



Te Kaunihera-ā-Rohe o Ngāmotu

NEW PLYMOUTH DISTRICT COUNCIL

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## **MEETING AGENDA**

# **FINANCE SUBCOMMITTEE**

**Wednesday 28 May 2014**

**at 4.30pm**

**Council Chamber**

**Chairperson**

Cr Richard Handley

**Members:**

Cr Keith Allum

Cr Colin Johnston

Cr Craig McFarlane

Cr Marie Pearce

Mayor Andrew Judd

## FINANCE SUBCOMMITTEE WEDNESDAY 28 MAY 2014

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### **Addressing the subcommittee**

Members of the public have an opportunity to address subcommittees during the public forum section or as a deputation.

*A public forum section* of up to 30 minutes precedes all subcommittee meetings. Each speaker during the public forum section of a meeting may speak for up to 10 minutes. In the case of a group a maximum of 20 minutes will be allowed.

A request to make a *deputation* should be made to the secretariat within two working days before the meeting. The chairperson will decide whether your deputation is accepted. The chairperson may approve a shorter notice period. No more than four members of a deputation may address a meeting. A limit of 10 minutes is placed on a speaker making a presentation. In the case of a group a maximum of 20 minutes will be allowed.

### **Definitions in reports**

The reports contained in this agenda address the requirements of the Local Government Act 2002 in relation to decision making. For the purpose of clarity, the following definitions apply:

*Significance assessment* refers to the degree of importance in terms of its likely impact on the current and future well-being of the district, as articulated by the seven Community Outcomes (Connected, Prosperous, Secure and Healthy, Skilled, Sustainable, Together and Vibrant); the persons likely to be affected by, or interested in, the matter; and the extent to which strength of feeling exists or is known to exist on the issue; changes or potential changes to the levels of services currently offered to the community and therefore the current and future capacity of the council to perform its roles, and the financial and other costs of doing so.

*Views of those affected* refers to those persons, including tangata whenua, who are likely to be affected by, or have an interest in, the issue. A description of the affected parties, a description of the processes, methods and levels of consultation used to identify their views, along with a summary of those views will provide a means of presenting the community viewpoint on the issue. Where the views of those affected have not yet been sought, the future means of seeking those views will be set out.

*Tangata whenua considerations* refers to those matters that the local authority must assess in relation to its undertaking of decisions. Where an option for the achievement of the objective of a decision involves a significant matter in relation to land or bodies of water, the local authority must take into account the relationship of Maori, and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna and other taonga.

**FINANCE SUBCOMMITTEE  
WEDNESDAY 28 MAY 2014**

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**APOLOGIES**

Cr Craig McFarlane

**PUBLIC FORUM**

None advised.

**DEPUTATIONS**

None advised.

**A ITEMS FOR DECISION BY COMMITTEE**

**A1 MINUTES**

*Recommendation*

That the minutes of the Finance Subcommittee meeting held on 5 May 2014 be confirmed as a true and accurate record.

**B ITEMS FOR RECOMMENDATION TO COUNCIL**

**B1 FINANCIAL UPDATE REPORT APRIL 2014**

The purpose of this report is to present the financial results of the Council for the 10 months to the end of April 2014.

**B2 EXCLUSION OF THE PUBLIC FROM THE REMAINDER OF THE MEETING**

This report details items that are recommended should be considered with the public excluded, and the reason for excluding the public.



**FINANCE SUBCOMMITTEE**

- FILE REFERENCE:** DP-14-02 DM 1555868  
**MEETING DATE:** Monday 5 May 2014 at 4.30pm  
**VENUE:** Council Chamber  
**MEMBERS PRESENT:** Councillor Richard Handley (Chairperson); Mayor Andrew Judd, Councillors Keith Allum, Craig McFarlane, Colin Johnston, Marie Pearce  
**NON-MEMBERS PRESENT:** Councillors Gordon Brown, John McLeod, Murray Chong, Richard Jordan, Grant Coward, Shaun Biesiek  
**STAFF IN ATTENDANCE:** Barbara McKerrow, Jan Higley, Steve Taylor, Jim Willson, Cathy Thurston, Simon Pickford, Phil Armstrong

**PART A****MATTERS FINALLY DETERMINED BY THE COMMITTEE UNDER DELEGATED AUTHORITY AND REFERRED TO THE COUNCIL FOR INFORMATION AND RECORD**1. **Minutes**

File Reference: DP-14-02 DM 1545553

*Finance Subcommittee Resolution:*

Cr Allum )

Cr Johnston )

That the minutes of the Finance Sub Committee meeting held on Tuesday 8 April 2014 be confirmed as a true and accurate record.

