

SOUTH WAIRARAPA DISTRICT COUNCIL

15 OCTOBER 2014

AGENDA ITEM D3

CHIEF EXECUTIVE OFFICER REPORT

Purpose of Report

To report to Council on general activities since the last meeting.

Recommendations

The Chief Executive Officer recommends that Council:

- 1. Receive the information.*

1. Executive Summary

Preparation of the Annual Report has dominated proceedings for the last few weeks. There have been a number of new reporting requirements introduced following the enactment of the Local Government Act Amendment Act 2014.

Members of the Office of Treaty Settlements visited for a general discussion. One discussion point was our interaction with Post Settlement Governance Entities (PSGE) I indicated the Maori Standing Committee was operating well, however if structures changed we would obviously look at how to best interact on a formal basis with the new structures.

The Long Term Plan is also occupying time with good initial progress being made on preparations and some forecasting work commenced.

2. Governance/Leadership/Advocacy

The following table provides the year to date results for KPI's set for the Governance output [note this report is as at 30 June 2014]

GOVERNANCE/LEADERSHIP/ADVOCACY KEY PERFORMANCE INDICATORS	TARGET 2013/14	YTD RESULT	COMMENT SOURCE, AND ACTIONS TAKEN TO ACHIEVE TARGET
Ratepayers and residents feel they can contact a Council member to raise an issue or problem	75%	73%	NRB Survey 3 yearly*
Ratepayers and residents feel that the Mayor and councillors give a fair hearing to their views	75%	62%	NRB Survey 3 yearly
Ratepayers and residents are satisfied with Council's decisions and actions	50%	76% (very or fairly satisfied)	NRB Survey 3 yearly
Ratepayers and residents are satisfied with how Council allocates rates/funds to be spent on the services and facilities provided (target peer group age)	78%	64%(very or fairly satisfied)	NRB Survey 3 yearly
Community Board decision - making reports on local issues	90%		Community Board reports and minutes
% of ratepayers and residents who know how to contact a community board member	65%	65%	NRB Survey 3 yearly
Ratepayers and residents satisfied with the way Council involves the public in the decision it makes	65%	49%	NRB Survey 3 yearly
The Maori Standing Committee makes recommendations to Council in relation to policy and plan development and resource management applications	100% applicable applications		Maori Standing Committee minutes

2.1 Local Government Commission/Governance Review

The Local Government Commission (the Commission) has decided that:

"...it will not issue any proposal during the regulated period for the 2014 general election..."

We have been advised that the draft proposal will probably be issued mid-October with the submission process commencing around then.

The Commission are still requesting information on various matters and these are being responded to as they are received.

3. Strategic Planning and Policy Development

3.1 Meetings/Conferences

3.1.1. Chief Executive Forum

This provides an update on regional matters at CE level, general matters discussed are roading and rail, regional economic development and Civil Defence. Other matters discussed include shared services, highlighted by the combination of water services across the Wellington basin. There are a number of IT initiatives that the Wairarapa Councils are keeping a watching brief on.

3.2 Legislation

We continue to work toward implementation of the various legislative changes that have been enacted.

The Local Government Amendment Bill was finally enacted at the twelfth hour which now provides some certainty around reporting and other requirements for the LTP, however given the length of time this Bill took to go through the House the lead times for implementation are quite short.

A commentary on the changes proposed in the Bill was included in the last agenda for reference.

3.3 Wastewater Consents

The three wastewater consents have now been lodged, submissions for Featherston and Martinborough have closed.

The Greytown application has been lodged, it is anticipated the Regional Council will publicly notify this application early to mid-September.

While it seems we have been teetering on the edge of having all three applications notified for some time, we should not underestimate the importance of the applications and amount of work required, and a few weeks or months over a 35+ year term is not really material.

It is planned to hear Featherston in late November/early December, with Greytown and Martinborough early in the new year.

We had requested that the three consents be heard concurrently however this was not granted due to resourcing at GWRC, and also that Featherston is a different type of application to Martinborough and Greytown.

SWDC does however see wastewater as a single catchment based solution.

4. Monitoring and Reporting

4.1 Financial Statements

Financial statements for the two months ended 30 August are attached as Appendix 1.

4.2 Annual Report

The 2013/14 Annual report is required to be completed by 31 October in each year.

The draft was circulated last week to Councillors, and the Audit New Zealand team are currently on site, their visit is planned for 29 September to 10 October.

The draft is not required to be adopted – the requirement is to adopt the final prior to the audit opinion being issued.

