



Waitaki

DISTRICT COUNCIL
TE KAUNIHERA Ā ROHE O WAITAKI

Notice of Extraordinary Meeting of

Council

at the

**Council Chamber, Council HQ
20 Thames Street, Oamaru**

at

1pm, Wednesday 14 December 2016

***In the interests of the environment and to help reduce photocopying costs,
please bring your Council agenda with you to the meeting***

Waitaki District Extraordinary Council Meeting

1pm, Wednesday 14 December 2016
Council Headquarters, Council Chambers
3rd Floor, 20 Thames Street, Oamaru

Apologies

Declarations of Interest

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"That the public be excluded from the following parts of the proceedings of this meeting, namely item 8.

The general subject of each matter to be considered while the public is excluded; the reasons for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter - Section 48(1)
Public Excluded:	
• Confirmation of Meeting Minutes – 30 November 2016	To protect the privacy of natural persons. Section 48(1) (a). (The disclosure of the information would cause unnecessary personal embarrassment to the persons concerned).
	To enable the Council to carry out commercial negotiations without prejudice or disadvantage. Section 48(1)(a) (Premature disclosure of the information would detrimentally affect the Council's position in the negotiations).

These resolutions are made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of the Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above (in brackets) with respect to each item."

8. Confirmation of Meeting Minutes

- 30 November 2016

48

Waitaki District Council

Council

Minutes of a meeting of the Waitaki District Council held in the Council Chamber, Council HQ, 20 Thames Street, Oamaru at 9.00am on Wednesday 30 November 2016

Present Mayor Kircher (Chair), Crs Tavendale, Dawson, Garvan, Holding, Hopkins, Kingan, Percival, Perkins, Wheeler and Wollstein

Apologies

In Attendance Mr Ross (Chief Executive),
Mrs Baillie (Customer Services Group Manager)
Dr Cloete (Community Services Group Manager)
Mr Roesler (Policy & Communications Manager)
Mr Michael Voss (Roading Manager) – for the public forum
Mrs Guyan (Regulatory Services Manager) for items 7 and 8
Mrs Tanner (Policy Officer - Governance)

Declarations of Interest

There were no declarations of interest.

1. Public Forum

Messrs Greg Waite, Bruce Blackie, James Glucksman, Grant Finn, John Shaw and Mrs Dawn Brown spoke on Council's works proposed for Harbour Street as outlined in today's Council agenda. Mrs Brown tabled a submission from Tully House Linens.

Mr Blackie felt the traffic issues need to be addressed but feels closing the street for seven days a week is not ideal. Oamaru town folk are not happy with not being able to park in Harbour Street. Strongly recommend any proposals for Harbour Street roading need to be clearly marked to better control parking.

Mrs Brown believes the street should be closed during certain hours each day eg 10am to 4pm to allow for pedestrians to walk freely. There is a lot of free parking within close proximity which allows locals to park nearby. Mrs Brown didn't agree to all points outlined in the petition.

Mr Glucksman outlined concerns about traffic safety on behalf of Waitaki Tourism Association. They believe closing the street would attract more people to the area. Recommends Council trial closing Harbour Street initially.

Mr Finn spoke in favour of the recommendation as the proposed change will have no negative effect on his business. A number of foreign customers are surprised with vehicle access. There are many parks within a short distance of Harbour Street. Suggests Council look at a weekend closure of Harbour Street as a good starting point.

Mr Shaw spoke in favour of the recommendation. Mr Shaw feels it is a wider issue and to get more people into the precinct we need to do something. Changing access so vehicles cannot drive through Harbour Street is a great way to encourage more people to spend time within the precinct.

Mr Waite unreservedly apologised to Mayor Kircher for the strange conversations resorted to over this time. Mr Waite is very passionate about the road closure proposed for Harbour Street as he would like to protect businesses within the street and would like to stop Council making a mistake by closing the street. Mr Waite feels his business would suffer were the road to close.

Donna Demente spoke as an advocate for closing the street to traffic. Harbour Street has a lot of public parking nearby and feels people are not going to stop shopping there if the road is

closed. If the street remains open, more signage will need to be installed and that will ruin the ambience of the area. Regarding open hours – people don't tend to make purchases after normal opening hours.

Jan Kennedy spoke on the amount of tourists due to increase over the next few months so this is part of a big issue and opens the opportunity to have a heritage plan rather than ad hoc solutions. It's all about the heritage of the area.

Mayor Kircher has endeavoured to speak with many business owners in the Harbour Street area about the proposed closure and will continue to meet with business owners.

Mr Bruce Comfort spoke on penguin management. Thanked Council for supporting the proposition about the erection of the red iron fence which has been rebuilt and made lower with capping on the top so it is now appropriate for the area.

Dr David Harrowfield attended the public forum and spoke about the two green Antarctic huts in Waterfront Road. This year a world history and draft strategy was completed on the huts. Dr Harrowfield is seeking support from Council and requests a further new sign by the Antarctic Huts along with the casting of a bronze plaque recognising the many people who have given a lot of time and help. Dr Harrowfield would also like assistance with funding a booklet for visitors to Oamaru with revenue to go toward the maintenance and general upkeep of the huts. A further aspect relates to Sumpter Wharf and urges Council to think about pedestrian access for part of the wharf avoiding Shag nesting sites. Thanked Council for their support given to date with the two huts now being Oamaru property. Invites Councillors to see the huts.

2. Historic Precinct Concept 2016

It is proposed that Council approves funding to carry out works to improve pedestrian safety and to cater for increased parking demand in Oamaru's Historic Precinct area.

RESOLVED
WDC16/324

Crs Tavendale/Hopkins
"That Council:

1. Approve a budget of \$60,000 funded from the Harbour reserve for improvement works to roading, pedestrian and parking in the Harbour area.
2. Hold a meeting with all affected businesses to further refine the proposed plan."

CARRIED

RESOLVED
WDC16/325

Crs Perkins/Wheeler
"That Council:

3. Agree that a permanent part time closure of Harbour Street will not be introduced without formal consideration by Council."

CARRIED

Meeting adjourned at 10.20am and reconvened after morning tea at 10.50am.

Memorandum of Understanding

Mr David Higgins and Ms Mary-Anne Tipa, Ngai Tahu, Te Runanga O Moeraki, attended the meeting and signed a Memorandum of Understanding with Council. This has been developing for a few years, is a positive step to move forward with the relationship and there are opportunities for both organisations to work together.

3. North Otago Irrigation Company Limited (NOICL) Annual Report

Ms Robyn Wells and Mr Lee Hamilton attended the meeting to present North Otago Irrigation Company's Annual Report and respond to any queries from Councillors. Mrs Wells provided a presentation to Council.

RESOLVED
WDC16/326

Crs Kingan/Dawson
"That Council receives the information."

CARRIED

4. Confirmation of Minutes

RESOLVED
WDC16/327

Crs Hopkins/Wollstein
"That Council confirms minutes of the 9 November 2016 Extraordinary Council meeting."

CARRIED

5. Mayor's Report

The following comments are provided to bring Councillors and the public up to date with a number of issues that have arisen since the last Council meeting, including:

- Councillors have held two strategic planning sessions to set individual goals and aspirations for the next three years.
- Building has commenced on the bike park and will add to our already popular harbour playground.
- Oamaru's 28th Victorian celebrations were held a week ago. Thanks to the organisers and teams of volunteers for yet another splendid programme.
- Emergency Management Debrief: Discussions have been held on Council's Emergency Management response following 14 November earthquake around the Kaikoura and Hurunui district and the implications to residents of a possible tsunami warning. Council will investigate obtaining wave height information to help inform the public when they may need to go to higher ground should there be an earthquake and a subsequent tsunami.

RESOLVED
WDC16/328

Crs Hopkins/Tavendale
"That Council receives the information."

CARRIED

6. Chief Executive's Report

The following comments are provided to bring Councillors up to date with issues that have arisen since the last Council meeting. Some of these include:

- The day after the Moeraki crash Council met with NZTA requesting action
- Annual Plan process is underway for 2017/18 with a report to this meeting
- Ministry of Business, Innovation and Employment are in the office this week at our invitation, working with the building team to complete an informal audit of functions eg building warrant of fitness and notices to fix
- Property team are continuing to work on the sale of land and property and have now sold seven sections in our Omarama subdivision. This leaves four unsold and one with negotiations underway
- There has been interest in the development of quality accommodation within Oamaru and work is continuing with interested parties on this
- 'Select Contracts' work on the zip line proposal is now well advanced and we are hoping to receive their report prior to Christmas
- Following 14 November earthquake I have taken some time to talk to those involved to build a picture of how our Council performed in its operational and community guidance roles under the new Regional Civil Defence Emergency Management structure. I am confident that operationally the processes undertaken were carried out effectively. We have developed a simple communication message to raise community awareness which was published in our local paper
- Two of our local Civil Defence team have been asked to assist support our neighbours in Kaikoura and Hurunui. Both Elton Crane and Ewen Graham are assisting.
- Part of our Oamaru Library project is to introduce Radio Frequency Identification for our book issues and returns at the library and we expect the process to be completed by the end of the first quarter of next year

RESOLVED
WDC16/329

Mayor Kircher/Cr Wheeler
"That Council write a strongly worded letter to NZTA expressing Council's deep concern around road safety issues at Moeraki and the need for their urgent action."

CARRIED

RESOLVED
WDC16/330

Crs Wollstein/Tavendale
"That Council receives the information."

CARRIED

Cr Tavendale left the meeting at 11.58am and returned at 12.01pm.

7. Food Act 2014 – Fee Consultation

The objective of this decision is to approve the fee proposal under the Food Act 2014 (the Act) for public consultation.

RESOLVED
WDC16/331

Crs Garvan/Hopkins
"That Council:
1. Notes that the Food Act 2014 regulations are under review and currently out for consultation closing 5 December 2016.
2. Approves fees proposed in option 1 which is a mix of fixed fee and hourly rate charge at 50% user pays.
3. Approves proposal for consultation commencing 1 December 2016.
4. Notes submissions will be heard on 15 February 2017."

CARRIED

8. Adoption of the Annual Dog Control Policy and Practices Report

It is proposed that Council adopt the report so we can meet our obligations under the Act.

RESOLVED
WDC16/332

Crs Hopkins/Dawson
"That Council:
1. Adopts the annual report for officers to send to the Department of Internal Affairs (DIA).
2. Notes the report will be publicly available on-line once adopted."

CARRIED

Cr Tavendale left the meeting at 12.13pm and returned at 12.16pm

9. Meeting Calendar 2017

To provide the schedule of meetings for 2017.

RESOLVED
WDC16/333

Crs Perkins/Dawson
"That Council approves the meeting schedule for 2017 with amendments."

CARRIED

AGAINST Crs Hopkins and Percival

10. 2017/18 Annual Plan: Process for deciding engagement and consultation

To provide clarity and direction on how the community will be involved in the Annual Plan 2017/18 to meet both statutory requirements and community expectations. Direction from Council at this stage also ensures that both elected members and staff have sufficient time to communicate and involve the community to an appropriate level and acceptable way.

RESOLVED
WDC16/334

Crs Hopkins/Dawson

"That Council:

1. Notes that it is at the preliminary stage of reviewing the financial forecasts and service projection contained in Year 3 of the 2015-25 Long Term Plan.
2. Notes that the Local Government Act 2002 provides direction to Council as to when and for what a Special Consultative Procedure should be initiated and that the Act allows flexibility in the way Council can engage with its community on the 2017/18 Annual Plan.
3. Agrees that, at this stage and based on a preliminary 15 November 2016 Councillor-Executive workshop discussion, there is no individual matter that would trigger an amendment to the 2015-25 Long Term Plan.
4. Agrees to the process under the 'Deciding Consultation and Engagement' section of this paper for determining the significance or materiality of changes or differences to Year 3 of the 2015-25 Long Term Plan and deciding the consultation and engagement requirements for the Annual Plan 2017/18.
5. Notes that the process referred to in recommendation 4 involves a formal assessment of significance and material difference to Year 3 of the 2015-25 Long Term Plan and a decision of Council at the 14 December 2016 meeting on whether an amendment is triggered under the Local Government Act 2002.
6. Notes that following a Council decision on the significance and materiality of changes to Year 3 of the 2015-25 Long Term Plan staff can be directed on the consultation and engagement approach for the Annual Plan 2017/18."

CARRIED

Meeting adjourned at 12.32pm and returned at 12.55pm where the public excluded items were considered before resuming in open meeting.

11. Rural Water Scheme Consumers Subcommittees

Following the Local Government elections, Rural Water Scheme Consumer Subcommittees are required to hold triennial general meetings in order to seek re-election. Officers have spoken with the Chairs of the remaining subcommittees and they have advised us they will not be holding triennial general meetings and that they see no need to continue with the formalised subcommittee structure that had previously been in place.

RESOLVED
WDC16/335

Crs Kingan/Percival

"That Council:

1. Acknowledges input and advice from Rural Water Scheme Consumer Subcommittee Chair's in support of an amended governance and management arrangement.
2. Accordingly, does not reappoint Rural Water Scheme Consumer Subcommittees for the following Waitaki District Water supplies: Awahokomo; Bushey Creek; Duntroon; Lower Waitaki; Stoneburn; Herbert-Waianakarua; Hampden-Moeraki.
3. Amends the delegations to take into account that the Rural Water Consumer Subcommittees are no longer subcommittees of Council.
4. Acknowledges the valuable contribution of former Rural Water Scheme Consumer Subcommittee members and thanks them for their service.
5. Forms operational liaison groups on rural supplies where some maintenance work continues to be undertaken or managed by supply consumers, and develops written agreements with these groups outlining roles and responsibilities."

CARRIED

12. Dividend Allocation

The objective of this decision is to finalise the funding for the Alps 2 Ocean Cycle Trail Stage 3 (Duntroon to Oamaru) in the amount of \$50,000 and allocate a grant budget of \$5,000 for funding a 'Best Community ideas/projects' from the Whitestone Contracting Limited dividend.

RESOLVED

WDC16/336

Crs Hopkins/Tavendale

"That Council agrees to fund the following projects from the Whitestone Contracting Limited dividend:

- a. Alps 2 Ocean Cycle Trail Stage 3 for \$50,000.
- b. 'Best of Community ideas/projects' for \$5,000 and to be approved by the Mayor."

CARRIED

13. Waitaki District Council - Final Committee Structure

The purpose of this report is for Council to decide the composition of the four core Council Committees. Councillors appointed Chairs and Deputy Chairs to each of the Committees on Wednesday 26 October with full membership of each committee to be decided at today's Council meeting.

RESOLVED

WDC16/337

Crs Hopkins/Tavendale

"That Council agrees Councillor membership of each of the following four core Council Committees as follows:

1. **Assets Committee:**
Crs Kingan (Chair); Percival (Deputy Chair); Dawson; Garvan; Hopkins; Tavendale; Wheeler
2. **Community Services Committee:**
Crs Perkins (Chair); Wheeler (Deputy Chair); Garvan; Holding; Hopkins; Kingan; Wollstein
3. **Customer Services Committee:**
Crs Tavendale (Chair); Dawson (Deputy Chair); Holding; Percival; Perkins; Wollstein
4. **Finance, Audit and Risk Committee:**
Crs Wollstein (Chair); Dawson; Garvan; Hopkins; Percival; plus one independent to be appointed.

CARRIED

RESOLVED

WDC16/338

Crs Hopkins/Perkins

"That the public be excluded from the following part of the proceedings of this meeting, namely:

- Confirmation of public excluded Council minutes – 9 November 2016
- Oamaru Bridge Club."

CARRIED

"The general subject of each matter to be considered while the public is excluded; the reasons for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter - Section 48(1)
Public Excluded:	
• Confirmation of Public Excluded Council Minutes – 9 November 2016	To protect the privacy of natural persons. Section 48(1)(a)
• Oamaru Bridge Club	(The disclosure of the information would cause unnecessary personal embarrassment to the persons concerned).

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter - Section 48(1)
	To enable the Council to carry out commercial negotiations without prejudice or disadvantage. Section 48(1)(a) (Premature disclosure of the information would detrimentally affect the Council's position in the negotiations).

These resolutions are made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of the Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above (in brackets) with respect to each item."

