council Papakura District Council Rodney District Council Waitakere City Council	Auckland Region Civil Defence Emergency Management Group Facility Management Deed – Resolution 1548/2005
3479	WCC – Order of St John Northern Trust Board	Deed of Lease – Lloyd Morgan Lions Club Park (Lots 26, 27 & 28 DP 37137) Resolution 2238/2004
3480	WCC – DE & AA Developments Ltd	Drainage Easement in gross – CTs 215710 & 215711 – 22 Norman Road & 14 Derwent Crescent – SPW 21307
3481	WCC – Neil Construction Ltd	Fencing Agreement in gross – CTs 205644-205648 – 57 Hewlett Road (Lincoln Park Stage 2) – SPW 19721
3482	WCC – Corner Stone Ltd	Land Covenant – Cnr Park & South Titirangi Roads – Order of Environment Court (RMA 63/63) 24/05/2004

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 D - FINANCE

6 OPERATING AND CAPITAL EXPENDITURE SUMMARIES

PURPOSE OF THE REPORT

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

STRATEGIC CONTEXT

Through the Long Term Council Community Plan processes, the Council approves operating and capital expenditure. The Council follows good practice for procurement of goods and services and ensures that funding has been provided from appropriate sources.

ISSUES

A2 This report covers expenditure for two months to 31 August 2005. The financial summaries are attached at page A2.

If any further information is required in respect of this report, other than of a general nature, please contact either the writer or the Director: Finance prior to the meeting to enable the query to be researched.

CONCLUSION

Expenditure to the 2 months to 31 August 2005 is on track as per the operational budget.

RECOMMENDATION

That the Operating and Capital Expenditure Summaries report be received.

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



7 STATUS OF SPECIAL FUNDS

PURPOSE OF THE REPORT

The purpose of this report is to inform the Finance and Operational Performance Committee on the status of Council's Special Funds.

BACKGROUND

Special funds are those funds held or designated by Council for a specific purpose or purposes. With the exception of the Auckland Regional Services Trust funds which are held in a separate bank account, the balances of these funds are used to offset Council's borrowing requirements. Interest is allocated to funds where applicable.

Special fund movements are recommended through the Long Term Council Community Plan and Annual Plan adoption process. Special funds are classified as either "Restricted Funds" or "Non-Restricted Funds". Restricted funds are those funds that have been received by Council from a third party or parties and are to be used for a specific purpose or purposes. Non-restricted funds are funds established by a Council resolution to use and set aside its own funds and also to meet a specific purpose or purposes.

ISSUES

A3 The Special Fund report is separated into restricted and non-restricted funds. The balances and summary transactions for the two months ended 31 August 2005 are attached at page A3.

The opening balances for this report is subject to a completion of the audit by Audit NZ on the financial reports for the year ended 30 June 2005.

If any further information is required in respect of this report, other than of a general nature, please contact either the writer or the Director: Finance prior to the meeting to enable the query to be researched.

CONCLUSION

Special Funds are being held or designated for a specific purpose or purposes. The fund balances have been reported as required.

RECOMMENDATION

That the Status of Special Funds report be received.

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



8 BORROWING AND INVESTMENT REPORT

PURPOSE OF THE REPORT

The purpose of this report is to provide the Finance and Operational Performance Committee with an update on the estimated borrowing and investment activity for August 2005.

BACKGROUND

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.

A4 – A9 The relevant portfolio and graphs reflect the estimated position as at 31 August 2005 and are attached at pages A4 to A9.

ISSUES

Council's Funds Management function actively manages a large portfolio of various debt and investment instruments. The benefit of borrowing is that it enables Council to carry out the projects identified in the Annual Plan and Long Term Council Community Plan, while spreading the costs for those projects over time to recognise the future benefits. Borrowing funds therefore assist Council with its entire loans funded strategic initiatives. The Liability Management and Investment Policy requires that a report detailing the management of the portfolio be presented to the Finance and Operational Performance Committee on a regular basis. The report must include information on the following subjects:

- Cash/Debt position
- Forecasted borrowing profile
- Interest rate profile
- Risk management
- Material transactions
- Market commentary

This report addresses the requirement of the Policy and may include other information that is relevant to the Funds Management function.

