

Finance Committee

Notice of Meeting

A meeting of the Finance Committee will be held in the Council Chamber, Forum North, Whangarei on:

**Wednesday
22 July 2015
9.00 am**

Committee

Cr S J Deeming (Chairperson)
Her Worship the Mayor
Cr S J Bell
Cr S J Bretherton
Cr C B Christie
Cr P A Cutforth
Cr S M Glen
Cr C M Hermon
Cr P R Halse
Cr G C Innes
Cr G M Martin
Cr B L McLachlan
Cr S L Morgan
Cr J D T Williamson

Finance Committee Terms of Reference

Chairperson

Councillor S J Deeming

Members

Mayor

Section 41A(5) of the Local Government Act 2002 provides that the Mayor is a member of each committee of the territorial authority

Councillors S J Bell, S J Bretherton, C B Christie, P A Cutforth, S M Glen, C M Hermon, P R Halse, G C Innes, G M Martin, B L McLachlan, S L Morgan and J D T Williamson

Attendance at Meetings

The Chief Executive Officer, Group Managers, Department Managers and such other Council Officers as deemed necessary, may attend Committee meetings.

Quorum

A quorum for a meeting of this Committee shall be:

- half of the members if the number of members, including vacancies, is even or,
- a majority of members, including vacancies, if the number of members is odd.

Delegated Authority

1. Does not have the powers of Council to act in the following instances as specified by Clause (32) Schedule 7 of the Local Government Act 2002:
 - a) the power to make a rate; or
 - b) the power to make a bylaw; or
 - c) the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan; or
 - d) the power to adopt a long-term plan, annual plan, or annual report; or
 - e) the power to appoint a chief executive; or
 - f) the power to adopt policies required to be adopted and consulted on under this Act in association with the Long Term Plan or developed for the purpose of the local governance statement; or
 - g) the power to adopt a remuneration and employment policy.
2. Does have the power of Council to enter into contracts up to a value of \$3 million + GST, provided such contracts are in accordance with the Long Term Plan.
3. Does have the ability to appoint Sub-committees to deal with any matters of responsibility within the Committee's Terms of Reference and areas of responsibility, and to make recommendations to the Committee on such matters and provided the

Sub-committee shall not have power to act other than by a resolution of the Committee with specific limitations where there is urgency or special circumstances.

4. Does have the ability to make decisions in accordance with the Terms of Reference.

Terms of Reference

- To review, consider, consult, advise and instruct Management on matters relating to the areas of responsibility of the Finance Committee.
- To ensure that Council finances are well managed.
- To ensure the provision of administrative services to Council, its Committees and Departments.
- To ensure the fulfilment of Council's legal obligations and responsibilities, including compliance with legal and regulatory matters.
- To ensure the preparation of Council's Long Term Plan, Annual Plan and Annual Report.
- To oversee the management of Council's commercial property portfolio including acquisitions and disposals within its financial delegation.

Areas of Responsibility

- Financial/Planning and Control
- Corporate Accounting Services
- Treasury Management
- Loans
- Annual Plan
- Administrative Services
- Democracy Services
- Information Systems
- Customer Services
- Business Excellence
- Communications
- Commercial property
- Pensioner housing
- General housing
- Forum North
- Marinas
- Airport
- Forestry
- Whangarei Information Centre
- Whangarei Tourism Trust
- Economic Development

- Venues and Events
- Such other functions as may be delegated by Council from time to time.

Specific Matters

- Finance
 - Critique and recommend to Council the annual budget
 - Review monthly variance accounting reports and budget re-forecasts
 - Provide advice on financial policies
 - Ensure appropriate delegations are in place.
- General
 - Consider such other matters as referred to the Committee by the Council or Management from time to time.
- Make recommendations to Council where appropriate.

OPEN MEETING

APOLOGIES

CONFLICTS OF INTEREST

Members are reminded to indicate any items in which they might have a conflict of interest.

INDEX

Item No	Page No
1. Minutes of a Meeting of the Finance Committee held 24 June 2015	1
2. Financial Reports for the Twelve Months Ending 30 June 2015	3

Local Government Act 2002 Amendment Act 2012

Full consideration has been given to the provisions of the Local Government Act 2002 Amendment Act 2012 in relation to decision making and in particular the current and future needs of communities for good quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost effective for households and businesses. Consideration has also been given to social, economic and cultural interests and the need to maintain and enhance the quality of the environment in taking a sustainable development approach.