Refer to Public Excluded Minutes

RESOLVED
WDC16/342

Crs Wollstein/Kingan

"That Council resumes in open meeting and decisions made in public excluded session are confirmed and made public as and when required and considered."

CARRIED

There being no further business the Chairman declared the meeting closed at 1.40pm.

Confirmed on this day, 14 December 2016 at Waitaki District Council Chambers, Oamaru.

Mayor Kircher

Waitaki District Council Report

From Roothing Manager

Date 14 December 2016

Beach Road Slip Realignment

Recommendations

Council agree that Beach Road be retained as a single lane with priority signage.

Objective of the Decision

To agree on the extent of remedial works at Beach Road.

Summary of Decision Making Criteria

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	No	Environmental Considerations	No
Legal	No	Cultural Considerations	No
Significance	No	Social Considerations	Moderate
Financial Criteria	Moderate	Economic Considerations	Key
Community Views	Key	Community Board Views	Moderate
Consultation	Moderate	Publicity and Communication	Moderate

Background

The under slip at Beach Road forced the realignment of 100m section of Beach Road inland away from the slip face which resulted in a single lane with 30km/hr restriction. This has been in place for a couple of years pending possible land purchase, boundary adjustments, observations of the slip face stability and reviewing the future options for the road with NZTA.

The slip face has shown further recent degradation arising from recent storms and probable water ingress caused by the wet spring.

Though the community affected by this single-lane have remained understanding of the situation there has been some feedback as to wanting progress to restore two lane access.

The exposure of further slips occurring to the north of the existing slip may reduce the longevity of Beach Road and influence the options available to limit the potential for over-investment by raising uncertainty.

At a recent site meeting with Councillors Tavendale, Kingan and Percival plus staff with the purpose of agreeing to a direction resolved that the matter of options better lies with the full Council. This was a result of differing views between the councillors over which of the three options presented below was the most suitable.

Summary of Options Considered

- Option 1** Bare minimum: retain single lane but tidy up the shoulders and install priority signage. The estimated cost is \$5,000 and is the recommended option. This option minimises Council's financial risk should the slip further north along Beach Road fail which may make that section of road untenable for a period of time. It also retains the slow speed environment that was requested by the adjacent Café.
- Option 2** Undertake minor earthworks to widen the existing alignment to permit the construction of an additional lane and remove/relocate plantings. The estimated cost is \$80,000. This option permits the realignment of the road and provides two lanes. The new road would remain susceptible to the encroaching underslip – though the new second lane would minimise Council's remedial works for a period of time (ie reverting to where we are currently). The alignment would be posted at 50km/hr as the swing around the slip face would keep the tight radii. This option would also limit Council's investment should the slip further north fail.
- Option 3** Undertake more extensive earthworks and realign the road inland to avoid further slippage and remove/relocate plantings. The estimated cost is \$200,000.

This option returns the road to full 100km/hr status and provides greatest longevity from being impacted by the encroaching existing slip. However the corollary is that should the norther slip fail and Beach Road is affected the moneys spent may be considered as an over-investment.

Assessment of Preferred Option

Option 1: This option is the most pragmatic option which fully recognises the likelihood for continuing coastal erosion and ongoing expenditure of significant public money suggests a higher level of financial prudence is needed now to meet the future demands – whenever they may occur.

The current alignment provides an effective road link between Kakanui and Oamaru without causing undue delays and has the additional advantage of a speed reduction feature.

Having considered the options summarised above, the following conclusions have been reached:

1. The speed, location and extent of coastal erosion affecting Beach Road is totally unpredictable and Council needs to balance between investment (longevity of a solution) or reactive funding (hoping for a good outcome). A report commissioned from GeoSolve in October 2014 reviewed the Beach Road instability issues. The report concluded that the northern slip site has a high likelihood of future failure that will compromise the security of Beach Road. It also commented that continuing seepage from inland land will accelerate further failure.
2. The impacts of coastal erosion are becoming more pronounced throughout the country and Beach Road is no exception. The trend is clearly for continuing and accelerating erosion, from more intense storm events and maybe seismic activity.
The current road alignment provides a natural speed reduction effect which is far more effective than pure signage. The community's intolerance over the speed for vehicles entering Kakanui was well voiced a number of years ago however this may have diminished.

Conclusion

There is a need to upgrade the single lane section of Beach Road that fronts the under slip just north of the Café. By tidying works to the edges of the lane and erecting priority signage this should meet core community demands. The ongoing coastal erosion will remain a threat to this length of road which is a factor for all decision making along this road.



Michael Voss
Roading Manager

Neil Jorgensen
Assets Group Manager

Attachments:

Additional decision making considerations
Plan outlining three options for consideration

Additional Decision Making Considerations

The following matters have been considered in making the decisions.

Outcomes

We keep our District affordable by ensuring roading activities are managed efficiently and effectively.

Policy and Plan Considerations

There are no Policy or Plan considerations.

Community Views

Community views are varied.

Financial Considerations

The range of estimated costs is considerable. Options one and two are readily fundable and attract the NZTA financial assistance rate. Option Three would require further discussion with NZTA to confirm that it can attract financial assistance.

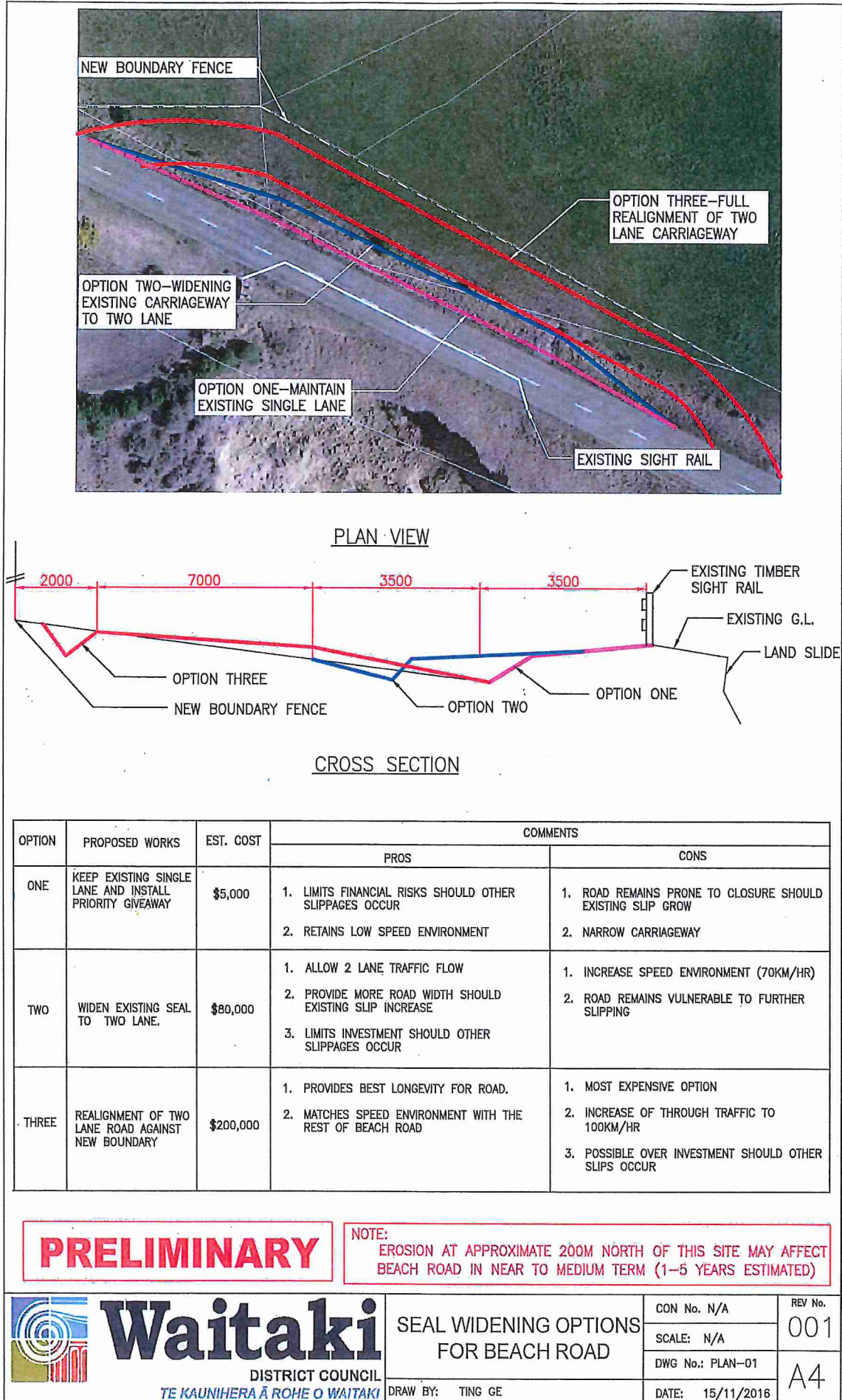
Legal Considerations

The three options do not require land purchase.

Publicity & Communication Considerations

It is recommended that the approved option is promoted amongst the community to ensure awareness of the ongoing demands by coastal erosion.

Plan Outlining Three Options for Consideration



Waitaki District Council Report

From Recreation Manager

Date 14 December 2016

Recreation Capacity

Recommendations

That Council approves an additional full time position in the Recreation Unit at a cost of \$45,000 funded from rates.

Objective of the Decision

To resolve capacity issues in the recreation unit and enable projects and asset management get completed in a timely manner.

Summary of Decision Making Criteria

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	No	Environmental Considerations	No
Legal	No	Cultural Considerations	No
Significance	No	Social Considerations	No
Financial Criteria	Moderate	Economic Considerations	No
Community Views	Moderate	Community Board Views	Moderate
Consultation	No	Publicity and Communication	No

Background

Over the past four years, staff in the Recreation Unit have struggled to deliver expectations of Council and the community. This is largely due to:

- Increasing number and value of projects. (Capital budgets have increased 450% in four years),
- Increasing expectations of customer and community engagement and support.

The current workload is disproportionate to the level of staffing within the unit and the availability of casual contract project managers. Based on current staff resourcing, only the basic day-to-day operational commitments of the unit can be fully met.

If capacity issues within the unit are not addressed, projects will either not be started or will not be completed to the required standard.

Summary of Options Considered

Option 1 – Non delivery of community and Council expectations. Maintenance only of recreational infrastructure.

Option 2 – *Status quo* – Maintenance of recreational infrastructure, delivery of some (not all) projects but limited capacity for forward planning, inefficient and ineffective delivery of projects through lack of capacity, skills and ongoing stop gap part time recruitment. High risk of asset management failure, deferred projects, and stressed staff.

Option 3 (preferred option) – Approve an additional full time position in the recreation unit.

Conclusion

This will provide Maintenance of recreational infrastructure, delivery of projects and community support, increased focus on planning and ability to look at opportunities such as applications for central government funding for toilets and reviewing recreation provision.



Erik van der Spek
Recreation Manager

Thunes Cloete
Community Services Group Manager

Attachments

Additional decision making considerations
Full Report

Additional Decision Making Considerations

The following matters have been considered in making the decisions.

Outcomes

This decision contributes to the following Council Outcome;

- We provide and enable services and facilities so people want to stay and work here.

Financial Considerations

Provision of an additional provision is expected to require \$45,000 of contract savings but is expected to save Council funds in the long run by providing capacity to make application for external funding. For example, the Ministry of Business, Innovation and Employment Regional Mid-sized Tourism Facilities Grant Fund.



Report and recommendation: Recreation Unit staffing

Report summary

Purpose

The purpose of this report is to outline capacity issues facing Council's Recreation Unit, look at options for addressing these issues, and recommend a way forward.

Key issues

Over the past four years, staff in the Recreation Unit have struggled to deliver expectations of Council and the community. This is largely due to;

- Increasing number and value of projects. (Capital budgets have increased 450% in four years),
- Increasing expectations of customer and community engagement and support.

The current workload is disproportionate to the level of staffing within the unit and the availability of casual contract project managers.

If capacity issues within the unit are not addressed, projects will either not be started or will not be completed to the required standard.

Options

Three options have been identified for addressing the issues identified above:

1. Non delivery of community and Council expectations. Maintenance only of recreational infrastructure.
2. *Status quo* – Maintenance of recreational infrastructure, delivery of some (not all) projects but limited capacity for forward planning. Inefficient and ineffective delivery of projects through lack of capacity, skills and ongoing stop gap part time recruitment. High risk of asset management failure, deferred projects, and stressed staff.
3. *Employ an additional full time position* – Maintenance of recreational infrastructure, delivery of projects and community support, increased focus on planning and ability to look at opportunities such as applications for central government funding for toilets and reviewing recreation provision.

Recommended option

Option 3 above is recommended. Funding for this would comprise of;

- A relative proportion of funding from each capital project budget. (\$40,000)
- An additional sum from rate. (\$45,000).

Current state

Responsibilities

The Recreation Unit is responsible for the following activities;

- Parks and reserves,
- Oamaru Public Gardens,
- Street trees (including memorial oaks),
- Cemeteries,
- Playgrounds,
- Public toilets,
- Campgrounds,
- Community housing grounds,
- Sportsgrounds,
- Memorials, and
- Forestry.

Staffing

The Recreation Unit currently employs;

- Recreation Manager – Primary focus on Parks (1 FTE).
- Parks Officer – Oamaru, Sports fields and Forestry (1 FTE)
- Parks Officer – Waihemo, Corriedale, Ahuriri, Oamaru Public Gardens (1 FTE)
- Administration support – Bookings, Sports user agreements, Cemetery Permits, Filing (0.3FTE)
- Project Officer (Casual 0.5 FTE) – funded from capital

Staff are currently working longer hours (typically 44hrs but at times up to 50+ hours per week) in order to attempt to deliver expectations.

In order to deliver planned capital projects, the unit has engaged casual project managers where possible. However, because they can only be engaged on a part-time casual basis, the unit has struggled to obtain the desired skill sets and institutional knowledge has been lost.

When the unit has been able to engage appropriately skilled project managers, these people have moved on to full-time or permanent opportunities elsewhere when they become available. This has resulted in either having to defer projects (such as the Hampden Toilets) or officers having to take over project management mid-way through a project, negating the benefit of having the project manager in the first place.

Operational service delivery

The recreation unit is responsible for the asset maintenance and operation of some 6500 assets across the district. This includes inspections, contractor management, health and safety, customer, community board and Councillor requests and liaison, lease management and supporting community projects. This activity takes up the majority of the Recreation Officers time.

Engagement with community has increased in the past two years with recreation officers working with community groups to provide a community nursery in the public gardens, carry out planting and restoration projects in a variety of locations around the district including Cap Wanbrow, and support other community projects such as the Otematata wetlands and Kurow Island.

Projects

This covers one off items such as large asset replacements and new assets. Examples are new toilets, improved drainage of sports fields, Kakanui erosion protection, Harbour picture frame, 'Lost Graves Memorial' and the bike park. These operational and capital projects have been included in Council plans, identified through the asset management process, or introduced by Council or Community driven outside the formal planning process. Capital projects have increased 450% from \$100,000 to \$450,000 per annum in four years.

A general rule of thumb is that 10-15% of a project cost is project management (Project dependant). I.e. a project worth \$100,000, \$10-\$15,000 might be project management costs. At a charge out rate of \$100 per hour (consultant/ commercial project manager rates as opposed to internal staff rates) this is equivalent to between 12 to 17 days work over the life of the project.