FINANCIAL IMPLICATIONS

The active management of the treasury portfolio seeks to minimise Council's borrowing costs and maximise investment returns of liquid assets. The Funds Management function is also charged with seeking investors, thus ensuring that there is sufficient liquidity available for the organisation to continue its work programme. New Zealand financial markets are significantly volatile and therefore interest rate risk management is a key responsibility of the Funds Management function. Detailed financial information included within this report is intended to give assurance of the prudent management of Council's portfolio.

Council approved a new loans funded capital works programme for the 2005/2006 year, including carry forward projects from the 2004/2005 year, through the 2005/2006 Annual Plan to a maximum gross debt of \$296.681 million. Interest expense for the 2005/2006 year is budgeted to be \$10.166 million.

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

ESTIMATED SUMMARY OF BORROWING AND INVESTMENT MOVEMENTS TO AUGUST 2005

Council's estimated gross term debt position has increased by \$6.64 million since July 2005, with an estimated closing balance at August month end of \$171.096 million. Estimated working capital borrowings of \$14.546 million as at 31 August 2005 have been funded using unsecured bank facilities and internal borrowing.

SIGNIFICANT FUNDING TRANSACTIONS ENTERED INTO DURING AUGUST 2005

- Amended swap 019, extending maturity from 2/8/07 to 2/8/10 decreasing fixed interest rate payable from 6.655% to 6.47%
- Amended swap 036, start now and extended maturity from 21/4/11 to 24/8/15
- Amended swap 027, extending maturity from 15/10/12 to 15/7/15 decreasing fixed interest payable from 6.685% to 6.64%

- Amended swap 21, extending maturity from 15/8/12 to 15/8/15, decreasing fixed interest payable from 6.79% to 6.745%
- Amended swap 022, extending maturity from 15/8/11 to 15/8/15, decreasing fixed interest rate payable from 6.68% to 6.63%
- New Interest rate swap, notional value \$10 million, starting 13/9/05, Waitakere City Council pays floating interest rate of NZD 90 day bank bill mid and receives fixed interest of 6.68%
- Negotiate new fixed interest rate bond issue, face value \$10 million settlement 13 September 2005, maturing 13 September 2015 at a coupon rate of 6.68%
- Amended swap 014, extending maturity from 25/9/08 to 25/6/10 decreasing fixed interest rate payable from 6.53% to 6.47%
- Amended swap 020, extending maturity from 4/8/08 to 4/8/10, decreasing fixed interest rate payable from 6.745% to 6.62%
- Amended swap 009 extending maturity from 15/5/09 to 17/5/10 decreasing fixed interest rate payable from 6.80% to 6.74%
- Sinking fund investment of \$2,177,233.38 for a term of 49 days at and interest rate of 6.98%
- Sinking fund investment of \$1,635,021.74 for a term of 35 days at and interest rate of 6.95%

FINANCIAL MARKET COMMENTARY

Market Overview

At the Reserve Bank of New Zealand's' Monetary Policy meeting held 15 September 2005, Governor Alan Bollard maintained the Official Cash Rate at 6.75% and issued the following statement:

"Since our June Monetary Policy Statement, economic indicators have broadly confirmed the slowdown in activity that commenced in the second half of 2004. The slowdown has been concentrated in sectors such as manufacturing and tourism that have been exposed to the high exchange rate. The non-traded sectors of the economy on the other hand, such as household and business services and construction, have maintained their high growth of recent years. The housing market in particular has remained strong, underpinning consumption growth. Reflecting the slow pullback in domestic demand, capacity and labour shortages are expected to persist well into 2006.

New developments in oil prices have made the future more uncertain. Oil prices have surged in recent months and are now 20 per cent higher than projected in June, some 60 per cent up from the end of 2004. As a consequence, headline CPI inflation is now forecast to approach 4 per cent over the next few quarters before returning below 3 per cent by early 2007. Monetary policy will not attempt to offset the unavoidable first-round price effects of the oil price spike. However, it will be used to resist any flow-through to ongoing price and wage inflation. Further out, the higher oil prices are expected to have a dampening effect on both world and domestic economic activity, thus taking some pressure off monetary policy in the medium-term.

