

SOUTH WAIRARAPA DISTRICT COUNCIL

16 MAY 2018

AGENDA ITEM D3

CHIEF EXECUTIVE OFFICER REPORT

Purpose of Report

To report to Council on general activities.

Recommendations

Officers recommend that the Council:

1. *Receive the Chief Executive Officer Report.*
2. *To receive the financial statements report for the period ended 28 February 2018.*
3. *Convene an accommodation subcommittee comprising three councilors, the Mayor ex officio, Chief Executive, and three Group managers.*

1. Executive Summary

The Long Term Plan continues to progress well, with 181 submissions received to date. Officers have been reviewing and analysing these submissions to assist in decision making.

Regional Mayors and Chief Executives met Hon Phil Twyford, Hon Chris Hipkins, Hon Kris Faafoi, and MPs Paul Eagle, Ginny Andersen, Rino Tirikatene, Greg O'Connor to discuss regional initiatives, and provide an update on key initiatives that will be the basis of a number of funding applications. This was a productive meeting and the willingness of the current Government to engage with this sector was heartening.

We have been considering what actions are necessary following the recent period of instability. We will be reviewing our systems and processes against the "Local Government Excellence" criteria with a view to strengthen and enhance what we do as appropriate. This program provides guidelines used around the country and is a good starting point.

2. Governance/Leadership/Advocacy

The following table provides the year to date results for KPI's set for the Governance output.

GOVERNANCE, LEADERSHIP AND ADVOCACY MEASURING SERVICE DELIVERY PERFORMANCE					
SERVICE LEVEL	KEY PERFORMANCE INDICATORS		2016/17	2016/17	COMMENTS
			TARGET	ACTUAL	
Opportunities are provided for the community to have its views heard	Ratepayers and residents feel they can contact a Council member to raise an issue or problem		75%	79%	The National Research Bureau (NRB) Customer Satisfaction survey was carried out late 2016. In addition to the 79% (2014:73% 2011 75%) positive response, 13% (2014; 16% 2011 14%) felt they were unable to comment.
	Ratepayers and residents feel that the Mayor and councillors give a fair hearing to their views		72%	63%	The NRB Customer Satisfaction survey was carried out late 2016. In addition to the 63% (2014; 62% 2011 55%) positive response, 23% (2014:21% 2011 28%) felt they were unable to comment.
Council determines what activities it should engage in through consultation and regulatory requirements then sets clear direction	Ratepayers and residents are satisfied with Council's decisions and actions		80%	70%	The NRB Customer Satisfaction survey was carried out late 2016. In addition to the 70% (2014; 76% 2011 73%) positive response, 14% (2014; 8% 2011 9%) felt they were unable to comment.
	Ratepayers and residents are satisfied with how Council allocates rates/funds to be spent on the services and facilities provided (target peer group age)		79%	65%	The NRB Customer Satisfaction survey was carried out late 2016. In addition to the 65% (2014; 64% 2011 59%) positive response, 14% (2014; 14% 2011 9%) felt they were unable to comment.
Community Boards make decisions that consider local issues	Community Board decision - making reports on local issues		90%	Greytown 98% Featherston 97% Martinborough 97%	This measure reports on the percentage of resolutions made that relate solely to local issues. (year ended 30 June 2016)
	% of ratepayers and residents who know how to contact a community board member		68%	69%	The NRB Customer Satisfaction survey was carried out late 2016. In addition to the 69% (2014; 64% 2011 59%) positive response, 0% (2014; 14% 2011 9%) felt they were unable to comment.
Opportunities are available to raise local issues and understand what will happen as a result	Ratepayers and residents satisfied with the way Council involves the public in the decision it makes		70%	47%	The NRB Customer Satisfaction survey was carried out late 2016. In addition to the 47% (2014; 49% 2011 50%) positive response, 31% (2014; 26% 2011 25%) indicated they were neither satisfied nor dissatisfied, and 5% (2014; 5% 2011 5%) felt they were unable to comment.
Opportunities are available to raise issues relating to Maori through the Maori Standing Committee	The Maori Standing Committee makes recommendations to Council in relation to policy and plan development and resource management applications		100% applicable applications	100%	Maori Standing Committee met on 6 occasions. In total 5 resource consent applications were considered, however due to the timing of the meetings 1 was considered outside normal meetings.(Year ended 30 June 2016)

3. Strategic Planning and Policy Development

3.1 Meetings/Conferences

3.1.1. Chief Executive Forum

One CE forum was held. Agenda items included Lifelines Regional resilience; Wellington Water update; Wellington Regional Investment plan update

3.1.2. Mayoral Forum

One Mayoral forum was held during the reporting period (I was unable to attend). Agenda items included Waste Minimisation and Management; Healthy food environments and policy development; Wellington Regional Investment priorities

3.1.3. Community Boards

A further round of Community Board meetings were held. An initial meeting with Chairs and officers was held to discuss action items and managing service requests.

3.1.4. WREMO

Prior to the Regional CE forum, WREMO presented to the Chief Executives Group to present their quarterly report.

Two reviews have been undertaken recently.

Firstly the Government undertook a review of civil defence arrangements thru ought the country. The regional CE group met the government review panel to provide input. The CE group will provide feedback, via the Mayoral forum.

The second review was an internal process on the effectiveness of WREMO, this review resulted in the appointment of additional personnel in the training, and communications areas. The total funding requirements were in line with the existing funding levels we had included in our LTP.

3.1.5. Wellington Water

Discussions continue with Wellington water on various matters in relation to the operation, and issues surrounding our three waters network. This was a useful update and included Wellington Water's plan to set up a purchasing group which we may be able to tap into.

The Governments response to the Havelock enquiry was also discussed; we keep a watching brief on the ongoing information that is circulated.

3.1.6. Regional Investment Plan

The Wellington region is preparing an economic development strategy in advance of an application to the Government for funding under the various schemes now in place. Attached as Appendix 4 is an outline of the project structure.