**Recommendations contained in this agenda may not be final decisions.
Please refer to the minutes for resolutions.**

1. Minutes: Finance Committee

Wednesday 24 June 2015

Minutes of a meeting of the Finance Committee held in the Council Chamber Forum North on Wednesday 24 June 2015 at 9.00am

Present:

Cr S J Deeming (Chairperson)

Her Worship the Mayor S L Mai, Crs S J Bell, S J Bretherton, C B Christie, P A Cutforth, S M Glen, C M Hermon, P R Halse, G C Innes, G M Martin, B L McLachlan, S L Morgan and J D T Williamson

Also present:

Chris Hartley (CEO Fair Trade Association) and Antonia Gerlach (Fair Trade Network and Community Officer NZ)

In Attendance:

Group Manager Support Services (A Adcock), Financial Controller (R Kerr), Economic Development Manager (P Gleeson), Property Manager (M Hibbert), Accountant (D Henwood), Media Relations Adviser (A Midson), Assistant Accountant (N Wright), Executive Assistant (J Crocombe) and Senior Meeting Co ordinator (C Brindle)

Item 5 – Fair Trade Presentation was taken first on the agenda.

1. Confirmation of Minutes of a Meeting of the Finance Committee held on 27 May 2015

Moved Cr McLachlan
Seconded Cr Glen

“That the minutes of the meeting of the Finance Committee held on 27 May 2015, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting.”

CARRIED

2. Financial Report for the Eleven Months Ending 31 May 2015

Moved Cr Halse
Seconded Cr McLachlan

“That the information be received.”

CARRIED

3. Whangarei District Council Credit Rating

Moved Cr Hermon
Seconded Cr McLachlan

“That the information be received.”

CARRIED

**4. Northland Regional Landfill Limited Partnership -
Statement of Intent 2015-2016**

Moved Cr Williamson
Seconded Cr Deeming

“That the Northland Regional Landfill Limited Partnership Statement of Intent 2015-2016 be received.”

CARRIED

Positive Growth Group

Item 5 was taken first on the agenda.

5. Fair Trade Presentation

Chris Hartley and Antonia Gerlach spoke on the benefits of Fair Trade and answered questions from Councillors about what becoming a Fair Trade district might mean for Whangarei.

Moved Cr Cutforth
Seconded Cr Morgan

“That the information be received.”

CARRIED

Item 1 was taken after Item 5.

6. Whangarei District Airport – Statement of Intent 2015-2016

Moved Her Worship the Mayor
Seconded Cr McLachlan

“That the Statement of Intent 2015/2016 for the Whangarei District Airport be approved.”

CARRIED

**7. Infometrics Quarterly Economic Monitor March 2015
for Whangarei**

Moved Cr Innes
Seconded Cr Morgan

“That the information be received.”

CARRIED

The meeting closed at 10.01am

Confirmed this 22nd day of July 2015

S J Deeming (Chairperson)

2. Financial Report for the Twelve Months Ending 30 June 2015

Reporting officer Alan Adcock (Group Manager Support Services)

Date of meeting 22 July 2015

Vision, mission and values

This item is in accord with Council's vision, mission and values statement as it provides management information for innovation and excellence.

Significance and Engagement

Having considered the Significance and Engagement Policy this information is not considered significant and the public will be informed via agenda publication on the website.

Executive Summary

The usual monthly financial report has not been prepared for the period ending June 2015.

Following the end of the financial year on 30 June a number of non cash and year end adjustments need to be made which are still being worked on. These will be completed as part of the normal year end process and an updated full year interim (pre-audit) financial report will be reported to Council as part of the August 2015 Finance Committee agenda.

Capital Expenditure

The CapEx spend for the year to date is \$30.7m compared to a revised year to date budget of \$47.6m. This has resulted in a total year to date under-spend of \$16.9m, with project budgets carried forward to 2015/16.

External Debt

Total external debt is \$144.4m compared to budgeted debt of \$159.0m for the end of June, resulting in a favourable variance of \$14.6m. Cash balances of \$2.2m mean the actual net external position is \$142.2m, \$16.8m less than the budget of \$159.0m. This is due to the under-spend in CapEx noted above.

