

# **SOUTH WAIRARAPA DISTRICT COUNCIL**

**26 AUGUST 2015**

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## **AGENDA ITEM D3**

### **CHIEF EXECUTIVE OFFICER REPORT**

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#### **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.*
2. *Receive the Financial Statements for the 12 months ended 30 June 2015.*

#### **1. Executive Summary**

The last period has been one of preparing for, and commencing the delivery of LTP related matters.

The Local Government New Zealand conference was a highlight, very well attended and with excellent speakers. Of note was Minister Bennett's speech covering a range of issues including governance structures, the changed philosophy on how the Local Government Commission interacts with interested parties, and the fact that there must be change in the local government sector.

South Wairarapa District Council was the first local authority to sign up to "Bee Aware" month. This is an awareness campaign promoted by the bee industry groups to raise awareness of the importance of the humble (not bumble) bee. We will be planting bee friendly seeds (supplied by the industry) at various locations around the district with appropriate signage.

## 2. Governance/Leadership/Advocacy

The following table provides the year to date results for KPI's set for the Governance output [note this report updated and is as at 30 June 2015]

GOVERNANCE, LEADERSHIP AND ADVOCACY MEASURING SERVICE DELIVERY PERFORMANCE				
SERVICE LEVEL	KEY PERFORMANCE INDICATORS			
		2014/15	RESULTS	COMMENTS
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%	73% (2010/11 survey 75%)	The customer satisfaction survey was carried out during 2014/15. In addition to the 73% (2011 75%) positive response, 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	75%	62% (2010/11 survey 55%)	The customer satisfaction survey was carried out during 2014/15. In addition to the 62% (2011 55%) positive response, 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	50%	59% (2014 survey 76%)	A Public Booster survey was carried out in 2015 in addition to the 59% 11% felt they were unable to comment. The full customer satisfaction survey was carried out during 2014/15. In addition to the 76% (2011 73%) positive response, 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)	78%	64% (2010/11 survey 59%)	The customer satisfaction survey was carried out during 2014/15. In addition to the 64% (2011 59%) positive response, 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 92% (2014 100%) Featherston 95% (2014: 96%) Martinborough 95% (2014: 95%)	This measure reports on the percentage of resolutions made that relate solely to local issues.
	% of ratepayers and residents who know how to contact a community board member	65%	65% (2010/11 survey 52%)	The customer satisfaction survey was carried out during 2014/15. In addition to the 64% (2011 59%) positive response, 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	65%	49% (2010/11 survey 50%)	The customer satisfaction survey was carried out during 2014/15. In addition to the 49% (2011 50%) positive response, 26% (2011 25%) indicated they were neither satisfied nor dissatisfied, and 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		Maori Standing Committee met on 8 occasions. In total 3 resource consent applications were considered, however due to the timing of the meetings 9 were considered outside normal meetings.

## **2.1 Wairarapa Governance Review Working Party**

Minister Bennett's speech to the Local Government Conference highlights her view that there must be change in the local government space. Minister Bennett did not indicate what, or the form, change should be however which is a bit unhelpful. I guess the point is that change must come from within. The Minister said she would not legislate for change, but would put in place legislation that would enable change to occur.

The Governance Review Working Party met with the new Chairman of the Local Government Commission, Sir Wira Gardiner. This was a refreshing meeting where the Chair indicated an absolute willingness to work with (in this case) the Working Party to effect change. The Commission is currently collating a number of workstreams across the region to enable better decision making on what change is required and the structures required to deliver "better local Government".

On Governance matters, an informal workshop was held to discuss governance matters in the Wairarapa, it had been two years or so since governance had been discussed in an open forum, and a lot has happened since then. The Combined model was felt to still be best, however the form of this combined model may differ from that proposed in the application to LGC – due to potentially different delivery options for truly regional functions e.g. Transport.

## **3. Strategic Planning and Policy Development**

### **3.1 Meetings/Conferences**

#### **3.1.1. Chief Executive Forum**

No CE Forum was held due to absences (everyone catching their breath after LTP!)

#### **3.1.2. Mayoral Forum**

One Mayoral Forum was held and I am sure this will be covered in Her Worship's report. As indicated above governance matters were high on the agenda, also transmission Gully and the Wellington airport extension.