Fiscal policy is also adding to uncertainty. The shape and economic impact of new post-election policies is not clear at this point. However, it does appear likely that fiscal policy will become more expansionary in the period ahead.

Right now, it is too early to make a call on the relative strength of the emerging cross-currents and how these will translate into medium-term inflation pressures. It will be several months before the persistence and global impact of the oil shock become more apparent. A similar period could be needed for the fiscal outlook to be clarified. We are concerned, however, that the risk of higher medium-term inflation has increased. Consequently, further monetary policy tightening may still prove necessary to ensure inflation is kept within the 1 per cent to 3 per cent target band on average over the medium-term. Certainly there remains no prospect of a cut in the OCR in the foreseeable future."

Clearly the Reserve Bank of New Zealand has continued to be concerned that inflationary pressures are becoming more evident in the New Zealand economy and indicate that the current Official Cash Rate level will be maintained for sometime. Since the issue of this statement, economic data has suggested that current interest rates have had only little impact on slowing the economy. The New Zealand 90 day bank bill continued to trade between 7% and 7.1% until the release New Zealand Trade and Gross Domestic Product which were better than financial market expectations and the Reserve Bank of New Zealand's forecasts. This has led to a surge in the 90 Day bank bill to above 7.20%, which largely reflects the financial markets expectations of the Reserve Bank of New Zealand hiking the Official Cash Rate to 7.0% at its next announcement.

Long term New Zealand interest rates have also shown a small amount of volatility over the past month, largely as a result of international oil prices, particularly the implications of damage caused to US oil operations in the Gulf of Mexico. This saw New Zealand ten year swap interest rates fall to a low of approximately 6.40%, but then rebound to above 6.50%.

The New Zealand dollar has been on a weakening trend against the US dollar, from approximately 0.7050 cents in early September to as low as 0.68 cents. After the release of the Gross Domestic Product statistic a small strengthening in the New Zealand dollar has occurred.

Up Coming Dates

Official Cash Rate Announcement	27 October 2005
Monetary Policy Statement	8 December 2005

CONCLUSION

All transactions covered by this report have complied with the requirements of Council's Liability Management and Investment Policy.

RECOMMENDATION

That the Borrowing and Investment report be received.

Report prepared by: Bruce Wilkin, Treasury Manager.



9 PAYMENTS FOR APPROVAL

PURPOSE OF THE REPORT

The purpose of this report is to advise 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.

STRATEGIC CONTEXT

The Council makes various payments as provided for in its Long Term Council Community Plan and Annual Plans. The Council follows good practice for procurement of goods and services and ensures that funding has been provided from appropriate sources.

PAYMENTS

A10 – A13

A summary schedule of payments made for the period 5 August 2005 to 1 September 2005 is attached at page A10. A further schedule of all payments of \$5,000 and above, together with the reason for the payment is attached at pages A11 to A13. If a committee member wishes to ask specific questions relating to any of these payments, prior to the meeting, then such questions can be directed to the Director: Finance.

CONCLUSION

The summary schedule of payments is shown for the period 5 August 2005 to 1 September 2005. Payments have been provided for in accordance with approved budgets.

RECOMMENDATIONS

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

Report prepared by: Andrew Pollock, Director: Finance.



10 TRANSPORT ASSETS BUDGET ADJUSTMENT

PURPOSE OF THE REPORT

The purpose of this report is to seek approval from the Finance and Operational Performance Committee to make adjustments to the 2005/2006 Annual Plan for transport assets.

BACKGROUND

Cost increases are anticipated for a number of Transport Assets projects approved in the 2005/2006 Annual Plan arising from increased scope and cost fluctuations.

In addition, forward design funding is required to allow investigation, detail design, consent application and funding subsidy to be carried out in advance of implementing and constructing future projects.