Recommendation

That the information be received.

Attachments

1. [Capital projects report](#)
2. [Treasury report](#)
3. [Accounts receivable](#)

CAPITAL PROJECTS REPORT 2014/2015 - \$000's⁴

For Period Ending: June 2015 (Period 12)

Description	Ytd Actual 14/15	Ytd Budget 14/15	Ytd Budget Variance	Full Year Forecast 14/15	Feb Revised Budget 14/15	Savings (Unspent) Overspent	Est c/fwd 15/16	Total	Variance
Transportation									
Associated Improvements - Sealed Roads	300	288	12	300	288	12	0	300	12
Bus Shelters	24	61	(37)	24	61	(37)	0	24	(37)
Coastal Protection Structures - Programmed Work	8	78	(70)	8	78	(70)	0	8	(70)
Cycleway - Raumanga to Onerahi	615	176	439	615	176	439	0	615	439
Cycleways - Programmed Work	5	465	(459)	5	465	(459)	580	585	121
Drainage Renewals	450	465	(15)	450	465	(15)	0	450	(15)
Footpath Renewals	277	116	161	277	116	161	0	277	161
Footpaths - New	233	412	(179)	233	412	(179)	0	233	(179)
HPMV Bridge Strengthening (50-Tonne Route)	0	1,268	(1,268)	0	1,268	(1,268)	0	0	(1,268)
K & C Shoulder Widening	158	67	90	158	67	90	0	158	90
Kensington Park - Dropoff Zone	1	30	(30)	1	30	(30)	0	1	(30)
Land for Roads	0	500	(500)	0	500	(500)	500	500	0
Lower Hatea Crossing & Approaches	67	18	48	67	0	67	0	67	67
Mill Rd / Nixon St / Kamo Rd	2,723	4,372	(1,649)	2,723	4,372	(1,649)	1,649	4,372	(0)
Minor Improvements to Network	994	1,498	(504)	994	1,525	(531)	0	994	(531)
Parking Renewals	20	112	(92)	20	111	(91)	0	20	(91)
Porowini/Maunu/Central	2	1	1	2	0	2	0	2	2
Preventative Maintenance	0	0	0	0	0	0	0	0	0
Replacement of Bridges and Other Structures	0	2	(1)	0	0	0	0	0	0
Road Reconstruction	0	0	0	0	0	0	0	0	0
Seal Extensions	749	779	(30)	749	779	(30)	0	749	(30)
Sealed Road Pavement Rehabilitation	2,601	955	1,646	2,601	955	1,646	0	2,601	1,646
Sealed Road Resurfacing	3,847	3,877	(30)	3,847	3,877	(30)	0	3,847	(30)
Southern Entrance Intersection Improvement	17	662	(645)	17	662	(645)	645	662	0
Spedding Road	6	4	2	6	0	6	0	6	6
Structures Component Replacement	525	575	(50)	525	574	(49)	0	525	(49)
Subdivision Works Contribution	0	66	(66)	0	66	(66)	0	0	(66)
Traffic Sign & Signal Renewals	577	628	(51)	577	628	(51)	0	577	(51)
Transport Planning Studies & Strategies	168	50	118	168	50	118	0	168	118
Unsealed Road Metalling	1,101	1,570	(470)	1,101	1,570	(470)	0	1,101	(470)
Water St Carpark Expansion	82	70	12	82	70	12	0	82	12
Transportation Total	15,550	19,165	(3,616)	15,550	19,165	(3,616)	3,373	18,923	(242)
Water									
Bulk Meters and Pressure Management	44	75	(31)	82	75	7	0	82	7
Mill Rd / Nixon St / Kamo Rd	44	70	(26)	62	70	(8)	0	62	(8)
Minor projects - Emergency Works	120	268	(148)	246	268	(22)	0	246	(22)
Reservoir Rehabilitation - Programmed Work	3	0	3	3	0	3	0	3	3
Reticulation - Programmed Work	871	997	(126)	940	997	(58)	0	940	(58)
Ruakaka UV	0	37	(37)	0	97	(97)	0	0	(97)
Ruakaka WTP MIEK completion works	67	60	7	67	0	67	0	67	67
Water Meter Renewals	462	477	(15)	462	477	(15)	0	462	(15)
Water Treatment Plant and Equipment Replacement	251	228	23	251	228	23	0	251	23
Whau Valley Water Treatment Plant - Upgrades	112	591	(479)	112	1,272	(1,160)	1,162	1,273	1
Water Total	1,973	2,802	(829)	2,224	3,483	(1,259)	1,162	3,366	(97)
Solid Waste									
Rural Transfer Stations - Gatehouses	227	215	12	227	215	12	0	227	12
Rural Transfer Stations - Upgrades	6	485	(479)	6	485	(479)	479	485	0
William Fraser Memorial Park on Pohe Island - Clay Capping	15	0	15	15	0	15	0	15	15
William Fraser Memorial Park on Pohe Island - Gas Management	34	65	(32)	35	65	(31)	0	35	(31)
Solid Waste Total	281	765	(484)	282	765	(483)	479	761	(4)
Wastewater									
District Wide Public Toilets	358	328	30	373	328	45	12	385	57
Mill Rd / Nixon St / Kamo Rd	236	250	(14)	250	250	(0)	0	250	(0)
Ruakaka South Reticulation Extension	1	0	1	1	0	1	0	1	1
Ruakaka Wastewater Treatment Plant	31	0	31	31	0	31	0	31	31
Telemetry System Upgrade	11	143	(132)	38	143	(105)	78	116	(27)
Wastewater Pump Stations - Upgrades	226	285	(58)	246	285	(38)	38	285	0
Wastewater Strategy - Programmed Work	19	275	(255)	20	275	(255)	255	275	(0)
Wastewater Treatment Plants	519	637	(118)	582	637	(55)	0	582	(55)
Whangarei City Wastewater - Projects	4,030	6,416	(2,386)	4,494	6,416	(1,922)	1,900	6,394	(22)
Whangarei City Wastewater Assessments	47	130	(83)	66	130	(64)	35	101	(29)
WasteWater Total	5,478	8,463	(2,985)	6,100	8,463	(2,363)	2,319	8,419	(44)
Stormwater									
Catchment Management Plans & Assessments	30	334	(304)	30	334	(304)	279	309	(25)
Kamo Stormwater & Wastewater Improvements	226	286	(60)	226	286	(60)	0	226	(60)
Mill Rd / Nixon St / Kamo Rd	30	0	30	45	0	45	0	45	45
Porowini/Morningside Stormwater Improvements	144	150	(6)	144	150	(6)	6	150	0
Stormwater Condition Monitoring - Programmed Work	25	34	(9)	25	34	(9)	0	25	(9)
Stormwater Projects - Programmed Work	641	3,108	(2,467)	685	3,108	(2,423)	2,421	3,106	(2)
Stormwater Quality - Programmed Work	0	62	(62)	0	62	(62)	32	32	(30)
StormWater Total	1,097	3,975	(2,878)	1,156	3,975	(2,819)	2,739	3,894	(80)