Projects targeted for completion in 2016/17 are;

Item
Hampden Toilets
Omarama Dump station
Awamoa Pavilion balcony
Playground Replacement/ Upgrades
Palmerston Cemetery Replant
Roberts Park Toilet
Thames St Replanting
Unsafe headstones
Ahuriri Improvements
Corriedale Improvements
Waihemo Improvements
Lost Graves Memorial
Sailors cutting Discharge
Mill Domain Drainage
Falstone Discharge
Craig Fountain
Oamaru New Cemetery Extension
Bike Skills Park
BMX Track
Film Set removal
Kiwirail crossings
Rec Centre feasibility
Boat Harbour river protection
Palmerston walking improvements
Weston water bore
Kakanui Erosion
Penguin statue relocation
Severn St Walls and Plantings
Barrier Replacements
Furniture Replacements
Wonderland Sculpture
Kakanui camp management - KRAIS
Garden of Memories monument work
Asbestos buildings

Projects currently forecast for future years are;

Item
Camping review
Implement authority cemetery module
King George Park Drainage and relevel
Cape Wanbrow Track
Gardens irrigation
Aviary
Hampden Beach disposal field and water
Water connection rectifications
Boat Harbour river protection
Duntroon toilet
Dunback toilet
Campbells Bay toilet
Asset Replacements
Grandstand fire protection
Campground response plans
Coastal cycleway
Town Beautification
Gardens Playground
Graves Track
Palmerston AP Drainage
Indoor Rec Centre?
Other sporting Improvements from needs assessment
Other toilet work arising from Strategy

Management and Service improvements

This covers general management requirements such as emergency/ risk management, development of asset management systems, policies and strategies, research, feasibilities, etc.

During the last three years, Recreation has been working to bring its management and systems up to the standard expected by industry and audit NZ. The unit has collected assets, developed an accurate asset register and produced its first asset management plan. Ongoing development of these systems will give greater accuracy and improved asset management and efficiencies for the future.

Current systems are still largely manual and opportunities exist to improve efficiency and become proactive in our asset management. Examples include reducing duplication between our financial system, Hansen and the CRM system, collecting all asset data against the assets in Hansen so records and maintenance history is not lost, providing a robust online Cemetery record system for the customer, looking at options to increase visitors to our facilities, developing a camp water supply risk management plan, reviewing recreation land holdings, applying for funding from central government for toilet replacements.

The recreation manager is currently spending a lot of time on projects and has been unable to work on the business.

Options

Three options have been considered for addressing the issue:

Option	Funding	Pros	Cons (including risks)
1. Current staff resourcing only Say “no” to all ad hoc projects and only complete the highest priority projects from the Long Term Plan, if possible within current staffing levels	No cost impact. Funded through current operating budgets (rates)	<ul style="list-style-type: none"> No rate impact. 	<ul style="list-style-type: none"> Service level requirements and expectations unlikely to be met. Projects will either not be started or completed Risk to Council's reputation Risk of community backlash Decline in condition of recreation assets
2. Status quo Continue to engage casual, part-time project managers, when available, on an ad-hoc basis	No cost impact. Currently funded through project budgets and the remaining \$15,000 staff budget available per annum (funded through rates)	<ul style="list-style-type: none"> Ability to deliver some contracts. No direct rate impact. 	<ul style="list-style-type: none"> Lack of skilled project managers available who are prepared to take on part-time, casual work Loss of continuity if project managers pull out during a project – risk that projects will be stalled or deferred Staff time is taken up inducting different project managers and picking up abandoned projects Loss of institutional knowledge. Insufficient capacity to deliver all required projects.
3. Employ additional resources Employ a full-time project manager either on a fixed term or permanent contract.	This option would require additional funding. It is proposed funding for the project manager position would comprise a relative proportion of funding from each capital project budget (\$40,000) and \$45,000 from rates.	<ul style="list-style-type: none"> Would attract more appropriately-skilled project managers. Planned projects could be initiated and followed through to completion. There would be a more consistent approach to project management across all projects. Staff would not need to waste valuable time repeating induction processes for contractors or updating them on projects. Parks officer time would be used more effectively to focus on day-to-day operations and asset management. Would be a more cost-effective way of using available funding. Admin role – would provide ongoing certainty for current employee and continuity within the unit. 	<ul style="list-style-type: none"> Risk of negative perception that Council is employing new staff Risk of negative perception of ‘service level creep’

Summary of issues

Staffing and contractor support available is currently not sufficient to deliver the full range of services and projects required of the Recreation Unit.

Based on current staff resourcing, only the basic day-to-day operational commitments of the unit can be fully met.

Without addressing the issues outlined in this report staff time will continue to be spread too thin, and planned projects will either not be started or completed to the required standard. The unit also risks not being able to meet agreed service level requirements while staff struggle to bridge the gap between the day to day operational needs of the unit and project management. There is risk that in the rush to complete work something will be missed and lead to a failure that would cost Council either financially or reputational.

Staff are stressed and prone to sleepless night, burn out and stress.

Funding for preferred option

It is proposed funding for an additional full time position would comprise a relative proportion of funding from each capital project budget (\$40,000) and \$45,000 from rate.

Timeframes

It is proposed to advertise a position in January with appointment by early March.

Waitaki District Council

Memorandum

From Recreation Manager

Date 14 December 2016

Open Space Maintenance Challenges

Recommendation

That Council receives the information.

Summary

Since the new Council contractor Downer took over the Open Space Maintenance contract, some teething problems, combined with unfavourable weather, have led to less than desirable maintenance of Waitaki's open spaces. Downer are going to rectify this and have committed additional resources and equipment to bring maintenance within specification.

Purpose

The purpose of this memorandum is to present information on open space maintenance challenges.

Background

Downer took over responsibility for open space maintenance on 1 November 2016. The contract is almost identical to that previously held by Whitestone Contracting Limited.

Comment

In the past month since the new Council contractor, Downer took over the Open Space Maintenance contract, some teething problems, combined with unfavourable weather, have led to less than desirable maintenance of Waitaki's open spaces.

While we expected a few teething issues, the problem has been larger than anticipated and has been complicated by a few factors. In November we had 143mm of rain compared to a historic average of 53mm. This has affected grass growth, the amount of time available to cut and in some areas has had an ongoing effect where the grounds remain too soft to mow without causing damage. High profile sites, sport fields and locations where we have event bookings have been a focus which resulted in the normal mowing schedule being unable to be delivered.

In addition to the weather problems Downer have had difficulties in employing mower operators and have had to divert two of the gardeners onto mowers, as this was visibly the most concerning area to address. To fill the gap, Downer deployed some resources (staff and mower) from Auckland to help make up the shortfall and have employed five new staff. More stable weather patterns over the past two weeks, additional staff and staff working overtime has helped. Council officers and Downer are committed to resolving the issues and have every expectation, once we catch up with the grass growth, that our open space maintenance will continue to show Waitaki in a good light. There have been instances where Downer staff have been verbally abused due to these problems.

A new Downer Contract Manager will be in place from 19 December and will work through Christmas to ensure that Council contract obligations are continuously met.



Erik van der Spek
Recreation Manager

Thunes Cloete
Community Services Group Manager

Waitaki District Council

Memorandum

From Planning Manager

Date 14 December 2016

Oceana Gold Coronation North Application and Bonds

Recommendation

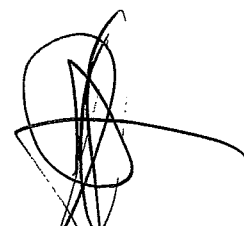
That Council receive the information.

Background

Waitaki District Council, Dunedin City Council and Otago Regional Council recently approved the applications from Oceana Gold Ltd to operate the Coronation North open cast gold mine. The proposal overlaps the boundary between Waitaki District and Dunedin City on the top of Taieri Ridge. Otago Regional Council also required consents for land use, water takes and discharges. The application was heard by a panel consisting of a representative from each of the three councils.

Waitaki District Council holds mitigation bonds for the existing Oceana Gold Ltd consents. This memorandum provides information on their purpose and current value.

Peter Kloosterman
Planning Manager



Neil Jorgensen
Assets Group Manager

Attachment: History of the Gold Mining Operation

History of the Gold Mining Operation

In December 1990 the open-cast gold mining operation at Macraes Flat began. The operation initially centred on Round Hill pit which has since been backfilled. The mining operation then expanded and over-time focus shifted to Frasers Pit once Oceana Gold Limited's (OGL) predecessor company received its major expansion consents in 1998. Today, Frasers Pit is the largest pit and the pit lake is projected to take some 200-250 years to fill before over-flowing into the Waikouaiti River.

The haul road up to Horse Flat Road previously gave access to the Deepdell pits. OGL sought and obtained consents to create the Deepdell North and Deepdell South Pits and associated waste rock stacks in 2000. Deepdell North Pit, since backfilled, is located just south of Horse Flat Road while the Deepdell South Pit is located further south above Golden Point Reserve.

The major expansion consent issued in 1998 assumed that the mining at Macraes Flat would cease in 2012. However, it became apparent that the mine life could be extended until approximately 2020 and OGL consequently sought and obtained consents in 2011 to continue mining (called the Macraes Phase III Project).

The possibility of mining Coronation was indicated in the Macraes Phase III Project although it was on the radar before this with OGL's application to explore the Coronation area being lodged in 2008. The first Coronation consent was issued on May 2014 and the consent was first exercised in July of 2014.

Coronation North Application

The application for a significant expansion to the Coronation mining area was received on 26 May 2016 and receipted by the councils on the 8 June 2016. The councils requested further information on 21 June 2016. The information was received on 29 June 2016 and the application was then notified on 3 August 2016. The submission period closed on 19 August 2016.

The proposal involves the following:

- The existing consented Coronation Pit would be increased from a total area of approximately 62 hectares up to 85 hectares.
- A new open pit would be developed. Coronation North Pit would cover up to 63 hectares and is estimated to contain approximately 9 million tonnes of ore.
- A new waste rock stack would be constructed to the north-east of the existing Coronation Waste Rock Stack. The total volume of waste rock stack would be up to 280 million tonnes and would cover up to 230 hectares.
- The existing Coronation Waste Rock Stack would not be constructed to the fully consented extent. The total volume of waste rock stack would reduce from a currently consented 94 million tonnes to approximately 29 million tonnes with an area of approximately 41 hectares. This represents a reduction of 64 hectares in area.
- All water from the Coronation North Pit and Coronation North Waste Rock Stack and any overflow from the Coronation Pit lake would be directed to the Mare Burn catchment, a tributary of the Taieri River.
- A freshwater dam may be constructed within the Coal Creek catchment. The proposed dam would consist of an embankment with an approximate height of 27m. The dam would hold about 685 million litres of water when at capacity with a footprint of 9.3ha. The dam would provide a constant water supply downstream of about 5 litres per second, to supplement naturally occurring low flows in Coal Creek and Mare Burn for water quality purposes.
- The current haul road would be extended by about 2km to reach the Coronation North Pit.
- The existing Coronation Pit landuse consent conditions require the unformed Matheson Road to be realigned around the pit and waste rock stack so that an unformed public access (15 metres wide) is restored once mining operations cease. Since the footprints of the Coronation North Pit and Coronation North Waste Rock Stack overlap the consented features Oceana Gold are proposing to identify an alternative route for Matheson Road.
- The ore is trucked from the pits to the Macraes processing plant via the existing haul road across Horse Flat Road and along the Golden Point Road alignment to the processing plant. In all other respects, the roading for the proposal would remain the same as for the consented Coronation project. On the completion of mining and rehabilitation Golden Point Road will be reopened for public access.
- New temporary buildings (including toilet facilities and crib room) may be established adjacent to the Coronation North Pit. Temporary buildings located by Coronation Pit would remain. On closure, buildings and other temporary structures would be removed, silt ponds would be decommissioned and likely become stock water ponds, the haul road would be decommissioned and rehabilitated.

- The portable diesel storage and refuelling facility installed adjacent to Coronation Pit would remain.
- Mining operations will occur 24 hours a day, seven days a week.
- The overburden from the pit would be deposited on the proposed adjoining waste rock stack. Unoxidised rock forms the bulk and core of the waste rock stack which is then covered in a layer of oxidized (weathered) rock followed by a layer of subsoil/topsoil. The stacks are raised in approximately 20 metre lifts with slopes generally no steeper than 30 degrees to the horizontal.
- The waste rock stacks and other disturbed areas will be rehabilitated with both native plants and exotic pasture which is compatible with the existing vegetation patterns on the site.

The application straddles the boundary between the Waitaki District and Dunedin City District and therefore both councils were required to hear and decide on this proposal. It also required water take/discharge permits and landuse consents from the Otago Regional Council (ORC). In light of this a joint panel of Commissioners was employed to hear and decide on all applications.

Submissions Received

Eight submissions were received by the councils. No submitter sought that the application be declined outright rather submitters were usually neutral towards the application but sought some issues be addressed and conditions imposed.

The submissions in relation to the landuse, in summary, raised the following matters:

- Conditions requiring:
that a Cultural Impact Assessment ("CIA") is completed and a review condition is incorporated so that any cultural impacts can be addressed.

An accidental discovery protocol be included:

- Concern about a loss of amenity due to noise and consideration from OGL during times when weather conditions make noise from the mine louder.
- Concern about increased traffic on the local roads and especially the school bus route.
- The need for the councils to maintain or upgrade roads to an acceptable standard.
- Opposition to the continuation of roading conditions that apply to the existing Coronation consent – this relates to reinstating Golden Point Road six months after pit excavations have ceased.
- Questions about whether the relevant sections of Matheson and Golden Point Road have been stopped or temporarily closed to enable mining or the haul road to occur.
- Concerns regarding the rehabilitation required and back filling of pits and the timing of that rehabilitation.
- Concerns that the Coronation project is inconsistent with a large number of ecological-related policies in various statutory documents.
- Rehabilitation is required with locally sourced native species - to provide appropriate habitat for other species.
- Further information is required on the effects of the proposal on native species and ecosystems ie lizards and invertebrates.
- Conditions are required to avoid, remedy or mitigate adverse effects and where this is not possible then appropriate compensation or offsets are used to achieve a no net less and preferably a net gain in biodiversity.
- Conditions should be imposed that require mining footprints to be amended to protect high value natural features.

The Hearing and Decision

The hearing was held at Dunedin City Council from 31 October to 3 November. The hearing was then adjourned while conditions of consent were finalised.

The hearing reconvened on 21 November for one day. The decision has been made to approve the application subject to conditions.

Bonds

Under the conditions of the consents it holds, Oceana Gold (NZ) Ltd (OGL) is required to establish bonds in favour of Waitaki District Council (WDC), Dunedin City Council (DCC) and Otago Regional Council (ORC). The bonds are established prior to the consents being implemented to cover any immediate and ongoing costs associated with unexpected closure of the mine, in the event that OGL is unable or unwilling to meet its closure obligations under the consents.

The primary purpose of the bonds is to cover the costs of rehabilitation, monitoring, remediation of environmental effects and contingencies in the event of an unexpected early closure of the mine.

The worst case scenario is that OGL is unable to perform the required reinstatement and rehabilitation, with the responsibility for undertaking this work then passing to the Waitaki District Council, Dunedin City Council and Otago Regional Council.

The bonds therefore need to be sufficient to cover the potential costs and risks that would pass to these bodies. The general approach to quantifying the bonds is therefore to:

- Determine the expected scope of works to reinstate and rehabilitate the mine.
- Determine the likely cost of these works.
- Determine whether the apportionment of the WDC performance bond is sufficient to cover likely WDC costs.

The scope of the works required to rehabilitate the mine changes annually as disused sections of the facility are progressively rehabilitated, and new sections of mine are opened. These changes are documented in the 'Project Overview and Annual Work and Rehabilitation Programme' provided by OGL.

The scope of works proposed by OGL to rehabilitate the mine in the event of early closure is detailed in their 'Contingency Closure Plan'.

The likely cost of the works, and the resultant recommended Bond value is calculated and presented in the 'Macraes Gold Project 2016-2017 Bond Review', prepared for OGL by Lane Associates Ltd. This has been reviewed.

The collective value of the bank bonds to Waitaki District Council for the current consents is \$12,860,000.00.

These are with two financial institutions being:

1 The Hong Kong and Shanghai Banking Corporation Ltd	\$4,260,000.00
2 BNP Paribas	\$8,600,000.00

These bonds will only be called upon if the consent holder defaults on the rehabilitation conditions.

Waitaki District Council Report

From Chief Financial Officer

Date 14 December 2016

Third Quarter 2016-17 Treasury Strategy

Recommendations

That Council adopts the proposed Treasury Strategy for the third quarter of the 2016/17 financial year by:

1. continuing the use of term deposit facilities for terms between 7 days and 12 months, dependent on short-term operational cash requirements and on achieving target interest rates; and
2. placing a maximum of \$5,000,000 per institution with the four "AAA" rated banks and a maximum of \$1,000,000 per institution with four "AA" rated banks, as approved as part of the adoption of the Strategy for the Second Quarter.