As can be seen, there is a separate workstream encompassing the Wairarapa.

This workstream is well underway and is due for completion by the end of June.

The Wairarapa can access the Regional Growth Fund; accordingly the work for the Wairarapa is tailored somewhat differently.

The Government has signalled however that any applications need to be made under a regional umbrella; accordingly the Wairarapa work needs to be included in the wider regional plan.

4. Corporate

4.1 Financial Statement

Financial statements for the eight months ended 28 February 1 April 2018 are presented in Appendix 1 for the record, without commentary. These statements were presented and discussed at the January Audit and Risk meeting.

We are not in a position to prepare detailed analysis at this stage due to the Long Term Plan preparation; however there are no areas of concern following a mid-level review, and discussion at Audit and Risk.

4.2 Long Term Plan

The Long Term Plan consultation document, and supporting information, was adopted 21 March.

This signals the commencement of the public consultation period, running from 22 March to 23 April.

Public meetings were held 10, 11, 12 April.

The public meetings were well attended, and while not always sticking to the topic, many matters were raised which will hopefully end up in submission form.

We have received 181 submissions covering many, many matters.

4.3 Accommodation

We are currently overcapacity in the Kitchener Street building.

The Long Term Plan has provision for additional staffing to meet existing demand, and become more proactive in how we achieve our goals.

It is recommended a subcommittee consisting of three Councillors, the Mayor ex officio, the Chief Executive, and the three Group Managers be formed to consider options, and make recommendations in due course.

4.4 Occupational Health and Safety

We continue to make good progress on health and safety matters.

In particular we are focusing on working with volunteers. This has proven somewhat more complex than first thought. We will have working guidance available in due course.

A health and safety report for April is included in Appendix 3.

4.5 Waihinga Centre/Martinborough Town Hall

The project continues as planned, completion has been recalculated following some minor weather and materials delays as previously advised with a completion date of July. This remains subject to normal construction risks, weather, materials and the like.

Occupancy is planned for mid to late August.

Fortnightly construction team meetings continue to be held, ensuring the project is monitored closely. The construction team includes Mayor Napier, Vicky Read (Waihinga Trust / users rep), Max Stevens (Waihinga Trust / user rep), David Borman (SWDC project Manager), Mike Arnopp (Riggs) and I. The pleasing aspect of this group is we are all working toward a common goal, having an excellent facility for the best price.

The financial summary, attached as Appendix 2, is reviewed by the construction committee and also presented and discussed at the audit and risk meeting. This summary includes variations to the original programme; variations are approved at the construction team meetings.

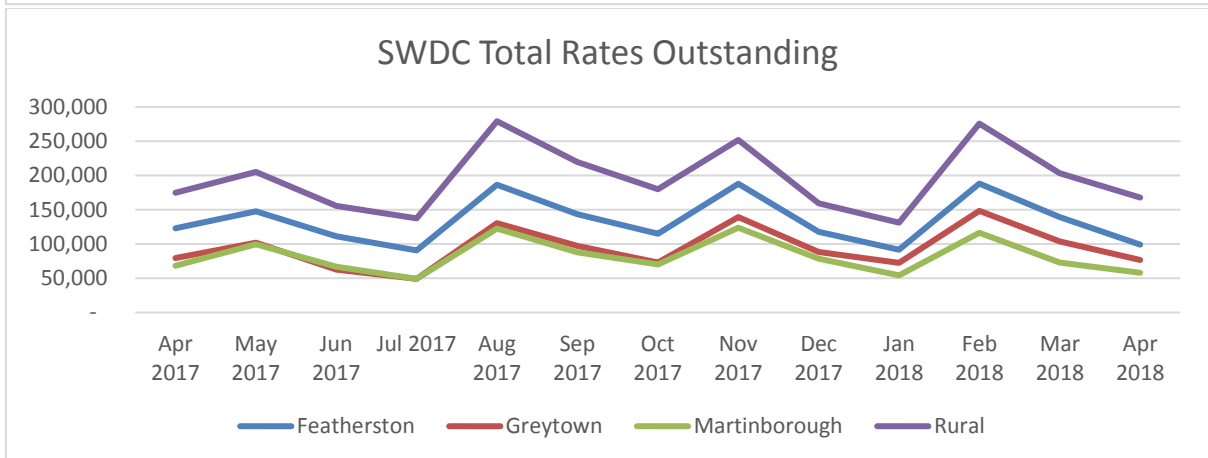
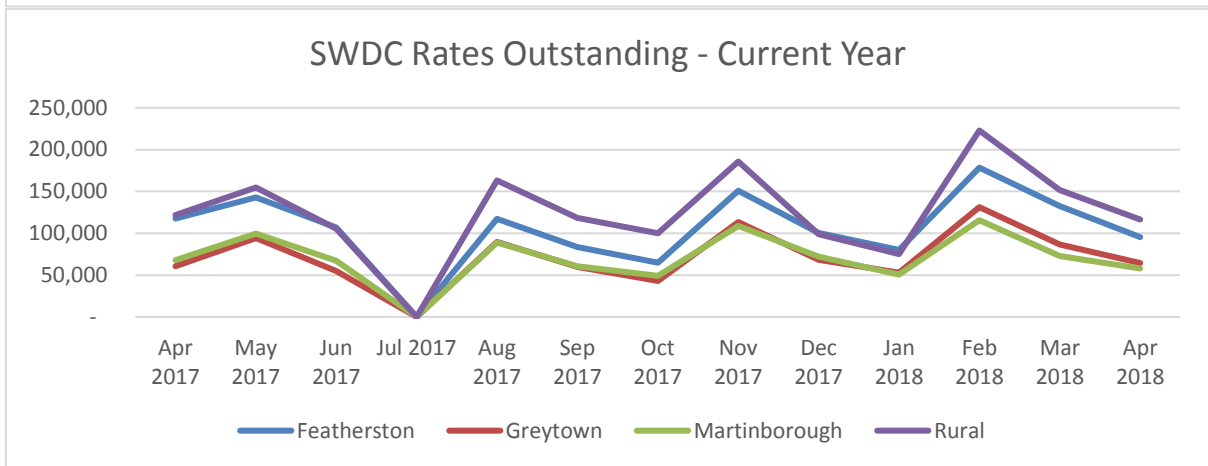
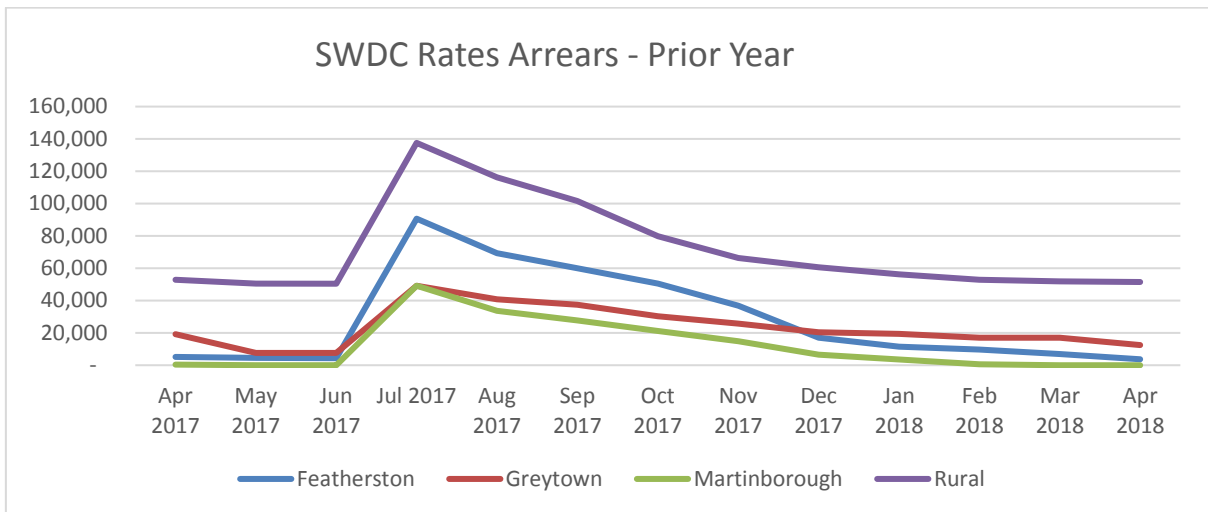
The project is progressing well, and there are no red or even orange flags at this stage.