Description	Ytd Actual	Ytd	Ytd	Full Year	Feb	Savings	Est c/fwd	Total	Variance
	14/15	Budget 14/15	Variance	Forecast 14/15	Revised Budget 14/15	(Unspent) Overspent	15/16		
Flood Protection & Control Works									
Hikurangi Swamp - Pump Replacements	0	4	(4)	0	4	(4)	0	0	(4)
Hikurangi Swamp Scheme - Programmed Works	257	357	(100)	279	357	(78)	30	309	(48)
Flood Protection & Control Works Total	257	361	(104)	279	361	(82)	30	309	(52)
Community Facilities & Services									
Community Services & Community Property									
Community Buildings & Housing Upgrades	16	0	16	16	0	16	30	46	46
Flags & Decorations	95	100	(5)	95	100	(5)	5	100	0
Forum North - Programmed Upgrades & Renewals	0	0	0	0	0	0	0	0	0
Forum North - Safety Upgrades	0	0	0	0	0	0	0	0	0
Forum North Theatre - Technical Equipment Upgrades	216	330	(114)	218	330	(111)	111	330	(0)
Forum North Theatre Upgrade	0	0	0	0	0	0	0	0	0
NEC Other Renewals	122	120	2	122	120	2	0	122	2
Northland Events Centre - CCTV System	78	80	(2)	78	80	(2)	0	78	(2)
Northland Events Centre Light Tower Renewals	82	76	7	82	76	7	0	82	7
Pensioner Housing - Programmed Upgrades & Renewals	414	416	(2)	414	416	(2)	0	414	(2)
Whangarei City CCTV Expansion	64	48	16	64	48	16	0	64	16
Community Services & Community Property Total	1,087	1,169	(82)	1,090	1,169	(80)	146	1,235	66
Library									
Books Purchases	500	489	11	508	489	20	0	508	20
IT Upgrade	0	0	0	0	0	0	0	0	0
Library Total	500	489	11	508	489	20	0	508	20
Parks & Recreation									
Boat Ramp - Pataua North	0	133	(133)	0	0	0	0	0	0
Carparks - Kensington Park Reseal	0	82	(82)	0	82	(82)	51	51	(31)
Carparks - Otaika & Otangarei Resealing	108	99	9	131	99	32	0	131	32
Carparks - Ruakaka Service Centre Sealing	0	0	0	0	0	0	0	0	0
CBD Development Stage 1	74	1,231	(1,157)	214	1,231	(1,017)	1,017	1,231	(0)
Cemeteries - Ash Berm, Onerahi	2	10	(8)	3	10	(7)	7	10	(0)
Cemeteries - Furniture Renewals, Maunu	17	27	(10)	17	27	(10)	10	27	0
Cemeteries - Historic Monument Upgrades	15	22	(6)	17	22	(4)	4	22	(0)
Cemeteries - Road Surface Repairs, Maunu	51	55	(3)	51	55	(3)	3	54	(0)
Coastal Protection Structures - Ngunguru, Onerahi, One Tree	140	546	(406)	140	546	(406)	241	381	(165)
Coastal Protection Structures - Pataua	35	28	7	35	23	12	0	35	12
Coastal Structures - Jetty Upgrade, Onerahi Beach	309	529	(220)	339	529	(190)	190	528	(1)
Community Amenities - Development Programme	0	0	0	0	0	0	0	0	0
Destination Facilities - Manaia C/F Parks	0	0	0	0	0	0	0	0	0
Kensington Park - Additional Netball Courts	108	259	(151)	168	259	(91)	91	259	0
Kensington Park - Ground Development	0	11	(11)	0	11	(11)	0	0	(11)