### **3.2 Wastewater Consents**

The additional work the Commissioners required following the hearing on 15 July has nearly been completed. Our work was able to be completed relatively soon after the hearing, we are waiting on GW to complete their work.

Officers have completed the first cut of the evidence for the Greytown application, however the Commissioners would like to finalise the Martinborough application prior to the Greytown hearing as there will be some precedents set in the Martinborough decision, term hopefully being one of those

### **3.3 Financial Statements**

The draft financial statements for the year ended 30 June 2015 are presented as appendix 1.

The full financial statement and annual report are due for adoption, following audit, on 28 October. The statutory deadline for adoption is 31 October.

Work is well underway on this document.

### 3.4 Rural Broadband

Please refer to the separate report presented to this meeting.

### 3.5 Rates Arrears (Incl. GST)

DATE	AMOUNT \$'000	NUMBER	DAYS SINCE INSTALMENT DUE	SWDC COMPONENT \$'000 (81%)
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
11 November 2014	\$770	627	83	\$623
27 January 2015	\$672	537	68	\$544
2 March 2015	\$784	798	10	\$635
25 May 2015	\$762	803	3	\$617
3 July 2015	\$624	669	39	\$505
18 August 2015	\$580	547	59	\$470

You will note that the outstanding amount is the lowest dollar amount on this report. The concerted efforts at collection are paying off.

This is a particularly good result as the amount outstanding includes the additional 10% arrears penalty.

In the order of 330 of the above rate debts have mortgages and the process has commenced to enable a demand from the banks. Once the initial notification has been sent to the bank (copied to the ratepayer) there is a three month grace period until we can make the formal demand.

## 4. Corporate

### 4.1 Occupational Health and Safety

We have retained consulting services to enable us to negotiate the minefield that surrounds the new legislation. Initial interviews on the current status of our OS & H systems has been undertaken and we are progressing to a

formal system.

We will have to allocate a reasonable amount of resource to this in the future as the obligations are much more onerous.

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

#### **4.2 LGOIMA Requests**

<b>DATE</b>	<b>TOPIC OF INFORMATION REQUEST</b>	<b>REQUEST RESPONSE</b>
7 July	Council's use of glyphosate herbicide and other herbicides. Advice as to when steam weeding applied.	Confirmation that contactors follow Industry Best Practice Guidelines for any application of glyphosate herbicide and Best Practice Guidelines are detailed in The New Zealand Standard NZS 8409:2004. Steam weeding not used.
9 July	Seeking further clarification of processes applied to granting a Resource Consent to the Alloa Gun Club.	Information supplied included copy of Philip Milne's report and a copy of the building consent checklist.
10 July	Number of dogs put down by the council every year for the past five years, the reasons and fees for getting dogs from pound.	Information provided.
20 July	Details of Traffic violations etc.	Nil return to each query raised.
22 July	What led Council to designate houses as dangerous.	Advice from Council was not that buildings were designated as dangerous but consideration being given and therefore feedback sought.

