# SOUTH WAIRARAPA DISTRICT COUNCIL

27 JUNE 2012

#### **AGENDA ITEM D3**

### CORPORATE SUPPORT GROUP REPORT

# **Purpose of Report**

To update Councillors on the Corporate Support Group activities.

#### Recommendations

Officers recommend that the Council:

1. Receive the information.

## 1. Executive Summary

The draft long term plan was adopted on 8 May and the submission process is nearing completion. This has included public meetings, collation of the submissions and commentary on those submissions that required input.

Progress is being made on the replacement local authority software suite. After the tender process, which included two days of presentations with the shortlisted vendors, NCS were selected as the preferred supplier. Implementation of the key modules will be 1 July 2012, the remaining modules shortly thereafter.

Financial statements for the 10 months ended 30 April are included in this report, and for the 11 months ended 31 May will be tabled.

The archiving project is progressing, with phase two now underway.

The vehicle storage area has been complete and the staff recreation area is nearing completion

#### 2. Discussion

#### 2.1 LTP

The consultation phase of the LTP is nearing completion, with four public meetings held; submissions received, collated and commented on where necessary.

Once deliberations have been finalised the draft LTP document will be updated for adoption. The rates resolution will also be prepared.

Audit New Zealand will be back onsite during the week commencing 25 June for final signoff.

Final adoption is due for 27 June.

#### 2.2 Operating System Replacement

Following the request for Proposal process, NCS were selected as the preferred vendor.

The implementation process has commenced and is progressing well.

Go live for most of the modules will be July 1 2012 (there is never a good time). The remaining modules will be implemented shortly thereafter.

We will be preparing the annual report out of the old ACS system. This is still supported and has a couple of key benefits including backup should the NCS implementation stall. Also, if we were to try and prepare the annual report out of the new system, audit would spend a considerable amount of time reviewing the transfer of data prior to the commencement of the actual audit.

The audit of the transfer of the data can be undertaken at a more convenient time.

#### 2.3 Rate Arrears

Efforts continue on rate arrears. The table below outlines the situation as at 19 June 2012, and excludes multi ownership Maori land.

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

It is encouraging to note the amount outstanding is at the lowest level for a year. While the number of properties in arrears is still relatively high, we have made some progress on those ratepayers who owed a significant amount.

Of the 632 properties in arrears, approximately 160 are paying a regular amount towards their arrears, and 70 have balances less than \$100

# 2.4 Financial Statements for the ten months ended 30 April 2012, and eleven months ended 31 May 2012

The financial statements for the ten months ended 30 April 2012 are presented.

The financial statements for the eleven months ended 31 May will be tabled

#### 2.5 Archival Project

The archiving project is progressing, with stage one being completed, stage two has commenced.

Stage two of the archive project is to physically process the council's archives so they can be accessed and securely preserved to comply with legal requirements and the council's policy.

#### 2.6 Photocopier replacement

Work has commenced on the replacement of our photocopier fleet. We are somewhat fortunate with the timing of the replacement as local authorities recently became eligible for the "all of Government" pricing, which is (apparently) significantly cheaper than we would otherwise have been able to achieve.

This will be a fairly involved process and will take a while to work through, and other matters do need to take priority.