Objective of the Decision

To report on Council's proposed Investment Strategy for the third quarter of the 2016/17 financial year.

Background

The Investment Policy adopted as part of the 2015-25 Long Term Plan sets out certain reporting and accountability requirements, including regular reporting to Council of outcomes in the treasury area and the adoption of a quarterly Treasury Strategy.

In line with the strategic direction set by the FAR Committee, Officers have continued investing surplus funds on a relatively short term basis unless there was a special or particularly attractive longer term offer. Only offers from approved institutions are considered.

The Observatory Village Charitable Trust commenced drawing on the loan facility provided by Council although, to date, the amounts involved (\$1.789m to 30 November 2016) have been lower than was indicated in the drawdown schedule provided by the Trust in May.

Council has also advanced \$416k to Tourism Waitaki to provide the cashflow to fund improvements to Council owned assets at the Penguin Colony. The cost of the work will be recovered from the company over the term of its lease.

Summary of Decision Making Criteria

	No/Moderate/Key		No/Moderate/Key
Policy/Plan	Moderate	Environmental Considerations	No
Legal	No	Cultural Considerations	No
Significance	No	Social Considerations	No
Financial Criteria	No	Economic Considerations	No
Community Views	No	Community Board Views	No
Consultation	No	Publicity and Communication	No

Discussion on the proposed Treasury Strategy for the Third Quarter of 2016/17

As part of the cash management process, consideration is continually given to the appropriate mix of term deposit – long and medium term as well as extremely short term, and holding minimal funds in the call and cheque accounts.

Moves by the Reserve Bank to stimulate the economy have resulted in radically reduced interest rates for all terms relevant to Council. Interest rates are now at historic lows and this has a negative impact on Council as a net investor. These anticipated lower interest rates were factored into the 2016/17 Annual Plan.

Deferred capital projects, property sales and slower drawdown of the retirement village loan mean Council currently has more funds for investment than was expected, so in the short term it is likely that revenue targets will be achieved.

Officers always consider Council's immediate and medium-term operational and capital funding needs and inflows when making investment decisions. The main non-business as usual factors being considered in this early part of the 2016/17 financial year are the timing of cash requirements for the Hamnak water upgrades, the retirement village loan drawdowns, the cultural facility redevelopment and inflows from potential property sales. These are then added to the very predictable operating cashflow pattern to come up with an overall picture of what will be available and for how long.

Summary of Options Considered in relation to the adoption of the Treasury Strategy

Option One: Adopt the Treasury Strategy, utilising a mix of long and short-term deposits; making minimal use of the call account; and tailoring term deposits to meet operational and capital requirements (recommended).

Option Two: Direct Officers to research and develop an alternative strategy.

Option Two is not recommended.

Implementation of the Preferred Option

Target ranges were updated as part of the Strategy for the Second Quarter to reflect the range of rates then on offer. Officers see no need to change these target ranges, as interest rates appear to have settled, and some commentators project a gradual increase over the next six to twelve months.

Those same commentators now see little need for the Reserve Bank to make further cuts to the Official Cash Rate. The projected increase in rates is related to movements in offshore markets which will translate into higher costs for the banks and should lead to them offering improved rates in order to obtain funds locally.

Council is partially shielded from the full effect of the current low rates by the interest earned on the NOIC and retirement village loans, and also currently has more funds available for investment than was anticipated in the 2016/17 Annual Plan so is well placed to meet budgeted returns in the short term.

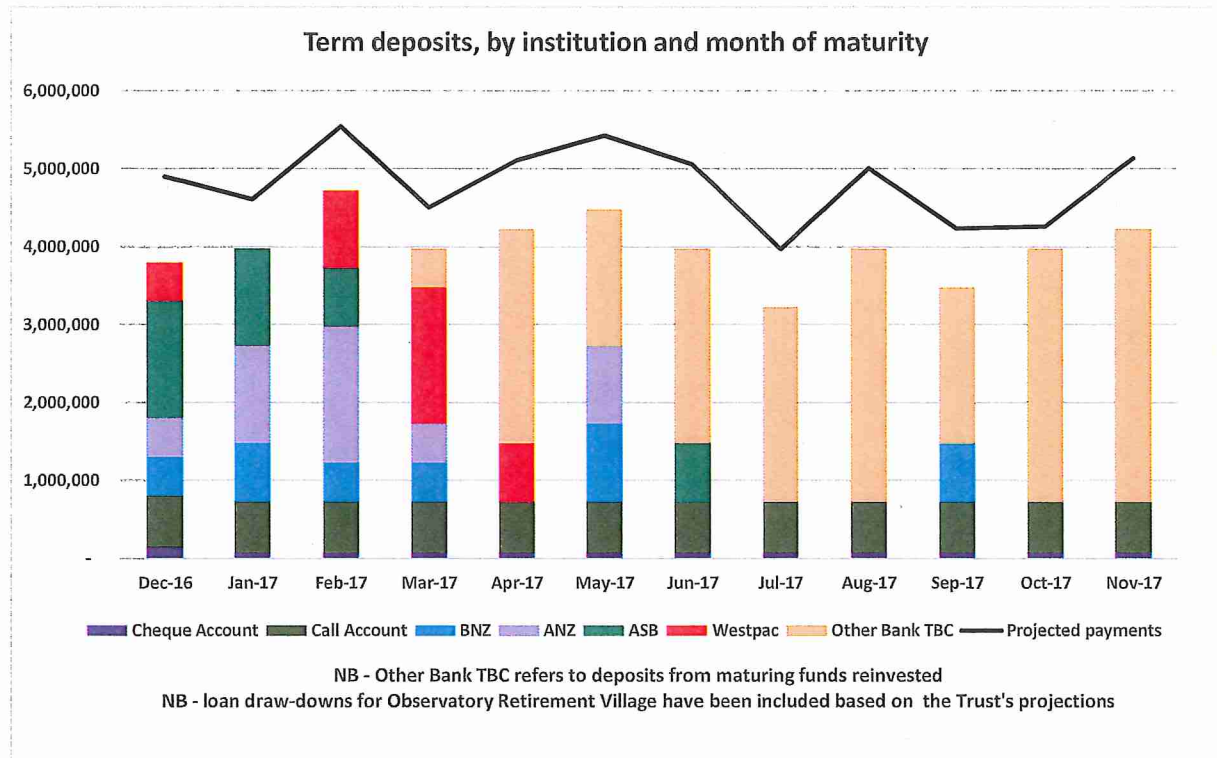
Term of investment	Target interest rate range	
	Minimum	Maximum
Up to and including 30 days	2.15%	>2.60%
Between 30 and 60 days	2.40%	>2.80%
Between 60 and 90 days	2.70%	>3.10%
Between 3 and 6 months	3.05%	>3.40%
Between 6 and 9 months	3.10%	>3.30%
Between 9 and 12 months	3.10%	>3.25%

- Officers will exceed the prescribed minimum levels where possible, but if this cannot be achieved, deposits will be placed at rates better than those paid on the call account.
- Only minimal use will be made of the call and cheque accounts as fund repositories.
- Deposits will generally be placed for periods between 7 days and 12 months, always having regard to projected cash flow requirements and the need to maintain flexibility.
- Deposits will usually be between \$250,000 and \$1,000,000, but may vary from this range in response to special rates and other circumstances as long as operational requirements are not compromised.
- Deposits for periods over six months will be dependent on assessing cash flow during that period.
- Deposits over \$1,000,000, or for over one year, will only be considered if rates far exceed the target ranges, and the funds are confirmed as surplus to forecast operational requirements.
- Officers may add other banks to those Council already deals with provided they meet Council's criteria in order to benefit from competition for investment funds.
- If, as a consequence of implementing the treasury strategy, the main bank account becomes overdrawn, Officers will take every practical step to minimise the amount and duration of the overdrawn position while not compromising investment returns.

Although officers have been given approval to place up to \$1,000,000 with four "AA" rated banks, funds available for investment have not as yet built up to the point where such action has proven necessary. At 30 November, Council had a total of \$16.25 million held on term deposit, with only the ANZ Bank at its maximum permitted limit.

Projected cashflows over the next twelve months are outlined below.

Projected cashflows over the next twelve months are outlined below.



Notes:

- The gap between maturing deposits and projected payments in any month will be met by the use of operational cash flows.
- The graph shows the maturity months and amounts of known term deposits, and the assumed timing and amounts of funds reinvested and new deposits (Bank TBC) – at this time, details of precise amounts, terms and institutions are not certain.
- Minimal use will be made of the call and cheque accounts, but management of these facilities still features as a key part of Council's overall Treasury Strategy.

Ian Wells
Accounting Manager

Paul Hope
Chief Financial Officer

Waitaki District Council

Memorandum

From Chief Financial Officer

Date 14 December 2016

Period 4, 2016-17 Monthly Financial Report

Recommendation

That Council receives the period 4 Financial Reports and Appendices.

Objective of the Report

To provide an overview of the financial performance of Council for the period ended 31 October 2016 (period 4), and provide an overview and commentaries on Council as a whole.

Financial Overview

October has continued the positive start to the year reported for the first quarter. While some of this may be attributed to "one-off" items and a delayed start to some projects, much is expected to be on-going, such as activities at the Oamaru landfill which was scheduled to close in September, but which will now continue to operate until February. Some of the one-off gains relate to unfilled staff positions, and those gains will continue until the recruitment process is completed, but in some cases may be offset by the cost of contractors brought in to fill the gap.

Commentaries attached indicate that generally activity has matched or bettered expectations and most units have achieved planned outcomes.

Commentary

As has been the case for the last several reporting periods, variance reports show that net operating and capital expenditure continues well below budget as a result of numerous factors, the most significant or unusual of which are detailed below. However, given the stable situation outlined in this report we have reduced the amount of commentary on some of the more regular items and instead have provided more in-depth commentary on other larger issues.

Variance Report – refer Appendix (a)

The overall 'controllable' operating position reported in the variance report shows a favourable variance of \$931k (revenue favourable \$416k, expenditure favourable \$515k) compared to budget. The most significant variances are analysed below:

User Charges –

These are ahead of budget by \$278k, mainly due to revenues from the landfill exceeding budget by \$167k. Revenue from this source will continue, unbudgeted, until the facility closes in February 2017. Camping fees are also ahead of budget by \$63k; this gain is more of a timing variance which is expected to normalise over the next few months.

Grants, Subsidies, and Contributions –

These are ahead of budget by \$256k. Development Contributions were ahead of budget by \$92k at the end of October. This revenue item is difficult to predict and, while recognised as income, the resulting funds are held aside for future infrastructure requirements. NZTA subsidy is now ahead of budget by \$220k as the work programme begins in earnest, while other grants and donations are under budget.

Finance Income –

Interest earned is almost exactly as budgeted for the four months to October. Bank interest rates are currently slightly lower than was allowed in the budget, but Council is protected from any deterioration in this sector by rates currently earned on the loans to the North Otago Irrigation Company and the Observatory Village Charitable Trust. Council also has more funds than expected due to deferred capital works and property sales.

Other Revenue –

This category of revenue is under budget by \$145k. This includes payments received to reimburse Council for the cost of removing the filmset at Falstone camping ground, the cost of which, to date, is \$40k under budget. Election costs have yet to be recovered from the Oamaru Licensing Trust, so revenue in this area is under budget by \$54k.

Employee costs –

Total employee costs are \$150k under budget, generally due to unfilled vacancies. Overall salaries and wages are under budget by \$120k, and the ACC levy is under budget by \$28k. The saving on ACC is a permanent saving, and the saving on salaries and wages is likely to increase as some vacancies are at a senior level and the recruitment process has still to be completed.

Contractors and Professional Services –

In total, these categories are below budget by \$86k. The timing of the works programme in Roading has had an impact in this area.

Operational and Administration–

These categories are under budget by \$292k, which includes a saving of \$103k on Council's support for the Otago Rural Fire Authority. This represents a budgeted grant that was to be made in addition to the normal support Council provides – given developments with this organisation, it is likely that this saving will be a permanent one.

Treasury and Funding Issues

The overall position remains strong with budgeted revenues being met. As noted earlier, Council has been partially shielded from reduced rates by the loans to North Otago Irrigation Company and the retirement village development. There are now suggestions that interest rates may slowly rise over the next 12 months which will improve Council's position.

Capital – New and Renewals

Capital works are running behind budget by \$466k. This is a mix of favourable (Roading \$737k and Alps2Ocean \$46k under budget), and unfavourable (Waters overall \$114k and Property \$528k over budget) variances.

Conclusion

Overall, there are many more favourable variances than negative. The issue that is creating the greatest level of variance is the capacity to deliver projects in accordance with the timeframes set when the budgets were first spread across the year. This is an issue that has arisen over the past few years and seems likely to continue this year as well.

Ian Wells
Accounting Manager



Paul Hope
Chief Financial Officer

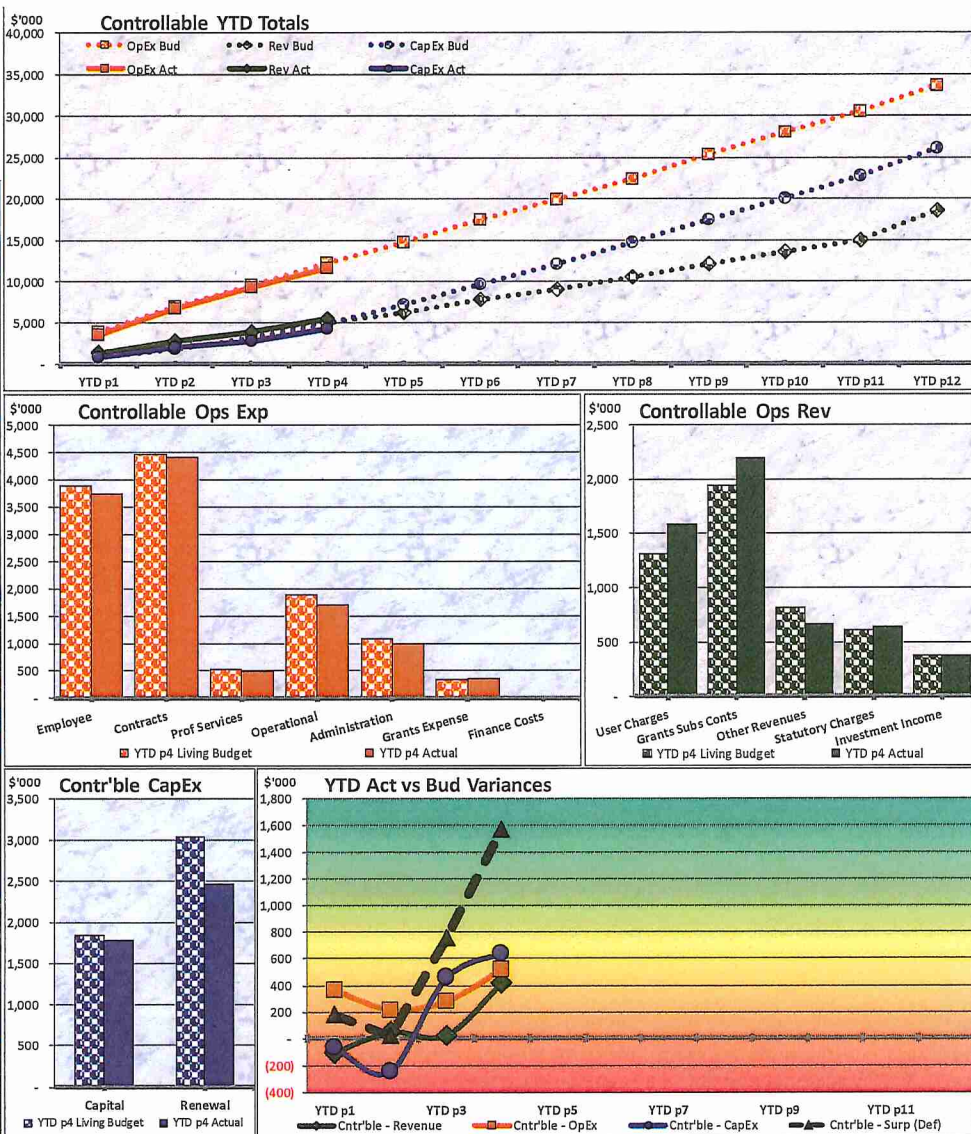
Attachments:
Appendix (a) – Variance Reports and Commentaries

WDC 2017 Operating Statement
Fri 26 Aug 2016 6:49 a.m.

