



Waitakere City Council
Te Taiao o Waitakere

NOTICE OF MEETING

FINANCE AND OPERATIONAL PERFORMANCE COMMITTEE

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

DATE: Monday, 9 February 2009 **TIME:** 9.30 am

MEETING ROOM: Council Chamber

VENUE: Waitakere Central, 6 Henderson Valley Road, Henderson, Waitakere

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

29 January 2009

Carmen Fernandes
COMMITTEE SECRETARY

Telephone (09) 836 8000 extn 8887

MEMBERSHIP:

Councillors	RI	Clow (Chairman)
	JM	Clews, QSO, JP (Deputy Chairman)
	DQ	Battersby, JP
	BA	Brady, JP
	MFP	Chan, JP
	LA	Cooper, JP
	AK	Corban, OBE, JP
	RP	Dallow, QPM, JP
	WW	Flaunty, QSM, JP
	PA	Hulse
	MM	Jolley
	JP	Lawley, JP
	PG	Mitchell
	VS	Neeson, JP

Mayor RA Harvey, QSO, JP (ex officio)

(Quorum 5 members)

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(Meeting Room could be subject to change)

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

**AGENDA FOR A MEETING OF THE FINANCE AND OPERATIONAL PERFORMANCE
COMMITTEE TO BE HELD IN THE COUNCIL CHAMBER AT WAITAKERE
CENTRAL, 6 HENDERSON VALLEY ROAD, HENDERSON,
WAITAKERE, ON MONDAY, 9 FEBRUARY 2009,
COMMENCING AT 9.30 AM**

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**AGENDA FOR A MEETING OF THE FINANCE AND OPERATIONAL PERFORMANCE
COMMITTEE TO BE HELD IN THE COUNCIL CHAMBER AT WAITAKERE
CENTRAL, 6 HENDERSON VALLEY ROAD, HENDERSON,
WAITAKERE, ON MONDAY, 9 FEBRUARY 2009,
COMMENCING AT 9.30 AM**

PART A - OPENING OF MEETING

1 APOLOGIES



2 URGENT BUSINESS

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

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

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

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



3 CONFLICTS OF INTEREST

The Council has acknowledged in its Code of Conduct that Elected Members need to be vigilant to stand aside from decision making when a conflict arises between their role as a member of the Council and any private or other external interest they might have. This note is provided as a reminder to members to check that no such conflicts arise in relation to any items on this agenda.



4 CONFIRMATION OF MINUTES

Meeting Minutes - Monday, 8 December 2008
Friday, 19 December 2008

RECOMMENDATION

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

Receive the minutes of the meetings of the Finance and Operational Performance Committee held on Monday, 8 Tuesday 2008 and Friday, 19 December 2008, as circulated, and that they be taken as read and now be confirmed.



PART B - LEGAL AND CONSTITUTIONAL

5 AFFIXATION OF COMMON SEAL

RECOMMENDATIONS

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

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

EXECUTION OF DOCUMENTS: 1 December 2008 to 30 January 2009

Nº	NAME	PARTICULARS
4625	WCC - Hudson Bay Holdings Limited	Easement Instrument - Servient Lot 1 DP 317419, Dominant Lot 1 DP 409988
4626	WCC - Waitakere Properties Limited	Declaration of Trust - Hobsonville land - Lot 1 DP 317419 and Lot 2 DP 409988
4627	WCC - JV Davern	Deed of Waiver s40 Public Works Act - 411 Henderson Valley Road - Finance and Operational Performance resolution 770/2004
4628	WCC - C Pauling & SJ Davies (The Pohutukawa Trust)	Fencing Agreement - Certificate of Title 370956 - 26-30 Pohutukawa Road, Whenuapai - RMA2005706
4629	WCC - WA & EA Hoskin	Drainage easement in gross - Certificates of Title 381575 and 381574 - 6 Church Street, Swanson - RMA20041694
4630	WCC - Faraz Ahmed	Warrant of Appointment and Evidence of Identity - No.WCC416
4631	WCC - Ram Chandra Reddy	Warrant of Appointment and Evidence of Identity - No.WCC417
4632	WCC - Jerry Patrick Middlecote	Warrant of Appointment and Evidence of Identity - No.WCC418
4633	WCC - Stewart Glenn Nash	Warrant of Appointment and Evidence of Identity - No.WCC419

Nº	NAME	PARTICULARS
4634	WCC - Yi Yi Li	Warrant of Appointment and Evidence of Identity - No.WCC420
4635	WCC - Lakshman Vadhiparthi	Warrant of Appointment and Evidence of Identity - No.WCC421
4636	WCC - Olga Rose Caine-Caitlin	Warrant of Appointment and Evidence of Identity - No.WCC422
4637	WCC - Stephen Anthony Lamusitele	Warrant of Appointment and Evidence of Identity - No.WCC423
4638	WCC - Dennis Richard Wells	Warrant of Appointment and Evidence of Identity - No.WCC424
4639	WCC - Melody Anne Hamiora	Warrant of Appointment and Evidence of Identity - No.WCC425
4640	WCC - Colin Patrick Waite	Warrant of Appointment and Evidence of Identity - No.WCC426
4641	WCC - RA & CN Cooney and PM Joyce	Fencing Agreement - Certificates of Title 408390 to 408392, 109-123 Parrs Cross Road, Glen Eden RMA20051696
4642	WCC - RA & CN Cooney and PM Joyce	Maintenance Bond - 109-123 Parrs Cross Road, Glen Eden - RMA20051696
4643	WCC - RA & CN Cooney and PM Joyce	Uncompleted Works Bond - 109-123 Parrs Cross Road, Glen Eden - RMA20051696
4644	WCC - RA & CN Cooney and PM Joyce	Authority and Instruction Form for an electronic transaction - 109-123 Parrs Cross Road, Glen Eden - RMA 20051696
4645	WCC - XJ Zhai and AD Zhang	Drainage easement in gross - Certificates of Title 431700 and 431702 - 3A Epping Road, Henderson - RMA2007210
4646	WCC - Watercare Services Limited	Surrender of drainage easement - 33B Brandon Road, New Lynn - Rule 44.2 Standing Orders
4647	WCC - Sunnyside Developments Limited	Authority and Instruction Form - Water supply easement in gross - Certificates of Title 445450 to 445452 - 37 Sunnyside Road, Sunnyvale - RMA20071756
4648	WCC - SSL Holdings Limited	Fencing Agreement - Certificates of Title 419249 and 419250 - 97-123 Birdwood Road, Swanson - RMA20060742
4649	WCC - AR Bell	Conservation Covenant - 68 Glendale Road - Environmental Management Committee resolution 2090/2003
4650	WCC - Aotearoa Development Corporation Limited (Lancewood Developments Limited)	Easement in gross - Certificates of Title 374243 and 374244, 374247 and 374248 - 39 Kellett Road, Ranui - RMA20041456
4651	WCC - Aotearoa Development Corporation Limited (Lancewood Developments Limited)	Surrender of easement - Certificates of Title NA121A/809 and NA121A/810 - 39 Kellett Road, Ranui - RMA20041456
4652	WCC - BH & JS Walters	Drainage easement in gross - Certificates of Title 94356 to 94358 - 259, 261 and 263 Golf Road, Titirangi - RMA20031151
4653	WCC - RW & CJ Pearce and E Gasparich	Conservation Covenant - 9D Laingholm Drive, Environmental Management 2090/2003