Carried**PART B****ITEMS FOR FINAL DETERMINATION BY THE COUNCIL**2. **Financial Update Report March 2014****FILE REFERENCE:** DM 1545559

The purpose of this report is to present the financial results of the Council for the 9 months to the end of March 2014.

*Finance Subcommittee Recommendation:*

Cr Pearce )

Cr Johnston )

That having considered all matters raised in the report the Council notes and receives the report.

Carried

**3. Exclusion of the Public from the Remainder of the Meeting****FILE REFERENCE:** DM 1545821

This report details items that are recommended should be considered with the public excluded, and the reason for excluding the public.

*Finance Subcommittee Resolution:*

Cr Pearce )

Mayor Judd )

That having considered all matters raised in the report, the Council hereby resolves that, pursuant to the Local Government Official Information and Meetings Act 1987, the public be excluded from the following parts of the proceedings of this meeting:

## a) Write off Unrecoverable Debts

The withholding of the information is necessary to enable Council to carry out negotiations of a commercial nature, this particular interest being protected by section 7(2)(c)(i) of the Act.)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987.

Carried

**FINANCIAL UPDATE REPORT APRIL 2014**

PREPARED BY: Philip Armstrong  
 TEAM: Finance  
 APPROVED BY: Steve Taylor  
 WARD/COMMUNITY: District Wide  
 DATE: 21 May 2014  
 FILE REFERENCE: DM 1555872

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**PURPOSE**

The purpose of this report is to present the financial results of the Council for the ten (10) months to the end of April 2014.

**EXECUTIVE SUMMARY**

The attached financial reporting pack is to be a regular monthly high level financial summary for the Finance Committee to review and receive. If there are issues arising from the financial performance, then the Finance Committee will report those to the appropriate Standing Committee and the Council.

**RECOMMENDATION**

**That having considered all matters raised in the report the Council notes and receives the report.**

**SIGNIFICANCE ASSESSMENT**

In terms of the Council's Significance Policy this matter is of:

Low significance       Medium significance       High significance

This matter has been assessed as low significance because the report is largely for information and monitoring purposes.

**BACKGROUND**

The Council previously received quarterly financial updates with the quarterly performance report. The current Council has formed a new Finance Committee which will meet monthly so it is appropriate to provide monthly financial updates to facilitate timelier reporting of financial information and issues of the Council.

**ITEM B1****ITEM FOR RECOMMENDATION****DISCUSSION**

The Financial reporting pack is a monthly high level financial report, highlighting the performance and forecast of the Council's finances. The report covers operational expenditure and revenue, capital expenditure, treasury and debt management of the Council. Reporting of the PIF (Perpetual Investment Fund) will be provided separately by TIML.

**OPTIONS**

The report is for informational and monitoring purposes. There are no specific recommendations in the report but there may be matters the Subcommittee may wish to note to the applicable Standing Committee or the Council.

**IMPLICATIONS ASSESSMENT****Local Government Purpose**

The matter comes within the scope of the Council's lawful powers, including satisfying the purpose statement in section 10 of the Local Government Act 2002. The matter will enable the Council to meet the current and future needs of communities for good quality (i.e. efficient, effective and appropriate to present and anticipated future circumstances):

Local Infrastructure       Local public services       Performance of regulatory function

**Community Outcomes**

This matter contributes to the following community outcomes:

Connected       Skilled       Prosperous       Secure and Healthy  
 Together       Vibrant       Sustainable

Community outcomes are the outcomes that the Council aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services and performance of regulatory functions.

**LTP / Annual Plan**

Is this matter currently budgeted for?       Yes       No

**Consistency with Policy and Plans**

The matter is consistent with the Council's plans and policies, in particular the 2013/14 Annual Plan the financial performance is measured against.

**Legal**

N/A

**Tangata Whenua Maori**

There are no particular matters in this report which affect Tangata Whenua

**Community Views and Preferences**

N/A

**Risk Analysis**

N/A

**APPENDICES**

Financial Reporting Pack attached.



**NPDC**  
**Finance Committee Financial Performance**  
**Report**  
**April 2014**



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# Monthly Overview

- Overall the business continues to track in line with budget. In general where there are revenue shortfalls these have been offset by cost reductions. Currently we are forecasting to have a surplus against budget mainly driven by lower interest cost. This is a result of the capital programme running behind schedule and therefore no current requirement to increase borrowing. The surplus against budget will mean a reduction in deficit funding to meet the current years operation.
- There will also be significant savings in ETS (Emission Trading Scheme) charges, of approximately \$1.0 million This will produce a strong surplus for the Solid Waste activity, which will be transferred to the Solid Waste development fund.
- The 3<sup>rd</sup> quarter release from the PIF was deferred, as our cash position is currently strong and much better than forecast, primarily because the timing of our Capital spend. We will continue to review and monitor our funding balances over the next few months through to year end and will make a recommendation to the Council towards the end of the financial year, on the level of the final release to take from the PIF for the current financial year.