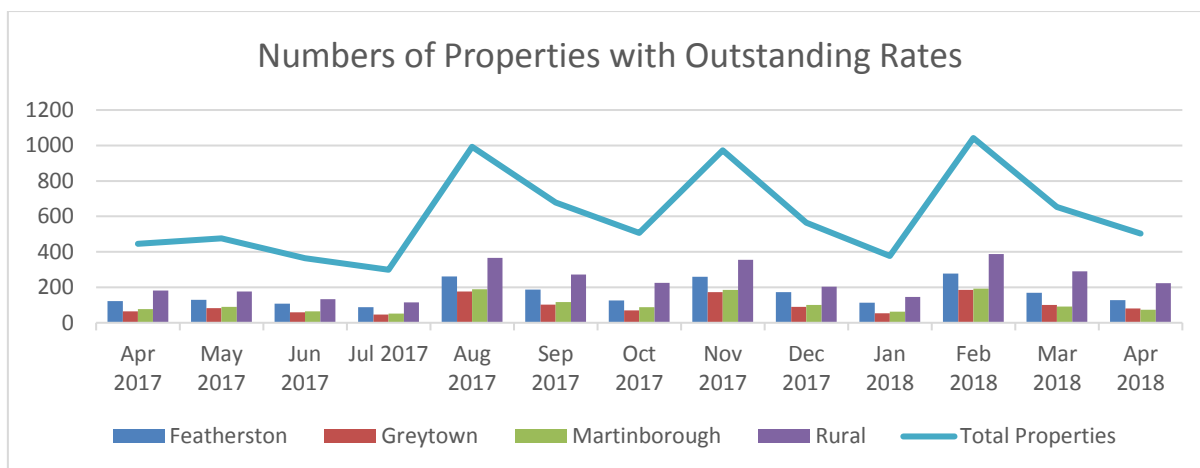
4.6 Rates Arrears (Incl. GST)

The continued good work on the rates debt front shows in the trends. As previously discussed, these trends are very sensitive and can change, however our consistent approach appears to be paying dividends.

Total rates outstanding are at a similar level to the same period last year.

SWDC Rates arrears – 30 April 2018





4.7 LGOIMA Requests

DATE	TOPIC OF INFORMATION REQUEST	REQUEST RESPONSE
23 March 18	The cost of legal fees for Van Stensell Dogs	Information supplied.
25 March 18	Library Stats	
23 March 18	Details GWRC request for more information on the Featherston wwtp application and whatever other information is relevant to the delay in notification.	Requester obtained information elsewhere.
29 March 18	Parking infringements	Response sent.
29 March 18	Charges to conduct a residential building consent assessment	Information supplied.
29 March 18	Charges to conduct a commercial/corporate building consent assessment	Information supplied.
3 April 18	How many times animal control was called out in South Wairarapa (on a town by town basis) over the past couple of years?	Information supplied.
9 April 18	Funding of Dog Pound and the data on dog impoundings.	Information supplied.
10 April 18	Irrigation scheme funding	Information supplied.
10 April 18	Hillview Property investment in Greytown - rezoning and conditions set.	
11 April 18	Council Attendance	
12 April 18	Register of Interests	Information supplied
18 April 18	Papers relating to a Building File. -request withdrawn.	Request cancelled
23 April 18	Staff Turnover	
30 April 18	Recycling - how do we manage paper and plastics?	Information supplied
30 April 18	Alcohol Inspectors training budgets	
4 May 18	STEM evaluation for the above tree.	
7 May 18	Has Council discussed Regional Fuel Tax	

We continue to charge for those requests that require more than 1 hour and 20 pages of material. This charging regime is standard and used by central government.