Nº	NAME	PARTICULARS
4654	WCC - Premium Property Holdings Limited and Hudson Bay Holdings Limited	Deed reacquisition of Lot 2 Deposited Plan 409988, in triplicate
4655	WCC - Connell Wagner Limited and Unitec (Institute of Technology)	Deed of Grant (Deed of Settlement and Release)
4656	WCC - Prime West Limited - Tony Tay Film Limited	Special Resolution to adopt Constitution 2000/2008
4657	WCC - Tony Tay Film Limited - Prime West Limited	Shareholders Agreement, in triplicate 2000/2008
4658	WCC - Bank of New Zealand	Security to Bank of New Zealand (Security Stock Certificate)
4659	WCC - Bank of New Zealand	Committed Cash Advance Facility Agreement, in duplicate
4660	WCC - AM & BD Cathro	Drainage easement in gross - Lot 1 Deposited Plan 404594 - 84 Helena Street, Massey - RMA20072291
4661	WCC - C Pauling and SJ Davies (The Pohutukawa Trust)	Discharge of Memorandum of Encumbrance 5767133.1 - Certificate of Title NA246/205 - 26-30 Pohutukawa Road - RMA20050706
4662	WCC - Sarah Joanne Natac	Warrant of Appointment and Evidence of Identity - No.WCC427
4663	WCC - Millor Rentals Limited	Drainage easement in gross - Certificate of Title 441258 - 66 and 66A Parris Cross Road, Henderson - RMA200834
4664	WCC - HJ Norton - Westpac	Consent as encumbrancee to variation of mortgage - 5 Warner Park Avenue, Laingholm - Rule 44.2
4665	WCC - NC Bicheno	Memorandum of Encumbrance - 98 and 100 Wood Bay Road - Rule 44.2
4666	WCC - Aotearoa Developments Corporation Limited	Surrender of Drainage easement in gross - 39 Kellett Road - Certificate of Title NA121A/810 - RMA20041456
4667	WCC - Vector Limited	Electricity easement - Rathgar and Longburn Roads - Council resolution 985/2008
4668	WCC - LE Haines	Conservation covenant - 70 Glendale Road, Glen Eden - Council resolution 2090/2003
4669	WCC - M & R Contractors Limited	Drainage easement in gross - Certificate of Title 430747 - 45A-45H and 45J Brandon Road, Glen Eden - RMA2007985
4670	WCC - M & R Contractors Limited	Water supply easement in gross - Certificates of Title 430739 to 430747 inclusive - 45A-45H and 45J Brandon Road, Glen Eden - RMA2007985
4671	WCC - Body Corporate 203344	Water supply easement in gross - Lot 3 Deposited Plan 85944 and Lot 1 Deposited Plan 145724 - 45A-45H and 45J Brandon Road, Glen Eden - RMA2007985

Report prepared by: Denis Sheard, Legal Services Manager.



PART C - FINANCE

6 OPERATING AND CAPITAL EXPENDITURE SUMMARY

EXECUTIVE SUMMARY

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

RECOMMENDATION

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

Receive the Operating And Capital Expenditure Summary report.

BACKGROUND

1. Through the Long Term Council Community Plan and Annual Plan process, the Council approves operating and capital expenditure. The Council follows good practice for procurement of goods and services and ensures that funding has been provided from appropriate sources.
2. If any further information is required in respect of this report, other than of a general nature, please contact the writer prior to the meeting to enable the query to be researched.
3. This report covers expenditure for the six months to 31 December 2008. The financial summary and notes are attached at pages A1 to A7.
4. The financial performance summary for the six months to December 2008 is reported using a new format. The Finance and Operational Performance Committee was advised of a format change at the December 2008 meeting.

A1-A7

DECISION MAKING

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

Issues

6. Explanations for significant variances between actual results to date and the annual plan budgets are provided for the overall operating performance statement (including commentaries on the performance of council trading activities) and capital expenditure. (Refer to item 3 above).
7. A detailed forecast of the financial results (both operating and capital expenditure) to the end of the 30 June 2009 financial year will be prepared and actual results against the forecast will be reported to the Finance and Operational Performance Committee in March 2009.

STRATEGIC CONTEXT

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

CONSULTATION

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

RESOURCES

10. This report has no resource implications.

IMPLEMENTATION ISSUES

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

Report prepared by: Khee Mee Soo, Deputy Director: Finance.



7 STATUS OF SPECIAL FUNDS

EXECUTIVE SUMMARY

A8

The purpose of this report is to inform the Finance and Operational Performance Committee on the status of the Council's special funds as at 31 December 2008, as attached at page A8.

RECOMMENDATIONS

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

Receive the Status Of Special Funds report.