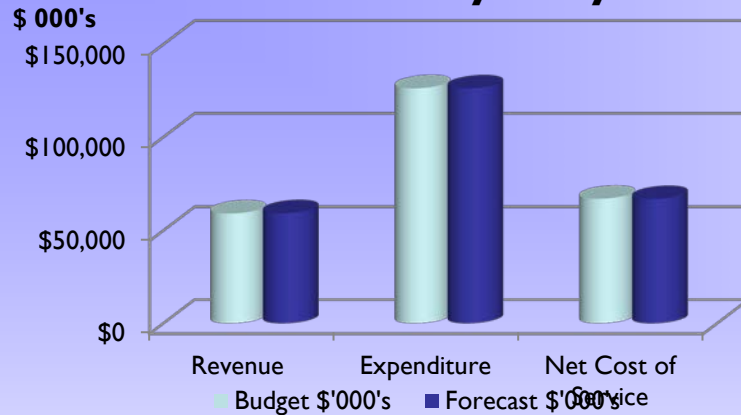
# Financial Performance Highlights

- Operational performance forecasted to be inline with budget. 
- Capital projects tracking to budget but behind schedule there will be substantial carry forwards. 
- Borrowing balance less than plan due primarily to the timing of the Capital spend. 
- Borrowing and Treasury limits within policy. 
- Rating and debt collection on target to meet internal KPI's. 

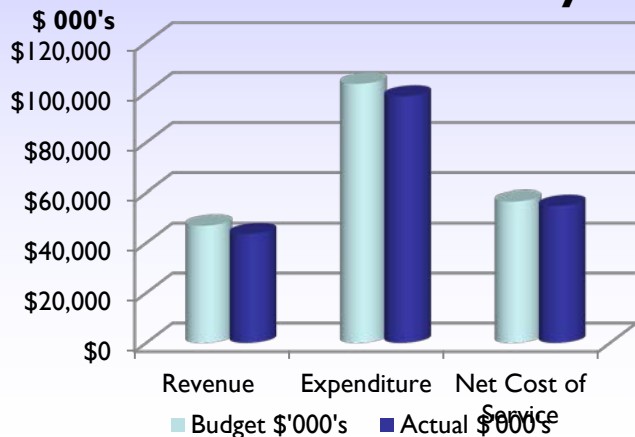


# Financial Performance Snapshot

## Financial Summary full year Forecast



## Financial Summary YTD



- The full year financial forecast is currently forecasting an improved Net Cost of service of approximately \$1.0 million against budget. Largely driven by reduced borrowing costs. While there are some variances in specific activities as detailed in the Operating Summary, the net impact for most activities is in line with budget.

- Both revenue and expenditure slightly behind due largely to the timing of expenditure, and the phasing of some budgets. There will be savings in interest and ETS costs.



# Operating Summary Full Year Forecast Expenditure

Description	Annual Plan Revised	Projected Year End Outcome	Variance \$	Variance %	Commentary (exceptions/variance only)
<b>EXPENDITURE</b>					
Fuke Ariki	12,315,300	12,288,200	27,100	0%	
Govett Brewster Art Gallery	3,510,400	3,213,200	297,200	8%	Projected operational savings/efficiencies to offset loss of operating revenue due to full closure of GBAG and timing of grants and sponsorships.
Community Development	5,271,600	5,086,500	185,100	4%	Savings made - general and program delivery costs, postponement of project to next financial year. Budget oversight - total rates remission under budgeted, \$141k general rates and \$73k HFE rates.
Recreation & Event Venues	9,608,300	10,285,100	(676,800)	-7%	Operational costs greater as no shutdown as planned for Todd Energy Aquatic Centre, \$100k unbudgeted maintenance costs at Yarrow Stadium. Increased events activity resulting in increased revenue.
Parks	16,115,400	15,926,300	189,100	1%	Predominantly staff vacancies creating an under spend
Roads	23,345,600	23,480,300	(134,700)	-1%	
Solid Waste Management	5,762,500	5,071,600	690,900	12%	Cost of renewing collection contract not specifically budgeted for. Effect of lower ETS costs than forecast in LTP.
Storm Water	2,538,500	2,527,800	10,700	0%	
Flood Control and Protection	258,200	255,400	2,800	1%	
Water	10,262,700	10,176,400	86,300	1%	LAPP insurance \$35k over budget
Wastewater	14,751,000	15,212,100	(461,100)	-3%	Expect more overtime & sludge disposal costs due to TDF operational issues.
Regulatory Services	10,756,600	11,296,400	(539,800)	-5%	2 temp Animal Control Officers approved by Council, Increased cost in Land Use & Subdivision Consents and Monitoring (recoverable). Costs of new parking system - Depreciation and Maintenance.
Emergency Management	445,600	445,600	0	0%	
Economic Growth	2,809,600	2,809,600	0	0%	
Civic & Democracy	6,180,800	6,150,700	30,100	0%	Projected savings in Communications
Management of Investments	2,464,800	1,754,900	709,900	29%	Capital program behind budget, further borrowing will not be required until late in the financial year. Offset with additional forestry harvest costs.
<b>TOTAL EXPENDITURE</b>	<b>126,396,900</b>	<b>125,980,100</b>	<b>416,800</b>	<b>0%</b>	