Level_01	Level_02	Level_03	Level_04
Assets Group	CEOs Office	Accounting Servi...	Ahuriri
Community S...	Committees	Ahuriri	Airedale
Customer Ser...	Community Boards	Alcohol Licensing	Ardgowan
	Community Safety	Alps 2 Ocean	Awamoko
	Customer Contac...		

Full	Res	Act	Prjs	PrR

	YTD Actual	FY Living Budget	YTD p4 Actual	YTD p4 Living Budget	YTD p4 Act vs Bud	YTD p4 Act vs Bud %
Controllable						
Revenue						
User Charges	(2,033)	(4,091)	(1,586)	(1,308)	278	21%
Grants Subsidies Contributions	(2,098)	(9,961)	(2,199)	(1,943)	256	13%
Other Revenues	(741)	(1,874)	(670)	(815)	(145)	(18%)
Statutory Charges	(733)	(1,408)	(636)	(609)	27	4%
Investment Income	(410)	(1,257)	(379)	(378)	1	0%
Revenue Total	(6,015)	(18,591)	(5,469)	(5,053)	416	8%
Expense						
Employee Costs	3,920	11,270	3,734	3,884	150	4%
Contracts	4,508	13,221	4,417	4,473	55	1%
Professional Services	480	1,798	496	527	31	6%
Operational	1,730	4,150	1,707	1,889	181	10%
Administration	1,037	2,054	998	1,089	91	8%
Grants Expense	358	986	352	350	(2)	(1%)
Finance Costs	13	61	12	20	8	40%
Expense Total	12,046	33,549	11,717	12,232	515	4%
Capital Expense						
Renewal	2,503	11,524	2,464	3,038	573	19%
Capital	1,893	14,512	1,786	1,849	63	3%
Capital Expense Total	4,396	26,036	4,251	4,887	636	13%
Controllable Total	10,428	40,995	10,498	12,066	1,568	13%
Centrally Controlled						
Revenue						
Asset Disposal & Fair Value Adjus	-	-	-	-	-	-
Physical Resources Received Free	-	-	-	-	-	-
Rates	(9,948)	(29,722)	(9,948)	(9,907)	41	0%
Sale Proceeds - Contra Sales	(280)	(134)	(272)	(45)	228	509%
Transfers from Reserves	(4,329)	(26,681)	(3,684)	(4,377)	(693)	(16%)
Revenue Total	(14,557)	(56,537)	(13,905)	(14,329)	(425)	(3%)
Expense						
Asset Disposal & Fair Value Adjus	-	-	-	-	-	-
Depreciation	5,756	11,380	3,841	3,793	(48)	(1%)
Overheads In	6,478	16,515	5,419	5,504	85	2%
Overheads Out	(6,673)	(16,713)	(5,599)	(5,571)	28	0%
Transfers to Reserves	584	1,796	584	600	16	3%
Expense Total	6,145	12,977	4,246	4,327	81	2%
Capital Expense						
Renewal	92	249	85	75	(10)	(13%)
Capital	555	2,316	547	386	(161)	(42%)
Capital Expense Total	647	2,565	632	461	(171)	(37%)
Centrally Controlled Total	(7,764)	(40,995)	(9,027)	(9,541)	(514)	(5%)
Surplus (-) / Deficit (+)	2,664	(0)	1,471	2,524	1,053	42%



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

Appendix (a) – Variance Reports and Commentaries
Council – overall total

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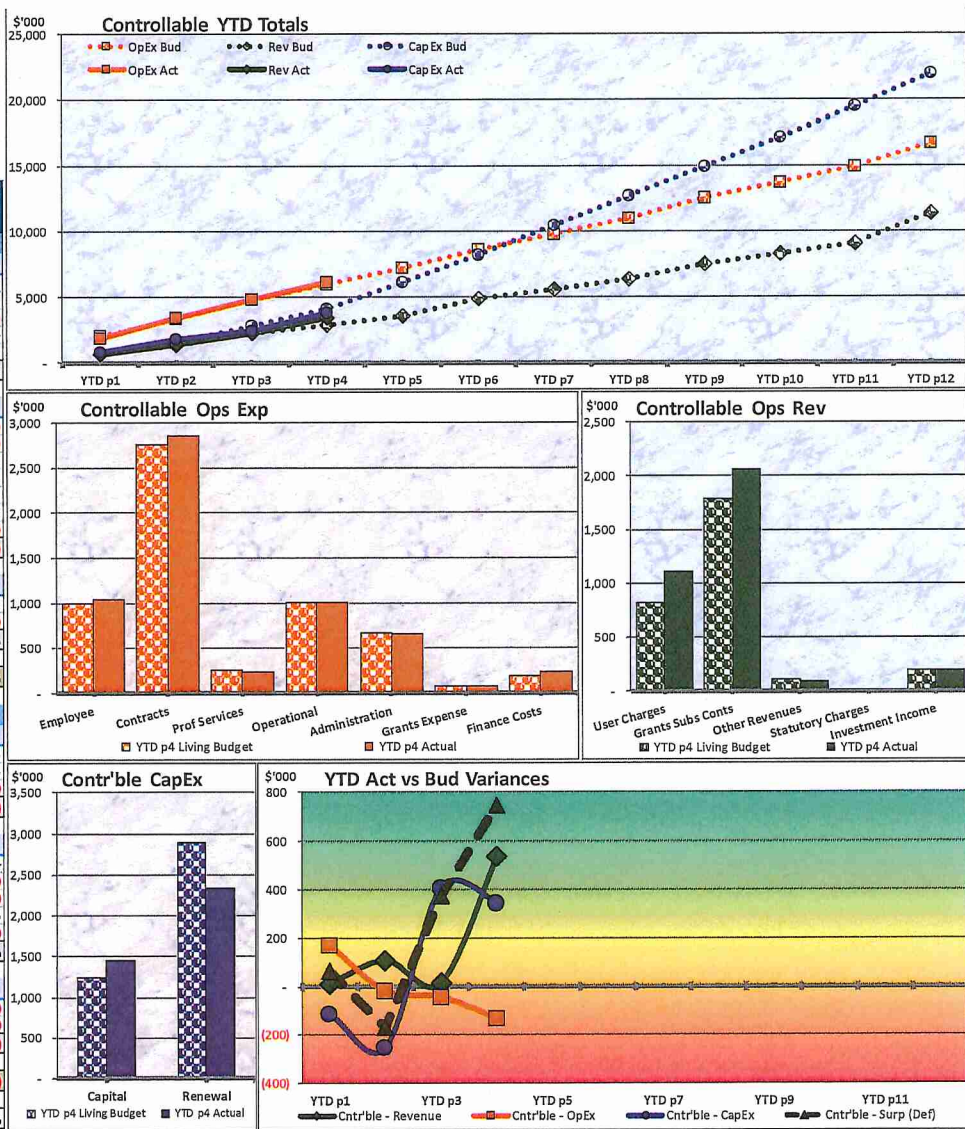
Level_01: Assets Group, CEO, Community S..., Council, Customer Ser...

Level_02: Management As..., Property, Roading, Solid Waste, Waters

Level_03: Amenity, Collection, Commercial, Community

Level_04: Ahuriri, Alredale, Ardgowan, Awamoko

	YTD Actual	FY Living Budget	YTD p4 Actual	YTD p4 Living Budget	YTD p4 Act vs Bud	YTD p4 Act vs Bud %
Controllable						
Revenue						
User Charges	(1,428)	(2,427)	(1,108)	(825)	283	34%
Grants Subsidies Contributions	(2,141)	(7,837)	(2,061)	(1,788)	273	15%
Other Revenues	(91)	(540)	(89)	(108)	(20)	(18%)
Statutory Charges	-	-	-	-	-	-
Investment Income	(196)	(775)	(196)	(194)	2	1%
Revenue Total	(3,855)	(11,378)	(3,453)	(2,915)	538	18%
Expense						
Employee Costs	1,077	2,867	1,034	1,000	(34)	(3%)
Contracts	2,910	8,593	2,856	2,754	(102)	(4%)
Professional Services	232	738	229	250	21	8%
Operational	1,024	2,475	1,001	1,006	4	0%
Administration	673	967	662	673	11	2%
Grants Expense	73	240	73	80	7	8%
Finance Costs	230	766	230	192	(38)	(20%)
Expense Total	6,219	16,646	6,087	5,955	(132)	(2%)
Capital Expense						
Renewal	2,360	11,051	2,340	2,899	559	19%
Capital	1,545	10,841	1,457	1,239	(218)	(18%)
Capital Expense Total	3,905	21,892	3,797	4,138	341	8%
Controllable Total	6,268	27,160	6,430	7,178	748	10%
Centrally Controlled						
Revenue						
Rates	(5,223)	(15,618)	(5,223)	(5,206)	17	0%
Sale Proceeds - Contra Sales	(278)	(134)	(271)	(45)	226	505%
Transfers from Reserves	(3,643)	(21,717)	(3,072)	(3,497)	(425)	(12%)
Revenue Total	(9,144)	(37,470)	(8,566)	(8,747)	(182)	(2%)
Expense						
Asset Disposal & Fair Value Adjus	-	-	-	-	-	-
Depreciation	5,094	10,033	3,399	3,344	(54)	(2%)
Overheads In	2,505	6,312	2,135	2,104	(31)	(1%)
Overheads Out	(3,522)	(8,470)	(2,994)	(2,823)	170	6%
Transfers to Reserves	402	1,023	402	399	(2)	(1%)
Expense Total	4,479	8,897	2,942	3,024	82	3%
Capital Expense						
Renewal	87	249	80	75	(5)	(6%)
Capital	441	1,163	433	295	(138)	(47%)
Capital Expense Total	528	1,412	513	370	(143)	(39%)
Centrally Controlled Total	(4,137)	(27,160)	(5,112)	(5,354)	(242)	(5%)
Surplus (-) / Deficit (+)	2,131	(0)	1,319	1,824	505	28%



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

Assets

Appendix (a) – Variance Reports and Commentaries (continued)

Appendix (a) – Variance Reports and Commentaries (continued)

Assets – Commentary

	last year YTD	this year YTD	budget YTD	variance YTD	Variance YTD%	Manager/Activity(s) Overview:	Solutions/Actions Overview:
Assets Group	5,377	6,430	7,178	748	10%	Income and expenditure is as expected for period 4.	Continue to monitor into period 5.
Assets_GM	109	130	124	(6)	(5%)	All on track as at period 4.	
Information_Technology	636	608	725	117	16%	With the department in flux the current Acting Manager is dealing with an historic and out dated budget plan which needs to be reviewed when the role is made permanent.	A Departmental review will align with a new budget strategy for 2017 / 2018
Property	753	1,414	1,074	(340)	(32%)	Income is slightly ahead of budget. Rents increased to market when they fall due. Capital and renewal expenditure is higher than budget mainly due to the Penguin Colony redevelopment. Expenses are considered and minimised wherever possible. Some planned project works has not yet been completed.	
Roading	1,182	1,562	2,725	1,163	43%	Programme of works underway with some renewal activities complete by the end of the second quarter	Roading unit to monitor programme and budgets. Income to be adjusted to correctly reflect expenditure and profiles to be reviewed and corrected if necessary.
Utilities_Solid_Waste	82	36	91	55	60%	Operating expenditure is tracking to budget. Unbudgeted landfill income is continuing to accumulate.	Landfill income will help ease the transition to a closed landfill operation
Utilities_Water	2,084	2,270	1,895	(375)	(20%)	Operating expenditure is tracking slightly above budget. Capital expenditure is showing a variance to budget which will be corrected via reserve transfers. Oamaru water is above budget, partially as a result of third party damage to infrastructure where costs will be recovered	
Utilities_Sewer	489	374	499	125	25%	Operating expenditure is generally tracking to budget. Oamaru sewer expenditure is above budget due to increased reactive works and logging operation works at the Oamaru Sewer Treatment Plant	
Utilities_Waste_Water	42	35	44	9	20%	Operating expenditure is tracking slightly below budget.	

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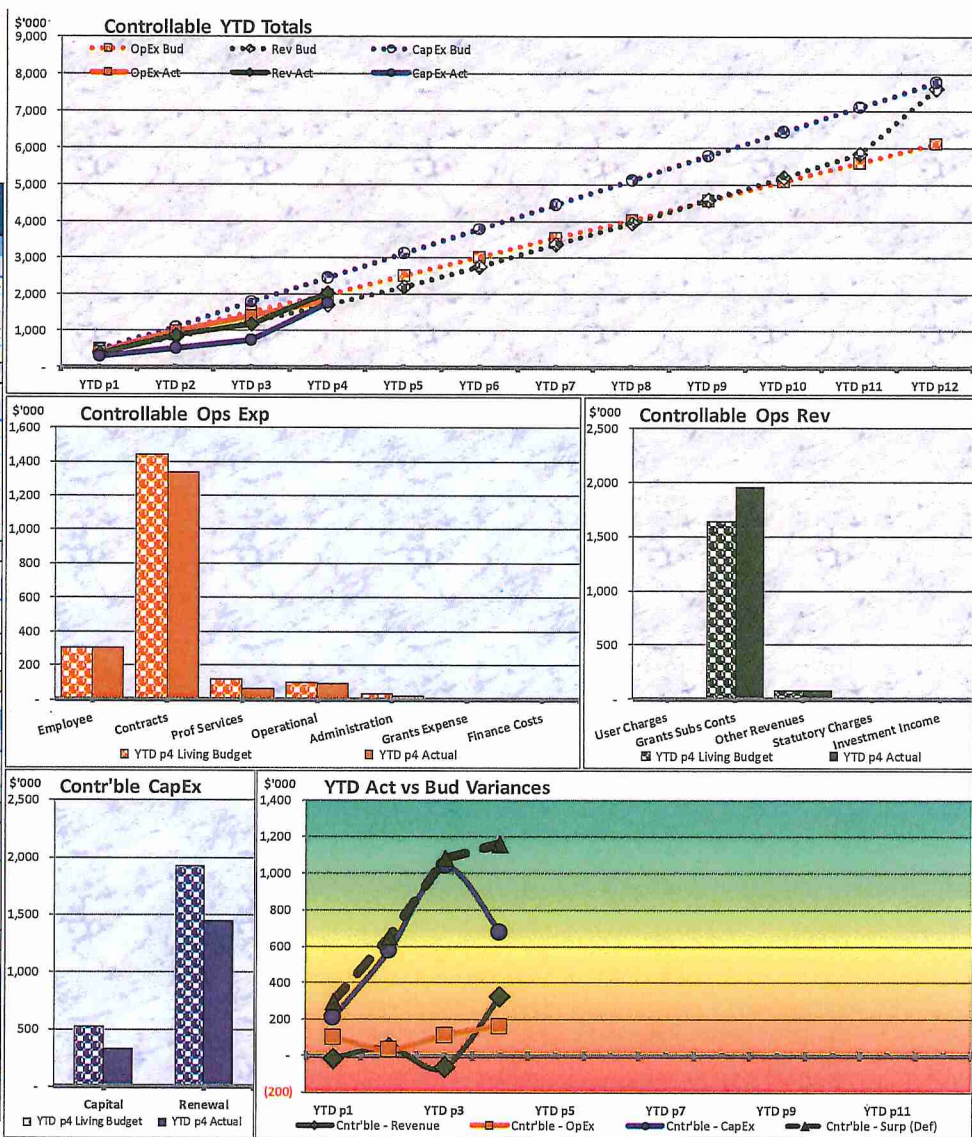
Level_01: Assets Group, CEO, Community S..., Council, Customer Ser...

Level_02: Management As..., Property, Rooding, Solid Waste, Waters

Level_03: Amenity, Financially Assis..., Management Roa..., Non-financially A..., Townships and T...