BACKGROUND

1. Special funds are those funds held or designated by the Council for a specific purpose or purposes. The balances of these funds are used to offset the Council's borrowing requirements. Interest is allocated to funds where applicable.
2. Special fund movements are recommended through the Long Term Council Community Plan and Annual Plan adoption process. Special funds are classified as either "Restricted Funds" or "Non-Restricted Funds". Restricted funds are those funds that have been received by the Council from a third party or parties and are to be used for a specific purpose or purposes. Non-restricted funds are funds established by a Council resolution to use and set aside its own funds and also to meet a specific purpose or purposes.

DECISION MAKING

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

STRATEGIC CONTEXT

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

CONSULTATION

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

RESOURCES

6. This report has no resource implications.

IMPLEMENTATION ISSUES

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

Report prepared by: Khee Mee Soo, Deputy Director: Finance.



8 BORROWING AND INVESTMENT REPORT

GLOSSARY

Long Term Council Community Plan	(LTCCP)
Waitakere City Council	(the Council)
Finance and Operational Performance Committee	(the Committee)

EXECUTIVE SUMMARY

This is a monthly report to Waitakere City Council's (the Council's) Finance and Operational Performance Committee (the Committee) and is also a requirement of the Council's adopted Liability Management and Investment Policy. It provides information on the Council's borrowing and investment activities over the past month and also high level information on current financial market conditions. From time to time additional and more detailed information is requested on particular areas of interest by the Finance and Operational Performance Committee or other Committees. This report also includes a recommendation with respect to providing certainty of base wholesale interest rates beyond the Council's existing Liability Management and Investment Policies rolling 12 month forecast. This amendment will help to provide certainty of base funding costs for longer term projects the Council has committed to, such as New Lynn and NorSGA.

RECOMMENDATIONS

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

1. **Receive** the Borrowing And Investment Report.
2. **Approve** the Borrowing And Investment Report.
3. **Recommend** to the Council, that long term interest rate hedging activities undertaken by the Council, in order to provide certainty to base interest costs, differs from the existing policy, in that these activities will consider a longer forecasting horizon than the rolling 12 months forecasted debt position as stated in the existing Liability Management and Investment Policy.

BACKGROUND

1. The Council enters into treasury related financial contracts in the ordinary course of its business. It is the role of the Council's Funds Management section to manage such contracts and the impact that they have on the organisation. All funds management transactions are governed by the Liability Management and Investment Policy prepared in compliance with the Local Government Act 2002. As a requirement of that Policy this report informs the Committee on the current and future movements of the Council's debt and cash investments, and provides a general commentary of financial market conditions.

A9-A14

2. The relevant portfolio and graphs reflect the estimated position as at 31 December 2008 and are attached at pages A9 to A14.

DECISION MAKING

3. The Finance and Operational Performance Committee must consider whether to approve the Borrowing and Investment Report.

Issues

4. The Council's Funds Management function actively manages a large portfolio of various debt and investment instruments. The benefit of borrowing is that it enables the Council to carry out the projects identified in the Annual Plan and Long Term Council Community Plan (LTCCP), while spreading the costs for those projects over time to recognise the future benefits. Borrowing funds therefore assist the Council with its entire loans funded strategic initiatives. The Liability Management and Investment Policy requires that a report detailing the management of the portfolio be presented to the 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; and
- Market commentary.

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

Financial Implications

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

8. The Council has adopted financial ratios included in its Liability Management and Investment Policy which provides limits on the level of debt and interest the Council will have. The following table shows the ratio limit, the 2007/2008 actual and the 2008/2009 budgeted levels.

Financial Ratio	Policy	Actual 2007/2008	Budget 2008/2009
Net debt as percentage of equity	<25%	17.48%	20%
Net Debt as a percentage of income	<200%	144.48%	194%
Net interest as a percentage of income	<20%	9.4%	11%
Net Interest as a percentage of rates	<25%	17.7%	18%

Interest Rates

9. The Reserve Bank of New Zealand has, over the past two months, decreased its Official Cash Rate by a staggering 3.0%, from 6.50% from late October 2008 to the current 3.50% after its last review on 29 January 2009. It has become increasingly necessary for the Central Bank to attempt to stimulate the economy with lower interest rates as the international economic crisis impacts New Zealand.
10. It is important to understand that the Official Cash Rate is a base for inter-bank lending. While this interest rate does flow into short to medium term New Zealand wholesale base interest rates, it is only a part of the total borrowing costs. The cost of credit, the amount that investors demand as compensation for credit risk, has continued to increase. This is likely to continue as New Zealand is a little behind what other developed countries corporate borrowers are seeing.
11. Fonterra, is an excellent current example of what lenders expect as investment returns. They have just released their indicative pricing on a 6 year retail bond. This is expected to be placed at an all up interest rate of 7.75% or 3.4% over the base wholesale 6 year swap interest rate, whichever is highest. This swap rate is currently around 4.0%. So, if this bond was issued today, the credit margin would be 3.75%.
12. Wholesale interest rates are at extreme lows at the moment and while this does assist in countering the massive expansion in the cost of credit, this will become a real problem when base interest rates begin to increase. The cost of credit can not be hedged away with interest rate risk management techniques, so an unhedged floating rate exposure with a large cost of credit could easily see borrowing costs become double digit percentages sometime in the future.

Liability Management and Investment Policy

13. The Council has adopted a Liability Management and Investment Policy, which are statutory required policies under the Local Government Act 2002. The policies are intended to provide predictability and certainty about the sources and levels of funding the local authority will undertake. Included within the Council adopted policy is a section on how the Council will manage its interest rate risks. Any hedging activity is based on a rolling 12 month horizon. The Council also adopts a Long Term Council Community Plan (LTCCP) every three years. Many projects contained within the LTCCP have an expenditure horizon well beyond the rolling 12 month limit contained in the existing policy for hedging activities.