# Operating Summary Full Year Forecast Revenue

Description	Annual Plan Revised	Projected Year End Outcome	Variance \$	Variance %	Commentary (exceptions/variance only)
<b>REVENUE</b>					
Puke Ariki	968,600	980,500	11,900	1%	The increase in revenue forecast is due to sponsorship for external projects eg MOE contracts, TRC allocations and Swainson Wood project grants some of which will need to be carried forward for work in progress.
Govett Brewster Art Gallery	4,958,900	3,008,900	(1,950,000)	-39%	Loss of operating revenue matched by operating savings. Delay in receiving capital grant revenue for LLC (Len Lye Centre) due to timing of works, no rates impact as Capital revenue.
Community Development	1,012,900	1,012,900	0	0%	
Recreation & Event Venues	2,662,100	3,467,000	804,900	30%	Maintenance shutdown for Aquatic Centre delayed for 12 months - has impacted on budgeted revenue, TSB Festival of Lights sponsorship did not reach target, some savings achieved, Revenue higher than anticipated in venues due to increased activity.
Parks	2,035,900	1,903,000	(132,900)	-7%	Plot sales & Burial Fees under budget expectations,
Roads	10,847,700	11,205,860	358,160	3%	Income from Oil and Gas contributions.
Solid Waste Management	5,183,700	5,540,000	356,300	7%	This is net effect of expecting higher revenue from gate charges but lower revenue from MGB's. (Mobile garbage bins)
Storm Water	13,100	13,100	0	0%	
Water	4,391,000	4,167,900	(223,100)	-5%	Reduced work from other Councils, and lower water meter revenue.
Wastewater	1,896,300	2,052,900	156,600	8%	
Regulatory Services	9,072,100	9,894,000	821,900	9%	Increase in most regulatory activities including dog registrations \$80k, land use consents \$150k, LIMs \$100k and development contributions \$240k. Offset with a reduction in parking based on current CBD occupancy.
Emergency Management	900	900	0	0%	
Civic & Democracy	136,900	260,000	123,100	90%	Increased revenue from election due to higher than anticipated voting turnout
Management of Investments	16,089,500	16,480,600	391,100	2%	A good forestry harvest at Mangamahoe with strong log prices achieved, exceeding budget expectations.
<b>TOTAL REVENUE</b>	<b>59,269,600</b>	<b>59,987,560</b>	<b>717,960</b>	<b>1%</b>	



# Operating Summary Full Year Forecast Net Cost of Service

Description	Annual Plan Revised	Projected Year End Outcome	Variance \$	Variance %	Commentary (exceptions/variance only)
<b>Net Cost of Activity</b>					
Puke Ariki	11,346,700	11,307,700	39,000	0%	
Govett Brewster Art Gallery	(1,448,500)	204,300	(1,652,800)	114%	Projected operational savings/efficiencies to offset loss of operating revenue due to full closure of GBAG and timing of grants and sponsorships being received in 2015/2016 to align w with completion of project.
Community Development	4,258,700	4,073,600	185,100	4%	Savings made - general and programme delivery costs, postponement of project to next financial year. Budget oversight - total rates remission under budgeted, \$141k general rates and \$73k HFE rates.
Recreation & Event Venues	6,946,200	6,818,100	128,100	2%	
Parks	14,079,500	14,023,300	56,200	0%	
Roads	12,497,900	12,274,440	223,460	2%	Income from Oil and Gas contributions.
Solid Waste Management	578,800	(468,400)	1,047,200	181%	Cost of renewing collection contract not specifically budgeted for. Effect of lower ETS costs than forecast in LTP.
Storm Water	2,525,400	2,514,700	10,700	0%	
Flood Control and Protection	258,200	255,400	2,800	1%	
Water	5,871,700	6,008,500	(136,800)	-2%	LAPP insurance \$35k over budget
Wastewater	12,854,700	13,159,200	(304,500)	-2%	Expect more overtime & sludge disposal costs due to TDF operational issues.
Regulatory Services	1,684,500	1,402,400	282,100	17%	Extra costs in animal control, building, land use and consents and parking offset by increased revenue in building, development contributions, land use and consents and animal control.
Emergency Management	444,700	444,700	0	0%	
Economic Growth	2,809,600	2,809,600	0	0%	
Civic & Democracy	6,043,900	5,890,700	153,200	3%	Projected savings in Communications
Management of Investments	(13,624,700)	(14,725,700)	1,101,000	-8%	Capital program behind budget, further borrowing will not be required until late in the financial year and therefore saving on interest costs. Greater harvest revenue from forestry due to strong log prices.
<b>NET COST OF SERVICE</b>	<b>67,127,300</b>	<b>65,992,540</b>	<b>1,134,760</b>	<b>2%</b>	