# 3. Appendices

Appendix 1 – Financial Statements for the ten months ended 30 April 2012

Contact Officer: Paul Crimp, Group Manager Corporate Support

# Appendix 1 – Financial Statements for the ten months ended 30 April 2012

STATEMENT OF FINANCIAL I FOR THE PERIOD ENDED 30		NCE						
FOR THE PERIOD ENDED 30		IDDENIT MON			VEAD TO DA			
	CU	IRRENT MON	IH		YEAR TO DAT	E	20	12
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	BUDGET	% OF BUD
OPERATING INCOME								
Rates	2,597,425	2,650,006	(52,581)	10,389,468	10,600,021	(210,553)	10,600,021	98%
Rates Penalty	(9)	8,167	(8,176)	218,737	81,666	137,071	98,000	223%
Interest	10,349	12,803	(2,454)	151,286	128,035	23,251	153,641	98%
Internal Interest Loans Fees & Licences	3,083	3,125 45,614	(42)	31,340 503,005	31,255 560,148	85 (F7.143)	37,505 651,376	84% 77%
User Levies	40,818 29,086	34,252	(4,796) (5,166)	327,134	535,842	(57,143) (208,708)	701,012	47%
Commissions	141	5,130	(4,989)	37,299	51,290	(13,991)	61,550	61%
NZ Transport Agency Subsidy	62,551	135,432	(72,881)	985,007	1,354,323	(369,316)	1,625,187	61%
Petrol Tax	7,005	7,727	(722)	68,007	77,265	(9,258)	92,719	73%
Grants, Donations & Subsidies	57	1,554	(1,497)	13,537	15,522	(1,985)	18,630	73%
Rental / Hire	22,604	27,067	(4,463)	265,165	270,666	(5,501)	324,800	82%
Profit on Sale of Assets	-	-	-	-	-	-	-	0%
Miscellaneous Income	43,289	32,628	10,661	323,028	326,268	(3,240)	391,524	0%
Total Operating Income	2,816,399	2,963,505	(147,106)	13,313,013	14,032,301	(719,288)	14,755,965	90%
OPERATING EXPENDITURE								
OF ERRAING EXI ENDITORE								
Corporate Services	110,998	141,526	(30,528)	1,370,585	1,415,291	44,706	1,698,343	81%
In-House Professional Services	49,543	59,339	(9,796)	530,647	593,383	62,736	712,060	75%
Governance, Leadership & Advocacy	59,052	31,017	28,035	304,691	310,166	5,475	372,201	82%
Public Protection	105,112	81,576	23,536	775,681	815,701	40,020	978,852	79%
Resource Management	37,747	34,141	3,606	301,784	341,383	39,599	409,666	74%
Economic, Cultural & Community Developmen Amenities	t 528 169,224	19,256 147,854	(18,728) 21,370	212,809 1,553,264	192,545 1,478,539	(20,264)	231,057 1,774,248	92%
Land Transport	274,985	368,949	(93,964)	3,700,075	3,689,468	(10,607)	4,427,366	84%
Water Supply	174,340	182,088	(7,748)	1,749,478	1,820,862	71,384	2,185,037	80%
Solid Waste Management	89,573	98,165	(8,592)	866,173	981,687	115,514	1,178,018	74%
Sewerage	72,450	92,179	(19,729)	724,174	921,775	197,601	1,106,135	65%
Stormwater Drainage	8,751	10,555	(1,804)	88,698	105,543	16,845	126,653	70%
Rate Debtors Written Off	923	3,333	(2,410)	25,605	33,334	7,729	40,000	64%
Bad Debts	-	2,500	(2,500)	6,143	25,000	18,857	30,000	20%
Loss on Sale of Assets	-	-	-	186,394	-	(186,394)	-	0%
Total Operating Expenditure	1,153,226	1,272,478	(119,252)	12,396,201	12,724,677	328,476	15,269,636	81%
Operating Surplus/(Deficit)	1,663,173	1,691,027	(27,854)	916,812	1,307,624	(390,812)	(513,671)	-178%
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CAPITAL EXPENDITURE INCOME								
NZ Transport Agency Subsidy	257,938	144,718	113,220	812,812	1,447,177	(634,365)	1,736,613	47%
Grants, Donations & Subsidies	201,830	144,718	(14,667)	012,012	1,447,177	(146,666)	176,000	
Contributions	54,107	24,341	29,766	199,703	243,433	(43,730)	292,115	
Total Capital Expenditure Income	312,045	183,726	128,319	1,012,515	1,837,276	(824,761)	2,204,728	
OTHER INCOME								
Assets Vesting in Council	-	-	-	5,000	-	5,000	-	0%
Gain on Asset Revaluations	-	-	-	-	-	-	-	0%
Total Other Income	-	-	-	5,000	-	5,000	-	0%
TOTAL SURPLUS / (DEFICIT)	\$ 1,975,218	\$ 1,874,753	\$ 100,465	\$ 1,934,327	\$ 3,144,900	\$ (1,210,573)	\$ 1,691,057	114%
Included in the operating expenditure is:	310,572			3,083,809				
Depreciation		326,189	(15,617)		3,261,870	(178,061)	3,914,248	79%

