

SOUTH WAIRARAPA DISTRICT COUNCIL

4 APRIL 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.*
2. *Approve expenditure from Pain Farm to the amount of \$10,089.30 relating to resolution MCB 2012/16 for the demolition of chimneys and \$11,986 relating to resolution MCB 2012/05 for the purchase and installation of playground equipment.*

1. Executive Summary

The long term plan has again dominated proceedings since the last report. Audit New Zealand will be onsite for two weeks from 26 March to review the LTP

Rates debtors continue to be followed up, the latest debtor levels have shown some improvement, however we need to see a continued trend before any conclusion can be drawn.

The Request for Proposal for the replacement local authority software suite was issued, and proposals have been received. These will be analysed with a shortlist due to be decided by 30 March.

Water meter readings have been completed for the four months ended 29 February. These have been entered into the system and invoices issued.

Financial statements for the eight months ended 29 February 2012 have been completed. A full year forecast has also been prepared based on the year to date February results.

The archiving project is progressing, with an inventory of archive materials nearing completion. An archivist, recommended by Archives New Zealand, has been spoken to and will commence an analysis of archival materials to provide a recommendation of what action should be taken

2. Discussion

2.1 LTP

The LTP is moving forward as planned and there are no anticipated issues that would hinder meeting the statutory deadline of 30 June, with the target adoption date of 27 June.

The fortnightly LTP sessions have been useful in moving issues forward, the final series of policies that are required will be presented to the April 4 Policy and Finance meeting for consideration.

2.2 Operating system replacement

The RFP time for submissions closed on Friday 23 March and the three vendors who were targeted submitted proposals before the deadline.

As indicated in my email, the RFP is the first phase of a comprehensive upgrade of SWDC systems. The second key system will be an electronic data and records management system. Sufficient budget has been allowed in the 2012/13 LTP for the purchase and implementation of both systems.

Limited guidance from Splice Group has been sought, however it is anticipated we will not require much in the way of external assistance. Splice Group were recommended by MDC and have experience in this area.

The following table outlines the broad timetable:

Description	Duration	Timeframe – no later than
RFP Preparation	5 weeks	27 February 2012
RFP Response time	4 weeks	23 March 2012
RFP Evaluation	1 week	30 March 2012
Shortlist – 2 Suppliers		30 March 2012
Product demonstrations and site visits	2 weeks	18 April 2012
Decision – recommendation to Council		4 May 2012 (For 16 May Council Meeting)
Implementation	?	To be decided

2.3 Rate Arrears

Efforts continue on rate arrears. The table below outlines the situation as at 23 March 2012.

The following table summarises the rate arrears excluding 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

Since my discussion with MDC over collection procedures, I have spoken to Adam Parker from Gawith Burrige to discuss their involvement in the MDC processes.

As indicated in the previous report, while we are generally following the same procedures, we may need to take a stricter line in how we follow the arrears up. That said it has taken many years of consistent pressure by MDC to achieve their low level of arrears.

2.4 Financial Statements for the eight months ended 29 February 2012

The financial statements for the eight months ended 29 February 2012 are presented.

A full year forecast has also been prepared based on the YTD February results.

2.5 Archival Project

The archiving project is progressing, with an inventory of archive materials nearing completion. An archivist, recommended by Archives New Zealand, has been spoken to and will commence an analysis of archival materials to provide a recommendation of what action should be taken

A proposal from the archivist has been received and the following outputs are identified:

2.5.1. The results of the completed project

Stages one and two will provide the Council with:

- An up to date archive policy
- A basic timeline history of the Council and it predecessors' main events and the main people involved.
- Information about what the archives are, where they are and what are the most valuable.
- Archives held in appropriate and well organised storage.
- An archive image library that includes digital copies of high value archives.
- An electronic and printed guide (x3) to the archives that is easy to read and use. That is accessible to the three library locations and the Wairarapa Archive.

2.6 Pain Farm Expenditure

Martinborough Community Board have been appointed as the community body tasked with the oversight of Pain Farm and expenditure of funds accumulated through the lease of this property. Although the Community Board have these powers, resolutions for expenditure must be endorsed by Council. Expenditure as shown in the recommendation has been approved by the Martinborough Community Board and Council endorsement of this expenditure is now sought.