Neighbourhood Reserves Asset Renewals	20	82	(62)	39	82	(43)	10	48	(34)
Non LTP - Parks	47	0	47	47	0	47	0	47	47
Northland Athletics Carpark	0	0	0	0	0	0	0	0	0
Otagaree Centre Development - Programmed Work	78	100	(22)	80	100	(20)	20	100	(0)
Parihaka Lookout and Rest Areas - Design	24	218	(194)	24	218	(194)	194	218	0
Parks Interpretation Information - Programmed Work	16	87	(71)	16	87	(71)	70	86	(1)
Playgrounds - Planned Renewals	156	150	6	156	150	6	6	161	11
Seawalls - Parks	2	209	(206)	2	357	(355)	354	357	(0)
Sportsfield Development - Springs Flat 4 Sand Fields & Fac	258	271	(13)	258	271	(13)	13	270	(0)
Springs Flat Changing Rooms	459	470	(11)	470	470	(0)	0	470	(0)
Tikipunga/Belmont Sports Park Drainage	0	9	(9)	0	9	(9)	0	0	(9)
Urban Design - Themed Communities & Settlements	38	129	(91)	38	129	(91)	88	126	(3)
Urban Park - Sportsfield Consolidation	272	849	(577)	272	1,349	(1,077)	1,077	1,349	(0)
Walkway & Track Renewal - Dolphin Track	0	5	(5)	0	0	0	0	0	0
Walkway & Track Renewal - Mermaids Pool, Matapouri	0	0	0	0	0	0	0	0	0
Walkway & Track Renewal - Pukenui Forest to Barge Park	0	23	(23)	0	23	(23)	0	0	(23)
Walkway & Track Renewal - Rauhomau Rd Beach	0	14	(14)	0	14	(14)	0	0	(14)
Walkway & Track Renewal - Whangarei Falls Bush Walk	0	66	(66)	0	66	(66)	0	0	(66)
Walkways/Cycleways New - City Hatea Loop	811	456	355	811	451	360	0	811	360
War Memorial Project	613	500	113	635	500	135	0	635	135
WF Memorial Park - Dog Park	14	10	4	14	10	4	0	14	4
WF Memorial Park - Park Development	74	600	(526)	105	600	(495)	495	600	(0)
WF Memorial Park - Public Toilets	101	150	(49)	142	150	(8)	9	151	1
WF Memorial Park - Sportsfield & Carpark Development Stage 1	19	76	(56)	23	76	(53)	52	75	(1)
WF Memorial Park - Sportsfield & Carpark Development Stage 2	56	358	(302)	56	358	(302)	302	358	0
WF Memorial Park - Sportsfield Development Stage 3	21	369	(347)	71	369	(297)	297	368	(1)
Whangarei Falls Amenity Landscapes	0	60	(60)	0	60	(60)	60	60	0
Whangarei Falls Planning and Design Parks	17	254	(237)	17	254	(237)	237	254	0
Parks & Recreation Total	3,955	8,545	(4,590)	4,390	9,045	(4,655)	4,897	9,287	242
Community Facilities & Services Total	5,542	10,203	(4,661)	5,988	10,703	(4,715)	5,043	11,030	328
Planning & Regulatory									
Policy & Monitoring									
Policy & Monitoring total	0	0	0	0	0	0	0	0	0
Regulatory									
Computer Tech for Building, Animal Control & Parking	45	109	(64)	45	109	(64)	64	109	0
Regulatory Total	45	109	(64)	45	109	(64)	64	109	0
Planning & Regulatory Total	45	109	(64)	45	109	(64)	64	109	0