As part of negotiations over a number of West Park Marina issues, a need has arisen to seal the boat ramp area at Clearwater Cove. This project was not funded in the 2005/2006 Annual Plan.

STRATEGIC CONTEXT

The Waitakere City Council's 'Integrated Transport and Communication' platform provides the strategic context for this report. The vision is for public transport and communications systems that provide fast, effective services, and for city travel facilitated by integrated, environmentally responsible, and innovative design, with a focus on meeting the essential needs of all, for access, communication, and safety. New road links and road upgrading improves the traffic flows and safety of road users, and form an integral part of Council's strategic platforms and prime responsibilities.

ISSUES

Henderson Valley Road / Smythe Road Intersection

The Henderson Valley Road / Smythe Road intersection project has an allocated budget of \$591,984 within the approved 2005/2006 Annual Plan.

Additional costs have arisen due to the relocation of utilities and increased costs quoted by Vector Networks for the relocation of power cables, with the cost of relocating services now being \$272,000. The final design has identified the need to purchase extra land at a cost of \$30,000.

These costs were not foreseen at the time of the budget preparation, as the detailed design had not been completed at that time. Further investigation and engineering estimates indicate that the total works will cost \$801,980. The total estimated cost of work including service relocation requires an additional \$210,000 budget allocation.

Opanuku Road Seal Extension

Opanuku Road is an unsealed road. A section of this road has been identified for sealing during 2005/2006. Seal extension funding of \$50,000 has been provided in the 2005/2006 Annual Plan. The budget allowed for planning and obtaining consents.

However, following a more detailed site investigation it has been established that a significant proportion of Opanuku Road could be sealed to meet community needs by applying a 100 millimetre compacted metal layer and a two coat chip seal. This work could be carried out without resource consents. An engineering estimate indicates that an additional \$50,000 is required to complete the works.

Waipareira Road Woodford Road Link

The Waipareira Road/Woodford Road Link is a new road link providing a new neighbourhood road connection, supplementary to the Lincoln Road corridor and allowing improvement in connectivity and traffic flow for local traffic. The new link will also provide the east/west traffic flow bypassing the Lincoln Road District Arterial.

A contamination report carried out as part of the consent process has indicated that the site has some contamination imposing special construction requirements and conditions. This is likely to increase the construction costs. A budget allocation of \$304,524 has been provided within the approved 2005/2006 Annual Plan. At this stage engineering estimates indicate that an additional \$100,000 is required to complete the works.

Munroe Bridge Project

The Munroe Bridge Project is a bridge being built over the Paremuka Stream. The bridge construction is nearing completion. A budget of \$972,000 has been provided within the approved 2005/2006 Annual Plan for bridge construction.

During the construction phase a further safety audit was commissioned. Also, a number of issues were identified that required planning for future utility services that were not foreseen at the time that the bridge was designed in 2003. As the safety audit and utility planning was completed in the first quarter of 2005/2006, it was not possible to include the additional costs in the 2005/2006 Annual Plan.

Due to the above, additional costs have been identified for service ducts for future services, safety barriers requiring special footings, additional footpaths and additional road information signs. At this stage engineering estimates indicate that an additional \$180,000 is required to complete the additional works.

West Park Marina - Clearwater Cove Seal Extension

West Park Marina - Clearwater Cove seal extension is a new priority project that has been identified by Council as requiring implementation. It involves the sealing of Westpark Marina - Clearwater Cove boat ramp in West Harbour. Some road marking, signage and bollards are required. No budget allocation has been made for this project within the approved 2005/2006 Annual Plan. It is estimated that \$50,000 is required to complete the works.

Forward Design Funding

Forward design funding is required so that projects that are planned for future years can be designed in advance and made ready for construction at the beginning of the planned construction season. A budget allocation of \$150,000 has been provided within the approved 2005/2006 Annual Plan.

Council has now prepared a draft 10-Year Land Transport Plan. In order to progress its implementation, it is recommended that forward design work for projects included in this Plan be carried out during 2005/2006. At this stage it is estimated that an additional \$200,000 is required to cater for the forward design projects. This expenditure was now foreseen at the time that the 2005/2006 Annual Plan was prepared as Council did not have a 10-Year Land Transport Plan at that stage.

