

SOUTH WAIRARAPA DISTRICT COUNCIL

11 MARCH 2015

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.*
2. *Receives the financial statements for the period ended 31 January 2015.*

1. Executive Summary

The period since the last report has been dominated by the Long Term Plan, including the review of policies.

Asset Management Plans have been sent to Audit New Zealand for review and the Infrastructure Strategy is under internal review and should be completed within the week.

The Governance process has been progressing with our submission being sent in the agreed format.

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 2013/14	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

By the time this agenda is circulated the submission period will have closed, being 4pm 2 March.

Our submission was circulated to all Councillors and was in the format agreed.

In addition, we were signatories to the joint submission prepared by TDB Advisory Ltd. The signatories to the submission were Hutt City; South Wairarapa District Council; Carterton District Council; Masterton District Council.

The two submissions are tabled for the record, as appendix A and B

3. Strategic Planning and Policy Development

3.1 Meetings/Conferences

3.1.1. Chief Executive Forum

No meetings were held.

3.1.2. Mayoral Forum

No meetings were held.

3.2 Legislation

While no new legislation has been introduced recently, we are still bedding down the various pieces of legislation recently enacted, and I believe it will

be some time before we fully understand the resourcing implications required to comply.

3.3 Wastewater Consents

Discussions are on-going with the Regional Council and the general timetable that has been agreed is:

3.4 Financial Statements

Financial statements for the seven months ended 31 January are attached as appendix C.

3.5 Long Term Plan

The Long Term Plan is well underway, with the last few weeks and the following few weeks the usual period on organised chaos.

While we are on track to deliver the Consultation Document, and draft Long Term Plan on time, there is a lot to get done.

Targeted sector group meetings are underway, these follow the similar meetings held three years ago and provide an excellent insight into specific areas of interest.

3.6 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

As at 30 September 2014 the balance outstanding amounted to \$1,008K of which \$608K related to prior year (30 June 2014 and earlier).

The arrears amount of \$608K amount outstanding relating to the 30 June 2014 and prior balances has reduced to \$130K which is a good result. This has generally been through demands from the banks, which have all been settled. We are following up a number through legal avenues.

For the installment due 20 February 2015, there are approximately 478 ratepayers who missed this installment, i.e. this is the only installment that is currently outstanding for those ratepayers. This is disappointingly high.

We continue to pursue all arrears.

4. Corporate

4.1 Staffing

Kim Whiteman has joined us as Policy and Reporting Manager; Kim's first main task will be ensuring the LTP is delivered on time.

4.2 Occupational Health and Safety

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

4.3 General Revaluation

Quotable Value have completed their triennial revaluation of the district.

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 2015.

The revaluation notices were sent, and the time period for objections has closed. There were 138 objections received, compared to 130 for the 2011 revaluation.

4.4 LGOIMA Requests

13 February	Chris Hipkins MP for Rimutaka	Advertising costs over 2012-present on Local Government reorganisation
27 February	Ben Cunliffe, Office of Leader of Opposition	A list of all people and organisations who have been issued warnings, infringement notices or fines, related to breaches of the Resource Management Act, in the past five years..

5. Appendices

Appendix 1 - Financial Statements for the 7 Months ended 31 January 2015

Contact Officer: Paul Crimp, Chief Executive Officer

Appendix 1: Financial Statements for the 7 Months ended 31 January 2015

SOUTH WAIRARAPA DISTRICT COUNCIL

MONTHLY FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JANUARY 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 31 JANUARY 2015