Martinborough Playground:

MCB RESOLVED (MCB 2012/05):

1. That the flying fox at \$11,986 and the double slide at \$1,498 be ordered and that \$15,000 be allocated from the Pain Farm fund to cover the cost of the equipment and installation (including safety barking under the flying fox).

(Moved Guscott / Seconded McMaster) Carried

Pain Farm Report:

MCB RESOLVED (MCB2012/16) to approve payment from the Pain Farm account for the demolition of chimneys in the Pain Farm homestead and installation of suitable replacement heating subject to an agreement from the Wairarapa Heating and Tiling that the work is carried out within an agreed timeframe.

(Moved Guscott / Seconded Colenso) Carried

The amount applicable to the above resolution is \$10,098.30.

3. Appendices

Appendix 1 – Financial Statements for the eight months ended 29 February 2012

Contact Officer: Paul Crimp, Group Manager Corporate Support

**Appendix 1 – Financial
Statements for the Eight
Months Ended 29 February
2012**

SOUTH WAIRARAPA DISTRICT COUNCIL

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 29 February 2012

	CURRENT MONTH			YEAR TO DATE			2012	
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	BUDGET	% OF BUD
	OPERATING INCOME							
Rates	(1,306)	-	(1,306)	7,793,196	7,950,015	(156,819)	10,600,021	74%
Rates Penalty	28,324	8,167	20,157	237,145	65,332	171,813	98,000	242%
Interest	25,361	12,803	12,558	124,972	102,429	22,543	153,641	81%
Internal Interest Loans	2,979	3,125	(146)	25,072	25,005	67	37,505	67%
Fees & Licences	18,755	45,614	(26,859)	419,650	468,920	(49,270)	651,376	64%
User Levies	26,210	130,919	(104,709)	211,287	467,338	(256,051)	701,012	30%
Commissions	417	5,130	(4,713)	37,127	41,030	(3,903)	61,550	60%
NZ Transport Agency Subsidy	106,565	135,432	(28,867)	787,895	1,083,458	(295,563)	1,625,187	48%
Petrol Tax	6,644	7,727	(1,083)	52,554	61,811	(9,257)	92,719	57%
Grants, Donations & Subsidies	886	1,554	(668)	13,330	12,414	916	18,630	72%
Rental / Hire	31,748	27,067	4,681	222,625	216,532	6,093	324,800	69%
Profit on Sale of Assets	-	-	-	-	-	-	-	0%
Miscellaneous Income	28,453	32,628	(4,175)	251,645	261,012	(9,367)	391,524	0%
Total Operating Income	275,036	410,166	(135,130)	10,176,498	10,755,296	(578,798)	14,755,965	69%
OPERATING EXPENDITURE								
Corporate Services	131,165	141,526	(10,361)	1,132,516	1,132,239	(277)	1,698,343	67%
In-House Professional Services	57,798	59,339	(1,541)	429,261	474,705	45,444	712,060	60%
Governance, Leadership & Advocacy	17,059	31,017	(13,958)	216,172	248,132	31,960	372,201	58%
Public Protection	50,785	81,576	(30,791)	609,271	652,549	43,278	978,852	62%
Resource Management	32,825	34,141	(1,316)	231,215	273,101	41,886	409,666	56%
Economic, Cultural & Community Development	1,261	19,256	(17,995)	184,620	154,033	(30,587)	231,057	80%
Amenities	257,158	147,854	109,304	1,228,744	1,182,831	(45,913)	1,774,248	69%
Land Transport	377,572	368,949	8,623	3,019,772	2,951,570	(68,202)	4,427,366	68%
Water Supply	224,831	182,088	42,743	1,343,061	1,456,686	113,625	2,185,037	61%
Solid Waste Management	111,870	98,165	13,705	688,188	785,357	97,169	1,178,018	58%
Sewerage	83,293	92,179	(8,886)	572,013	737,417	165,404	1,106,135	52%
Stormwater Drainage	11,186	10,555	631	71,105	84,433	13,328	126,653	56%
Rate Debtors Written Off	193	3,333	(3,140)	24,496	26,668	2,172	40,000	61%
Bad Debts	-	2,500	(2,500)	6,143	20,000	13,857	30,000	20%
Loss on Sale of Assets	186,394	-	186,394	186,394	-	(186,394)	-	0%
Total Operating Expenditure	1,543,390	1,272,478	270,912	9,942,971	10,179,721	236,750	15,269,636	65%
Operating Surplus/(Deficit)	(1,268,354)	(862,312)	(406,042)	233,527	575,575	(342,048)	(513,671)	-45%
CAPITAL EXPENDITURE INCOME								
NZ Transport Agency Subsidy	136,849	144,718	(7,869)	452,447	1,157,742	(705,295)	1,736,613	26%
Grants, Donations & Subsidies	-	14,667	(14,667)	-	117,332	(117,332)	176,000	0%
Contributions	5,000	24,341	(19,341)	125,039	194,751	(69,712)	292,115	43%
Total Capital Expenditure Income	141,849	183,726	(41,877)	577,486	1,469,825	(892,339)	2,204,728	26%
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)	\$(1,126,505)	\$(678,586)	\$(447,919)	\$ 816,013	\$ 2,045,400	\$(1,229,387)	\$ 1,691,057	48%
Included in the operating expenditure is:								
Depreciation	302,645	326,189	(23,544)	2,463,754	2,609,492	(145,738)	3,914,248	63%
Interest	49,774	60,249	(10,475)	424,647	481,995	(57,348)	722,992	59%