Whau River Crossing

The 2005/2006 Annual Plan provided funding of \$1,160,000 for further investigations of the Whau River Crossing. Detailed modelling of the City's traffic network has established that this crossing will not be required for at least 10 years and that greater priority should be allocated to the Te Atatu Road, Lincoln Road and Great North Road corridors.

Therefore it is recommended that this project be deleted and this is consistent with the draft 10 Year Land Transport Programme submitted to the Auckland Regional Transport Authority.

RESOURCES

In order to address the funding shortfall, it is recommended that additional funding be allocated to fund the projects detailed in the table below.

Project	Additional Funding \$
Henderson Valley Road/Smythe Road intersection	210,000
Opanuku Road seal extension	50,000
Land purchase Waipareira Avenue/Woodford Avenue Road link	100,000
Munroe Road bridge	180,000
Clearwater Cove seal extension	50,000
Forward design capital expenditure	200,000
TOTAL	790,000

This additional expenditure can be offset by not proceeding with the Whau River Crossing and re-allocating the 2005/2006 Annual Plan budget of \$1,160,000, with a surplus of \$370,000 less any expenditure to date.

CONCLUSION

The level of funding for Henderson Valley Road/Smythe Road intersection, Opanuku Road seal extension, Waipareira Road/Woodford Road Link, Munroe Bridge Project, Westpark Marina - Clearwater Cove Seal Extension and Forward Design Funding is not sufficient to complete the projects scope of works. It is recommended to offset an amount of \$790,000 from the Whau River Crossing budget to provide the additional amounts required for the individual projects, as detailed above, for the completion of these projects.

RECOMMENDATIONS

1. That the Transport Assets Budget Adjustment report be received.
2. That additional funding of \$210,000 allocated within the 2005/2006 Annual Plan for work on the Henderson Valley Road/Smythe Road intersection project be approved.
3. That additional funding of \$50,000 allocated to seal extensions budget within the 2005/2006 Annual Plan for work on the Opanuku Road seal extension project be approved.
4. That additional funding of \$100,000 allocated to Land Purchase Waipareira Avenue/Woodford Avenue budget within the 2005/2006 Annual Plan for work on the Waipareira Road/Woodford Road Link be approved.
5. That additional funding of \$180,000 allocated to Munroe Bridge Ave (non-subsidised) budget within the 2005/2006 Annual Plan for work on Munroe Bridge Project be approved.
6. That additional funding of \$50,000 allocated to seal extensions budget within the 2005/2006 Annual Plan for work on the Clearwater Cove seal extension be approved.

7. That additional funding of \$200,000 allocated to Forward Design Capital Expenditure budget within the 2005/2006 Annual Plan for Forward Design work be approved.
8. That the Group Manager: Asset Management be authorised to offset the amounts listed in recommendations 2 to 7 above, against the Whau River Crossing budget allocation of \$1,160,000 in the 2005/2006 Annual Plan.

Report prepared by: Edwin Dearham, Principal Transport Engineer Planning.



11 **DRAFT ANNUAL REPORT 2004/2005**

This report will be circulated separately with the agenda.



PART E - GENERAL

12 TRIENNIAL REPRESENTATION REVIEW (MAORI WARD/S)

PURPOSE OF THE REPORT

The purpose of this report is to advise the Finance and Operational Performance Committee of the key outcomes of the Triennial Representation Review nga hui, focus group and public meetings held during August 2005 and advise of the resolution of Te Taumata Runanga, from whom the Committee had requested advice, on the subject of Maori Ward/s so that consideration can be given to the option of establishing a separate Maori Ward for Waitakere City.

BACKGROUND

The Council is required to conduct a review of its representation arrangements at least every six years. Because the Council chose not to undertake a review in 2003 it must do so in the 2006 year. It is considered inappropriate to consider those aspects of the review that must be undertaken during the 2005 year (Maori Ward/s and Electoral System) in isolation from those aspects for which decisions do not have to be made until 2006 (Boundaries and Representation).