5. Appendices

Appendix 1 – Financial Statements ended 28 February 2018

Appendix 2 – Waihinga Centre Finances

Appendix 3 – Health and Safety Report

Appendix 4 – Wellington Regional Investment Plan

Contact Officer: Paul Crimp, Chief Executive Officer

**Appendix 1 – Financial
Statements and Report for
the period ended 28
February 2018**

SOUTH WAIRARAPA DISTRICT COUNCIL

MONTHLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2018

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

SOUTH WAIRARAPA DISTRICT COUNCIL

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 28 FEBRUARY 2018

2017		YTD			2018	
LY Actual		Actual	Budget	Variance	Budget	% of Budget
<u>OPERATING INCOME</u>						
9,511,641	Rates	9,905,906	9,844,663	61,243	13,152,906	75%
127,839	Rates Penalty	125,763	137,172	(11,409)	140,000	90%
121,204	Interest	299,611	192,799	106,812	264,159	113%
13,901	Internal Interest Loans	13,901	13,902	(1)	20,880	67%
826,769	Fees & Licences	823,791	774,689	49,102	1,030,128	80%
470,497	User Levies	424,287	342,323	81,964	713,188	59%
41,853	Commissions	49,115	41,576	7,539	69,300	71%
827,778	NZ Transport Agency Subsidy	977,454	1,251,305	(273,851)	3,302,111	30%
56,815	Petrol Tax	62,202	52,367	9,835	82,905	75%
12,040	Grants, Donations & Subsidies	9,571	14,581	(5,010)	434,919	2%
335,141	Rental / Hire	343,408	350,536	(7,128)	524,675	65%
-	Profit on Sale of Assets	50,572	-	50,572	-	0%
225,994	Miscellaneous Income	261,136	227,336	33,800	333,426	78%
12,571,472	Total Operating Income	13,346,718	13,243,248	103,468	20,068,597	
<u>OPERATING EXPENDITURE</u>						
1,155,866	Corporate Services	1,209,595	1,220,352	10,757	1,875,091	65%
548,666	In-House Professional Services	604,603	556,757	(47,846)	868,153	70%
355,963	Governance, Leadership & Advocacy	314,076	311,946	(2,130)	472,028	67%
890,499	Public Protection	852,756	774,527	(78,229)	1,200,527	71%
266,058	Resource Management	328,293	293,159	(35,134)	490,056	67%
217,452	Economic, Cultural & Community Development	236,278	216,603	(19,675)	295,943	80%
1,652,242	Amenities	1,747,206	1,767,982	20,776	2,473,736	71%
3,370,549	Land Transport	3,340,923	3,437,378	96,455	5,048,744	66%
1,445,281	Water Supply	1,552,616	1,443,612	(109,004)	2,179,753	71%
846,446	Solid Waste Management	952,575	866,116	(86,459)	1,422,589	67%
1,039,155	Wastewater	1,017,330	1,043,172	25,842	1,608,052	63%
103,647	Stormwater Drainage	119,781	118,301	(1,480)	164,414	73%
14,007	Rate Debtors Remissions	13,751	21,066	7,315	21,066	65%
52,216	Loss on Sale of Assets	-	-	-	-	0%
11,958,045	Total Operating Expenditure	12,289,781	12,070,971	(218,810)	18,120,152	
613,427	Operating Surplus/(Deficit)	1,056,937	1,172,277	(115,342)	1,948,444.48	
<u>CAPITAL EXPENDITURE INCOME</u>						
491,180	NZ Transport Agency Subsidy	392,843	627,319	(234,476)	-	0%
438,700	Grants, Donations & Subsidies	1,178,800	420,000	758,800	-	0%
710,716	Contributions	643,644	301,443	342,201	452,957	142%
1,640,596	Total Capital Expenditure Income	2,215,287	1,348,762	866,525	452,957	
<u>OTHER INCOME</u>						
-	Gain on Asset Revaluations	-	-	-	35,165	0%
-	Total Other Income	-	-	-	35,165	
\$ 2,254,023	TOTAL SURPLUS / (DEFICIT)	\$ 3,272,224	\$ 2,521,040	\$ 751,183	\$ 2,436,566	

Included in the operating expenditure is:

2,859,371	Depreciation	2,977,664	2,921,295	56,369	4,435,245	67%
618,771	Interest	381,274	507,616	(126,342)	625,903	61%

SOUTH WAIRARAPA DISTRICT COUNCIL

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2018

	28 FEBRUARY 2018	30 JUNE 2017	MOVEMENT
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash and Bank	120,337	574,195	(453,859)
Short Term Deposits	10,511,415	5,950,000	4,561,415
Investments	6,534,056	6,510,056	24,000
Prepayments & Receivables	1,261,860	1,552,394	(290,534)
Inventories	24,721	17,397	7,324
Properties Intended For Sale	-	1,778,950	(1,778,950)
Total Current Assets	18,452,388	16,382,992	2,069,396
<u>Non-Current Assets</u>			
Investments	376,640	312,640	64,000
Investment Properties	7,741,000	7,741,000	-
Intangible Assets	130,031	162,939	(32,908)
Properties Intended For Sale	1,568,838	-	1,568,838
Property, Plant & Equipment	383,224,420	382,777,316	447,104
Total Non-Current Assets	393,040,929	390,993,894	2,047,034
TOTAL ASSETS	\$ 411,493,317	\$ 407,376,886	4,116,430
<u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Payables and Accruals	4,140,861	3,207,219	933,642
Employee Entitlements	248,755	338,189	(89,434)
Public Debt - Current Portion	-	4,000,000	(4,000,000)
Provisions - Current Portion	33,974	33,974	-
Total Current Liabilities	4,423,589	7,579,382	(3,155,793)
<u>Non-Current Liabilities</u>			
Public Debt - Non-Current Portion	17,500,000	13,500,000	4,000,000
Provisions - Non-Current Portion	446,586	446,586	-
Total Non-Current Liabilities	17,946,586	13,946,586	4,000,000
<u>EQUITY</u>			
Public Equity	146,281,288	143,009,064	3,272,224
Special Separate & Trust Funds	23,370,653	23,370,653	-
Asset Revaluation Reserve	219,468,359	219,468,359	-
Other Reserves	2,842	2,842	-
Total Equity	389,123,141	385,850,918	3,272,224
TOTAL LIABILITIES & EQUITY	\$ 411,493,317	\$ 407,376,886	4,116,430