# Balance Sheet

	Date 30/04/2014	Date 30/04/2013	Variance \$	%
<b>CURRENT ASSETS</b>				
Cash, Bank and Investments	38,747,265	38,435,428	311,837	0.8
Sundry Debtors	24,027,034	23,878,338	148,696	0.6
Other Current Assets	115,283	115,283	-	-
<b>Total Current Assets</b>	<b>62,889,582</b>	<b>62,429,049</b>	<b>460,533</b>	<b>0.7</b>
<b>INVESTMENTS</b>				
Other Investments	209,110,698	222,895,456	(13,784,758)	(6.2)
<b>Total Investments</b>	<b>209,110,698</b>	<b>222,895,456</b>	<b>(13,784,758)</b>	<b>(6.2)</b>
<b>FIXED ASSETS</b>	<b>1,966,973,543</b>	<b>1,953,735,223</b>	<b>13,238,320</b>	<b>0.7</b>
	<b>2,238,973,823</b>	<b>2,239,059,728</b>	<b>(85,905)</b>	<b>(0.0)</b>
<b>CURRENT LIABILITIES</b>				
Sundry Creditors	667,743	597,311	(70,432)	(11.8)
Annual Leave / Other Accruals	12,421,460	13,147,874	726,414	5.5
<b>Total Current Liabilities</b>	<b>13,089,203</b>	<b>13,745,185</b>	<b>655,982</b>	<b>4.8</b>
<b>TERM LIABILITIES</b>				
Public Debt	114,243,569	121,613,000	7,369,431	6.1
<b>Total Term Liabilities</b>	<b>114,243,569</b>	<b>121,613,000</b>	<b>7,369,431</b>	<b>6.1</b>
<b>PUBLIC EQUITY</b>				
Special Funds and Reserves	77,659,518	87,581,317	9,921,799	11.3
Asset Revaluation Reserves	590,896,596	578,483,868	(12,412,728)	(2.1)
Retained Earnings	1,443,084,937	1,437,636,358	(5,448,579)	(0.4)
<b>Total Public Equity</b>	<b>2,111,641,051</b>	<b>2,103,701,543</b>	<b>(7,939,508)</b>	<b>(0.4)</b>
	<b>2,238,973,823</b>	<b>2,239,059,728</b>	<b>85,905</b>	<b>0.0</b>



# Balance Sheet Commentary

The Statement of Financial Position is a snap shot of the Councils financial position at a particular point in time. It reflects the changes that have occurred during the last 12 months, which straddles the Councils last financial year end on 30 June 2013

Sundry debtors include rates outstanding for the remainder of the financial year.

Other Investments of \$209 million consist primarily of the PIF \$200 million but also include the Councils share of the Airport JV \$2.8 M, longer term bonds, the Investment in the LGFA and the VTR scheme. The reduction from the prior year is primarily a result of a reduced PIF balance which was \$211.4 million in April 2013. The reduction in value is largely attributable to the strong New Zealand dollar.

Overall equity is up due to the Asset revaluation which occurred last year effective 30 June 2013.

The Council's current ratio (the ratio of current assets to current liabilities – a measure of liquidity) stands at 4.8 to 1 as at 30 April 2014. This reflects a very strong position for the Council. The Council also has significant “stand by” facilities, so has no liquidity concerns.