The Local Government Commission has advised that its workload to deal with any appeals and objections will likely be substantial and it cannot assure the Council that it will be able to 'hear' submissions on the appeals and objections in all local authority areas. The Local Government Commission, however, has advised that if a local authority is able to make its determination ahead of the statutory deadlines then it is much more likely that local hearings will be possible. The Council has therefore determined that it will continue the process through 2005 and on to 2006 seamlessly so it makes a determination well ahead of the statutory time lines, and as soon as possible after robust consultation with the community.

Te Taumata Runanga considered the issue at its meeting on 19 September 2005 following nga hui and can now advise the Council on the aspect of separate Maori Ward/s.

STRATEGIC CONTEXT

Active Democracy is one of the Council's nine strategic platforms identified in its Long Term Council Community Plan and Annual Plan 2005/2006. This platform supports the involvement of citizens in the Council's decision-making process, through education, removing barriers, developing partnerships, improving information flows and supporting the communities' own ways of interacting with the Council.

The Council measures its success in meeting active democracy targets by conducting regular household surveys. Although the public's perception of engagement in the Council's decision-making processes has improved since surveys were first conducted in 2001/2002, (partly due to this Council's extensive community consultation processes), the voter turnout for Council elections remains low. Voter turnout was only 35.68% at the last election. The electoral representation review process may assist the Council in determining why this is so and how to structure a system that is more conducive to active voter participation.

In addition to the Active Democracy Platform, the Treaty of Waitangi is one of the Council's overarching priorities, which must be affirmed in all the Council's activities and planning. Furthermore, the Local Government Act 2002 (Part 6) requires the Council to establish and maintain processes to provide opportunities for Maori and to foster the development of Maori capacity to contribute to its decision-making processes. The Council's commitment to the Treaty of Waitangi, together with the requirements of the Local Government Act, makes it incumbent upon this Council to consider the issue of appropriate Maori representation.

ISSUES

The amended provisions of the Local Electoral Act 2001 provide that any territorial authority may resolve to establish Maori Ward/s. The establishment of a separate Maori Ward or Ward/s would require that there are sufficient numbers of Maori electors registered within the area of the territorial authority. Any Council resolution to provide for the establishment of a Maori Ward or Ward/s must be made no later than 23 November of the year that is two years before the next Triennial Election.

If a valid demand for a poll (from at least 5% of the registered electorate) on the issue of the introduction of Maori Ward/s is received before 28 February the year before a Triennial General Election then a poll must be conducted and the result of that poll will be binding and effective from the next Triennial General Election.

The Council itself may resolve to hold a poll, and if so, such a poll is required to be held no later than 21 May 2006 (the year before the next Triennial General Election), for it to take effect at the 2007 election, failing which it can only take effect at the next but one Triennial Election. The estimated cost of holding a poll is around \$200,000, covering as it will, the City at large.

A14 – A25

As required by the Finance and Operational Performance Committee resolution 358/2005 the process of consultation on the issue of Maori representation has now been completed. Te Taumata Runanga sought the views of the Maori community through nga hui held on 13 and 27 August 2005 which covered all aspects of the Representation Review. These nga hui were attended by 15 and 13 persons respectively. The report on the nga hui produced by independent consultants Tahana Limited, who assisted with facilitating the nga hui, is attached at pages A14 to A25.

At its meeting of 19 September 2005, Te Taumata Runanga made the following recommendations concerning Maori representation:

- “1. That it be recommended to the Finance and Operational Performance Committee and the Council that Council introduce Maori Ward/s as part of its review of its system of representation.
2. That the outcome of the consultation on the Triennial Representation Review be forwarded to the Finance and Operational Performance Committee and the Council so that the report and recommendations can be considered in Councils decision making.”