	YTD			2015	
	Actual	Budget	Variance	Budget	% of Budget
<u>OPERATING INCOME</u>					
Rates	8,912,227	8,927,338	(15,111)	11,903,118	75%
Rates Penalty	170,901	236,123	(65,222)	292,520	58%
Interest	180,163	126,483	53,680	216,831	83%
Internal Interest Loans	22,092	21,875	217	37,505	59%
Fees & Licences	491,288	398,731	92,557	601,384	82%
User Levies	276,333	194,691	81,642	583,733	47%
Commissions	37,497	36,813	684	63,103	59%
NZ Transport Agency Subsidy	366,945	366,054	891	2,972,658	12%
Petrol Tax	45,598	57,715	(12,117)	98,939	46%
Grants, Donations & Subsidies	14,189	14,196	(7)	642,352	2%
Rental / Hire	223,421	238,910	(15,489)	326,868	68%
Profit on Sale of Assets	174	-	174	-	0%
Miscellaneous Income	156,484	238,595	(82,111)	409,012	38%
Total Operating Income	10,897,310	10,857,524	39,786	18,148,023	
<u>OPERATING EXPENDITURE</u>					
Corporate Services	905,557	1,011,136	105,579	1,733,375	52%
In-House Professional Services	405,359	519,127	113,768	889,920	46%
Governance, Leadership & Advocacy	198,395	245,322	46,927	420,556	47%
Public Protection	646,756	701,498	54,742	1,202,526	54%
Resource Management	196,453	237,762	41,309	407,587	48%
Economic, Cultural & Community Development	214,930	245,702	30,772	256,802	84%
Amenities	1,290,487	1,353,856	63,369	2,320,928	56%
Land Transport	2,979,086	2,937,291	(41,795)	5,035,326	59%
Water Supply	1,235,120	1,308,153	73,033	2,242,526	55%
Solid Waste Management	722,430	692,433	(29,997)	1,228,302	59%
Sewerage	748,287	866,481	118,194	1,374,175	54%
Stormwater Drainage	108,175	125,713	17,538	150,399	72%
Rate Debtors Written Off	15,117	31,704	16,587	42,271	36%
Bad Debts	-	-	-	-	0%
Loss on Sale of Assets	-	-	-	-	0%
Total Operating Expenditure	9,666,151	10,276,178	610,027	17,304,693	
Operating Surplus/(Deficit)	1,231,159	581,346	649,813	843,330	
<u>CAPITAL EXPENDITURE INCOME</u>					
NZ Transport Agency Subsidy	402,157	403,000	(843)	-	0%
Grants, Donations & Subsidies	-	-	-	-	0%
Contributions	283,570	160,160	123,410	274,523	103%
Total Capital Expenditure Income	685,727	563,160	122,567	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)	\$ 1,916,887	\$ 1,144,506	\$ 772,381	\$ 1,166,853	

Included in the operating expenditure is:

Depreciation	2,459,395	2,618,959	(159,564)	4,489,653	55%
interest	454,531	482,706	(28,175)	827,500	55%

SOUTH WAIRARAPA DISTRICT COUNCIL

STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2015

	31 JANUARY 2015	30 JUNE 2014	MOVEMENT
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash and Bank	51,795	74,963	(23,167)
Short Term Deposits	7,889,582	7,969,009	(79,427)
Investments	-	439,601	(439,601)
Prepayments & Receivables	5,585,139	2,688,711	2,896,428
Inventories	29,292	33,641	(4,348)
Properties Intended For Sale	-	-	-
Total Current Assets	13,555,809	11,205,925	2,349,884
<u>Non-Current Assets</u>			
Investments	74,235	74,235	-
Investment Properties	9,723,000	9,723,000	-
Intangible Assets	196,532	199,461	(2,929)
Property, Plant & Equipment	387,878,965	388,196,371	(317,406)
Total Non-Current Assets	397,872,732	398,193,067	(320,335)
TOTAL ASSETS	\$ 411,428,541	\$ 409,398,992	2,029,549
<u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Cash and Bank	-	-	-
Payables and Accruals	2,817,928	2,685,834	132,093
Employee Entitlements	311,293	271,122	40,171
Public Debt - Current Portion	-	1,106,428	(1,106,428)
Finance Leases - Current Portion	-	-	-
Provisions - Current Portion	-	33,013	(33,013)
Total Current Liabilities	3,129,221	4,096,397	(967,176)
<u>Non-Current Liabilities</u>			
Public Debt - Non-Current Portion	12,216,605	11,171,880	1,044,725
Finance Leases - Non-Current Portion	-	-	-
Provisions - Non-Current Portion	411,051	378,038	33,013
Total Non-Current Liabilities	12,627,656	11,549,918	1,077,738
<u>EQUITY</u>			
Public Equity	144,337,659	142,418,673	1,918,987
Special Separate & Trust Funds	17,604,046	17,604,046	-
Asset Revaluation Reserve	231,390,228	231,390,228	-
Sinking Fund Reserves	2,337,182	2,337,182	-
Other Reserves	2,548	2,548	-
Total Equity	395,671,662	393,752,677	1,918,986
TOTAL LIABILITIES & EQUITY	\$ 411,428,541	\$ 409,398,992	2,029,547