# Capital Works - Including Significant Projects

Description (Including Significant Projects)	Annual Plan Revised	Total Current Year to Date	Projected Year End Outcome	Variance \$	Variance %	Commentary
Puke Ariki	1,678,500	643,615	1,678,500	0	0%	
Govett Brewster Art Gallery & LLC (Len Lye Centre)	11,315,500	3,312,298	6,800,900	4,514,600	40%	Timing of precast concrete panels, overall building project on schedule for completion in December 2014/January 2015. Opening May/June 2015.
Community Development	86,900	56,490	86,900	0	0%	
Recreation & Event Venues	1,853,700	1,077,594	1,596,900	256,800	14%	Delay in renew als for the Todd Energy Aquatic Centre by 12 months.
Parks	5,986,000	2,972,606	5,254,272	731,728	12%	Pukekura Park Sediment Removal deferred.
Roads	14,741,300	8,518,952	13,055,913	1,685,387	11%	Marfell \$325k, Bell Block Bypass \$1million and Let's Go Projects.
Solid Waste Management	248,400	740,479	763,800	(515,400)	-207%	Purchase of Resource Recovery Facility land. Approved funding from Solid Waste Development Reserve.
Storm Water	2,886,200	611,356	1,341,300	1,544,900	54%	Ngamotu Road renewal stalled due to private land ownership issues with the Port - \$1M impact. Area N delayed \$192k.
Flood Control and Protection	215,300	83	23,000	192,300	89%	
Water	5,063,400	774,261	1,753,900	3,309,500	65%	The variance is due to works not started associated with Area Q \$1.4 million, Okato ground water augmentation as a certain supply has not been located (\$984k) and the Oakura duplicate main (\$536k) which is due to go to tender in the middle of the year.
Wastewater	19,930,100	4,034,528	7,117,937	12,812,163	64%	The variance relates to a number of works which are to be carried forward including the Waitara pipeline conversion and pump station, Wai Taatari sludge treatment solution, and a variety of works which are yet to be started.
Regulatory Services	68,700	29,776	68,700	0	0%	
Support Services	4,770,100	695,198	4,516,300	253,800	5%	Civic Centre.
<b>Total</b>	<b>68,844,100</b>	<b>23,467,236</b>	<b>44,058,322</b>	<b>24,785,778</b>		



# Significant Capital Projects

Project Title	Current Year - 2013/14			Life of Project					Commentary
	Annual Plan Revised	Total Exp Year to Date	Projected Year End Outcome	Total Budget	Total Expenditure to Date	Total Expected Cost	Variance \$	Variance %	
Len Lye Centre & Art Gallery Earthquake Strengthening Works	11,188,800	2,645,108	6,674,200	16,928,777	5,057,541	16,928,777	-	0%	
New Cemetery Site Development	433,200	186,931	432,919	1,602,200	790,957	1,602,200	-	0%	
Pukekura Park Lake Quality Improvement	1,483,300	548,459	550,000	1,425,300	1,000,043	1,425,300	-	0%	
Colson Rd Second Lift Development	246,900	48,900	100,000	1,266,400	669,892	1,266,400	-	0%	
Cycle Strategy - Let's Go	1,823,700	843,757	1,185,550	5,357,300	5,355,541	5,357,300	-	0%	
Waitara to NP Sewer Pipe & Pump Station	4,083,000	621,913	2,046,700	12,877,000	5,625,928	9,109,177	3,767,823	29%	Contract savings.
WWTP Capacity Upgrade	5,863,400	2,100,819	2,170,700	23,200,000	12,679,003	23,168,000	32,000	0%	
<b>Total</b>	<b>25,122,300</b>	<b>6,995,887</b>	<b>13,160,069</b>	<b>62,656,977</b>	<b>31,178,905</b>	<b>58,857,154</b>	<b>3,799,823</b>		

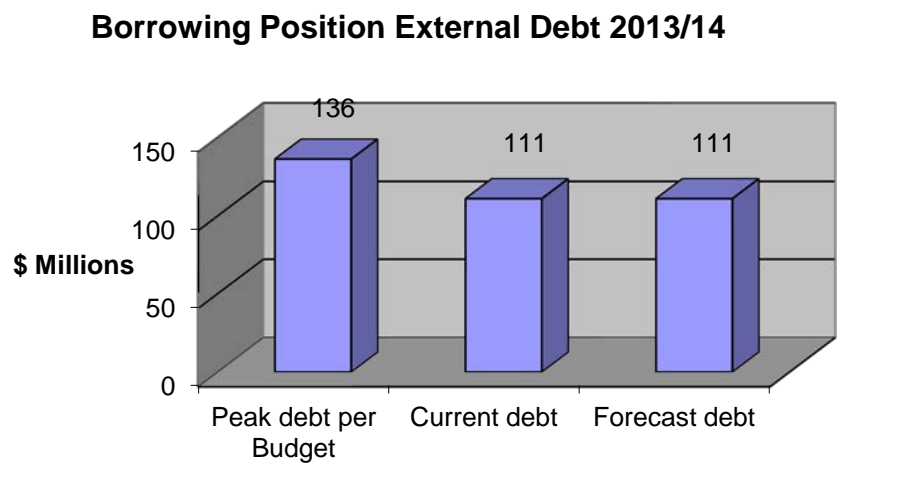


# Treasury Report

## April 2013



# Borrowing Summary



## •Overall Position

- Our current external debt stands at \$111 million, with our weighted average borrowing rate just above 5.5%.
- We have pulled back our year end forecast to \$111 million, due to the timing of our Capital programme. As a result of lower borrowing we are saving on interest costs.
- There has been a dip in long term swaps rates over the last few weeks. We have taken this opportunity to extend the duration of some swaps. This has resulted in extending the current fixed term from 4.52 years to 4.99 years with no increase in the weighted average fix rate.