Level_04: Ahuriri, Capital New, Capital Renewal, Corriedale

	Full	Res	Act	Prjs	PrR	YTD Actual	FY Living Budget	YTD p4 Actual	YTD p4 Living Budget	YTD p4 Act vs Bud	YTD p4 Act vs Bud %
Controllable											
Revenue											
User Charges			(0)			(0)	-	(0)	-	0	-
Grants Subsidies Contributions			(1,965)			(1,965)	(7,157)	(1,960)	(1,634)	326	20%
Other Revenues			(77)			(77)	(447)	(76)	(77)	(1)	(1%)
Statutory Charges			-			-	-	-	-	-	-
Investment Income			(5)			(5)	(25)	(5)	(6)	(1)	(14%)
Revenue Total			(2,047)			(2,042)	(7,628)	(2,042)	(1,718)	325	19%
Expense											
Employee Costs			310			310	867	304	302	(2)	(1%)
Contracts			1,359			1,359	4,554	1,340	1,439	99	7%
Professional Services			66			66	350	66	117	50	43%
Operational			96			96	246	95	100	5	5%
Administration			23			23	94	19	31	12	38%
Grants Expense			-			-	-	-	-	-	-
Finance Costs			5			5	16	5	4	(1)	(36%)
Expense Total			1,859			1,830	6,126	1,992	1,992	162	8%
Capital Expense											
Renewal			1,448			1,448	6,124	1,448	1,927	479	25%
Capital			327			327	1,669	327	524	197	38%
Capital Expense Total			1,775			1,775	7,793	1,775	2,451	676	28%
Controllable Total			1,586			1,562	6,291	1,562	2,725	1,163	43%
Centrally Controlled											
Revenue											
Rates			(2,204)			(2,204)	(6,573)	(2,204)	(2,191)	13	1%
Sale Proceeds - Contra Sales			-			-	-	-	-	-	-
Transfers from Reserves			(1,510)			(1,510)	(5,659)	(1,061)	(1,624)	(563)	(35%)
Revenue Total			(3,714)			(3,265)	(12,233)	(3,265)	(3,815)	(549)	(14%)
Expense											
Depreciation			2,579			2,579	5,056	1,719	1,686	(34)	(2%)
Overheads In			722			722	1,728	640	575	(85)	(11%)
Overheads Out			(546)			(546)	(1,388)	(499)	(463)	36	8%
Transfers to Reserves			99			99	125	99	31	(68)	(217%)
Expense Total			2,854			1,959	5,519	1,829	1,829	(130)	(7%)
Capital Expense											
Renewal			27			27	153	23	51	28	56%
Capital			30			30	269	28	71	43	60%
Capital Expense Total			56			56	422	51	122	71	58%
Centrally Controlled Total			(804)			(1,255)	(6,292)	(1,255)	(1,863)	(608)	(33%)
Surplus (-) / Deficit (+)			782			(0)		307	862	555	64%



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

Appendix (a) – Variance Reports and Commentaries (continued)

Rooding

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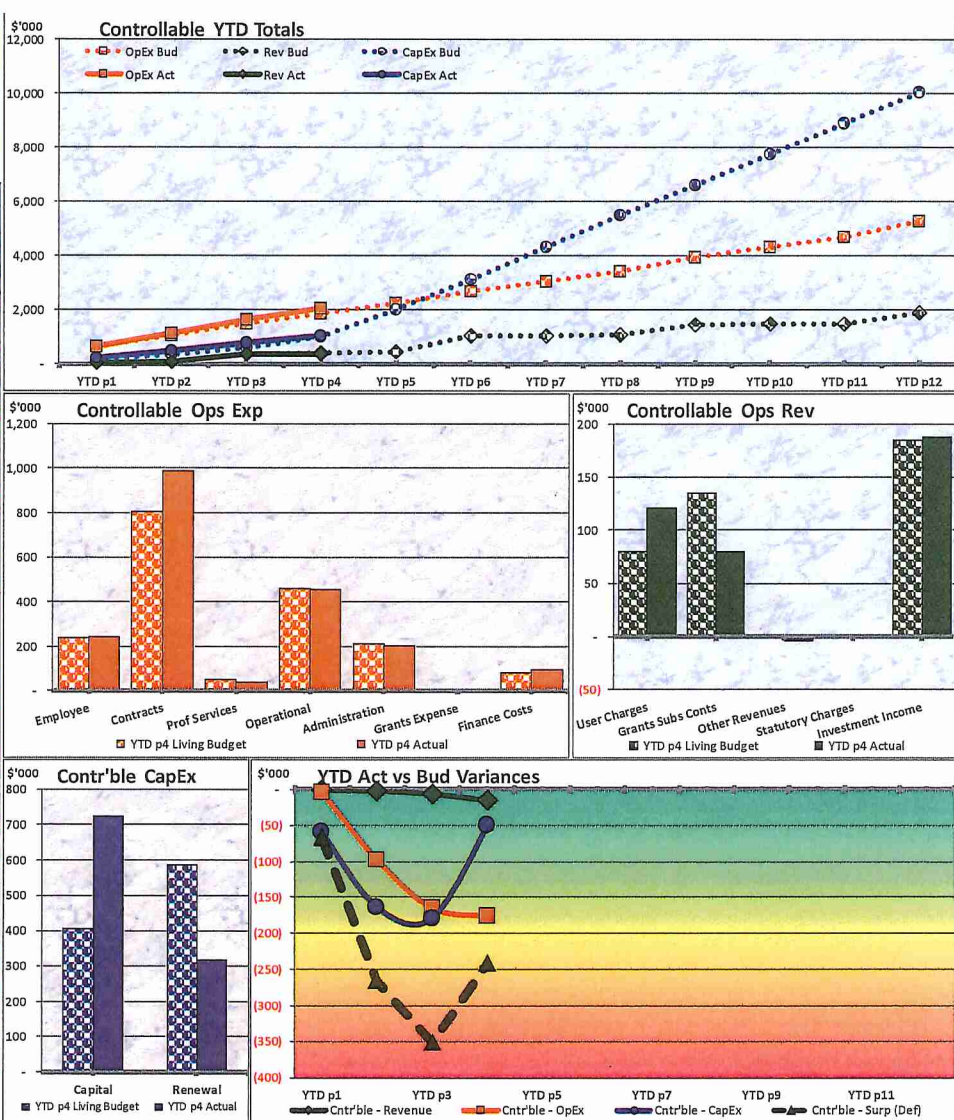
Level_01: Assets Group, CEO, Community S..., Council, Customer Ser...

Level_02: Management As..., Property, Rooding, Solid Waste, Waters

Level_03: Management Wa..., Sewerage, Stormwater, Water

Level_04: Awamoko, Dunback, Duntroon, Enfield

	Full	Res	Act	Prjs	PrR	YTD Actual	FY Living Budget	YTD p4 Actual	YTD p4 Living Budget	YTD p4 Act vs Bud	YTD p4 Act vs Bud %
Controllable											
Revenue											
User Charges			(182)			(751)	(121)	(80)	41	51%	
Grants Subsidies Contributions			(154)			(405)	(80)	(135)	(55)	(41%)	
Other Revenues			4			-	4	(4)			
Investment Income			(187)			(740)	(187)	(185)	2	1%	
Revenue Total			(520)			(1,896)	(384)	(400)	(16)	(4%)	
Expense											
Employee Costs			258			685	244	239	(6)	(2%)	
Contracts			1,002			2,608	989	803	(186)	(23%)	
Professional Services			37			150	37	50	13	27%	
Operational			472			1,230	454	460	6	1%	
Administration			203			275	202	214	12	6%	
Finance Costs			98			329	98	82	(16)	(19%)	
Expense Total			2,070			5,277	2,024	1,849	(176)	(9%)	
Capital Expense											
Renewal			325			2,393	316	586	270	46%	
Capital			725			7,658	724	404	(320)	(79%)	
Capital Expense Total			1,050			10,051	1,040	990	(51)	(5%)	
Controllable Total			2,600			13,432	2,680	2,439	(242)	(10%)	
Centrally Controlled											
Revenue											
Rates			(2,426)			(7,272)	(2,426)	(2,424)	1	0%	
Sale Proceeds - Contra Sales											
Transfers from Reserves			(905)			(11,183)	(860)	(878)	(18)	(2%)	
Revenue Total			(3,331)			(18,455)	(3,286)	(3,302)	(17)	(1%)	
Expense											
Depreciation			1,442			2,867	961	956	(5)	(1%)	
Overheads In			1,092			2,891	909	964	55	6%	
Overheads Out			(866)			(2,218)	(739)	(739)	(1)	(0%)	
Transfers to Reserves			267			794	267	316	49	15%	
Expense Total			1,934			4,334	1,398	1,496	97	7%	
Capital Expense											
Renewal			54			96	51	24	(27)	(111%)	
Capital			191			593	165	148	(37)	(25%)	
Capital Expense Total			245			689	236	172	(63)	(37%)	
Centrally Controlled Total			(1,152)			(13,432)	(1,652)	(1,634)	17	1%	
Surplus (-) / Deficit (+)			1,448			0	1,028	804	(224)	(28%)	



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

Appendix (a) – Variance Reports and Commentaries (continued) Water, Sewer, Stormwater

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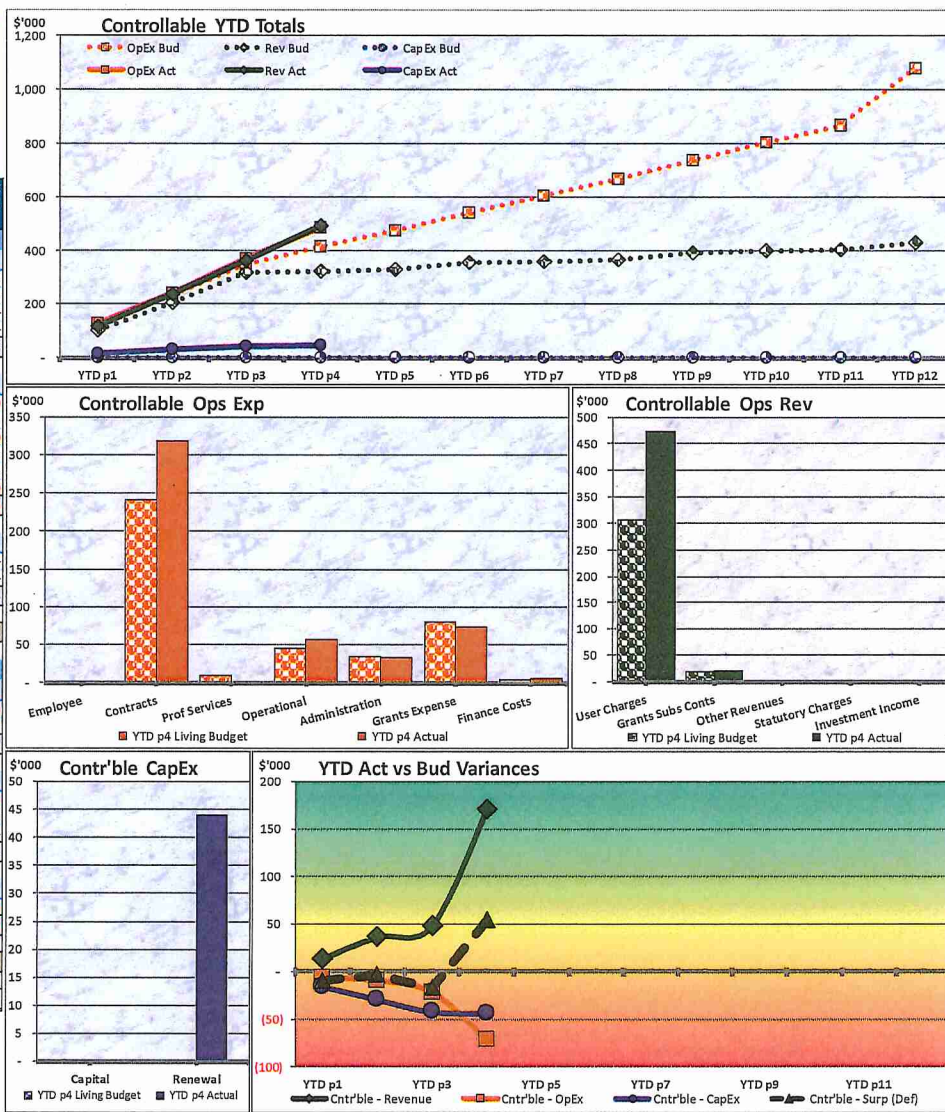
Level_01
Assets Group: CEO
Community S...: Council
Customer Ser...:

Level_02
Management As...
Property
Roading
Solid Waste
Waters

Level_03
Collection
Waste Disposal ...
Accounting Servi...
Ahuriri

Level_04
Ahuriri
Closed Landfill
Contaminated S...
Conriedale
Oamaru

	Full	Res	Act	Prjs	PrR	YTD Actual	FY Living Budget	YTD p4 Actual	YTD p4 Living Budget	YTD p4 Act vs Bud	YTD p4 vs Bud %
Controllable											
Revenue											
User Charges			(493)			(356)	(473)	(305)	167	55%	
Grants Subsidies Contributions			(21)			(79)	(21)	(19)	2	10%	
Other Revenues			(1)			-	(1)	-	1	-	
Statutory Charges			-			-	-	-	-	-	
Revenue Total			(515)			(431)	(494)	(324)	170	53%	
Expense											
Contracts			318			583	318	241	(77)	(32%)	
Professional Services			-			29	-	10	10	100%	
Operational			48			138	57	45	(11)	(25%)	
Administration			36			72	33	35	2	5%	
Grants Expense			73			240	73	80	7	8%	
Finance Costs			6			18	6	4	(1)	(24%)	
Expense Total			481			1,080	486	415	(71)	(17%)	
Capital Expense											
Renewal			45			-	44	-	(44)	-	
Capital			-			-	-	-	-	-	
Capital Expense Total			45			-	44	-	(44)	-	
Controllable Total			11			649	36	91	55	60%	
Centrally Controlled											
Revenue											
Rates			(350)			(1,051)	(350)	(350)	(0)	(0%)	
Transfers from Reserves			(55)			(31)	(51)	(8)	43	514%	
Revenue Total			(405)			(1,082)	(401)	(359)	42	12%	
Expense											
Depreciation			39			54	26	18	(8)	(46%)	
Overheads In			84			258	71	86	15	17%	
Transfers to Reserves			-			-	-	-	-	-	
Expense Total			123			312	98	104	6	6%	
Capital Expense											
Capital			34			121	34	30	(4)	(14%)	
Capital Expense Total			34			121	34	30	(4)	(14%)	
Centrally Controlled Total			(248)			(649)	(269)	(224)	45	20%	
Surplus (-) / Deficit (+)			(237)			-	(233)	(133)	99	74%	



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

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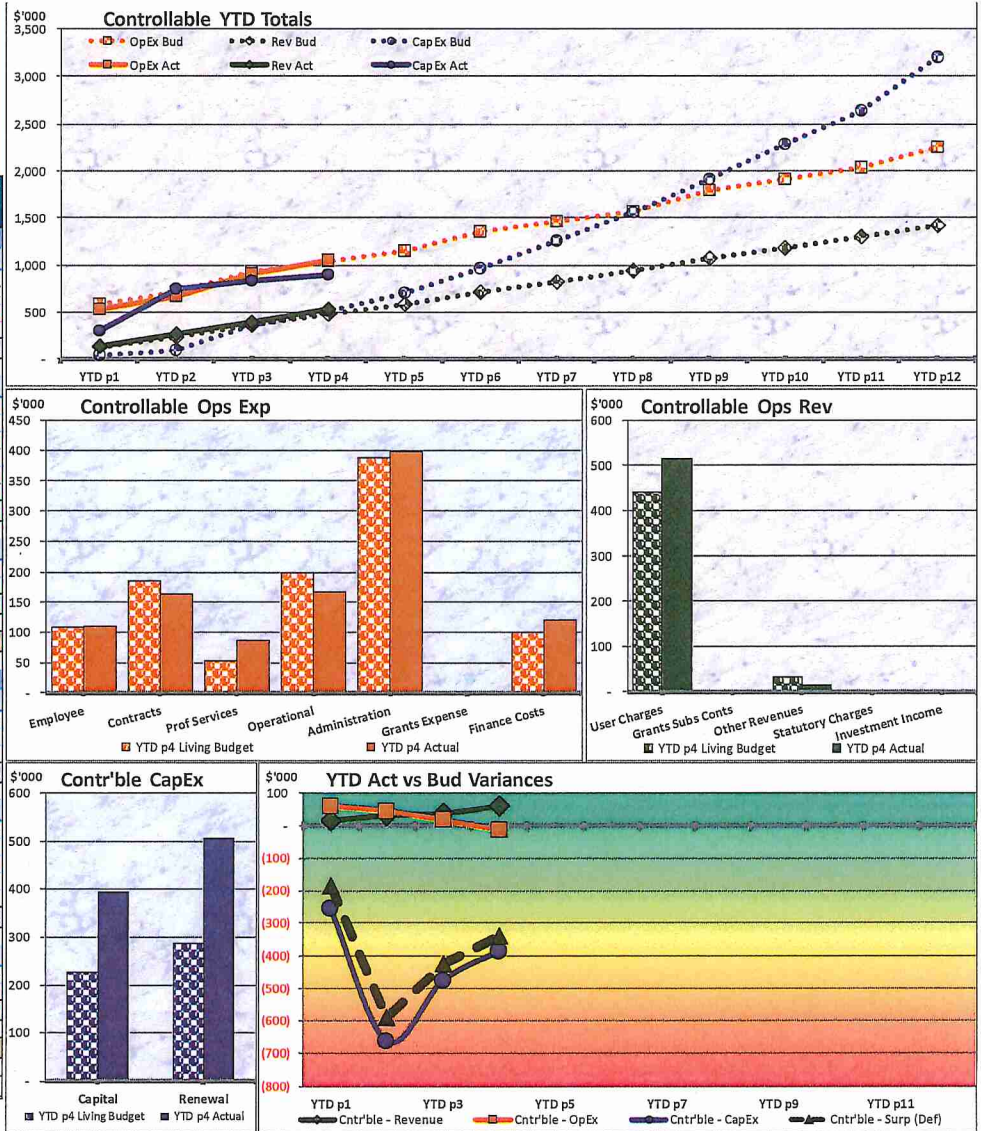
Level_01: Assets Group, CEO, Community S..., Council, Customer Ser...