STATEMENT OF FINANCIA AS AT 30 April 2012	AL POSITION		
	AL PUSITION		
	30 APRIL 2012	30 JUNE 2011	MOVEMENT
ASSETS			
Current Assets			
	200 500	202.055	(227.222)
Cash and Bank Short Term Deposits	393,566 4,702,551	630,655 2,942,565	(237,089) 1,759,986
Investments		1,903,121	(1,903,121)
Prepayments & Receivables	5,412,592	3,077,525	2,335,067
Inventories	44,192	35,203	8,989
Properties Intended For Sale	-	-	-
Total Current Assets	10,552,901	8,589,069	1,963,832
Non-Current Assets			
Investments	102,113	77,844	24,269
Investment Properties	8,024,200	8,024,200	24,209
Intangible Assets	1,866	5,714	(3,848)
Property, Plant & Equipment	357,516,230	357,650,635	(134,405)
Total Non-Current Assets	365,644,409	365,758,393	(113,984)
TOTAL ASSETS	\$ 376,197,310	\$374,347,462	\$ 1,849,848
LIABILITIES.			
Current Liabilities			
Cash and Bank	-	-	-
Payables and Accruals	2,640,179	2,616,693	23,486
Employee Entitlements	185,780	231,810	(46,030)
Public Debt - Current Portion	-	5,458,051	(5,458,051)
Finance Leases - Current Portion	-	10,579	(10,579)
Provisions - Current Portion	-	33,019	(33,019)
Total Current Liabilities	2,825,959	8,350,152	(5,524,193)
Non-Current Liabilities			
Public Debt - Non-Current Portion	8,347,178	2,941,421	5,405,757
Finance Leases - Non-Current Portion	11,057	10,119	938
Provisions - Non-Current Portion	439,263	406,244	33,019
Total Non-Current Liabilities	8,797,498	3,357,784	5,439,714
EQUITY			
Public Equity	144,008,760	142,074,433	1,934,327
Special Separate & Trust Funds	15,976,239	15,976,239	<del>-</del>
Asset Revaluation Reserve Sinking Fund Reserves	203,078,950 1,508,140	203,078,950 1,508,140	-
Other Reserves	1,506,140	1,506,140	-
Total Equity	364,573,853	362,639,526	1,934,327
TOTAL LIABILITIES & EQUITY	\$ 376,197,310	\$374,347,462	\$ 1,849,848
Variance	\$ -	\$ -	\$ -

STATEMENT OF CASHFLOWS				
AS AT 30 April 2012				
		30 APRIL 2012	30 APRIL 2011	30 JUNE 2011
OPERATING ACTIVITIES				
Cash was provided from:				
Rates		8,293,636	7,636,932	10,048,546
Government Grants & Subsidies		1,556,884	931,436	1,573,988
Petrol Tax		60,014	60,850	81,566
Other Income Interest on Investments		2,397,946 176,078	2,519,997 197,004	2,226,145 255,833
Total Operating Cash Inflow		12,484,558	11,346,219	14,186,078
Cash was applied to:				
Payments to Suppliers & Employees		9,288,450	9,061,943	10,276,451
Interest Paid		549,571	529,829	639,454
Total Operating Cash Outflow		9,838,021	9,591,772	10,915,905
Net Cashflow from Operating Activities		2,646,537	1,754,447	3,270,173
INVESTING ACTIVITIES				
Cash was provided from:				
Sale of Property, Plant & Equipment		-	-	2,609
Term Investments, Shares & Advances		365,164	365,164	-
Investments in Loan Redemption & Sinking Funds		-	-	-
Total Investing Cash Inflow		365,164	365,164	2,609
Cash was applied to:				
Purchase of Property, Plant & Equipment		2,940,556	2,596,468	3,475,988
Term Investments, Shares & Advances Investments in Loan Redemption & Sinking Funds		24,269	-	-
Total Investing Cash Outflow		2,964,825	2,596,468	3,475,988
Net Cashflow from Investing Activities		(2,599,661)	(2,231,304)	(3,473,379)
FINANCING ACTIVITIES			-	
Cash was provided from:				
Public Debt		5,431,601	1,961,000	1,961,000
Total Financing Cash Inflow		5,431,601	1,961,000	1,961,000
Cash was applied to:				
Repayment of Public Debt		5,493,536	2,571,919	2,586,250
Total Financing Cash Outflow		5,493,536	2,571,919	2,586,250
Net Cash Flow from Financing Activities		(61,935)	(610,919)	(625,250)
NET INCREASE / (DECREASE) IN CASH		(15,059)	(1,087,776)	(828,456)
OPENING CASH BALANCE	1 JULY 2011	5,111,176	5,939,632	5,939,632
CLOSING CASH BALANCE	30 APRIL 2012	\$ 5,096,117	\$ 4,851,856	\$ 5,111,176
REPRESENTED BY:				
Cash and Bank Short Term Deposits		393,566 4,702,551	154,675 4,697,181	630,654 4,480,522
Investments		-	4,097,161	-,400,322
		\$ 5,096,117	\$ 4,851,856	\$ 5,111,176
Variance		\$ -	\$ -	\$ -