# Compliance Scorecard

## New Plymouth District Council Interest Rate Position

<b>12 month forecast core debt:</b>	<b>\$120m</b>	<b>30-Apr-14</b>		
Policy Limits	55%-90%			
Overall Fixed:Floating Mix	89%			
Policy Compliance	<b>Y</b>			
<b>Liquidity Ratio:</b>	<b>110%</b>			
Actual	131%			
Policy Compliance	<b>Y</b>			
<b>Fixed Rate Maturity Profile:</b>				
Years	<b>1 - 3 years</b>	<b>3 - 5 years</b>	<b>5 years plus</b>	
Policy Limits	15%-60%	15%-60%	15%-60%	
Actual Hedging	25%	28%	47%	
Policy Compliance	<b>Y</b>	<b>Y</b>	<b>Y</b>	
<b>Funding Maturity Profile:</b>				
Years	<b>0 - 3 years</b>	<b>3 - 5 years</b>	<b>5 years plus</b>	
Policy Limits	15%-60%	15%-60%	10%-40%	
Actual Hedging	37%	49%	14%	
Policy Compliance	<b>Y</b>	<b>Y</b>	<b>Y</b>	



# Compliance Ratios

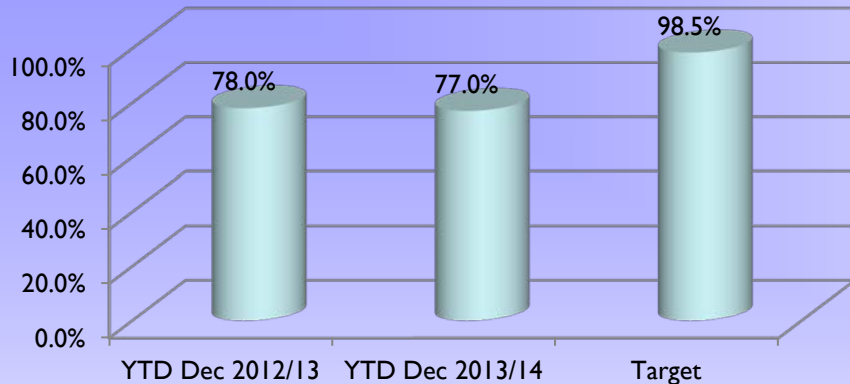
Policy Compliance Borrowing limits		Apr-14	
		Measure	Performance
Net External Debt** not to exceed	20% of Equity	4.2%	Achieved
Net External Debt not to exceed	135% of Total Revenues*	69.6%	Achieved
Pre-tax Funds Flow from Operations (FFO)# to Exceed Net Interest Expense by at least	2.5 times	4.9	Achieved
Net interest expense on external debt as a percentage of total revenue to be less than	10%	5.2%	Achieved
Net interest expense on external debt as a percentage of total annual rates income (debt secured under debenture) to be less than	20%	9.4%	Achieved
Liquidity (Term debt + committed loan facilities + cash or cash equivalents) over existing external debt levels to be greater than	110%	131%	Achieved
* Revenue is defined as earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue			
** Net External Debt = Gross Debt (aggregate borrowings of the council, including any capitalised finance leases, and financial guarantees provided to third parties) less any cash or near cash treasury investments held from time to time.			
#FFO = Total revenues, less capital receipts and other non recurring revenues; less total expenditure net of any capital payments and non recurring expenditure; plus depreciation and increase in provisions			