14. Base wholesale interest rates are at historical lows and there is a strong likelihood that they will go lower still. Unfortunately the cost of credit has continued to creep higher. While currently, lower base rates and high credit costs offset each other, it is very likely that higher costs of credit will endure well after base wholesale interest rates have increased. The outcome is that the Council's borrowing costs may escalate to significantly higher.
15. An opportunity may exist over the next few months for the Council to put in place, on a well managed basis, a programme to secure historically lower wholesale base interest rates well beyond the rolling 12 month forecasted debt levels. This will give a degree of funding cost certainty over the life span of major projects such as New Lynn or NorSGA.
16. During the adoption of the Draft LTCCP some changes will also be proposed to the Liability Management and Investment policy. These changes reflect the proposal to hedge wholesale base interest rates beyond the rolling 12 month horizon. However, the opportunities to lock in these rates may well be gone before the adoption of the Liability Management and Investment policy, after consultation, some time in late June 2009. It is therefore proposed that the Finance and Operational Performance Committee recommends to the Council that long term interest rate hedging activities of the Council differ from the existing policy, until the new policy is adopted.

STRATEGIC CONTEXT

17. The management and use of borrowing and investments is aligned to all of the Council's strategic objectives, as adopted in both the LTCCP 2006-2016 and the Annual Plan 2008/2009.

Preferred Option

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

CONSULTATION

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

RESOURCES

20. The Council, through its Annual Plan 2008/2009, provided for total new borrowings of \$224.915 million, including loans attributable to projects carried forward from previous years totalling \$105.488 million. Total interest cost has been provided in the Annual Plan 2008/2009 of \$27.292 million.

IMPLEMENTATION ISSUES

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

Report prepared by: Bruce Wilkin, Group Manager: Funds Management.



9 PAYMENTS FOR APPROVAL

EXECUTIVE SUMMARY

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

A15-A22

A summary schedule of payments made for the period 16 November 2008 to 16 January 2009 are attached at pages A15 to A16. A further schedule of all payments under \$50,000, together with the reason for the payment are attached at pages A17 to A22.

Payments have been provided for in accordance with approved budgets.

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

RECOMMENDATIONS

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

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

BACKGROUND

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

DECISION MAKING

2. The Finance and Operational Performance Committee must consider whether to approve the contracts let and the payments made for the period 16 November 2008 to 16 January 2009.

STRATEGIC CONTEXT

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

CONSULTATION

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

RESOURCES

5. This report has no resource implications.

IMPLEMENTATION ISSUES

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

Report prepared by: John MacKenzie, Group Manager: Rates and Financial Transactions.



PART D - GENERAL

10 TE ATATU ANTI-AIRCRAFT BATTERY UPDATE

GLOSSARY

Orangihina (Harbourview Park)

EXECUTIVE SUMMARY

The Te Atatu Anti-Aircraft Battery forms part of a network of heritage sites throughout Orangihina (Harbourview Park). Harbourview Park has sweeping views over Auckland City and it has a long history, first of Maori occupation, and then as the site of brickworks, farming activities and then as a coastal fortification during World War II.

This report provides an update on the costs and options for preserving and highlighting the heritage of the Te Atatu Anti-Aircraft Battery and recommends deferring the implementation of site interpretation over the rest of the park until the new financial year.

RECOMMENDATIONS

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

1. **Receive** Te Atatu Anti-Aircraft Battery Update report.
2. **Agree** that Council officers proceed with tendering for the fencing contract, and apply for resource consent for lighting the gun emplacements and signage at this stage.
3. **Agree** that the implementation of the lighting and signage physical works is dependent on the balance of the budget left after the fencing has been completed.

BACKGROUND

1. Te Atatu Anti Aircraft Battery was constructed in 1943 to a New Zealand Public Works Department design modification of a British War Office standard gun emplacement. The battery is one of a group of similar structures deployed throughout the Auckland Isthmus. The battery was constructed to protect the western airfields, in particular the Hobsonville Airbase, from aerial attack. It was active for only a year but is now the only one of its type remaining.
2. Due to its association with the defence of Auckland during WWII, the Te Atatu Anti Aircraft Battery is identified as a Category I heritage item under the District Plan. Category I buildings and structures are the most significant and therefore special care and attention needs to be taken with maintenance programmes and any modifications to the structures. The Harbourview Park has many heritage features with little or no explanation of what they are or their significance. The previous report recommends that this should be addressed. However, the implementation of the remaining site interpretation will need to follow in successive financial years.
3. The Finance and Operational Performance Committee passed the following resolution at its October 2008 meeting:

“The Finance and Operational Performance Committee resolved to:

1. **Receive** the Oranigihina (Harbourview Park) Heritage report.

2. *Agree that Council officers seek expressions of interest from lighting, fencing and interpretive signage contractors for heritage design concepts for the gun emplacements, brick villa, Auckland Brick and Tile site, Maori middens and McCormick's cottage on the Harbourview/Orangihina Park.*
3. *Agree that \$80,000 of the Harbourview/Orangihina Park Special Fund be set aside for heritage fencing and interpretation, subject to design concepts being provided to and approved by the Finance and Operational Committee."*

1710/2008

4. The Harbourview Park Special Rate was struck in 2004 for the purpose of establishing, developing and maintaining for public purposes certain land in Te Atatu Peninsula. Legal Services have confirmed that the proposed heritage interpretation works fall within the definition of works envisaged when the special rate was established. The proposed heritage interpretation works will complement the proposed upgrading of the Park and can be accommodated within the overall budget for development of the site.

DECISION MAKING

Issues

Site Interpretation of the Anti-Aircraft Battery

5. The Anti-Aircraft Battery is part of a broader heritage landscape that covers the Auckland Brick and Tile Company site, the brick villa, McCormicks cottage, and pre-European middens.
6. The Finance and Operational Committee approved \$80,000 funding towards site interpretation for Harbourview Park. However, recent cost estimates obtained for re-fencing, lighting and signage for the gun emplacements indicates that the \$80,000 will only be sufficient for part of the overall project. It is considered that it is better to consolidate and complete site interpretation thoroughly in each part of the reserve, before tackling new areas.
7. In light of the limited budget it is proposed that the project proceeds in the following way:
 - a) The improvements to other heritage sites in the Harbourview Park area are to be implemented once the gun emplacement project is complete i.e. it is preferable to finish one area first before moving on to other sites.
 - b) Completion of replacement fencing.
 - c) Design and construction of gun emplacement interpretation is to be implemented concurrently with design and consents for lighting.
 - b) Review of budget.
 - e) Implementation of lighting and signage as budget allows.