4.3 Long Term Plan

Work has commenced internally on the LTP, with our first workshop being held earlier to set the scene.

4.4 Rates Arrears (Incl. GST)

DATE	AMOUNT \$'000	NUMBER	DAYS SINCE INSTALMENT DUE	SWDC COMPONENT \$'000 (81%)
30 June 2011	\$851	631	31	\$689
1 August 2011	\$780	463	64	\$632
28 November 2011	\$969	760	7	\$785
1 March 2012	\$925	690	7	\$740
16 March 2012	\$830	602	23	\$672
23 March 2012	\$790	555	30	\$640
1 June 2012	\$855	722	10	\$692
19 June 2012	\$730	632	31	\$591
10 September 2012	\$947		21	\$767
15 February 2013	\$820	565	57	\$664
17 June 2013	\$913	740	27	\$739
4 March 2014	\$1,033	863	12	\$836
14 April 2014	\$954	675	53	\$773
19 August 2014	\$818	592	91	\$663
30 September 2014	\$1,008	809	37	\$816

Of the \$1,008K outstanding, \$608K relates to prior year (30 June 2014 and earlier) relating to 356 properties. Letters have been sent to those properties that have a mortgage, and also to the mortgage holders.

\$182K relates to ratepayers who have not paid the first installment for the 2014/15 year, relating to 453 properties.

While this result is disappointing, this year will be the first year we will be pursuing all those properties that have arrears and contacting those with an interest in the property.

There is a three month lag between when we notify the party who has an interest and when we can demand payment.

5. Corporate

5.1 Staffing

Kara McKelvey has left for greener pastures. We thank Kara for her efforts during their time here and wish Kara well for the future.

A new role of Policy and Reporting Manager has been advertised with circa 20 applicants, I am pleased with the general standard of applicants.

5.2 Collective Employment Agreement

Negotiations have concluded and the Collective Employment Agreement has been executed.

5.3 Occupational Health and Safety

There were no OH & S matters since the last reporting period.

5.4 General Revaluation

Quotable Value will be carrying out a revaluation across the Wairarapa shortly which will provide updated valuation data for our rates database.

This valuation is specific for the rates database, the aim of which is to split up the district by property values so that rates can be calculated from a consistent and comparable base.

The revaluation will be as at 1 September 2014 and will apply to the rates database from 1 July 2014.

5.5 LGOIMA Requests

DATE	TOPIC OF INFORMATION REQUEST	REQUEST RESPONSE
19 September	Heritage tree register and report undertaken in 2007 in Greytown.	
19 September	Copy of Perception Planning report/study Moroa Water Race.	
30 September	Drainage and easements over the property that runs between Daniel and Esther Streets which is now three sections including 17a Esther Street.	

6. Appendix

Appendix 1- Financial Statement for the Two Months Ended 31 August 2014

Contact Officer: Paul Crimp, Chief Executive Officer

Appendix 1 - Financial Statement for the Two Months Ended 31 August 2014

SOUTH WAIRARAPA DISTRICT COUNCIL

MONTHLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

STATEMENT OF FINANCIAL PERFORMANCE
STATEMENT OF FINANCIAL POSITION
SCHEDULE OF CAPITAL EXPENDITURE
SCHEDULE OF INVESTMENTS