SCHEDULE OF CAPITAL EXPE	NOTURE				
FOR THE PERIOD ENDED 30 A					
DESCRIPTION	MONTH		- 4 D TO DATE		ANNUIAL
DESCRIPTION	ACTUAL	WORK IN PROGRESS	ACTUAL	BUDGET	BUDGET
	ACTUAL	TROOKESS	ACTUAL	DODGET	BODGET
Amenities			10.000	10.010	04.000
Playgrounds Parks & Reserves	4,888	-	10,360 25,705	18,216 45,542	21,860 54,650
Campgrounds	4,000	- :	35,382	42,654	51,186
Swimming Pools	-	-	45,628	18,216	21,860
Toilets	-	465	7,688	70,834	85,000
Cemeteries	148	-	22,768	25,000	30,000
Community Housing Community Buildings	7,407	-	2,778 7,407	4,555 55,109	5,465
Greytown Town Hall Redevelopment		- :		9,709	11,651
Martinborough Town Hall	-	-		40,971	49,165
Library Books	5,130	-	75,927	77,330	92,796
Amenities (Miscellaneous)	46.001	-	-	- 100 :==	-
	19,231	465	235,301	408,136	489,764
Water Supply					
Water Supply	1,104	-	406,404	426,208	511,450
Water Plant & Bores Water Plant & Bores (Martinborough #4)	(13)	-	198,636	41,666	50,000
Water Supply (Miscellaneous)	7,576	436	18,091	- 1,000	- 50,000
,,,,,	8,667	436	700,783	717,874	861,450
Solid Waste Management					
Solid Waste Management	-	-	-	18,334 18,334	22,000
Stormwater Reticulation					
Stormwater Reticulation	-	-	10,000 10,000	160,050	192,060
	-		10,000	160,050	192,060
Sewerage Sewerage	65		9,999	217,084	260,500
Sewerage (Lake Ferry)		-	10,329	10,284	12,340
Oxidation Ponds	-	-	-	33,334	40,000
Land Pruchase (Featherston)	-	-	-	-	-
Sewerage (Miscellaneous)	49	-	4,726	9,200	11,040
Alternative Disposal System (GTN) Alternative Disposal System (MBA)	5,865 33,877	455,052 348,795	192,688 306,720	988,754 186,249	1,186,504 223,499
Alternative Disposal System (MDA)  Alternative Disposal System (FSTN)	1,391	2,598	256,205	94,600	113,520
	41,247	806,445	780,667	1,539,505	1,847,403
Land Transport					
Street Lighting (Other Roads)		-	5,664	10,037	12,045
Signs / Guardrails (Other Roads) Structures Renewal (Other Roads)	20,357	699	49,821	45,624 54,750	54,750 65,700
Seal Extensions	-	- :		-	- 05,700
Reseals (Other Roads)		-	8,342	341,666	410,000
Reseals (SPR's)	1,754	-	5,451	29,166	35,000
Rehabilitation (Other Roads)	3,857	-	352,182	292,000	350,400
Rehabilitation (SPR's) New Footpaths	-	-	3,605 39,428	69,350 66,666	83,220 80,000
Footpath Renewals	190	-	27,579	33,334	40,000
Drainage Renewal (Other Roads)	2,230	2,001	164,835	170,637	204,765
Drainage Renewal (SPRs)	-	-	5,255	-	-
Minor Safety Works (Other)	164,471	4,286	321,281	246,374	295,650
Minor Safety Works (SPRs)  Road Metalling (renewal) Other	-	-	- FC 20C	53,513	64,215
Road Metalling (renewal) SPR	-	- :	56,286	228,124 82,124	273,750 98,550
Traffic Services Renewal (SPR)		-	-	4,563	5,475
Preventative Maintance (SPR)	5,506	-	-	-	-
Emergency Work (SPR)	123,234 333,371	6,986	1,115,450	2,127,094	2,552,520
of annualis Task	555,511	5,550	.,0,.00	_,, , , , , , ,	_,002,020
Information Technology T Hardware	2.780	-	16,398	26,800	32,160
IT Software	-	-	560	25,874	31,050
Geographical Information Systems	2 790	-		12,846	15,416
Council Property	2,780	-	16,958	65,520	78,626
Council Offices	2,144	-	20,582	8,934	10,720
Office Equipment & Furniture	681	-	681	12,423	14,907
Other Equipment Motor Vehicles	-	-	-	53,764 64,600	64,518 77,520
	2,825	-	21,263	139,721	167,665
	\$ 408,121	\$ 814,332	\$ 2,904,362	\$ 5,509,568	\$ 6,611,488