Options Identified

8. There is are a total of 311 metres length of fencing required to fence off all five gun emplacements with low maintenance, powder coated fencing. The costs for this vary with an upper limit of approximately \$50,000 for powder coated fencing. It is likely that the tender process will deliver cost savings on this estimate, although it is a sizeable part of the overall cost. The existing fencing has been the

subject of complaints by local residents who are of the view that the rural-style fencing is not appropriate match with the style of modern houses in the area. The fencing also does not provide ease of access for contractors required to remove graffiti or access the structures. The option of lighting the heritage structures would provide added passive surveillance of the site by residential properties in the evenings as well as highlighting in a modest manner, the heritage features. This would be an aid to site interpretation.

9. The installation of lighting will require a resource consent as it will involve an addition or alteration to a Category I heritage structure.
10. The highest project priority is the replacement of farm style fencing with black powder coated 1.2 metre high standard fence as parks assets prefer to use the same standard style of fencing across all parks managed by Council. This enables greater cost efficiency when sending out maintenance teams.
11. A lighting designer has been commissioned to look at three options for lighting the gun emplacements at Te Atatu. Option 1 is recommended as it provides for the greatest energy efficiency and best lighting result with greatest flexibility. Option 1 would involve placing two small colour changing LED floodlights within each of the 'rooms' at high level, aimed down and out from the room. This would enable the lights to be concealed from view from ground level above. The two lights will allow some sense of drama with shadowing from shell racks, door frames etc. The system would be set up with tow conditions - a warm white colour that would be displayed normally with a solid red colour to be displayed on ceremonial days such as ANZAC Day. This would allow escalation to a special effect on significant occasions. The red colour will tend to evoke a sense of danger consistent with the original purpose of the space.
12. Option 2 would provide for using a single colour LED with no colour changing. This would not provide any flexibility to allow for different effects at different times. Option 3 involved a series of weatherproof linear fluorescent lights located on the soffit within each of the rooms in such a way that they would not be visible from ground level but the effect of the light would be seen emanating from each room. Although this option may initially be low-cost it would involve having to manually change a coloured polycarbonated sleeve to give the colour change required for significant effects and would not be energy efficient in the long term.
13. Overall, it is considered that Option 1 provides the best value for money in the long term and the greatest flexibility.

Consideration of Community Views

14. The primary beneficiaries of further site interpretation, improved fencing options and lighting are the local residents, businesses and visitors to the area that wish to appreciate the heritage of Harbourview Park. Although further site interpretation is planned for the former McCormicks' Cottage site, Auckland Brickworks and other features, this will need to occur in successive years with further funding from the Harbourview Special Fund.
15. Council has consulted with the New Zealand Historic Places Trust in preparing its concepts to date and will also meet with two individuals in the community who have extensive knowledge of the gun emplacements and lived in Te Atatu during the 1940s.

Preferred Option

16. The preferred option involves replacing the existing fence with a new powder-coated standard parks fence. However, that is likely to use half of the budget. It is therefore recommended that Council consolidate its efforts at the gun emplacements to complete as much of the site interpretation through lighting and signage as possible with the \$80,000 allocated in the budget. This will enable other heritage features at Harbourview to be integrated into an overall visitor experience as future budget allows.

STRATEGIC CONTEXT

17. The work at Harbourview Park involves the Vibrant Arts and Culture strategic platform. *"Waitakere city's arts and culture is reflected and appreciated in our everyday life and the City is itself a work of art. We participate in creative pursuits and have a deep and wide perception of arts and cultures in our City."*
18. Development of heritage interpretation material will be achieved in consultation with the NZ Historic Places Trust, the lead central government agency involved in heritage protection.

CONSULTATION

19. The Council's heritage advisor has consulted with the Manager: Parks Planning and Parks Assets staff in preparing this report. The Parks Planning Manager supports further on-site interpretation of heritage features at the Harbourview Park as it is one of the most visited citywide parks. Project services are managing the physical works associated with this project.

RESOURCES

20. The resources required to deliver signage, fencing and lighting on the ground will need to be met from the Harbourview Park OPEX budget. The entire budget approved by the Committee is \$80,000. The following preliminary budget has been prepared but is subject to change depending on tenders received:

Item	Description	Approximate Cost
Lighting	Lighting options report	\$1400
Fencing	Black powder coated	\$40,000- \$50,000
Signage	Graphic design	\$400
	Build and installation	\$1,200
Lighting	Option one installation	\$48,300
Total		\$106,816

21. The costs above are subject to change depending on the outcome of the tender process. There is some additional heritage budget available in this financial year for contingencies above \$80,000.

IMPLEMENTATION ISSUES

22. The lighting design and preparation of resource consent application are underway.

Report prepared by: Alina Wimmer, Principal Advisor: Heritage and Tim Sherring, Senior Engineer: Special Projects.



11 **ELECTED MEMBERS REMUNERATION - REMUNERATION AUTHORITY DETERMINATION 2009/2010**

GLOSSARY

Remuneration Pool (pool)

EXECUTIVE SUMMARY

The purpose of this report is to advise the Finance and Operational Performance Committee of the new remuneration pool (pool) available for the Council's Elected Members salaries for the period 1 July 2009 to 30 June 2010, as released by the Remuneration Authority. The Council is required to decide on the apportionment of the pool amongst Elected Members, except for the Mayor, whose salary is determined by the Remuneration Authority.

This is an annual process and the next new determination will be made available for the year commencing 1 July 2010.

The Council in previous workshops and meetings since 2005 has confirmed the basis for allocating the pool. This is required to be confirmed by a formal resolution and submitted to the Remuneration Authority for re-approval each year.