SOUTH WAIRARAPA DISTRICT COUNCIL

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31 AUGUST 2014

	YTD			2015	
	Actual	Budget	Variance	Budget	% of Budget
<u>OPERATING INCOME</u>					
Rates	2,969,863	2,975,779.50	(5,917)	11,903,118	25%
Rates Penalty	126,374	118,062.00	8,312	292,520	43%
Interest	25,750	36,138.50	(10,388)	216,831	12%
Internal Interest Loans	6,371	6,250.83	120	37,505	17%
Fees & Licences	252,461	236,397.00	16,064	601,384	42%
User Levies	38,987	38,000.00	987	583,733	7%
Commissions	47	10,517.17	(10,470)	63,103	0%
NZ Transport Agency Subsidy	114,216	115,000.00	(784)	2,972,658	4%
Petrol Tax	12,550	16,489.83	(3,939)	98,939	13%
Grants, Donations & Subsidies	1,971	4,058.67	(2,088)	642,352	0%
Rental / Hire	54,516	54,478.00	38	326,868	17%
Profit on Sale of Assets	-	-	-	-	0%
Miscellaneous Income	48,602	68,168.67	(19,567)	409,012	12%
Total Operating Income	3,651,708	3,679,340	(27,632)	18,148,023	
<u>OPERATING EXPENDITURE</u>					
Corporate Services	258,747	288,895.83	30,149	1,733,375	15%
In-House Professional Services	125,206	148,320.00	23,114	889,920	14%
Governance, Leadership & Advocacy	51,736	55,000.00	3,264	420,556	12%
Public Protection	181,828	200,421.00	18,593	1,202,526	15%
Resource Management	57,568	67,931.17	10,363	407,587	14%
Economic, Cultural & Community Development	109,973	110,000.00	27	256,802	43%
Amenities	277,466	386,821.33	109,356	2,320,928	12%
Land Transport	837,486	839,221.00	1,735	5,035,326	17%
Water Supply	322,685	373,754.33	51,069	2,242,526	14%
Solid Waste Management	117,811	204,717.00	86,906	1,228,302	10%
Sewerage	163,826	182,029.17	18,203	1,374,175	12%
Stormwater Drainage	43,796	25,066.50	(18,730)	150,399	29%
Rate Debtors Written Off	6,410	7,045.17	635	42,271	15%
Bad Debts	-	-	-	-	0%
Loss on Sale of Assets	-	-	-	-	0%
Total Operating Expenditure	2,554,537	2,889,223	334,685	17,304,693	
Operating Surplus/(Deficit)	1,097,171	790,118	307,053	843,330	
<u>CAPITAL EXPENDITURE INCOME</u>					
NZ Transport Agency Subsidy	122,677	122,677	(0)	-	#DIV/0!
Grants, Donations & Subsidies	-	-	-	-	0%
Contributions	136,644	140,000	(3,356)	274,523	50%
Total Capital Expenditure Income	259,320	262,677	(3,357)	274,523	
<u>OTHER INCOME</u>					
Assets Vesting in Council	-	-	-	-	0%
Gain on Asset Revaluations	-	-	-	49,000	0%
Total Other Income	-	-	-	49,000	
TOTAL SURPLUS / (DEFICIT)	\$ 1,356,491	\$ 1,052,795	\$ 303,696	\$ 1,166,853	

Included in the operating expenditure is:

Depreciation	709,267	730,380	(21,113)	4,364,377	16%
Interest	101,063	137,916	(36,853)	654,885	15%

SOUTH WAIRARAPA DISTRICT COUNCIL

STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2014

	31 AUGUST 2014	30 JUNE 2014	MOVEMENT
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash and Bank	369,009	74,963	294,046
Short Term Deposits	10,867,746	5,254,962	5,612,784
Investments	-	3,153,649	(3,153,649)
Prepayments & Receivables	1,625,936	2,792,969	(1,167,033)
Inventories	33,031	33,641	(610)
Properties Intended For Sale	-	-	-
Total Current Assets	12,895,722	11,310,184	1,585,538
<u>Non-Current Assets</u>			
Investments	74,235	74,235	-
Investment Properties	9,723,000	9,723,000	-
Intangible Assets	196,857	199,461	(2,605)
Property, Plant & Equipment	387,627,367	388,092,112	(464,746)
Total Non-Current Assets	397,621,458	398,088,808	(467,350)
TOTAL ASSETS	\$ 410,517,180	\$ 409,398,992	1,118,188
<u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Cash and Bank	-	-	-
Payables and Accruals	2,504,614	2,685,834	(181,220)
Employee Entitlements	231,044	271,122	(40,078)
Public Debt - Current Portion	(0)	1,531,697	(1,531,697)
Finance Leases - Current Portion	-	-	-
Provisions - Current Portion	-	33,013	(33,013)
Total Current Liabilities	2,735,658	4,521,666	(1,786,008)
<u>Non-Current Liabilities</u>			
Public Debt - Non-Current Portion	12,259,203	10,746,611	1,512,592
Finance Leases - Non-Current Portion	-	-	-
Provisions - Non-Current Portion	411,051	378,038	33,013
Total Non-Current Liabilities	12,670,254	11,124,649	1,545,605
<u>EQUITY</u>			
Public Equity	144,070,215	142,711,624	1,358,591
Special Separate & Trust Funds	17,604,046	17,604,046	-
Asset Revaluation Reserve	231,390,228	231,390,228	-
Sinking Fund Reserves	2,044,231	2,044,231	-
Other Reserves	2,548	2,548	-
Total Equity	395,111,266	393,752,677	1,358,590
TOTAL LIABILITIES & EQUITY	\$ 410,517,180	\$ 409,398,992	1,118,186