Level_02: Management As..., Property, Roading, Solid Waste, Waters

Level_03: Commercial, Community, Halls and Comm..., Management Pro..., Property Holdings

Level_04: Airedale, Ardgowan, Awamoko, Breakwater Coa...

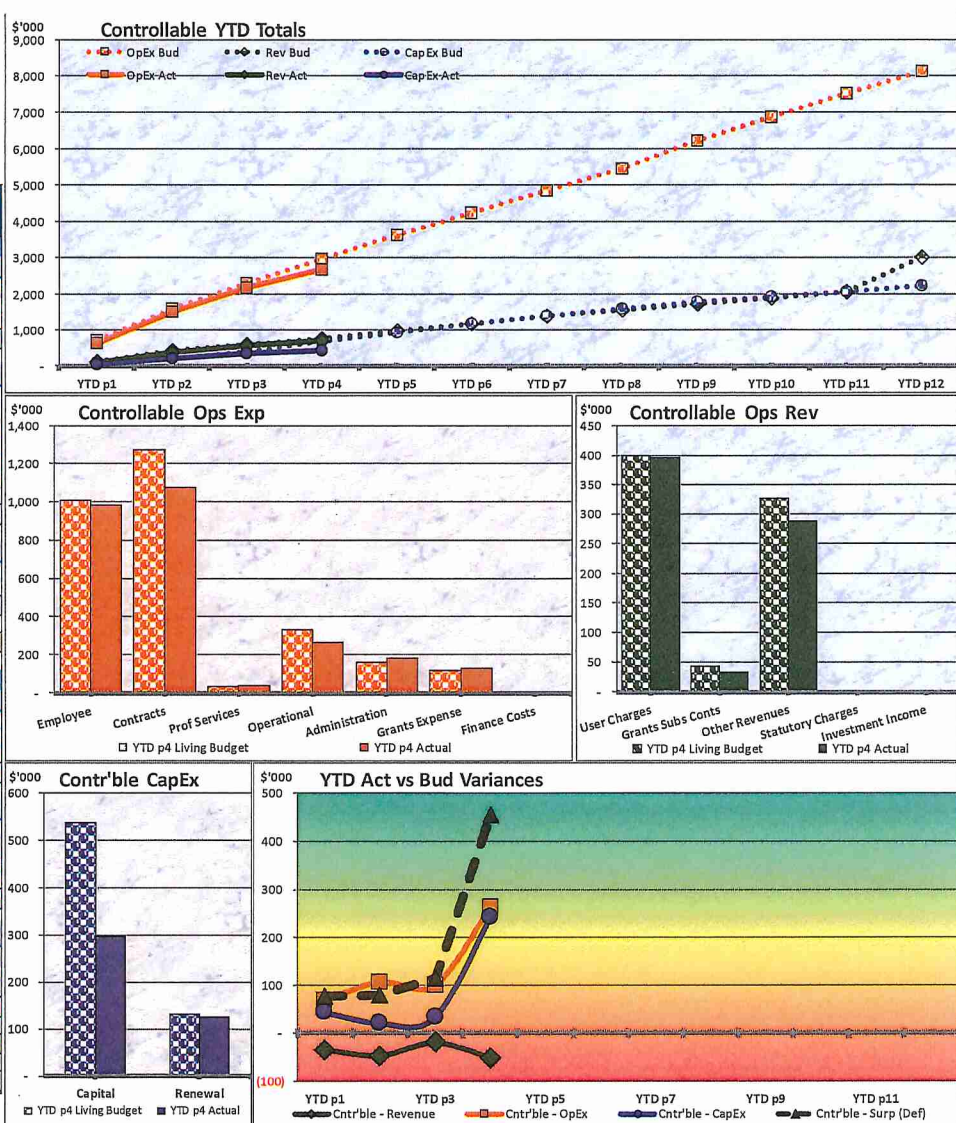
	Full	Res	Act	Prjs	PrR	YTD Actual	FY Living Budget	YTD p4 Actual	YTD p4 Living Budget	YTD p4 Act vs Bud	YTD p4 Act vs Bud %
Controllable											
Revenue											
User Charges			(753)			(1,320)	(515)	(440)	75	17%	
Grants Subsidies Contributions			(1)			(0)			0		
Other Revenues			(17)			(93)	(15)	(31)	(16)	(52%)	
Investment Income			(3)			(10)	(3)	(2)	1	26%	
Revenue Total			(774)			(1,423)	(533)	(474)	59	12%	
Expense											
Employee Costs			114			312	110	109	(1)	(1%)	
Contracts			185			593	164	186	22	12%	
Professional Services			89			160	86	53	(33)	(63%)	
Operational			170			276	167	199	32	16%	
Administration			405			511	398	388	(10)	(3%)	
Finance Costs			120			399	120	100	(21)	(21%)	
Expense Total			1,084			2,250	1,047	1,035	(11)	(1%)	
Capital Expense											
Renewal			515			2,049	506	286	(220)	(77%)	
Capital			481			1,154	394	226	(168)	(74%)	
Capital Expense Total			996			3,202	900	512	(388)	(76%)	
Controllable Total			1,307			4,030	1,414	1,074	(340)	(32%)	
Centrally Controlled											
Revenue											
Rates			(244)			(722)	(244)	(241)	3	1%	
Sale Proceeds - Contra Sales			(248)			(50)	(248)	(17)	232	1,402%	
Transfers from Reserves			(1,134)			(4,108)	(1,061)	(835)	227	27%	
Revenue Total			(1,626)			(4,880)	(1,553)	(1,092)	461	42%	
Expense											
Asset Disposal & Fair Value Adjus			-			-	-	-	-	-	
Depreciation			811			1,627	541	542	1	0%	
Overheads In			434			1,018	374	339	(35)	(10%)	
Overheads Out			(940)			(2,074)	(797)	(691)	106	15%	
Transfers to Reserves			35			104	35	52	17	33%	
Expense Total			340			675	153	242	89	37%	
Capital Expense											
Renewal			-			-	-	-	-	-	
Capital			184			175	184	44	(140)	(320%)	
Capital Expense Total			184			175	184	44	(140)	(320%)	
Centrally Controlled Total			(1,102)			(4,030)	(1,216)	(806)	410	51%	
Surplus (-) / Deficit (+)			204			-	198	268	70	26%	



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

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Level_01	Level_02	Level_03	Level_04	Full	Res	Act	Prjs	PrR	YTD Actual	FY Living Budget	YTD p4 Actual	YTD p4 Living Budget	YTD p4 Act vs Bud	YTD p4 Act vs Bud %
Assets Group	CEO	Community Safety	Archive											
Community S...	Council	Gallery & Museum	Branch Libraries											
Customer Ser...		General Grants	Cafe											
		Libraries	Camping Grounds											
		Management Co...	Monuments											
Controllable														
Revenue														
User Charges						(502)			(1,315)		(395)		(400)	(5)
Grants Subsidies Contributions						(34)			(903)		(33)		(42)	(9)
Other Revenues						(293)			(793)		(288)		(328)	(39)
Revenue Total						(829)			(3,011)		(715)		(768)	(53)
Expense														
Employee Costs						1,024			2,875		983		1,007	24
Contracts						1,107			3,621		1,077		1,274	197
Professional Services						54			114		37		34	(3)
Operational						264			804		262		334	71
Administration						188			369		178		161	(17)
Grants Expense						135			300		129		118	(11)
Finance Costs						8			41		8		10	3
Expense Total						2,780			8,123		2,675		2,940	265
Capital Expense														
Renewal						143			432		125		130	6
Capital						318			1,796		298		535	237
Capital Expense Total						461			2,228		423		665	243
Controllable Total						2,412			7,341		2,382		2,837	455
Centrally Controlled														
Revenue														
Rates						(2,720)			(8,148)		(2,720)		(2,716)	4
Sale Proceeds - Contra Sales						(2)			-		(2)		-	2
Transfers from Reserves						(569)			(2,852)		(508)		(640)	(131)
Revenue Total						(3,290)			(11,000)		(3,230)		(3,356)	(126)
Expense														
Depreciation						568			1,158		380		386	6
Overheads In						911			2,643		727		880	153
Overheads Out						(248)			(1,104)		(190)		(368)	(177)
Transfers to Reserves						31			50		31		20	(11)
Expense Total						1,262			2,746		947		918	(29)
Capital Expense														
Renewal						5			-		5		-	(5)
Capital						54			913		54		31	(23)
Transfers to Reserves						-			-		-		-	-
Capital Expense Total						59			913		59		31	(28)
Centrally Controlled Total						(1,969)			(7,341)		(2,223)		(2,408)	(183)
Surplus (-) / Deficit (+)						443			(0)		159		431	272



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

Appendix (a) – Variance Reports and Commentaries (continued) Community Services

Appendix (a) – Variance Reports and Commentaries (continued)

Community Services – Commentary

	last year YTD	this year YTD	budget YTD	variance YTD	Variance YTD%	Manager/Activity(s) Overview:	Solutions/Actions Overview:
Community Services Group	2,126	2,375	2,837	462	16%	Parks: \$143,000 is attributed to finalising the Whitestone contract. A significant part is capital projects not stated yet. Start of the year reflects the timing of projects and the seasonality of the Opera House. The monthlong closure of the Aquatic Centre shows a 11% negative variance and a 19K Capital over expenditure in this period. The Rest of the varians is related to timing of projects, expenditure and revenue.	Monitoring the activities. An rephasing Aquatics, Camping, Parks and Sportfield budgets.
Community_GM	191	228	204	(23)	(11%)	Timing of grants, will even out over year.	No action required
Aquatic_Centre	179	271	244	(27)	(11%)	Revenue 38K under budget as Aquatic centre closed one month and Budget evenly distributed over year. Capital expense 19K over budget as closedown work completed but budget phased over year.	Budgets rephased.
Community_Safety	32	25	47	21	46%	Reduced expenses due to timing of projects.	No action required.
Gallery_Museum	290	257	314	58	18%	Reduced income due to focus upon revenue raising through grants being focus of Cultural Facility Development Project (CFDP) and focus of output also related to CFDP rather than revenue at this time.	No action required.
Library	291	352	341	(10)	(3%)	We have started paying for the RFID equipment	Continue to monitor
Oamaru_Opera_House	131	108	128	20	16%	The Opera House has had a quiet start to the financial year as there have been no touring productions booked into the Opera House over the first two months. The room bookings have been on a par with previous years and the winter months are generally quieter. Unfortunately we have been plagued with influenza this year, which has increased demands on staffing.	Leading into the end of the year we continue to be busy with Whitestone Contracting auditorium productions hosting 3 local productions, 5 international shows, 2 NZ touring shows and a full heritage week programme, including school tours. Two full houses reported over Heritage weekend and one near full house on the following Tuesday for the Russian Ballet.
Parks_and_Recreation	1,013	1,134	1,558	424	27%	Camping - Revenue 63K up on budget due to season passes sold. Capital expense 63K down on budget due to Sailors and Falstone discharge fields to be completed in Autumn 2017. Cemetery - Cemetery plot sales 10K down on budget. Contract expenses 33K behind budget due to Whitestone final claim not settled. Forestry - Operational expense 6K over budget due to phasing of replanting and release spraying. Capital 9K over budget due to work required to reinstate fences from harvest. Management Parks - Revenue 39K behind budget due to reserve transfers for film set needed. Expenses 9K over budget due to project manager costs. Public Gardens - Contractors 43K behind budget due to final settlement with Whitestone incomplete. Parks - Contractors 62K behind budget due to final settlement with Whitestone not completed. Capital 54K underspent - Waiting to discuss work with new community boards and work delayed on Waihemo walkways. Toilets - Contractors 38K behind budget due to final settlement with Whitestone not completed. Sportsfields - 65K Capital underspent as work on Mill Domain not scheduled until Autumn and King George Park scheduled for 2017/18	Camping - Rephase Cemetery - Monitor Forestry - No Action. Operational phasing will catch up. Capital costs will be met by transfer from reserves. Management Parks - 5K Project Manager costs to be recovered from Capital Projects. Management Parks - Film set revenue to be transferred from reserves as part of the final accounting. Project Manager costs to be recovered from Capital Projects. Public Gardens - Will correct with final settlement. Parks - Rephase capital. Toilets - No Action. Sportsfields - Rephase

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Level_01

Assets Group

CEO

Community S...

Council

Customer Ser...

Level_02

Emergency Serv...

Management Cu...

Planning

Policy Development

Regulatory Servic...

Level_03

Alcohol Licensing

Animal Control

Building Control

CCT Oamaru

Level_04

Parking Enforce...