1787/2005

“That it be recommended to Council:

- that Council agree to investigate ways for Maori to become more involved in Local Government decision-making through Te Taumata Runanga working alongside the Council;*
- that the Council review the capacity of Te Taumata Runanga to become more involved in Council decision making;*
- that the Council directly informs all participants of the consultation hui of the final decision on the outcomes of the Triennial Representation Review.”*

1788/2005

A public meeting held on 28 August 2005, attended by 16 participants was divided on the issue of whether to introduce Maori Ward/s. Whilst the majority favoured the introduction of a Maori Ward there were views both for and against the proposal expressed.

A focus group of the general population held on 24 August 2005 attended by 6 people, just a small number of those participants who had agreed to take part, considered that the decision on whether to have Maori Ward/s or not should be decided by the Maori community and not the community as a whole.

The matter was brought to the attention of the Community Boards during August and September.

The Henderson Community Board sought advice on the outcome of community consultation before making any recommendation on the issue of Maori Ward/s to the Council. The Henderson Community Board will consider the matter again at its meeting on 6 October 2005. A verbal update on the recommendation of the Board will be given at the meeting.

The Massey Community Board considered the matter at its meeting on 3 August 2005. The Board resolved by majority decision as follows:

“That Massey Community Board advises the Finance and Operational Performance Committee that it does not support the creation of separate Maori representation for the Council and Community Boards within Waitakere City.”

1464/2005

NOTE: Pursuant to Standing Order 32.12 GJ Maurice requested that her vote against the motion be recorded.

The New Lynn Community Board considered the matter at its meeting on 1 August 2005. The Board resolved as follows:

“That the New Lynn Community Board does not support separate Maori Wards.”

1442/2005

“That the New Lynn Community Board supports the status quo, i.e. the retention of Te Taumata Runanga.”

1443/2005

The Waitakere Community Board sought advice on the outcome of community consultation before making any recommendation on the issue of Maori Ward/s to the Council. The Waitakere Community Board will consider the matter again at its meeting on 4 October 2005. A verbal update on the recommendation of the Board will be given at the meeting.

The Finance and Operational Performance Committee has delegated authority to make preliminary decisions on electoral and representation matters and make recommendations to Council for final decision. The recommendations of the Finance and Operational Performance Committee on this issue will then be brought to Council on Wednesday, 26 October 2005 for a final decision. Section 19Z of the Local Electoral Act 2001 provides that a Council may resolve that the City have a Maori Ward or Ward/s for electoral purposes. If the Council passes a resolution to opt for Maori Ward/s pursuant to Section 19Z then public notice of the decision must be given. This then triggers the right of the community to demand a poll.

RESOURCES

Provision has been made in the draft Annual Plan 2005/2006 to resource the Representation Review. No provision has been made to fund any poll sought by the community and the cost of a poll, if one is demanded, will become a first call on rate income sought in the 2006/2007 Annual Plan.

CONCLUSION

This report is brought to the Finance and Operational Performance Committee to advise the Committee of the outcomes of the consultation process and to enable the Committee to make a final recommendation to the Council on Maori Ward/s should it choose to do so. Te Taumata Runanga support the introduction of Maori Ward/s and have also requested that the Council work with Te Taumata Runanga to investigate ways for Maori to become more involved in Local Government decision-making and to review the capacity of Te Taumata Runanga to become more involved in Council decision making. It has also asked that Council directly informs all participants of the consultation nga hui of the final decision on the outcomes of the Triennial Representation Review.

A decision from Council on this matter is sought. Council can resolve to introduce Maori Ward/s, resolve not to introduce Maori Ward/s or decide nothing and leave the matter to the community to address, should it wish, through a poll demand.

RECOMMENDATIONS

1. That the Triennial Representation Review (Maori Ward/s) report be received.
2. That it be recommended to Council either:
 - a. That the Council resolve to introduce Maori Ward/s for the 2007 triennial local authority elections; **or**
 - b. That the Council resolve not to introduce Maori Ward/s for the 2007 triennial local authority elections; **or**
 - c. That the Council not make a decision on the introduction of Maori Ward/s but leave the matter to the community to determine by producing evidence by way of a poll demand that Maori Ward/s are supported by the community and should be introduced.
3. That the Council hold a workshop with the Members of Te Taumata Runanga to explore ways for Maori to become more involved in Local Government decision-making through Te Taumata Runanga working alongside the Council and to review the capacity of Te Taumata Runanga to become more involved in Council decision making.
4. That all participants of the nga hui be formally advised by the Council of the outcomes of the Triennial Representation Review once these are finalised.