Description	Ytd Actual 14/15	Ytd Budget 14/15	Ytd Budget Variance	Full Year Forecast 14/15	Feb Revised Budget 14/15	Savings {Unspent} Overspent	Est c/fwd 15/16	Total	Variance
Economic Development									
Claphams Air Conditioning Renewal	20	16	4	20	16	4	0	20	4
Economic Development Total	20	16	4	20	16	4	0	20	4
Support Services									
Asset Management Software Upgrade	92	254	(162)	92	254	(162)	162	254	0
CCTV Transmission Mast	0	0	0	0	0	0	0	0	0
Commercial Property	152	0	152	157	0	157	151	308	308
Computer Room Relocation	0	410	(410)	0	410	(410)	360	360	(50)
Computer Systems Upgrades	56	200	(144)	56	200	(144)	144	200	0
Emergency Management Programmed Work	5	9	(4)	5	9	(4)	0	5	(4)
New Airport Evaluation	5	0	5	5	0	5	0	5	5
Non LTP - Information Services	32	242	(210)	32	242	(210)	210	242	(0)
Non LTP - Property (support activity)	12	0	12	12	0	12	0	12	12
Old NRC Building - Seismic strengthening	0	0	0	0	0	0	0	0	0
Performance Management Software	18	64	(46)	34	64	(30)	0	34	(30)
Vehicle Replacements - WDC Fleet	115	543	(428)	173	543	(370)	125	298	(245)
Support Services Total	489	1,723	(1,234)	568	1,723	(1,155)	1,151	1,719	(4)
Grand Total	30,731	47,582	(16,851)	32,212	48,763	(16,551)	16,359	48,570	(193)
Monthly Movements									
Opening Balance:	27,698								
Plus Expenditure in Current Month	3,034								
Closing Balance: 30 June 15 (P12)	<u>30,731</u>								