Consultation must take place with Community Boards who have the opportunity to advise the Remuneration Authority whether they agree or disagree with the Council's determination. The Community Boards have also previously discussed the basis for allocating remuneration for Elected Members in Waitakere and generally agree with the Council's decision. Each Community Board was advised at their December 2008 round of meetings that the Council will be determining the allocations for the year ahead and their comments were sought on the current allocation formula based on an indication by the Council that there was unlikely to be any change. At that time the Community Boards were not aware of the Remuneration Authority's advice proposing an increase in the pool.

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

RECOMMENDATIONS

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

1. **Receive** the Elected Members Remuneration - Remuneration Authority Determination 2009/2010 report.
2. **Agree** to retain the same method of apportionment of the remuneration pool.
3. **Approve** that it be recommended to Council that the following salaries for Elected Members be recommended to the Remuneration Authority:
 - Deputy Mayor - \$81,753;
 - Chairmen of Committees:
 - (Planning and Regulatory, Finance and Operational Performance, Infrastructure and Works, NorSGA Urban Development, and Culture and Community Committees) - \$71,793.
 - Chairmen of Other Committees:
 - Chairman - Long Term Council Community Plan and Annual Plan Committee - \$68,625;

- Chairman - Policy and Strategy, Emergency Services Committees – 0;
 - Chairman - Performance Review Committee – 0;
 - Chairman – Tenders Subcommittee - 0;
 - Chairman Creative Communities Funds Allocation Subcommittee – 0
 - Deputy Chairmen:
 - Deputy Chairmen Infrastructure and Works, Planning and Regulatory and Culture and Community Committees - \$58,067.
 - Other Councillors - \$55,333;
 - Community Board Chairmen - \$25,299;
 - Community Board Members - \$13,022.
4. **Approve** that it be recommended to the Remuneration Authority that Councillors and Community Board Members receive a fortnightly allowance to cover reimbursement and expenses of the following costs incurred as appropriate:
- Reimbursement of one domestic line rental and one domestic line maintenance charge related to telephone, fax and email operation and the call minder facility (currently \$21.23 based on the monthly charge to Council of \$46);
 - The provision of a cell phone or mobile device to Councillors and Community Board Members on the Council's plan under the same terms and conditions as cell phones are provided for business use for staff including the repayment of private calls, or, where a cell phone/mobile device is not provided but a private cell phone/mobile device is made available for Council use, an allowance on the basis of the Council's Call Plan including the call minder facility (currently \$13.85 based on the monthly charge to Council of a cell phone of \$35);
 - Reimbursement of the best flat rate monthly fee available to the Council for a Broadband connection suitable for Council business operations (currently \$16.15 based on the monthly charge to Council of \$30) (available to Community Board Chairmen but not currently available to Community Board Members).
5. **Note** that the resource consent hearing fees will be paid in accordance with the determination of the Remuneration Authority (currently \$85 per hour of meeting time for the Chairman and \$68 per hour of meeting time for Elected Members).
6. **Approve** that Councillors and Community Board Members may claim reasonable business related call costs on telephone or cell phone on a monthly basis provided they are supported by presentation of an account detailing to whom the calls have been made.
7. **Approve** that Councillors and Community Board Chairmen be paid a flat fortnightly fee of \$9.23 (based on a monthly allowance of \$20) to cover all consumables (not currently available to Community Board Members) for computers including laptops, printers, facsimiles, etc.
8. **Approve** that Councillors and Community Board Chairmen will be supplied with either a personal computer at home or a laptop, if necessary, and that those Councillors who provide their own computer equipment be paid an additional fortnightly allowance of \$23.08 (based on an additional monthly allowance of \$50).
9. **Note** that no other telephones, fax machines, cell phones etc., unless specifically provided for in this determination, will be provided to Elected Members.

10. **Approve** that all actual or related expenses incurred by an Elected Member when on approved Council business will be met by the Council.
11. **Approve** that the rate for reimbursing an Elected Member for travel, using their own motor vehicle on Council business, is the maximum set by the Remuneration Authority (currently \$0.70 per kilometre), and the Council will also pay the approved rate to appointed Elected Members. Any infringement fees e.g. parking and speeding infringements are by law the responsibility of the offender.
12. **Approve** that the Chairman of Te Taumata Runanga be paid a salary of \$22,672.
13. **Approve** that the non-elected Te Taumata Runanga representative appointed to the Policy and Strategy Committee when acting as an alternate for the Chairman of Te Taumata Runanga be paid a meeting fee aligned with those fees payable for resource consent hearings members (refer to Clause 3 of this resolution) (currently \$68 per hour of meeting and workshop time).
14. **Approve** that all appointed non-Elected Members of Council Committees (except Te Taumata Runanga representative to the Policy and Strategy Committee) and Subcommittees, except the Hearings Committee, be paid a meeting fee of \$233.

BACKGROUND

1. The Remuneration Authority has gathered statistical information and has determined that the pool for remuneration of Council's Elected Members for the year 1 July 2009 to 30 June 2010 will increase to \$1,205,127 (an increase of \$61,749 or 5.40% from the previous pool sum of \$1,143,378). The review of the pool is an annual process. The pool for 2008/2009 was the same as for 2007/2008 i.e. there was no increase last year.
2. The Council in previous workshops and meetings held since 2005 has confirmed the basis for allocating the pool. This is required to be confirmed by a formal resolution and submitted to the Remuneration Authority for re-approval.
3. The Remuneration Authority is established and derives its delegations and functions from the Remuneration Authority Act 1977 and makes determinations on local authority remuneration pursuant to Schedule 7, clause 6 of the Local Government Act 2002.
4. Until the enactment of the Local Government (Elected Member Remuneration and Trading Enterprises) Amendment Act 2001, Elected Members salaries and meeting allowances were set by a determination made by the Minister of Local Government. That determination set maximum salaries and meetings allowances for local authority Elected Members. For each determination the remuneration was linked to the population of each local authority. Waitakere's determination was in the over 150,000 population category. Each incoming Council needed to resolve Elected Members salaries and meeting allowances up to the maximum permitted. Over the course of a triennium the Minister of Local Government would revise the remuneration and the Council would need to consider the issue in light of any new determination.
5. The responsibility for setting Elected Members remuneration is now with the Remuneration Authority. The Remuneration Authority is required to determine remuneration, allowances and expenses payable to all Elected Members, whilst having regard to:
 - the need to minimise the potential for remuneration to distort the behaviour of Elected Members;
 - the need to achieve and maintain fair relativity with the levels of remuneration received elsewhere;