SOUTH WAIRARAPA DISTRICT COUNCIL

STATEMENT OF CASHFLOWS AS AT 31 JANUARY 2015

	31 JANUARY 2015	31 DECEMBER 2013	30 JUNE 2014
<u>OPERATING ACTIVITIES</u>			
<u>Cash was provided from:</u>			
Rates	6,582,785	6,245,858	14,738,095
Government Grants & Subsidies	1,185,531	2,055,991	3,017,940
Petrol Tax	38,493	37,392	76,966
Other Income	1,819,701	2,065,427	3,115,951
Interest on Investments	176,051	128,603	278,729
Total Operating Cash Inflow	9,802,560	10,533,272	21,227,681
<u>Cash was applied to:</u>			
Payments to Suppliers & Employees	7,688,975	7,756,369	15,438,080
Interest Paid	455,018	329,462	705,647
Total Operating Cash Outflow	8,143,994	8,085,831	16,143,727
Net Cashflow from Operating Activities	1,658,567	2,447,441	5,083,955
<u>INVESTING ACTIVITIES</u>			
<u>Cash was provided from:</u>			
Sale of Property, Plant & Equipment	-	-	32,947
Term Investments, Shares & Advances	439,604	-	5,550,972
Investments in Loan Redemption & Sinking Funds	-	210,332	-
Total Investing Cash Inflow	439,604	210,332	5,583,919
<u>Cash was applied to:</u>			
Purchase of Property, Plant & Equipment	2,139,060	4,130,669	6,266,401
Term Investments, Shares & Advances	-	-	2,222,364
Investments in Loan Redemption & Sinking Funds	-	210,332	210,332
Total Investing Cash Outflow	2,139,060	4,341,001	8,699,097
Net Cashflow from Investing Activities	(1,699,456)	(4,130,669)	(3,115,178)
<u>FINANCING ACTIVITIES</u>			
<u>Cash was provided from:</u>			
Public Debt	-	3,110,000	3,110,000
Total Financing Cash Inflow	-	3,110,000	3,110,000
<u>Cash was applied to:</u>			
Repayment of Public Debt	61,703	71,910	96,346
Total Financing Cash Outflow	61,703	71,910	96,346
Net Cash Flow from Financing Activities	(61,703)	3,038,090	3,013,654
NET INCREASE / (DECREASE) IN CASH	(102,592)	1,354,861	4,982,431
OPENING CASH BALANCE	1 JULY 2014	3,060,540	3,061,539
CLOSING CASH BALANCE	31 JANUARY 2015	\$ 4,415,401	\$ 8,043,972
<u>REPRESENTED BY:</u>			
Cash and Cash equivalents	51,795	477,896	74,963
Short Term Deposits	7,889,584	3,937,504	7,970,009
Investments	-	-	-
	\$ 7,941,380	\$ 4,415,401	\$ 8,043,972