HEDULE OF INVESTMEN	ITS					
AT 30 April 2012						
ORGANISATION	INTEREST RATE	DATE. INVESTED	DATE MATURES	TOTAL INVESTED	INVESTED FUNDS %	AUTHORISE FUNDS %
SHORT TERM FUNDS	IMIE	INVESTED	INATORES	INVESTED	I ORDS 78	I ONDO 70
Registered Banks						
BNZ Autocall Account	3.20%	30-Apr-12	On Call	\$ 72,749		
BNZ Reserves Fund	2.75%	15-Apr-12	15-May-12	\$ 713,032		
Total BNZ Funds				\$ 785,782	16%	30%
Kiwibank Reserves Fund	2.50%	30-Apr-12	On Call	\$ 717.929		
Total Kiwibank Funds				\$ 717,929	15%	30%
ASB Loan Redemption Reserves	3.73%	28-Feb-12	29-Jun-12	\$ 1,027,165		
Total ASB Funds				\$ 1,027,165	21%	30%
National Bank of NZ National Bank of NZ	2.40% 0.00%	30-Apr-12 30-Apr-12	On Call On Call	\$ 2,094 \$ 360		
Total NBNZ Funds	0.0078	30-Apr-12	On Call	\$ 2,455	0%	30%
	0.000/	00.4 40	0.0.0		0%	30%
ANZ Call Account  Loan Redemption Reserves	3.00% 4.00%	30-Apr-12 28-Feb-12	On Call 29-Jun-12	\$ 50,276 \$ 1,028,527		
Total ANZ Funds				\$ 1,078,802	22%	30%
Westpac Term investment	3.88%	28-Feb-12	4-May-12 On Call	\$ 500,000 \$ 188,369		
Westpac Call Account	2.50%	30-Apr-12	On Call	\$ 188,369 \$ <b>688,369</b>	14%	30%
Total Westpac Funds				\$ 666,369	1476	30%
Other						
WBS (21220) WBS (21220)	4.40% 4.50%	27-Dec-11 23-Mar-12	24-Jun-12 19-Sep-12	\$ 140,728 \$ 147,058		
WBS (21220) WBS (21220)	4.40%	5-Apr-12 30-Apr-12	2-Oct-12 On Call	\$ 113,941 \$ 324		
Total Other Funds		307(5) 12	OH Guil	\$ 402,050	8%	10%
Total Office Fullado				Ψ 402,000	070	1070
TOTAL SHORT TERM FUNDS				\$ 4,702,551	98%	100%
SHARES						
NZ Local Govt Insurance Co Limited				\$ 89,524		
Airtel Limited Farmlands Trading Society Limited				\$ 6,664 \$ 699		
TOTAL SHARES				\$ 96,887	2%	
FORESTRY						
Plantation - Hurupi Stock				\$ 5,226		
TOTAL FORESTRY				\$ 5,226		
TOTAL INVESTMENTS				\$ 4,804,664	100%	
REPRESENTED BY:						
Short Term Deposits				4,702,551	98%	+
Investments - Current Assets				-	0%	
Investments - Non-Current Assets				102,113	2%	