## **5. Appendix**

Appendix 1 - Financial Statements for the period ended 30 June 2015

Contact Officer: Paul Crimp, Chief Executive Officer

**Appendix 1 - Financial  
Statements for the Period  
Ended 30 June 2015**

# **SOUTH WAIRARAPA DISTRICT COUNCIL**

## **MONTHLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015**

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 30 JUNE 2015

	YTD			2015	
	Actual	Budget	Variance	Budget	% of Budget
<b>OPERATING INCOME</b>					
Rates	11,853,575	11,903,118	(49,543)	11,903,118	100%
Rates Penalty	214,692	292,520	(77,828)	292,520	73%
Interest	315,477	216,831	98,646	216,831	145%
Internal Interest Loans	37,608	37,505	103	37,505	100%
Fees & Licences	799,003	601,384	197,619	601,384	133%
User Levies	520,348	357,060	163,288	583,733	89%
Commissions	67,682	63,103	4,579	63,103	107%
NZ Transport Agency Subsidy	1,218,224	1,426,876	(208,652)	2,972,658	41%
Petrol Tax	82,266	98,939	(16,673)	98,939	83%
Grants, Donations & Subsidies	15,804	14,313	1,491	642,352	2%
Rental / Hire	411,642	419,615	(7,973)	326,868	126%
Profit on Sale of Assets	249	-	249	-	0%
Miscellaneous Income	274,876	409,012	(134,136)	409,012	67%
<b>Total Operating Income</b>	<b>15,811,444</b>	<b>15,840,276</b>	<b>(28,832)</b>	<b>18,148,023</b>	
<b>OPERATING EXPENDITURE</b>					
Corporate Services	1,644,009	1,733,379	89,370	1,733,375	95%
In-House Professional Services	739,060	889,920	150,860	889,920	83%
Governance, Leadership & Advocacy	374,353	420,555	46,202	420,556	89%
Public Protection	1,161,875	1,202,524	40,649	1,202,526	97%
Resource Management	370,843	407,587	36,744	407,587	91%
Economic, Cultural & Community Development	274,191	256,803	(17,388)	256,802	107%
Amenities	2,242,751	2,320,927	78,176	2,320,928	97%
Land Transport	5,331,789	5,035,326	(296,463)	5,035,326	106%
Water Supply	2,157,266	2,242,526	85,260	2,242,526	96%
Solid Waste Management	1,324,044	1,228,303	(95,741)	1,228,302	108%
Sewerage	1,333,435	1,374,175	40,740	1,374,175	97%
Stormwater Drainage	155,207	150,399	(4,808)	150,399	103%
Rate Debtors Written Off	19,757	42,271	22,514	42,271	47%
Bad Debts	-	-	-	-	0%
Loss on Sale of Assets	-	-	-	-	0%
<b>Total Operating Expenditure</b>	<b>17,128,578</b>	<b>17,304,695</b>	<b>176,117</b>	<b>17,304,693</b>	
<b>Operating Surplus/(Deficit)</b>	<b>(1,317,134)</b>	<b>(1,464,419)</b>	<b>147,285</b>	<b>843,330</b>	
<b>CAPITAL EXPENDITURE INCOME</b>					
NZ Transport Agency Subsidy	1,354,846	1,545,782	(190,936)	-	0%
Grants, Donations & Subsidies	276,605	51,500	225,105	-	0%
Contributions	457,885	274,523	183,362	274,523	167%
<b>Total Capital Expenditure Income</b>	<b>2,089,336</b>	<b>1,871,805</b>	<b>217,531</b>	<b>274,523</b>	
<b>OTHER INCOME</b>					
Assets Vesting in Council	-	-	-	-	0%
Gain on Asset Revaluations	-	49,000	(49,000)	49,000	0%
<b>Total Other Income</b>	<b>-</b>	<b>49,000</b>	<b>(49,000)</b>	<b>49,000</b>	
<b>TOTAL SURPLUS / (DEFICIT)</b>	<b>\$ 772,202</b>	<b>\$ 456,386</b>	<b>\$ 315,816</b>	<b>\$ 1,166,853</b>	

Included in the operating expenditure is:

Depreciation	4,236,593	4,489,653	(253,060)	4,489,653	94%
Interest	773,538	827,500	(53,962)	827,500	93%