SOUTH WAIRARAPA DISTRICT COUNCIL

SCHEDULE OF CAPITAL EXPENDITURE FOR THE PERIOD ENDED 31 JANUARY 2015

DESCRIPTION	Year to Date		Annual
	Actual	Budget	Budget
<u>Amenities</u>			
Playgrounds	25,456	14,000	24,000
Parks & Reserves	57,074	34,881	59,800
Campgrounds	-	2,919	5,000
Swimming Pools	143,790	35,000	60,000
Toilets	30,326	14,581	25,000
Cemeteries	-724	29,169	50,000
Libraries	-	-	-
Rental Properties	8,000	12,250	21,000
Community Housing	-	22,169	38,000
Community Buildings	371,449	333,725	56,600
Greytown Town Hall	-	-	4,500
Martinborough Town Hall	-	-	505,000
ANZAC Hall	-	-	6,000
Featherston Town Centre	-	5,831	10,000
Greytown Town Centre	-	5,831	10,000
Martinborough Town Centre	-	5,831	10,000
Library Books	19,475	17,500	30,000
Library Books	15,278	17,500	30,000
Library Books	27,070	17,500	30,000
Amenities (Miscellaneous)	-	119,581	205,000
	697,195	688,268	1,179,900
<u>Water Supply</u>			
Water Supply	8,988	107,919	185,000
Water Races	-	-	-
Plant & Bores	-	-	-
FSTN Supplementary water supply	76,194	426,475	731,100
Water Supply (Misc.)	-	-	-
	85,182	534,394	916,100
<u>Solid Waste Management</u>			
Solid Waste Management	-	31,500	54,000
Solid Waste Management (Miscellaneous)	-	-	-
	-	31,500	54,000
<u>Stormwater Reticulation</u>			
Stormwater Reticulation	963	-	-
	963	-	-
<u>Sewerage</u>			
Sewerage	1,575	324,331	556,000
Sewerage (Lake Ferry)	1,707	5,831	10,000
Oxidation Ponds	448,000	-	-
Sewerage (Miscellaneous)	-	1,169	2,000
Alternative Disposal System (GTN)	79,944	134,169	230,000
Alternative Disposal System (MBA)	101,034	92,750	159,000
Alternative Disposal System (FSTN)	143,638	31,500	54,000
	775,899	589,750	1,011,000
<u>Land Transport</u>			
New St. Lighting (Other Roads) - 222	-	-	-
New St. Lighting (SPRs) - 222	-	-	-
Signs/Guardrails (Other Roads) - 222	8,566	23,058	39,526
Signs/Guardrails (SPRs) - 222	568	3,059	5,243
New Bridges (Other Roads) - 215	-	6,419	11,000
Structures Renewal (SPR) -215	-	-	-
Seal Extensions	-	140,000	240,000