Treasury Report 30 June 2015

COMMENTARY:

Economic:

Market expectations have moved significantly during June. Once the RBNZ reduced the OCR by 25bps (market had priced in a 54% chance of this occurring), the market started predicting further rate cuts throughout 2015 and 2016. The market is now pricing in an almost certain July cut and expect the OCR to be around 2.66% by this time next year. A few of the main reasons for the drop are falling dairy prices as well as a high exchange rate and low inflation.

Long term swap rates remain relatively stable with 10 year rates trading within a 3.85%-4.10% range and ending the month much as they started. Long term rates are currently being restricted by the uncertainty of the Greek debt crisis. At 3.86% the NZ 10 year swap rate is currently 31% below the 10 year rolling average of 5.55%.

WDC Treasury Operations:

During June Council borrowed a further \$5M through the LGFA in order to meet the increased cash requirements in June. Council also made some small extensions to swaps in order to reduce future interest costs and will be looking at prefunding some future debt maturities during July.

Source: PwC, NZ Interest Rates Report, (June, 2015), BNZ Daily swap update (June, 2015)

STANDARD AND POORS CREDIT RATING:

AA-

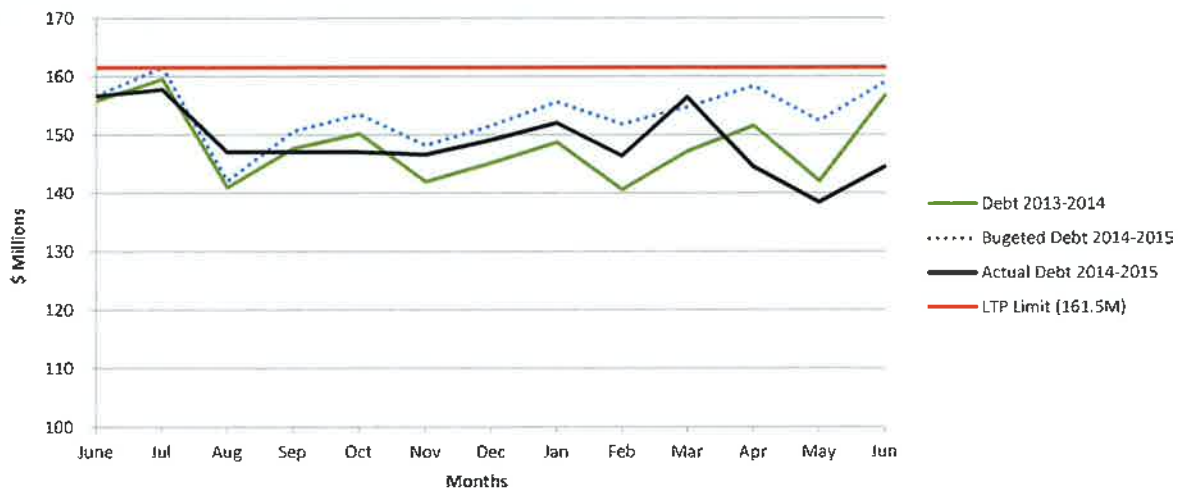
Outlook: Positive

DEBT SUMMARY:

As at 30 June 2015

External Debt			
Opening public debt as at 1 June 2015			138,421,000
Plus loans raised during month		7,450,000	
Less loan repayments made during month (Note: Facility movement has been netted)		1,421,000	
Net movement in external debt			6,029,000
Total External Debt			144,450,000
Less: Cash balances (excluding funds held on behalf)		2,164,559	
Term deposits (Funds held on deposit until required for project funding)		0	
Total cash and term deposits			2,164,559
Total Net External Debt			142,285,441
Less LGFA borrower notes			1,568,000
Plus Internal Funding: Community Development Funds		9,358,329	
Property Reinvestment Reserve		26,002,160	35,360,489
Total			176,077,929
External debt is represented by:			
Less than 1 Year			20,000,000
1-3 Years			30,000,000
3-5 Years			41,450,000
Greater than 5 Years			53,000,000
Total			144,450,000