SOUTH WAIRARAPA DISTRICT COUNCIL

STATEMENT OF CASHFLOWS AS AT 28 FEBRUARY 2018

	28 February 2018	28 FEBRUARY 2017	30 JUNE 2017
<u>OPERATING ACTIVITIES</u>			
<u>Cash was provided from:</u>			
Rates	10,997,297	10,738,112	16,454,547
Grants & Subsidies	2,818,909	2,153,003	2,825,495
Petrol Tax	45,907	42,038	88,576
Other Income	3,120,852	2,642,729	3,949,619
Interest on Investments	260,935	134,143	235,181
Total Operating Cash Inflow	17,243,901	15,710,025	23,553,418
<u>Cash was applied to:</u>			
Payments to Suppliers & Employees	9,526,498	9,569,898	16,543,732
Interest Paid	340,098	441,716	665,593
Total Operating Cash Outflow	9,866,596	10,011,614	17,209,325
Net Cashflow from Operating Activities	7,377,305	5,698,412	6,344,093
<u>INVESTING ACTIVITIES</u>			
<u>Cash was provided from:</u>			
Sale of Property, Plant & Equipment	264,522	1,610,317	775,825
Term Investments, Shares & Advances	-	-	1,378,526
Total Investing Cash Inflow	264,522	1,610,317	2,154,351
<u>Cash was applied to:</u>			
Purchase of Property, Plant & Equipment	3,446,269	2,460,215	5,350,724
Term Investments, Shares & Advances	88,000	-	6,374,265
Total Investing Cash Outflow	3,534,269	2,460,215	11,724,989
Net Cashflow from Investing Activities	(3,269,746)	(849,899)	(9,570,638)
<u>FINANCING ACTIVITIES</u>			
<u>Cash was provided from:</u>			
Public Debt	4,000,000	9,838,897	10,000,000
Total Financing Cash Inflow	4,000,000	9,838,897	10,000,000
<u>Cash was applied to:</u>			
Repayment of Public Debt	4,000,000	5,741,210	5,902,317
Total Financing Cash Outflow	4,000,000	5,741,210	5,902,317
Net Cash Flow from Financing Activities	-	4,097,687	4,097,683
NET INCREASE / (DECREASE) IN CASH	4,107,559	8,946,200	871,140
OPENING CASH BALANCE	1 JULY 2017	5,653,059	5,653,059
CLOSING CASH BALANCE	28 February 2018	\$ 14,599,259	\$ 6,524,195
<u>REPRESENTED BY:</u>			
Cash and Cash equivalents	120,337	98,476	574,195
Short Term Deposits	10,511,418	14,500,783	5,950,000
Investments	-	-	-
\$ 10,631,754	\$ 14,599,259	\$ 6,524,195	

SOUTH WAIRARAPA DISTRICT COUNCIL

SCHEDULE OF CAPITAL EXPENDITURE FOR THE PERIOD ENDED 28 FEBRUARY 2018

<u>DESCRIPTION</u>	Year to Date		Annual	Budget	Total	Full	Carry
	Actual	Budget	Budget	Brought Forward from Prev Years	Budget Available	Year Forecast	Forward to 2018-19
Baseline CAPEX:							
Amenities*	124,676	330,808	496,159	468,430	964,589	395,102	583,619
Water Supply	199,666	366,296	549,441	500,000	1,049,441	1,049,441	-
Solid Waste Management	199	13,336	20,000	-	20,000	20,000	-
Stormwater Reticulation	-	35,736	53,600	-	53,600	53,600	-
Wastewater**	802,953	1,985,768	2,978,648	1,099,593	4,078,241	2,674,924	1,450,000
Land Transport***	696,413	2,001,016	3,001,504	-	3,001,504	3,986,750	-
Information Technology	9,533	64,416	96,624	-	96,624	151,165	-
Council Property	87,730	86,232	129,346	-	129,346	102,730	-
Waihinga Centre	1,200,121	-	-	3,692,241	3,692,241	3,192,241	500,000
	<u>\$ 3,121,291</u>	<u>\$ 4,883,608</u>	<u>\$ 7,325,322</u>	<u>\$ 5,760,264</u>	<u>\$ 13,085,586</u>	<u>\$ 11,625,953</u>	<u>\$ 2,533,619</u>

* Waihinga Centre playground and Greytown town centre CAPEX budget to be carried forward to next financial year

**Greytown Papawai main not required until next year \$1.15 million, plus carry forward \$300K alternative disposal budget

*** Resilience improvements to SPR now expected to happen this year along with additional SPR sealing, all 100% NZTA funded