- the need to be fair to both the person whose remuneration is being determined and rate payers; and
 - the need to recruit and retain competent persons.
6. The Remuneration Authority established remuneration for all Elected Members and all local authorities in 2002 following consultation on a discussion paper and the release of the first indicative pool. They have since released new pools on an annual basis and the Council has the opportunity to change the way it allocates remuneration each time a new pool is determined. A review is also conducted following each triennial election, as Council's often change their committee structure and consequently the number of chairmen etc. Those factors affect the allocation.
 7. The Council has established the apportionment of the pool and this has been approved by the Remuneration Authority each year. The Community Boards also consider the Council's decision and make any representations to the Remuneration Authority. After due consideration, the Remuneration Authority has approved the Council's apportionment of remuneration each year to date.
 8. The Community Boards were requested to provide their views on the current apportionments formula ahead of knowing what the pool for the year was to be. The early consideration helps to meet the timeframes imposed by the Remuneration Authority. In the meantime, advice of the new pool from the Remuneration Authority has been received.

DECISION MAKING

Issues

Remuneration Pool and Salaries

9. The total pool is set by the Remuneration Authority and cannot be adjusted. The total pool established by the Remuneration Authority for this consideration is \$1,205,127 (last year the pool was \$1,143,378, in 2007 it was \$1,141,883, in 2006 it was \$1,078,343 and in 2005 it was \$1,026,872). The total increase in the pool for 2008/2009 was attributable to a small increase in the Mayor's salary. There was no change to the adjusted pool available for distribution to Councillors and Community Board Members.
10. The Mayor's salary is set by the Remuneration Authority and cannot be adjusted. The Mayor's salary (including the value of any deduction for a motor vehicle) is included in the pool although separately specified. The total salary payable to the Mayor is set at \$145,477 (last year it was \$139,705, in 2007 it was \$138,210, in 2006 it was \$132,151 and in 2005 it was \$126,457), inclusive of a motor vehicle. A deduction of 20% of the cost of the vehicle is made for full private use of the vehicle. This deduction rate is set by the Remuneration Authority.
11. The increase in the Mayor's salary this year is \$5,772 or 4.13%. That increase is less than the 5.40% applied to the total pool. The Mayor's salary was increased 1.1% last year.
12. A copy of the advice from the Remuneration Authority is attached at pages A23 to A27.
13. Half of the total sum payable to Community Board Members is deducted from the total pool and the other half is paid outside of the pool. The half outside the pool can be thought of as a "top up". Any further adjustment to the Community Board Chairmen and Elected Members salaries will necessitate an adjustment to the salaries payable to Councillors but not the Mayor.

A23-A27

A28-A29

14. All Community Boards are treated equally as a matter of principle.
15. In recent years the Council has determined that all Elected Members should share the increase by an equal percentage (except the Mayor which is established as a fixed sum by the Remuneration Authority). That same principle is being applied again this year. This has the effect of retaining relativities on the basis of agreed job size.
16. A change to the distribution was made following the 2007 elections to cater for additional Chairmen including making additional payments to three Deputy Chairmen. A copy of the spreadsheet showing the calculations of each category of salary, the change and a reconciliation with the total pool is attached at pages A28 to A29.
17. Payments to appointed Community and Iwi/Maori representatives on Committees are outside the pool. These payments are matters that lie with the Council and are not within the Remuneration Authority's brief. Council has set a salary for the Chairman of Te Taumata Runanga and meeting fees as appropriate for appointed Members to Te Taumata and any other Committees of the Council. The Council has previously determined that where the representative from Te Taumata Runanga on the Policy and Strategy Committee is other than the Chairman that representative be paid the same hourly rate as for Hearing Commissioners - currently \$68 per hour of meeting and workshop time. Any alteration to the determination made by the Council on this remuneration will not affect the pool established by the Remuneration Authority for Waitakere. The same movement in Elected Members remuneration has been applied to the salary for the Chairman of Te Taumata Runanga and to payments to any alternate representative on the Policy and Strategy Committee.
18. No changes are proposed to the way in which payments are claimed or made except that as payments are now made fortnightly in arrears, instead of monthly in arrears, allowances paid as additional to salary fortnightly have been converted to fortnightly apportionments.
19. Any payments to Elected Members for resource consent hearings are outside the pool.
20. Expenses, including mileage allowances, are outside the pool, although the actual amounts/rates that can be claimed are set by the Remuneration Authority.
21. This report also recommends amounts/rates for all allowances and reimbursement of expenses for submission to the Remuneration Authority. No changes are proposed to these payments at this time.
22. Should the Council wish to, it may request the Remuneration Authority to reduce the pool. This requires a unanimous vote of the Council.
23. The Henderson and Massey Community Boards, in their recommendations to the Council on apportionment of remuneration, considered that it was inappropriate for Elected Members to accept an increase in remuneration during this time of economic crisis, however, if the Council did decide such an increase was warranted then the increase should be applied equally across all Elected Members. New Lynn and Waitakere Community Boards also agreed that any increase should be applied equally across all Elected Members.

Expenses

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

Meeting Allowance Rates

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

STRATEGIC CONTEXT

29. The Council is committed to increasing community participation and democratic processes. The way Elected Members are remunerated and the quantum of that remuneration will have considerable bearing on who can and who cannot stand for election. It has long been recognised that the role of an Elected Member can require a substantial investment of time and commitment and that this commitment can make it difficult to hold down either full or part time employment. The interests of a diverse and young community such as Waitakere are best served by a diversity of candidates.