Report prepared by: Darryl Griffin, Electoral Officer.

PART F - REPORTS FROM THE SUBCOMMITTEES

13 TENDERS SUBCOMMITTEE

THE SUBCOMMITTEE SUBMITS THE FOLLOWING REPORT OF ITS EXTRAORDINARY MEETING HELD ON WEDNESDAY, 14 SEPTEMBER 2005

MATTERS CONSIDERED

A26 – A27

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 are attached at pages A26 to A27.

The Subcommittee Recommends:

That the Extraordinary Meeting report of the Tenders Subcommittee held on Wednesday, 14 September 2005 be received.

JM Clews, QSO, JP
CHAIRPERSON



PART G - RECOMMENDATIONS FROM OTHER MEETINGS

14 RECOMMENDATIONS FROM WAITAKERE COMMUNITY BOARD

UPDATE ON LAINGHOLM BEACH HALL

The Waitakere Community Board recommends to the Finance and Operational Performance Committee:

1. That the Laingholm Beach Hall be retained and repaired.
2. That subject to approval to retain and repair the Laingholm Beach Hall by the Finance and Operational Performance Committee, the Chief Executive Officer be delegated authority to negotiate and execute a lease under Section 61 of the Reserves Act 1977 with the Laingholm District and Citizens Association for the footprint of the Laingholm Beach Hall on Western Park, Laingholm.



15 **RECOMMENDATION FROM MASSEY COMMUNITY BOARD**

COMMUNITY WELLBEING FUND ALLOCATION 2005/2006

The Massey Community Board recommends to the Finance and Operational Performance Committee:

That the unallocated portion of \$617 of the Massey Ward Community Wellbeing Fund Allocation 2005/2006 be reallocated to the City Wide Fund which is oversubscribed.



16 **RECOMMENDATIONS FROM TE TAUMATA RUNANGA**

TRIENNIAL REPRESENTATION REVIEW (MAORI WARDS)

Te Taumata Runanga recommends to the Finance and Operational Performance Committee:

1. That the Council introduce Maori Ward/s as part of the review of its system of representation.
2. That the Tahana Report and its recommendations of the outcome of the consultation hui on the Triennial Representation Review be considered in Council's decision making.



PART H - PUBLIC EXCLUDED MATTERS

17 RECOMMENDATIONS FROM CITY DEVELOPMENT COMMITTEE

- 1. MAKORA RESERVE PROPOSED LAND SWAP**
- 2. THE TRUSTS STADIUM CRÈCHE FUTURE REPORT**

Item 18 will be considered in the Confidential Supplement of the agenda, and has been circulated to members separately with this agenda.



18 TRUSTS STADIUM CRÈCHE UPDATE

Item 19 will be considered in the Confidential Supplement of the agenda, and has been circulated to members separately with this agenda.



19 THE LOPDELL HOUSE SOCIETY – RENT ARREARS

Item 20 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 parts of the proceedings of this meeting, namely Makora Reserve Proposed Land Swap, The Trusts Stadium Crèche Future Report and The Lopdell House Society – Rent Arrears.

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

General subject of the matters to be considered.	Reason for passing this resolution in relation to the matters.	Ground(s) under Section 48(1)(a) for the passing of this resolution.
<ul style="list-style-type: none"> • Makora Reserve Proposed Land Swap • The Trusts Stadium Crèche Future Report • The Trusts Stadium Crèche Update • The Lopdell House Society – Rent Arrears 	<p>The withholding of information is necessary in order to:</p> <ul style="list-style-type: none"> • enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) • protect the privacy of natural persons, including that of deceased natural persons • enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) 	<p>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p> <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> <p>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 7(2)(a) and (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 reports contain information which if released could affect the Council's ability to conduct negotiations and to protect the privacy of employees of The Trusts Stadium.*