SOUTH WAIRARAPA DISTRICT COUNCIL

SCHEDULE OF INVESTMENTS AS AT 28 FEBRUARY 2018

ORGANISATION	INTEREST RATE	DATE INVESTED	DATE MATURES	TOTAL INVESTED	INVESTED FUNDS %	AUTHORISED FUNDS %
SHORT TERM DEPOSITS						
Registered Banks						
ASB Call account	1.25%	28-Feb-18	On Call	75,906.20		
ASB Term Deposit	3.40%	20-Nov-17	19-May-18	1,000,000.00		
ASB Reserve Fund	3.01%	23-Jan-18	13-Jun-18	300,000.00		
ASB Term Deposit - Loan redemption	3.50%	1-Nov-17	1-Nov-18	225,000.00		
ASB Term Deposit - Loan redemption	3.50%	11-Nov-17	11-Nov-18	375,000.00		
ASB Term Deposit	3.00%	26-Feb-18	5-Jun-18	500,000.00		
ASB Term Deposit - Loan redemption	3.68%	23-Jan-18	15-Jul-19	225,000.00		
				2,700,906.20	16%	30%
ANZ CALL ACCOUNT	0.70%	28-Feb-18	On Call	135.69		
ANZ Term Deposit	3.30%	5-Oct-17	5-Mar-18	700,000.00		
ANZ Term Deposit	3.21%	23-Nov-17	23-Apr-18	700,000.00		
ANZ Term Deposit	3.35%	20-Nov-17	21-May-18	800,000.00		
ANZ Term Deposit	3.16%	20-Feb-18	20-Jun-18	500,000.00		
ANZ Reserve Fund	3.19%	23-Jan-18	22-Jun-18	750,000.00		
				3,450,135.69	20%	30%
BNZ AUTOCALL (-025)	3.00%	28-Feb-18	On Call	1,246,553.91		
BNZ Term Deposit	3.02%	21-Dec-17	20-Mar-18	500,000.00		
BNZ Term Deposit	3.29%	21-Nov-17	21-Mar-18	500,000.00		
BNZ Term Deposit	3.40%	21-Nov-17	20-Apr-18	300,000.00		
BNZ Reserve Fund	3.31%	23-Jan-18	23-May-18	853,556.43		
BNZ Term Deposit	3.32%	31-Jan-18	31-May-18	500,000.00		
BNZ Term Deposit	3.24%	20-Feb-18	20-Jun-18	500,000.00		
				4,400,110.34	26%	30%
KIWIBANK Term Deposit	3.10%	22-Nov-17	23-Apr-18	500,000.00		
KIWIBANK Term Deposit	3.09%	23-Nov-17	23-Apr-18	300,000.00		
KIWIBANK Term Deposit	3.06%	20-Feb-18	20-Jun-18	500,000.00		
KIWIBANK Term Deposit	3.07%	23-Jan-18	22-Jun-18	1,100,000.00		
				2,400,000.00	14%	30%
WBS (21220)	0.50%	28-Feb-18	On Call	1.26		
WBS (21220)	3.65%	22-Nov-17	22-Nov-18	183,989.45		
WBS (21220)	3.65%	25-Nov-17	25-Nov-18	178,291.89		
WBS (21220)	3.65%	5-Dec-17	5-Dec-18	138,757.23		
				501,039.83	3%	10%
WESTPAC TRUST ONLINE CALL	0.25%	28-Feb-18	On Call	9.13		
WESTPAC Term Deposit	3.08%	11-Dec-17	16-Mar-18	400,000.00		
WESTPAC Term Deposit	2.42%	20-Feb-18	22-Mar-18	500,000.00		
WESTPAC Term Deposit	2.99%	8-Jan-18	20-Apr-18	500,000.00		
WESTPAC Term Deposit	2.73%	20-Feb-18	20-Apr-18	600,000.00		
WESTPAC Reserve Fund	3.08%	22-Dec-17	22-Jun-18	1,293,269.51		
WESTPAC Loan redemption	3.39%	23-Jan-18	23-Oct-18	300,000.00		
				3,593,278.64	21%	30%
TOTAL				17,045,470.70	100%	
INVESTMENTS						
LGFA Borrower Bonds				28,800.00		
LGFA Borrower Bonds				91,200.00		
LGFA Borrower Bonds				64,000.00		
LGFA Borrower Bonds				32,000.00		
LGFA Borrower Bonds				40,000.00		
LGFA Borrower Bonds				24,000.00		
TOTAL				280,000.00		
SHARES						
NZ Local Govt Insurance Co Limited				82,512.90		
Airtel Limited				7,742.00		
Farmlands Trading Society Limited				1,159.00		
TOTAL				91,413.90		
FORESTRY						
Plantation - Hurupi Stock				5,226.00		
TOTAL				5,226.00		
TOTAL INVESTMENTS				17,422,110.60		
REPRESENTED BY:						
Short Term Deposits				17,045,470.70		
Investments - Current Assets				-		
Investments - Non-Current Assets				376,639.90		
				17,422,110.60		

South Wairarapa District Council

For the eight months ending 28 February 2018

Financial Report

1. SUMMARY & HIGHLIGHTS

Purpose

The purpose of this report is to provide Council with a commentary on:

- Year to date budget vs actual.
- Commentary on material variances.
- Full year risks (if any) for each significant activity.

Highlights

- Year to date operating surplus \$1,057K vs. budget surplus \$1,172K the results are unfavourable to budget by \$115K
- Total surplus \$3,272K vs. budget surplus \$2,521K
- Sound cash position, Working capital \$14,029K.
- Interest cost 3.85% of rates revenue, SWDC maximum 12%.
- Current Net debt \$17,500K, SWDC maximum (at 3.26% average borrowing rate). \$48,416K.

- Budgets have been phased based on last years actual spend. Some variances are due to actual spending patterns being different between years.

2. STATEMENT OF FINANCIAL PERFORMANCE

OPERATING INCOME

Rates Penalty

8.32% Unfavourable to budget.

Interest Revenue

55.4% Favourable to budget. Short term deposits higher than expected and invested for longer attracting a better interest rate than budgeted.

Fees & Licences

6.34% Ahead of plan, The number of building consents remains high, resource consent income also up.

User Levies

23.94% Favourable to budget. Water fee income up, Martinborough landfill fees up.