CONSULTATION

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

RESOURCES

31. Resources for the provision of payment to Elected Members are provided for in the Annual Plan. There was only a small increase in the pool last year covering the increase to the Mayor's salary. Discussions with the Remuneration Authority at that time indicated that the data used (population, expenditure, asset valuation and indications of extent of change) actually indicated that a reduction should have applied for 2008/2009. The Remuneration Authority used their discretion to retain the substantive pool at the same level as the previous year. Further indications were that little or no movement could be expected again this year.

Consequently no increase was included in the budget preparation for 2009/2010. The sum required of \$61,749 is currently provided "below the line" and will have to be moved 'above the line' and included in the 2009/2010 budgets by the Long Term Council Community Plan and Annual Plan Committee during their deliberations.

IMPLEMENTATION ISSUES

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

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



12 AUCKLAND WAR MEMORIAL MUSEUM AND THE MUSEUM OF TRANSPORT AND TECHNOLOGY - ELECTORAL COLLEGE UPDATE

GLOSSARY

Auckland War Memorial Museum	(AWMM)
Museum of Transport and Technology	(MOTAT)
Territorial Local Authority Electoral College	(TLAEC)

EXECUTIVE SUMMARY

The purpose of this report is to update the Finance and Operational Performance Committee on recent deliberations of the Territorial Local Authority Electoral College (TLAEC) with regard to the Auckland War Memorial Museum (AWMM) and the Museum of Transport and Technology (MOTAT) draft annual plans 2009/2010.

The TLAEC approved the publication of the 2009/2010 proposed levies, as requested, within the respective draft plans of the AWMM and the MOTAT. There was some discussion with regard to the level of increase requested by MOTAT (11.73%).

The Finance and Operational Performance Committee needs to consider whether it wishes to prepare a separate submission on behalf of the Council.

RECOMMENDATIONS

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

1. **Receive** the Auckland War Memorial Museum And The Museum Of Transport And Technology - Electoral College Update report.
2. **Agree** that the Finance and Operational Performance Committee consider the formulation of submissions to the 2009/2010 draft annual plans of the Auckland War Memorial Museum and the Museum of Transport and Technology.

BACKGROUND

1. The Council is a contributing member (two voting representatives) on the TLAEC. The TLAEC exercises a governance role over the respective Boards of the AWMM and MOTAT. By legislation, territorial local authorities within the Auckland Region are required to contribute to the running costs of these organisations, the share of which is allocated based on the respective capital values (rating) within the contributing authorities. As revaluations are carried out every three years, with local authorities not all on the same three year cycle, this Council's percentage share of the levy will vary from year to year. Waitakere's new valuations came into effect from 1 July 2008, which are now used to calculate this Council's share of the levy in the 2009/2010 year. This gives rise to a significant increase in the Council's share of the levies.

DECISION MAKING

Issues

2009/2010 Proposed Levies

2. The proposed levy by the AWMM is \$22,402,000. This represents a 4.9% increase over the 2008/2009 levy. The increase in the AWMM levy equates to an increase of \$797,000 over the current year's levy (\$2,003,234) to Waitakere City Council. Key components of the levy increase are:
 - Building operations \$206,000 comprising rates, electricity, repairs, maintenance, security, insurance and cleaning;
 - Programmes and events \$186,000;
 - Communications and marketing \$80,000;
 - Additional remuneration of \$156,000 mainly representing the full funding for positions established part way through 2008/2009; and
 - Development levy of \$500,000.
3. The AWMM has also committed to produce an increase in self generated income of \$990,000 and actively seeking sponsorships and partnerships.
4. The levy requested by MOTAT is \$9,481,000. This represents an 11.73% increase over the 2008/2009 levy. The increase in the MOTAT levy equates to an increase of \$338,431 over the current year's levy (\$762,595) to Waitakere City Council.
5. The key elements of the increase in the MOTAT levy comprise:
 - Remuneration of \$295,000 representing 5 new positions and staff salary adjustments;
 - An additional \$470,000 for signage and exhibitions to upgrade existing displays;
 - An increase in the MOTAT experience and education budget of \$115,000 reflecting the importance of maintaining and improving the daily experience of all visitors; and
 - An increase of \$120,000 for depreciation funding and \$190,000 for site maintenance and development.
6. The above increases in expenditure have been partially offset by an increase in MOTAT generated revenue of \$180,000.

7. There was considerable discussion around the seemingly high level of increase sought by MOTAT. However, the Electoral College resolved to approve the publication of the MOTAT and AWMM draft annual plans for public consultation.
8. The Finance and Operational Performance Committee may wish to formulate and present separate submissions on behalf of Council. The closing dates for submissions on the two annual plans are as follows:
 - AWMM: Wednesday, 18 February 2009, 5pm.
 - MOTAT: Monday, 16 February 2009, 5pm.
9. Copies of the draft annual plans 2009/2010 for the two Museums are available in the Councillors' Lounge.

STRATEGIC CONTEXT

10. The AWMM and MOTAT are facilities contributing to the preservation of cultural and heritage history on a regional basis.

CONSULTATION

11. There was no consultation required.

RESOURCES

12. Provision has been made in the Council's draft Annual Plan 2009/2010 for the level of levy funding being sought by the respective museums, unless otherwise directed. The proposed 2009/2010 levies (this Council's share) are as follows:

	2008/2009	2009/2010 proposed	2007/2008 Actual
AWMM	\$2,003,234	\$2,717,157	\$1,949,311
MOTAT	\$762,590	\$1,100,026	\$662,113

IMPLEMENTATION ISSUES

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

Report prepared by: Andrew Pollock, Director: Finance.



PART E - REPORTS FROM THE SUBCOMMITTEES

13 TENDERS SUBCOMMITTEE

THE SUBCOMMITTEE SUBMITS THE FOLLOWING REPORTS OF ITS MEETINGS HELD ON FRIDAY, 28 NOVEMBER 2008, FRIDAY, 19 DECEMBER 2008 AND FRIDAY, 23 JANUARY 2009

MATTERS CONSIDERED

A30-A46

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 A30 to A46.

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

Receive the reports of the meetings of the Tenders Subcommittee held on Friday, 28 November 2008, Friday, 19 December 2008 and Friday, 23 January 2009.

RI Clow
CHAIRMAN