SOUTH WAIRARAPA DISTRICT COUNCIL

SCHEDULE OF INVESTMENTS AS AT 31 AUGUST 2014

ORGANISATION		INTEREST RATE	DATE INVESTED	DATE MATURES	TOTAL INVESTED	INVESTED FUNDS %	AUTHORISED FUNDS %
SHORT TERM DEPOSITS							
Registered Banks							
ASB Loan Redemption Reserves	99182811	3.80%	30-Jun-14	1-Sep-14	\$1,363,740.25		
					\$1,363,740.25	12%	30%
ANZ Call Account	99182813	3.00%	31-Aug-14	On Call	\$51,603.75		
Loan Redemption Reserves		3.30%	30-Jun-14	1-Sep-14	\$1,358,491.43		
Money Market deposit x National Bank of NZ	99182815	2.40%	30-Jun-14	On Call	\$2,094.40		
					\$1,412,189.58	13%	30%
BNZ Autocall Account	99182812	2.85%	31-Aug-14	On Call	\$501,522.12		
BNZ Reserves Fund	99182812	4.30%	4-Aug-14	3-Nov-14	\$763,083.32		
BNZ Reserves Fund	99182812	4.30%	4-Aug-14	3-Nov-14	\$1,062,026.51		
					\$2,326,631.95	21%	30%
Kiwibank Reserves Fund	99182819	3.50%	31-Aug-14	On Call	\$763,472.87		
Kiwibank Reserves Fund	99182819	4.39%	4-Aug-14	3-Nov-14	\$1,061,460.18		
Kiwibank Term Deposit	99182819	3.63%	28-Aug-14	20-Oct-14	\$500,000.00		
Kiwibank Term Deposit	99182819	3.63%	28-Aug-14	20-Oct-14	\$500,000.00		
					\$2,824,933.05	26%	30%
Other							
WBS (21220)	99182816	3.95%	16-Jun-14	11-Dec-14	\$156,125.75		
WBS (21220)	99182816	3.95%	13-Mar-14	9-Sep-14	\$159,722.43		
WBS (21220)	99182816	3.95%	26-Mar-14	27-Sep-14	\$123,753.00		
WBS (21220)	99182816		31-Aug-14	On Call	\$346.48		
					\$439,947.66	4%	10%
Westpac Online Call Account	99182814	2.75%	31-Aug-14	On Call	\$303.56		
Westpac Term Deposit		3.85%	27-May-14	3-Oct-14	\$1,000,000.00		
Westpac Term Deposit		3.65%	30-Jun-14	19-Sep-14	\$1,000,000.00		
Westpac Term Deposit		3.39%	30-Jun-14	5-Sep-14	\$500,000.00		
					\$2,500,303.56	23%	30%
TOTAL					10,867,746.05	0.99	1.00
SHARES							
NZ Local Govt Insurance Co Limited	99283823				\$60,401.60		
Airtel Limited	99283824				\$7,448.00		
Farmlands Trading Society Limited	99283825				\$1,159.00		
TOTAL					\$69,008.60	1%	
FORESTRY							
Plantation - Hurupi Stock	99283827				\$5,226.00		
TOTAL					\$5,226.00	0%	
TOTAL INVESTMENTS					\$10,941,980.65	100%	
REPRESENTED BY:							
Short Term Deposits					10,867,746		
Investments - Current Assets					-		
Investments - Non-Current Assets					74,235		
					\$10,941,980.65		