SOUTH WAIRARAPA DISTRICT COUNCIL

STATEMENT OF FINANCIAL POSITION

AS AT 29 February 2012

	29 FEBRUARY 2012	30 JUNE 2011	MOVEMENT
ASSETS			
Current Assets			
Cash and Bank	169,683	630,655	(460,972)
Short Term Deposits	6,489,610	2,942,565	3,547,045
Investments	-	1,903,121	(1,903,121)
Prepayments & Receivables	2,813,482	3,077,525	(264,043)
Inventories	48,285	35,203	13,082
Properties Intended For Sale	-	-	-
Total Current Assets	9,521,060	8,589,069	931,991
Non-Current Assets			
Investments	102,113	77,844	24,269
Investment Properties	8,024,200	8,024,200	-
Intangible Assets	2,591	5,714	(3,123)
Property, Plant & Equipment	357,462,654	357,650,635	(187,981)
Total Non-Current Assets	365,591,558	365,758,393	(166,835)
TOTAL ASSETS	\$ 375,112,618	\$ 374,347,462	\$ 765,156
LIABILITIES			
Current Liabilities			
Cash and Bank	-	-	-
Payables and Accruals	2,589,405	2,616,693	(27,288)
Employee Entitlements	250,421	231,810	18,611
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	2,839,826	8,350,152	(5,510,326)
Non-Current Liabilities			
Public Debt - Non-Current Portion	8,365,146	2,941,421	5,423,725
Finance Leases - Non-Current Portion	12,845	10,119	2,726
Provisions - Non-Current Portion	439,263	406,244	33,019
Total Non-Current Liabilities	8,817,254	3,357,784	5,459,470
EQUITY			
Public Equity	142,890,445	142,074,433	816,012
Special Separate & Trust Funds	15,976,239	15,976,239	-
Asset Revaluation Reserve	203,078,950	203,078,950	-
Sinking Fund Reserves	1,508,140	1,508,140	-
Other Reserves	1,764	1,764	-
Total Equity	363,455,538	362,639,526	816,012
TOTAL LIABILITIES & EQUITY	\$ 375,112,618	\$ 374,347,462	\$ 765,156
Variance	\$ -	\$ -	\$ -