# SOUTH WAIRARAPA DISTRICT COUNCIL

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	30 JUNE 2015	30 JUNE 2014	MOVEMENT
<b>ASSETS</b>			
<b><u>Current Assets</u></b>			
Cash and Bank	84,683	74,963	9,720
Short Term Deposits	7,995,756	7,969,009	26,746
Investments	-	439,601	(439,601)
Prepayments & Receivables	1,956,369	2,688,711	(732,342)
Inventories	31,374	33,641	(2,267)
Properties Intended For Sale	-	-	-
<b>Total Current Assets</b>	<b>10,068,181</b>	<b>11,205,925</b>	<b>(1,137,744)</b>
<b><u>Non-Current Assets</u></b>			
Investments	74,235	74,235	-
Investment Properties	9,731,717	9,723,000	8,717
Intangible Assets	189,968	199,461	(9,493)
Property, Plant & Equipment	392,875,367	388,196,371	4,678,997
<b>Total Non-Current Assets</b>	<b>402,871,287</b>	<b>398,193,067</b>	<b>4,678,220</b>
<b>TOTAL ASSETS</b>	<b>\$ 412,939,468</b>	<b>\$ 409,398,992</b>	<b>3,540,476</b>
<b>LIABILITIES</b>			
<b><u>Current Liabilities</u></b>			
Cash and Bank	-	-	-
Payables and Accruals	2,985,943	2,685,834	300,109
Employee Entitlements	297,663	271,122	26,540
Public Debt - Current Portion	-	1,106,428	(1,106,428)
Finance Leases - Current Portion	-	-	-
Provisions - Current Portion	-	33,013	(33,013)
<b>Total Current Liabilities</b>	<b>3,283,606</b>	<b>4,096,397</b>	<b>(812,791)</b>
<b><u>Non-Current Liabilities</u></b>			
Public Debt - Non-Current Portion	14,717,832	11,171,880	3,545,953
Finance Leases - Non-Current Portion	-	-	-
Provisions - Non-Current Portion	411,051	378,038	33,013
<b>Total Non-Current Liabilities</b>	<b>15,128,883</b>	<b>11,549,918</b>	<b>3,578,966</b>
<b>EQUITY</b>			
Public Equity	143,204,055	142,418,673	785,382
Special Separate & Trust Funds	17,604,046	17,604,046	-
Asset Revaluation Reserve	231,379,147	231,390,228	(11,081)
Sinking Fund Reserves	2,337,182	2,337,182	-
Other Reserves	2,548	2,548	-
<b>Total Equity</b>	<b>394,526,977</b>	<b>393,752,677</b>	<b>774,300</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 412,939,468</b>	<b>\$ 409,398,992</b>	<b>3,540,474</b>

# SOUTH WAIRARAPA DISTRICT COUNCIL

## SCHEDULE OF CAPITAL EXPENDITURE FOR THE PERIOD ENDED 30 JUNE 2015

<u>DESCRIPTION</u>	Year to Date		Annual
	Actual	Budget	Budget
<b><u>Amenities</u></b>			
Playgrounds	43,184	24,000	24,000
Parks & Reserves	100,588	59,800	59,800
Campgrounds	-	5,000	5,000
Swimming Pools	167,895	60,000	60,000
Toilets	30,326	25,000	25,000
Cemeteries	18,845	50,000	50,000
Libraries	-	-	-
Rental Properties	8,000	21,000	21,000
Community Housing	-	38,000	38,000
Community Buildings	26,732	56,600	56,600
ANZAC Town Hall	59,832	-	-
Greytown Town Hall	-	4,500	4,500
Martinborough Town Hall	-	505,000	505,000
Martinborough Town Hall investigation	525,916	6,000	6,000
Featherston Town Centre	1,710	10,000	10,000
Greytown Town Centre	8,717	10,000	10,000
Martinborough Town Centre	-	10,000	10,000
Library Books	30,291	30,000	30,000
Library Books	29,221	30,000	30,000
Library Books	33,008	30,000	30,000
Amenities (Miscellaneous)	-	205,000	205,000
	<hr/> 1,084,265	<hr/> 1,179,900	<hr/> 1,179,900
<b><u>Water Supply</u></b>			
Water Supply	77,969	185,000	185,000
Water Races	-	-	-
Plant & Bores	-	-	-
FSTN Supplementary water supply	113,406	731,100	731,100
Reservoirs	31,708	-	-
Water Supply (Misc.)	-	-	-
	<hr/> 223,083	<hr/> 916,100	<hr/> 916,100
<b><u>Solid Waste Management</u></b>			
Solid Waste Management	-	54,000	54,000
Solid Waste Management (Miscellaneous)	-	-	-
	-	<hr/> 54,000	<hr/> 54,000
<b><u>Stormwater Reticulation</u></b>			
Stormwater Reticulation	963	-	-
	<hr/> 963	<hr/> -	<hr/> -
<b><u>Sewerage</u></b>			
Sewerage	1,575	556,000	556,000
Sewerage (Lake Ferry)	1,707	10,000	10,000
Oxidation Ponds	4,483,000	-	-
Sewerage (Miscellaneous)	-	2,000	2,000
Alternative Disposal System (GTN)	128,270	230,000	230,000
Alternative Disposal System (MBA)	222,281	159,000	159,000
Alternative Disposal System (FSTN)	169,120	54,000	54,000
	<hr/> 5,005,953	<hr/> 1,011,000	<hr/> 1,011,000
<b><u>Land Transport</u></b>			
New St. Lighting (Other Roads) - 222	-	-	-
New St. Lighting (SPRs) - 222	-	-	-
Signs/Guardrails (Other Roads) - 222	23,690	39,526	39,526
Signs/Guardrails (SPRs) - 222	3,441	5,243	5,243
New Bridges (Other Roads) - 215	19,385	11,000	11,000
Structures Renewal (SPR) -215	-	-	-
Seal Extensions	369,695	240,000	240,000