SOUTH WAIRARAPA DISTRICT COUNCIL

SCHEDULE OF CAPITAL EXPENDITURE FOR THE PERIOD ENDED 31 JANUARY 2015

<u>DESCRIPTION</u>	Year to Date		Annual
	Actual	Budget	Budget
Seal Extensions (SPRs)	-	-	-
Reseals (Other Roads) - 212	2,670	291,256	499,300
Reseals (SPRs) - 212	297	37,569	64,409
Rehabilitation (Other Roads) - 214	62,015	129,871	222,630
Rehabilitation (SPRs) - 214	-	99,666	170,854
New Footpaths	144,587	52,500	90,000
Footpath Renewals	184,331	25,760	44,160
Drain Renewal (Other Roads) - 213	33,576	53,081	91,000
Drainage Renewal (SPR) - 213	655	12,236	20,972
Minor Safety Works (Other) - 341	21,922	59,612	102,188
Erosion Control (SPRs) - 244	-	-	-
Land Transport (Misc.)	-	-	-
New Bridges (SPRs)	-	-	-
Minor Safety Works (SPRs) - 341	-	101,031	173,200
Road metalling (renewal) other - 211	-	113,750	195,000
Road metalling (renewal) (SPR) - 211	-	9,177	15,729
Development Work	-	-	-
Asso Improvements (Other) - 231	-	25,165	43,137
Asso Improvements (SPR) - 231	-	-	-
Traffic Services Renewal (SPR)	622	-	-
Erosion Control (SPR)	-	140,000	240,000
Preventative Maintenance (SPR)14/15 - 241	-	-	-
Improve-expand-replace - 322	-	299,768	513,888
Emergency Work (SPR)11/12 - 141	-	-	-
Preventative Maintenance (SPR) 13/14 - 241	8,173	-	-
Preventative Maintenance - Tora Te Awaite	40,576	-	-
Preventative Maintenance - Tuturumuri	3,872	-	-
	512,427	1,622,978	2,782,236
<u>Information Technology</u>			
IT Hardware	21,503	25,389	43,520
IT Software	6,219	51,121	87,640
Geographical information system	-	16,982	29,106
	27,721	93,492	160,266
<u>Council Property</u>			
Council Offices	-	6,349	10,880
Office Equipment & Furniture	-	17,619	30,203
Other Equipment	7,021	-	-
Motor Vehicles	-	48,461	83,080
	7,021	72,429	124,163
	\$ 2,106,409	\$ 3,632,811	\$ 6,227,665

SOUTH WAIRARAPA DISTRICT COUNCIL

SCHEDULE OF INVESTMENTS AS AT 31 JANUARY 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>
SHORT TERM DEPOSITS							
Registered Banks							
ASB Loan Redemption Reserves	99182811	3.65%	28-Nov-14	3-Apr-15	\$1,383,196.41 \$1,383,196.41	17%	30%
ANZ Call Account	99182813	3.00%	31-Jan-15	On Call	\$51,847.24		
Loan Redemption Reserves		3.00%	28-Nov-14	24-Feb-15	\$1,375,528.40		
Money Market deposit x National Bank of NZ	99182815	2.40%	31-Jan-15	On Call	\$2,094.40 \$1,429,470.04	18%	30%
BNZ Autocall Account	99182812	3.00%	31-Jan-15	On Call	\$940,005.26		
BNZ Reserves Fund	99182812	4.06%	3-Dec-14	1-Feb-15	\$773,482.69		
BNZ Reserves Fund	99182812	3.06%	3-Dec-14	1-Feb-15	\$1,076,499.92 \$2,789,987.87	35%	30%
Kiwibank Reserves Fund	99182819	3.50%	31-Jan-15	On Call	\$761,064.95		
Kiwibank Reserves Fund	99182819	3.63%	3-Dec-14	2-Feb-15	\$1,076,297.02 \$1,837,361.97	23%	30%
Other							
WBS (21220)	99182816	4.30%	11-Dec-14	9-Jun-15	\$159,397.94		
WBS (21220)	99182816	4.30%	9-Sep-14	8-Mar-15	\$162,833.74		
WBS (21220)	99182816	4.30%	22-Sep-14	21-Mar-15	\$126,163.64		
WBS (21220)	99182816		31-Jan-15	On Call	\$351.74 \$448,747.06	6%	10%
Westpac Online Call Account		2.75%	31-Jan-15	On Call	\$818.96 \$818.96	0%	30%
TOTAL					7,889,582.31	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 \$69,008.60	1%	
TOTAL					\$69,008.60	1%	
FORESTRY							
Plantation - Hurupi Stock	99283827				\$5,226.00 \$5,226.00	0%	
TOTAL					\$5,226.00	0%	
TOTAL INVESTMENTS					\$7,963,816.91	100%	
REPRESENTED BY:							
Short Term Deposits					7,889,582		
Investments - Current Assets					-		
Investments - Non-Current Assets					74,235 \$7,963,816.91		