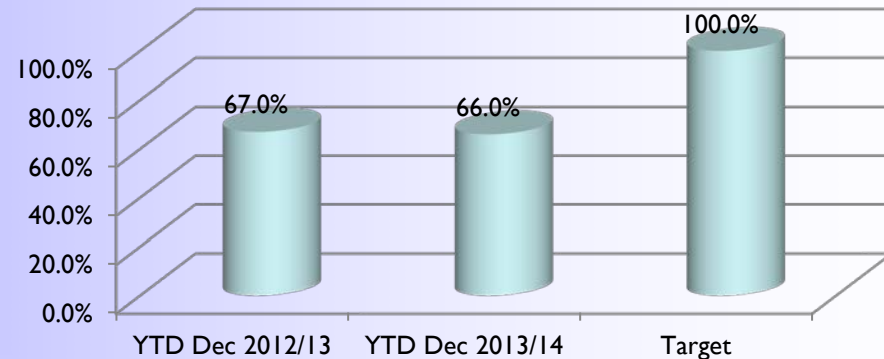


# Rates and Debtors Summary

## Collection Run Rate April 14



## Arrears Collection April 14



Sundry Debtors					
	Current	30 Days	60 Days	90 Days	Total
	\$ 000,s				
Current Month	2,908	92	70	441	3,512
Aging	82.8%	2.6%	2.0%	12.6%	
Previous Month	2,423	176	136	561	3,296
Aging	69.0%	5.0%	3.9%	16.0%	

### •Rate Rebates Processed:

- 2013/14      2,771      \$1,455,403
- 2012/13      2,906      \$1,524,106



## EXCLUSION OF THE PUBLIC FROM THE REMAINDER OF THE MEETING

PREPARED BY: Jan Higley (Democracy Advisor)  
 TEAM: Democratic Services  
 APPROVED BY: Julie Straka (Manager Democratic Services)  
 WARD/COMMUNITY: District Wide  
 DATE: 21 May 2014  
 FILE REFERENCE: DM 1555876

### PURPOSE

This report details items that are recommended should be considered with the public excluded, and the reason for excluding the public.

### EXECUTIVE SUMMARY

This report details items that are recommended should be considered with the public excluded, and the reason for excluding the public.

### RECOMMENDATION

**That having considered all matters raised in the report, the Council hereby resolves that, pursuant to the Local Government Official Information and Meetings Act 1987, the public be excluded from the following parts of the proceedings of this meeting:**

- a) **Confirmation of previous minutes**  
**Write off Unrecoverable Debts**  
**The withholding of the information is necessary to enable Council to carry out negotiations of a commercial nature, this particular interest being protected by section 7(2)(c)(i) of the Act.)**

**This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987.**

### SIGNIFICANCE ASSESSMENT

In terms of the Council's Significance Policy this matter is of:

Low significance       Medium significance       High significance

This matter has been assessed as low significance because the exclusion of the public is a statutory procedure that will have little or no impact on both Councils strategic issues.

**BACKGROUND**

This report details items that are recommended should be considered with the public excluded, and the reason for excluding the public.

**DISCUSSION**

The items recommended for debate with the public excluded relate to information of a private and personal nature.

There is an option available to the council to not pass this resolution and to hold the meeting in the open or to release information regarding a public excluded decision following the meeting.

**OPTIONS**

The Councils can choose to consider these matters in open meeting. However, excluding the public from meetings can prevent information becoming released, which may adversely affect those dealing with both Councils.

**IMPLICATIONS ASSESSMENT****Local Government Purpose**

The matter comes within the scope of the Council's lawful powers, including satisfying the purpose statement in section 10 of the Local Government Act 2002. The matter will enable the Council to meet the current and future needs of communities for good quality (i.e. efficient, effective and appropriate to present and anticipated future circumstances):

- Local Infrastructure       Local public services       Performance of regulatory function

The exclusion of the public is a procedural matter.

**Community Outcomes**

This matter contributes to the following community outcomes:

- Connected       Skilled       Prosperous       Secure and Healthy  
 Together       Vibrant       Sustainable

Community outcomes are the outcomes that both Councils aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services and performance of regulatory functions.

The consideration of community outcomes under section 77(1)(b)(ii) of the Local Government Act 2002 is addressed under 'Options' in this report.

**ITEM FOR DECISION****ITEM B2**

The exclusion of the public is a statutory procedure that will have a little or no impact on both Council strategic issues.

**LTP / Annual Plan**

Is this matter currently budgeted for?  Yes  No

There are no budget considerations.

**Consistency with Policy and Plans**

There are no policy implications.

**Legal**

The Local Government Official Information and Meetings Act 1987 allows for the public to be excluded from the proceedings (or part thereof) of any meeting provided that the relevant parts are identified as follows:

- a) The general subject of each matter to be considered while the public is excluded.
- b) The reason for passing of a resolution for the exclusion of the public and the particular interest or interests protected by Section 6 or Section 7 of that 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 the holding of the whole or the relevant part of the proceedings of the meeting in public.
- c) The specific grounds under Section 48(1) of the said Act for the passing of any resolution excluding the public.

**Tangata Whenua Maori**

This is a statutory procedure with no implications specific to tangata whenua.

**Community Views and Preferences**

This is a statutory procedure that enables the councils to perform their functions legally.

**Risk Analysis**

Excluding the public from meetings can prevent information becoming released, which made adversely affect those dealing with the council.