SOUTH WAIRARAPA DISTRICT COUNCIL

SCHEDULE OF CAPITAL EXPENDITURE FOR THE PERIOD ENDED 31 AUGUST 2014

DESCRIPTION	Year to Date		Annual
	Actual	Budget	Budget
New Bridges (Other Roads) - 215	-	-	-
Structures Renewal (SPR) - 215	-	14,698	88,188
Seal Extensions	-	-	-
Seal Extensions (SPRs)	-	-	-
Reseals (Other Roads) - 212	-	98,972	593,832
Reseals (SPRs) - 212	-	11,206	67,236
Rehabilitation (Other Roads) - 214	5,718	46,324	277,944
Rehabilitation (SPRs) - 214	-	12,428	74,568
New Footpaths	-	14,254	85,524
Footpath Renewals	1,800	7,126	42,756
Drain Renewal (Other Roads) - 213	-	35,634	213,804
Drainage Renewal (SPR) - 213	620	3,564	21,384
Minor Safety Works (Other) - 341	16,737	18,306	109,836
Erosion Control (SPRs) - 244	-	38,396	230,376
Land Transport (Misc.)	-	-	-
New Bridges (SPRs)	-	-	-
Minor Safety Works (SPRs) - 341	-	1,168	7,008
Road metalling (renewal) other - 211	-	40,978	245,868
Road metalling (renewal) (SPR) - 211	-	2,672	16,032
Development Work	-	-	-
Asso Improvements (Other) - 231	-	8,908	53,448
Asso Improvements (SPR) - 231	-	-	-
Traffic Services Renewal (SPR)	231	890	5,340
Preventative Maintenance (SPR)14/15 - 241	-	-	-
Improve-expand-replace - 322	-	-	-
Emergency Work (SPR)11/12 - 141	-	-	-
Preventative Maintenance (SPR) 13/14 - 241	4,266	-	-
Preventative Maintenance - Tora Te Awaite	37,367	-	-
Preventative Maintenance - Tuturumuri	-	-	-
	71,428	364,788	2,188,728
Information Technology			
IT Hardware	3,299	5,280	31,680
IT Software	-	22,276	133,656
IT Networks & Cabling	-	-	-
Geographical Information system	-	-	-
	3,299	27,556	165,336
Land			
Land	-	-	-
Council Property			
Council Offices	-	1,760	10,560
Office Equipment & Furniture	-	3,080	18,480
Other Equipment	-	-	-
Motor Vehicles	-	12,320	73,920
	-	17,160	102,960
Public Protection			
Rural Fire	-	-	-
	-	-	-
	\$ 241,916	\$ 1,083,320	\$ 6,499,920

SOUTH WAIRARAPA DISTRICT COUNCIL

SCHEDULE OF CAPITAL EXPENDITURE FOR THE PERIOD ENDED 31 AUGUST 2014

DESCRIPTION	Year to Date		Annual
	Actual	Budget	Budget
Amenities			
Playgrounds	-	3,884	23,304
Parks & Reserves	3,478	13,874	83,244
Campgrounds	-	882	5,292
Swimming Pools	12,727	41,666	249,996
Toilets	15,570	37,800	226,800
Cemeteries	724	7,834	47,004
Libraries	-	-	-
Rental Properties	-	3,334	20,004
Community Housing	-	6,166	36,996
Community Buildings	-	160,958	965,748
Greytown Town Hall	-	-	-
Martinborough Town Hall	-	-	-
Featherston Town Centre	-	-	-
ANZAC Hall	-	-	-
Featherston Stadium	-	-	-
Featherston Town Centre	-	1,716	10,296
Greytown Town Centre	-	1,716	10,296
Martinborough Town Centre	-	1,716	10,296
Library Books	5,364	16,416	98,496
Library Books	5,410	-	-
Library Books	4,082	-	-
Amenities (Miscellaneous)	-	-	-
	47,355	297,962	1,787,772
Water Supply			
Water Supply	-	55,716	334,296
Water Supply (MBA)	-	-	-
Water Races	-	7,166	42,996
Plant & Bores	-	-	-
FSTN Supplementary water supply	66,022	51,166	306,996
Plant & Bores (MBA)	-	-	-
Reservoirs	-	-	-
Pirinoa Water Supply	-	-	-
Water Supply (Misc.)	-	-	-
	66,022	114,048	684,288
Solid Waste Management			
Solid Waste Management	-	3,872	23,232
Solid Waste Management	-	-	-
Solid Waste Management (Miscellaneous)	-	-	-
	-	3,872	23,232
Stormwater Reticulation			
Stormwater Reticulation	963	34,592	207,552
Stormwater Reticulation	-	-	-
Stormwater Reticulation (Miscellaneous)	-	-	-
	963	34,592	207,552
Sewerage			
Sewerage	115	58,334	350,004
Sewerage	-	-	-
Sewerage	-	-	-
Sewerage (Lake Ferry)	-	5,834	35,004
Oxidation Ponds	-	-	-
Oxidation Ponds	-	-	-
Oxidation Ponds	-	-	-
Sewerage (Miscellaneous)	-	9,000	54,000
Alternative Disposal System (GTN)	16,602	64,166	384,996
Alternative Disposal System (MBA)	20,953	77,000	462,000
Alternative Disposal System (FSTN)	15,180	9,008	54,048
	52,850	223,342	1,340,052
Land Transport			
New St. Lighting (Other Roads) - 222	-	2,138	12,828
New St. Lighting (SPRs) - 222	-	-	-
Signs/Guardrails (Other Roads) - 222	4,473	7,126	42,756
Signs/Guardrails (SPRs) - 222	217	-	-