# SOUTH WAIRARAPA DISTRICT COUNCIL

## SCHEDULE OF INVESTMENTS AS AT 30 JUNE 2015

<u>ORGANISATION</u>		<u>INTEREST RATE</u>	<u>DATE INVESTED</u>	<u>DATE MATURES</u>	<u>TOTAL INVESTED</u>	<u>INVESTED FUNDS %</u>	<u>AUTHORISED FUNDS %</u>
<b>SHORT TERM DEPOSITS</b>							
<b>Registered Banks</b>							
ASB Term Deposits	99182811	3.61%	30-Jun-15	30-Jul-15	\$710,910.46		
ASB Term Deposits	99182811	3.32%	30-Jun-15	20-Jul-15	\$200,000.00		
					<b>\$910,910.46</b>	<b>11%</b>	<b>30%</b>
ANZ Call Account	99182813	3.00%	30-Jun-15	On Call	\$52,236.23		
Money Market deposit x National Bank of NZ	99182815	3.40%	30-Jun-15	On Call	\$2,094.40		
					<b>\$54,330.63</b>	<b>1%</b>	<b>30%</b>
BNZ Autocall Account	99182812	3.00%	30-Jun-15	On Call	\$300,846.49		
BNZ Reserves Fund	99182812	3.47%	1-Jun-15	1-Jul-15	\$788,898.38		
BNZ Reserves Fund	99182812	3.46%	1-Jun-15	1-Jul-15	\$1,097,954.81		
					<b>\$2,187,699.68</b>	<b>27%</b>	<b>30%</b>
Kiwibank Reserves Fund	99182819	3.40%	16-Jun-15	16-Jul-15	\$1,883,281.68		
Kiwibank Term Deposit		3.28%	30-Jun-15	20-Jul-15	\$500,000.00		
					<b>\$2,383,281.68</b>	<b>30%</b>	<b>30%</b>
<b>Other</b>							
WBS (21220)	99182816	4.30%	9-Jun-15	6-Dec-15	\$162,778.08		
WBS (21220)	99182816	4.30%	8-Mar-15	4-Sep-15	\$166,286.71		
WBS (21220)	99182816	4.30%	21-Mar-15	17-Sep-15	\$128,839.00		
WBS (21220)	99182816		30-Jun-15	On Call	\$356.99		
					<b>\$458,260.78</b>	<b>6%</b>	<b>10%</b>
Westpac Online Call Account		2.75%	30-Jun-15	On Call	\$1,272.40		
Westpac Term Deposit		3.17%	30-Jun-15	20-Jul-15	\$1,000,000.00		
Westpac Term Deposit		3.17%	30-Jun-15	5-Aug-15	\$1,000,000.00		
					<b>\$2,001,272.40</b>	<b>25%</b>	<b>30%</b>
<b>TOTAL</b>					<b><u>7,995,755.63</u></b>	<b>0.99</b>	<b>1.00</b>
<b>SHARES</b>							
NZ Local Govt Insurance Co Limited	99283823				\$60,401.60		
Airtel Limited	99283824				\$7,448.00		
Farmlands Trading Society Limited	99283825				\$1,159.00		
<b>TOTAL</b>					<b><u>\$69,008.60</u></b>	<b>1%</b>	
<b>FORESTRY</b>							
Plantation - Hurupi Stock	99283827				\$5,226.00		
<b>TOTAL</b>					<b><u>\$5,226.00</u></b>	<b>0%</b>	
<b>TOTAL INVESTMENTS</b>					<b><u>\$8,069,990.23</u></b>	<b>100%</b>	
<b>REPRESENTED BY:</b>							
Short Term Deposits					7,995,756		
Investments - Current Assets					-		
Investments - Non-Current Assets					74,235		
					<b><u>\$8,069,990.23</u></b>		