Commissions

18.13% favourable to budget.

NZTA Subsidy

Unfavourable to budget. Operating Income and Capital Income both under budget, full year programme will be met so actual should align with budget at year end.

Petrol Tax

18.78.% Favourable to budget. (Actual revenue not in our control).

Profit on Sale Assets

Favourable to budget. Profit on sale of Holding paddocks and two vehicles not budgeted for.

Miscellaneous Income

14.87% Favourable to budget. Will be on budget for year end.

OPERATING EXPENDITURE

In-house Professional Services

8.59% Unfavourable to budget, should be on budget for year end.

Public Protection

10.10% Unfavourable to budget. No budgetary concerns.

Public Protection & Health

4.43% Favourable to budget.

Building and Construction

18.45% Unfavourable to budget. Reviewing full year forecast at present.

Animal Control

3.88% Favourable to budget, should be on budget by year end.

Emergency Management

19% Unfavourable to budget. Should be on budget by year end.

Resource Management

11.98% Unfavourable to budget due to Greytown FDA Plan change completion costs and unbudgeted expenditure on formal submissions to GWRC on Natural Resources Plan. Also due to high number of consents, we are contracting out some processing work.

Economic Cultural & Community Development

Community Wellbeing

12.29% Unfavourable to plan due to grants committed in prior years not budgeted in current financial year.

Amenities

Swimming Pools

8.45% Favourable to budget, expect to be on budget by year end.

Libraries

5.47% favourable to budget, expected to be on budget by year end.

Community Buildings

28.44% Favourable to budget

Cemeteries

19.06% Unfavourable to budget due to routine maintenance being higher than budget.

Housing (Pensioner)

38.04% Unfavourable to budget due to repairs and maintenance buildings being higher than budget \$39K.

Rental Properties

140.45% Unfavourable to budget due to \$46K expenses on properties intended for sale not budgeted.

Pain Farm

On budget.

Toilets

8.78% Unfavourable to budget.

Land Transport

2.81% Favourable to budget due to timing will be on track at year end.

Water Supply

7.55% Unfavourable to budget.

Solid Waste Management

9.98% Unfavourable to budget due to greater refuse quantities than expected, and increase in coastal cost due to new contract not budgeted for.

CAPITAL EXPENDITURE INCOME

NZ Transport Agency

Full year programme will be met plus additional work approved by NZTA so actual should be over budget at year end.

Contributions

142% Favourable to budget due to continuing high level of development work in the district.

Grants and Subsidies

Grant received for \$500K from the Waihinga Centre Charitable Trust.

Grant received for \$450K from Lotteries board for the Waihinga Centre.

Grant received for \$229K from Ministry of Health for new bore.

3. STATEMENT OF FINANCIAL POSITION

Working Capital

Working capital (current assets less current liabilities) stands at \$14,029K. (30 June 2017 \$8,804K).

Prepayments and Receivables

Prepayments and receivables total \$1,262K. Key components are Rates receivables \$753K, Water debtors \$77K, General debtors \$162K.

Payables and Accruals

Payables and accruals total \$4,141K. Key items are Sundry creditors \$335K, Rates in advance SWDC \$288K, Rates owing to GWRC \$878K, Income in advance \$481 (Papawai grazing \$83K, NZTA \$397K), Footpath bonds of \$350K, Contract retentions \$215K, Contractor Accruals \$675K, Accrued interest \$161K.

Gross Public Debt

Total public debt stands at \$17,500K. This is unchanged from 30 June 2017.

Appendix 2 – Waihinga Centre Finances

SWDC
Waihinga Centre
Project forecast - Actuals to March 2018

Per Council decision 18.1.2017

\$ 5,132,010

Made up as follows:	Budget	Invoiced to 31.03.2018	Invoices to come	Forecast spend
Rigg Zschokke Construction Contract	4,223,709	1,746,409	2,477,300	4,223,709
Rigg Zschokke Agreed Variations*		53,995	3,704	57,699
		<u>1,800,404</u>	<u>2,481,004</u>	<u>4,281,408</u>
Professional fees (design team) to Jan-17	509,459			
Adamsons Survey		6,581		
Engeo Geotech		17,160		
Holmes Consulting - Design & Fire		137,425		
HVAC Design		14,175		
Perception Planning		6,918		
Warren and Mahoney - Design		327,200		
		<u>509,459</u>	<u>-</u>	<u>509,459</u>
Other fees to Jan-17 (including SGL, QS)	268,842			
Rawlinsons (Quantity Surveyers)		38,000		
SGL		230,343		
		<u>268,343</u>	<u>-</u>	<u>268,343</u>
Architect & Engineer construction monitoring	80,000			
Holmes Consulting - Construction Monitoring		49,013	-	
Warren and Mahoney - Site Monitoring		38,308	2,692	
Warren and Mahoney - Variations*		11,578	6,000	
		<u>98,898</u>	<u>8,692</u>	<u>107,590</u>
Development & Design Variations**		78,181	12,663	90,844
Insurance extension to 31 July 2018			4,414	4,414
QS Services to completion	50,000			
Venture Consulting		22,500	7,500	
Clendon Burns & Park		13,438	3,562	
		<u>35,938</u>	<u>11,062</u>	<u>47,000</u>
Budgeted Core costs	5,132,010			
Plus Contingency	200,000			170,534
Overall budget	\$ 5,332,010	2,791,222	2,517,835	\$ 5,302,544