SOUTH WAIRARAPA DISTRICT COUNCIL

STATEMENT OF CASHFLOWS AS AT 29 February 2012

		29 FEBRUARY 2012	28 FEBRUARY 2011	30 JUNE 2011
OPERATING ACTIVITIES				
Cash was provided from:				
Rates		8,812,435	8,227,053	10,048,546
Government Grants & Subsidies		1,133,422	861,718	1,573,988
Petrol Tax		39,000	38,763	81,566
Other Income		1,870,078	1,638,518	2,226,145
Interest on Investments		150,975	148,974	255,833
Total Operating Cash Inflow		12,005,910	10,915,026	14,186,078
Cash was applied to:				
Payments to Suppliers & Employees		7,848,356	7,303,346	10,276,451
Interest Paid		454,109	442,210	639,454
Total Operating Cash Outflow		8,302,465	7,745,556	10,915,905
Net Cashflow from Operating Activities		3,703,445	3,169,470	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		2,454,044	1,647,850	3,475,988
Term Investments, Shares & Advances		24,269	-	-
Investments in Loan Redemption & Sinking Funds		-	-	-
Total Investing Cash Outflow		2,478,313	1,647,850	3,475,988
Net Cashflow from Investing Activities		(2,113,149)	(1,282,686)	(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		5,473,780	2,558,442	2,586,250
Total Financing Cash Outflow		5,473,780	2,558,442	2,586,250
Net Cash Flow from Financing Activities		(42,179)	(597,442)	(625,250)
NET INCREASE / (DECREASE) IN CASH		1,548,117	1,289,342	(828,456)
OPENING CASH BALANCE	1 JULY 2011	5,111,176	5,939,632	5,939,632
CLOSING CASH BALANCE	29 FEBRUARY 2012	\$ 6,659,293	\$ 7,228,974	\$ 5,111,176
REPRESENTED BY:				
Cash and Bank		169,683	3,637,269	630,654
Short Term Deposits		6,489,610	3,591,705	4,480,522
Investments		-	-	-
		\$ 6,659,293	\$ 7,228,974	\$ 5,111,176
Variance		\$ -	\$ -	\$ -

SOUTH WAIRARAPA DISTRICT COUNCIL

SCHEDULE OF INVESTMENTS AS AT 29 February 2012

ORGANISATION	INTEREST RATE	DATE INVESTED	DATE MATURES	TOTAL INVESTED	INVESTED FUNDS %	AUTHORISED FUNDS %
SHORT TERM FUNDS						
Registered Banks						
BNZ Autocall Account	3.20%	29-Feb-12	On Call	\$ 371,334		
BNZ Reserves Fund	2.75%	15-Feb-12	15-Apr-12	\$ 709,824		
Total BNZ Funds				\$ 1,581,158	24%	30%
Kiwibank Reserves Fund	2.50%	29-Feb-12	On Call	\$ 713,522		
Total Kiwibank Funds				\$ 713,522	11%	30%
ASB Loan Redemption Reserves	3.73%	28-Feb-12	29-Jun-12	\$ 1,029,379		
Total ASB Funds				\$ 1,029,379	16%	30%
National Bank of NZ	2.40%	29-Feb-12	On Call	\$ 2,094		
Total NBNZ Funds				\$ 2,094	0%	30%
ANZ Call Account	3.00%	29-Feb-12	On Call	\$ 50,172		
Loan Redemption Reserves	4.00%	28-Feb-12	29-Jun-12	\$ 1,028,527		
Total ANZ Funds				\$ 1,078,699	16%	30%
Westpac Term investment	3.56%	28-Feb-12	20-Mar-12	\$ 500,000		
Westpac Call Account	2.50%	31-Jan-12	On Call	\$ 188,369		
Total Westpac Funds				\$ 1,688,369	26%	30%
Other						
WBS (21220)	4.40%	27-Dec-11	24-Jun-12	\$ 140,728		
WBS (21220)	4.50%	25-Sep-11	23-Mar-12	\$ 143,869		
WBS (21220)	4.50%	8-Oct-11	5-Apr-11	\$ 111,470		
WBS (21220)		29-Feb-12	On Call	\$ 322		
Total Other Funds				\$ 396,389	6%	10%
TOTAL SHORT TERM FUNDS				\$ 6,489,610	98%	100%
SHARES						
NZ Local Govt Insurance Co Limited				\$ 89,524		
Airtel Limited				\$ 6,664		
Farmlands Trading Society Limited				\$ 699		
TOTAL SHARES				\$ 96,887	1%	
FORESTRY						
Plantation - Hurupi Stock				\$ 5,226		
TOTAL FORESTRY				\$ 5,226		
TOTAL INVESTMENTS				\$ 6,591,723	100%	
REPRESENTED BY:						
Short Term Deposits				6,489,610	98%	
Investments - Current Assets				-	0%	
Investments - Non-Current Assets				102,113	2%	
				\$ 6,591,723	100%	