Parking Facilities

Ahuriri

Airedale

Full

Res

Act

Prjs

PrR

YTD Actual

FY Living Budget

YTD p4 Actual

YTD p4 Living Budget

YTD p4 Act vs Bud

YTD p4 Act vs Bud %

Controllable

Revenue

User Charges

(101)

(339)

(81)

(80)

1

1%

Grants Subsidies Contributions

(84)

(80)

(67)

(30)

37

123%

Other Revenues

(13)

(40)

(10)

(13)

(3)

(23%)

Statutory Charges

(733)

(1,408)

(636)

(609)

27

4%

Revenue Total

(930)

(1,877)

(794)

(732)

62

8%

Expense

Employee Costs

1,128

3,316

1,040

1,138

98

9%

Contracts

151

412

145

122

(23)

(19%)

Professional Services

105

519

100

115

15

13%

Operational

140

550

140

237

97

41%

Administration

91

286

83

102

19

18%

Grants Expense

2

-

2

-

(2)

-

Finance Costs

-

-

-

-

-

-

Expense Total

1,618

5,083

1,510

1,713

203

12%

Capital Expense

Renewal

-

42

-

8

8

100%

Capital

2

500

2

-

(2)

-

Capital Expense Total

2

542

2

8

6

76%

Controllable Total

689

3,748

718

989

271

27%

Centrally Controlled

Revenue

Rates

(879)

(2,618)

(879)

(873)

6

1%

Sale Proceeds - Contra Sales

-

-

-

-

-

-

Transfers from Reserves

(3)

(1,155)

(3)

(133)

(130)

(97%)

Revenue Total

(883)

(3,773)

(883)

(1,006)

(123)

(12%)

Expense

Depreciation

31

64

21

21

0

2%

Overheads In

1,829

4,482

1,574

1,484

(81)

(5%)

Overheads Out

(1,896)

(4,626)

(1,617)

(1,542)

75

5%

Transfers to Reserves

73

105

73

26

(47)

(180%)

Expense Total

37

25

52

(1)

(53)

(9,620%)

Capital Expense

Renewal

-

-

-

-

-

-

Capital

-

-

-

-

-

-

Capital Expense Total

-

-

-

-

-

-

Centrally Controlled Total

(845)

(3,748)

(831)

(1,006)

(176)

(17%)

Surplus (-) / Deficit (+)

(156)

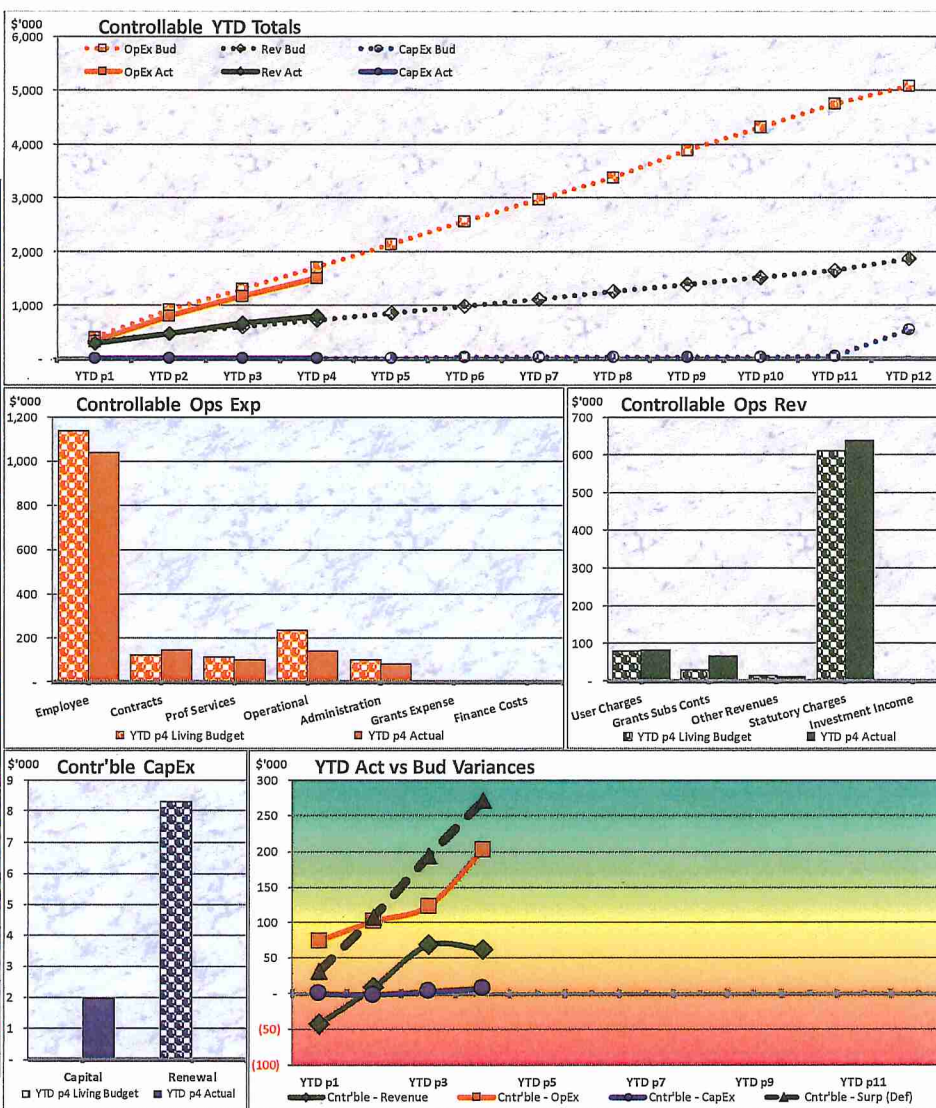
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(112)

(17)

95

544%

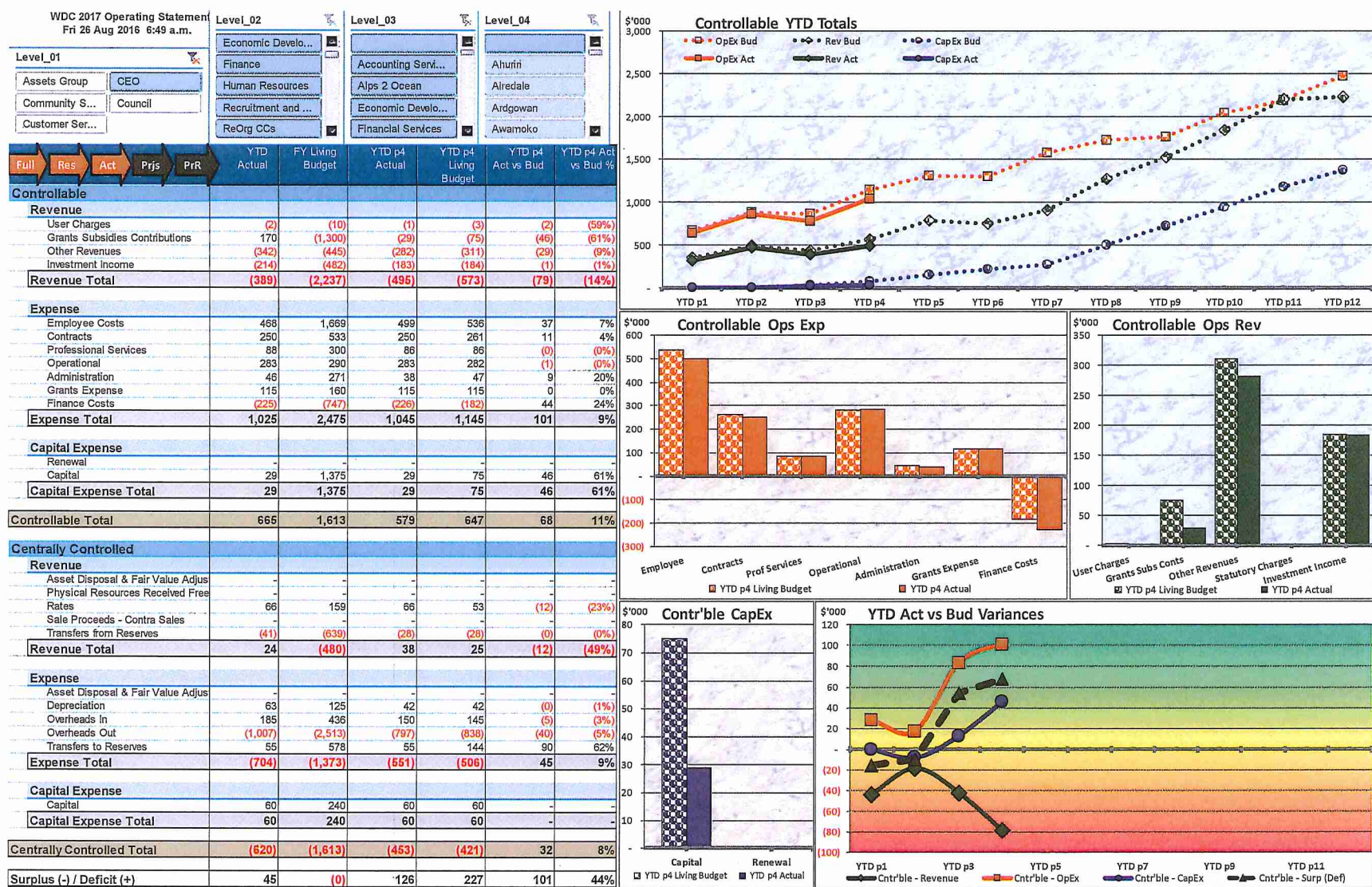


*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

Appendix (a) – Variance Reports and Commentaries (continued)

Customer Services – Commentary

	last year YTD	this year YTD	budget YTD	variance YTD	Variance YTD%	Manager/Activity(s) Overview:	Solutions/Actions Overview:
Customer Services Group	682	721	989	268	27%	Regulatory: Overall the Regulatory Units budget is tracking fine. There is minimal variance in activities at Period 4 except in relation to grant payments to ORFA which were budgeted to be made in advance rather than in the first month of each quarter. The Planning variance is primarily due to the level of financial contributions received to date. Operationally it is within expectations.	Regulatory: Keep monitoring budget Continue to monitor variances and apply corrective actions where required.
Customer_GM	103	68	107	39	36%	Underspend in consultant lines. This is expected to even out over the 12 months.	Continue to monitor and take corrective action as required.
Customer_Contact	178	184	183	(1)	(1%)		
Emergency_Services	180	173	296	123	41%	Costs meet expectations. No variances to comment on.	N/A
Planning	90	87	170	84	49%		
Policy	159	142	165	23	14%	The current surplus created by employee costs is forecasted to be a deficit as the financial year progresses. This deficit will reflect the use of contractors to deliver a policy project improving the quality of advice to the executive and Council.	
Regulatory	(27)	68	69	1	2%	Overall regulatory budget is 6% over revenue \$32k and 5% overspent \$27K. We are doing what is needed to manage current work load.	Monitor and prepare business case for additional support to address outstanding IANZ recommendations.



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

Chief Executive
Appendix (a) – Variance Reports and Commentaries (continued)

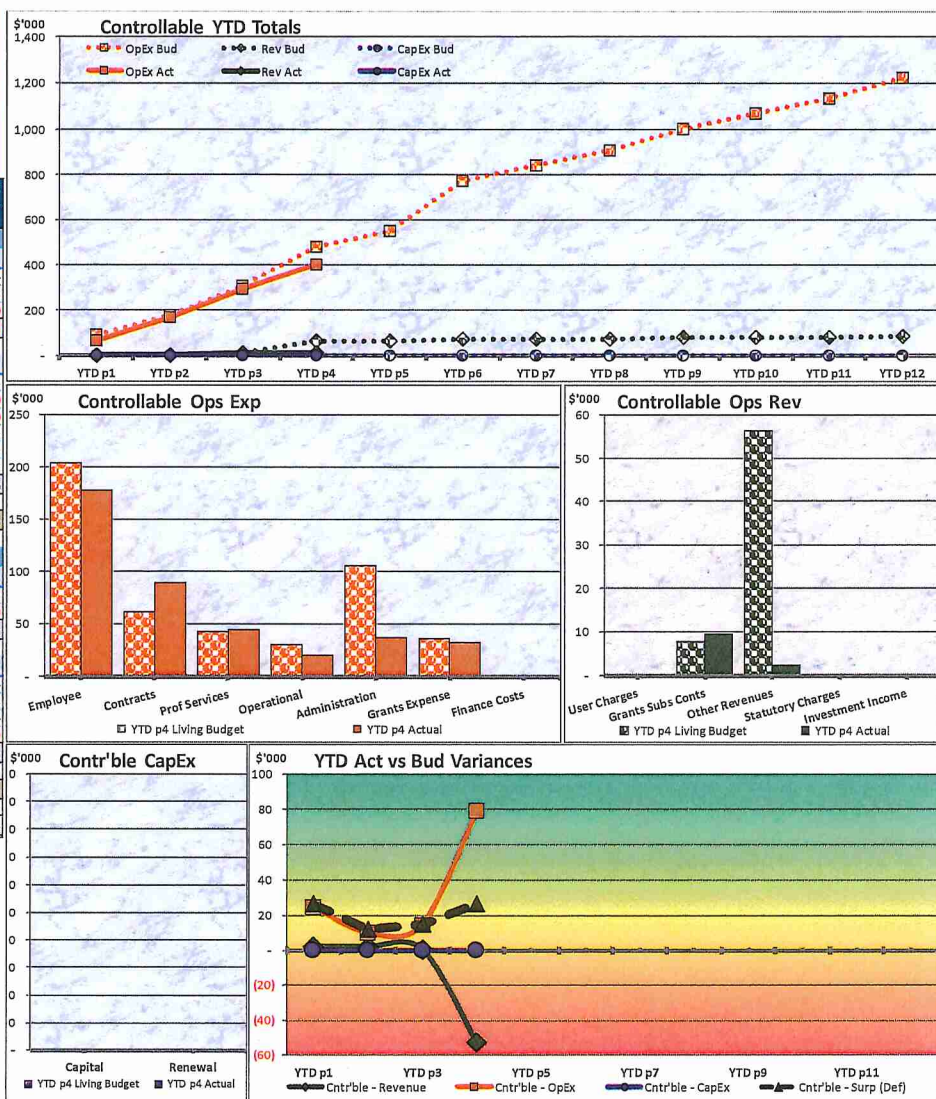
Appendix (a) – Variance Reports and Commentaries (continued)

Chief Executive – Commentary

		last year YTD	this year YTD	budget YTD	variance YTD	Variance YTD%	Manager/Activity(s) Overview:	Solutions/Actions Overview:
CEO		837	575	647	72	11%	Treasury will be covered in detail in the treasury section of the report. The drivers are more funds being available because of property sales and a lower drawdown from ORV, and stabilised interest rates. The other variances are driven by two vacancies.	The treasury variance is positive and it is hoped this will grow. Recruitment for the vacancies is underway, the cost of which will be funded from the savings to date.
CEO		236	150	150	(1)	(0%)	As this activity is on budget no commentary is required.	No required.
Finance	Economic Development	499	375	365	(10)	(3%)	The main variance comes from Business Analyst vacancy and will be partially off-set by transitional costs from the rates team as there will be a 8 week overlap. Treasury to be covered in the Treasury Report	Any saving is likely to be offset by recruitment costs so no action at present.
	Finance	402	365	407	42	10%		
	Treasury	(375)	(405)	(386)	20	5%		
	ReOrg CCs	0	-	-	-	-		
Human_Resources		76	90	111	21	19%	Timing issues. Will be resolved. Health and Safety Advisor position in final stage of selection at present.	

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Level_01	Level_02	Level_03	Level_04	Full	Res	Act	Prjs	PrR	YTD Actual	FY Living Budget	YTD p4 Actual	YTD p4 Living Budget	YTD p4 Act vs Bud	YTD p4 Act vs Bud %
Assets Group	CEO													
Community S...	Council													
Customer Ser...														
	Community Boards													
	Election	Ahurihi	Ahurihi											
	Reporting	Annual Plan LTP	Alredale											
	Waitaki District ...	Annual Reports	Ardgowan											
	Aquatic Centre	Walhemo	Awamoko											
Controllable														
Revenue														
	User Charges													
	Grants Subsidies Contributions								(9)	(31)	(9)	(8)	2	22%
	Other Revenues								(2)	(56)	(2)	(56)	(54)	(96%)
	Revenue Total								(12)	(87)	(12)	(64)	(52)	(82%)
Expense														
	Employee Costs								222	543	178	203	26	13%
	Contracts								89	62	89	62	(28)	(45%)
	Professional Services								2	127	44	42	(2)	(4%)
	Operational								20	30	20	30	9	32%
	Administration								40	172	36	106	69	66%
	Grants Expense								32	286	32	36	4	11%
	Expense Total								405	1,221	400	479	79	16%
Controllable Total									393	1,133	389	415	26	6%
Centrally Controlled														
Revenue														
	Rates								(1,192)	(3,497)	(1,192)	(1,166)	26	2%
	Transfers from Reserves								(73)	(318)	(73)	(80)	(7)	(9%)
	Revenue Total								(1,264)	(3,815)	(1,264)	(1,246)	19	1%
Expense														
	Depreciation								-	-	-	-	-	-
	Overheads In								1,048	2,642	832	881	48	5%
	Overheads Out								-	-	-	-	-	-
	Transfers to Reserves								23	40	23	10	(13)	(130%)
	Expense Total								1,071	2,682	855	891	35	4%
Centrally Controlled Total									(193)	(1,133)	(409)	(355)	54	15%
Surplus (-) / Deficit (+)									200	-	(20)	60	80	134%



*For Variances (Act vs Bud), Positive=Surplus, Negative=Deficit * Key: Act=Actual, Bud=Budget, YTD=Year to Date, pX=Period X

Appendix (a) – Variance Reports and Commentaries (continued)

Council