***Construction Variations to date:**

	Invoiced to 31.03.2018	Invoices to come	Forecast spend
Rigg Zschokke			
Removal of asbestos	7,310		
Insurance obtained directly		(20,000)	
JLT Insurance	20,108		
Concrete Foundation to supper room well	6,965		
Replace piles and joists supper room		7,500	
Replace ceiling joists supper room	2,000	500	
Temporary structural support	5,500	4,000	
Concrete under existing foundation		1,000	
Supper room framing connection to external wall	500	500	
Extend concrete overlay to areas of demolished chimney		3,500	
Retain brick wall to supper room		(1,500)	
Overlay existing stage floor		5,000	
Remove existing structural steel bracing	1,000	4,000	
Supper room lintel beams		500	
Supper room brick wall connections		1,000	
Toilet to back of house		3,704	
Delete recessed floors to toilets, tiles to floor		(1,000)	
Holmes Construction issue	6,727	0	
Materials supply savings		(5,000)	
Foundation beam kitchen	3,885		
	<u>53,995</u>	<u>3,704</u>	<u>57,699</u>
Warren and Mahoney			
Alternative cladding product (Rodeca)	10,678		
Additional monitoring costs		6,000	
Revision re additional toilet	900		17,578
Insurance extension to 31 July 2018		4,414	4,414

****Development & Design Variations:**

SGL	5,500		
Engeo Geotech	13,715		
Holmes Consulting - Design & Fire	8,475		
HVAC Design	2,515	6,150	
Rawlinsons (Quantity Surveyers)	5,000		
Warren and Mahoney - Design(SWDC excl from original budget)	36,554	6,513	
Holmes Consulting - Construction Monitoring	6,422		
	<u>78,181</u>	<u>12,663</u>	<u>90,844</u>

Net cost/(savings) from Variations:

170,534

Appendix 3 – Health and Safety Report

South Wairarapa District Council Health and Safety Report

1 April 2018 – 1 May 2018 DRAFT

HEALTH AND SAFETY STRATEGY

We continue to progress well on implementing our health and safety strategy and work plan.

RESOURCING

There are no health and safety resourcing issues. Julie Wallace, working 1 day a week.

HEALTH AND SAFETY – DRIVING CONTINUOUS IMPROVEMENT (lead indicators)

Training

SWDC are continuing to review health and safety training needs of new and existing staff.

Engaging with our people

Health and Safety at Work Team have recently:

- Begun reviewing our hazard register to ensure that we have captured all risks and our controls are effective.

Links to Health and safety handbook, Health and safety manual and Health and safety emergency procedures, has been put on all staff's desktops to enable easy access to health and safety information and forms.

Near Miss reports

Two near miss's reported in the period April 2018 – May 2018.

Wellness

- All staff continue to be offered flu injections.
- All staff offered annual wellness payment of \$200.

Working with our Contractors

Council continue to implement the contractor management system.

- Council staff continue to evaluate contractor's health and safety systems.
- Council staff who engage contractors continue to engage with contractors through pre-start meetings, inductions and safety audits.
- Four safety audits undertaken in the period 1 April to 1 May 2018, with all four meeting audit requirements.
- No contractor incidents reported.

HEALTH AND SAFETY ACCIDENT & INCIDENT REPORTING (Lag indicators)

No new incidents or accidents reported during the period 1 April to 1 May 2018. All accident and near miss reports are referred to the Health and Safety at Work Team and Management, who review and satisfy themselves appropriate actions have been taken and where necessary, appropriate additional controls are put in place.

RISK MANAGEMENT

Work on hazard registers is ongoing, controls are periodically reviewed by the H&S at Work Team, and staff are encouraged to report new hazards through the monthly newsletter and staff meetings.

We will be providing updates on how we are managing our biggest risks. To give you the assurance that we understand our biggest risks, what controls and reduction measures are required, and actions we are taking.

Here is an update on two key risks we are currently focussing on:

Risk	Description of risk	Controls and reduction measures	Actions
<p>Contractors</p>	<p>Contractors undertake a number of high risk activities for Council. We have little control over Contractors staff and work standards while they are working for Council.</p> <p>We rely on them employing staff who are competent and trained, while observing safe work practices.</p>	<p>Contractors working for Council have robust health and safety systems in place, and understand their obligations. Contractors will be fully briefed, responsibilities assigned, and work will be periodically assessed to ensure agreed controls are being managed.</p>	<p>Contractor management system designed.</p> <p>Contractors asked to provide their H&S systems for checking by Council.</p> <p>Once approved, contractors will be asked to sign a contractor agreement.</p> <p>Contractor pre-start briefings and inductions have been developed and provided to appropriate staff.</p> <p>Site safety audit checklists have been developed and provided to appropriate council staff. Staff who manage contractors have been undertaking safety audits and ensuring remedial actions undertaken where required. Contractor safety audit standards developed to assist managers and staff when undertaking a safety audit.</p> <p>When work is commissioned, a risk assessment is done to inform the frequency and type of safety audits.</p> <p>Contractor post contract safety review developed to assist managers with safety conversations with contractors when work is complete.</p>

Risk	Description of risk	Controls and reduction measures	Actions
<p>Lone / remote workers</p>	<p>It is not always possible for staff to work in teams or even in pairs. Often staff are required to work alone and remotely, where in some cases poor cell phone coverage is an additional factor.</p>	<p>All staff who work remotely or alone will be provided with cell phones. They will be required to sign out before they leave, including their intended location and expected time of return. This will be monitored and action taken in line with an emergency response plan if help is summoned or they fail to return by the expected time. They will be required to sign in when they return. They will be provided with a device to summon assistance which do not require cell phone coverage.</p> <p>Vehicles will be fitted with GPS.</p>	<p>Staff who work remotely or alone to have access to cell phones. Sign out/in systems in place and being used.</p> <p>Monitoring of sign out/in system to be assigned.</p> <p>Remote contact device currently being used by Bylaws team. Device meets legislative requirements by providing two way communication in areas out of cellular range. Device also provides GPS functionality, enabling manager to pinpoint location of staff.</p> <p>A second device is being purchased for use by the remainder of staff who work in lone/remote situations.</p> <p>Emergency Action Plans being developed and to be implemented once assistance device available.</p>

Appendix 4 – Wellington Regional Investment Plan

Wellington Regional Investment Plan