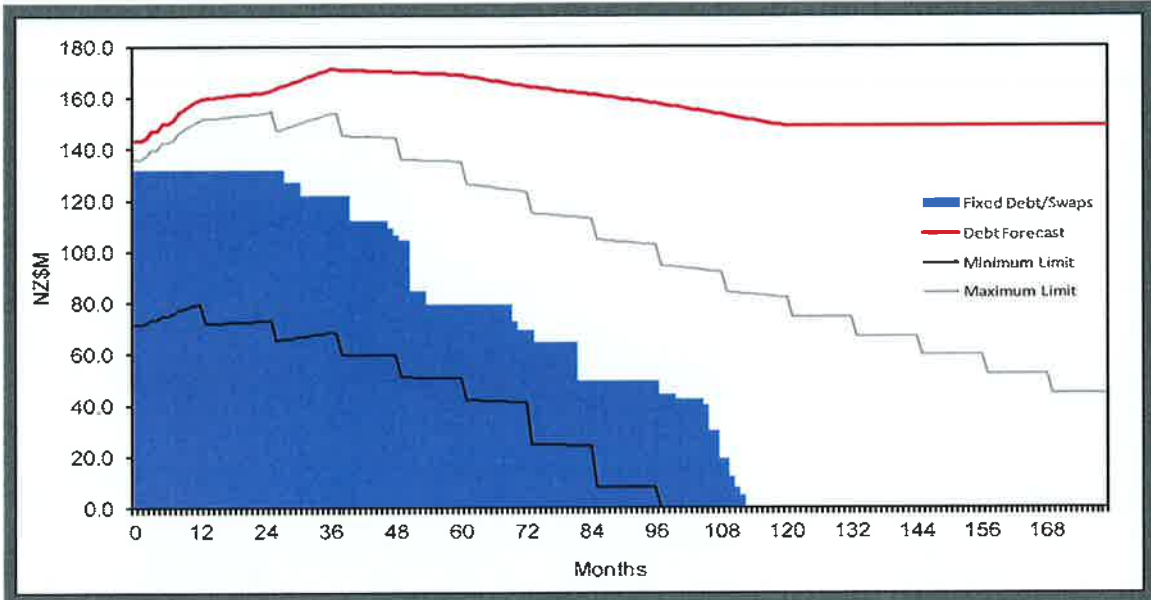
TOTAL EXTERNAL DEBT COMPARED TO BUDGET:



Treasury Report 30 June 2015

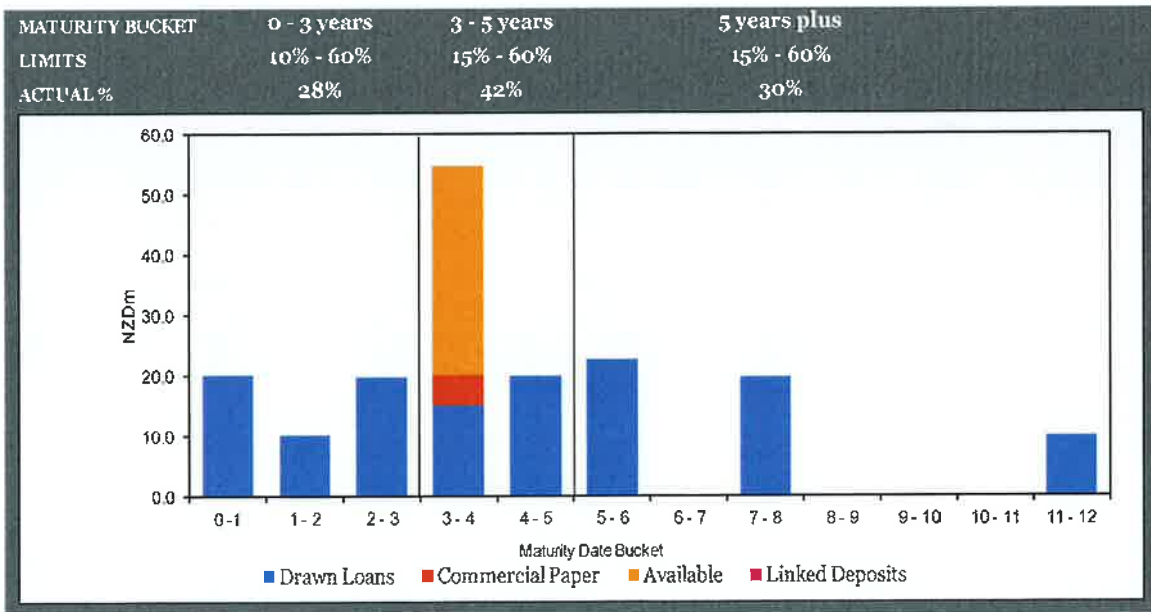
Fixed Interest Rate Hedge Position

This graph illustrates Council's fixed interest rate position i.e. the nominal value of the fixed interest rate swaps that Council has in place for different durations indicated in months (solid blue). It indicates that swaps in place are within the approved interest rate control limits set in the Treasury Risk Management Policy. Limits are set based on a 15 year rolling debt forecast (red line).



Funding Maturity

This graph illustrates the maturity of Council's total external debt against the approved limits within each maturity bucket. Current limits for each bucket are set in the Treasury Risk Management Policy and shown in the graph below, with percentages calculated on total external debt.

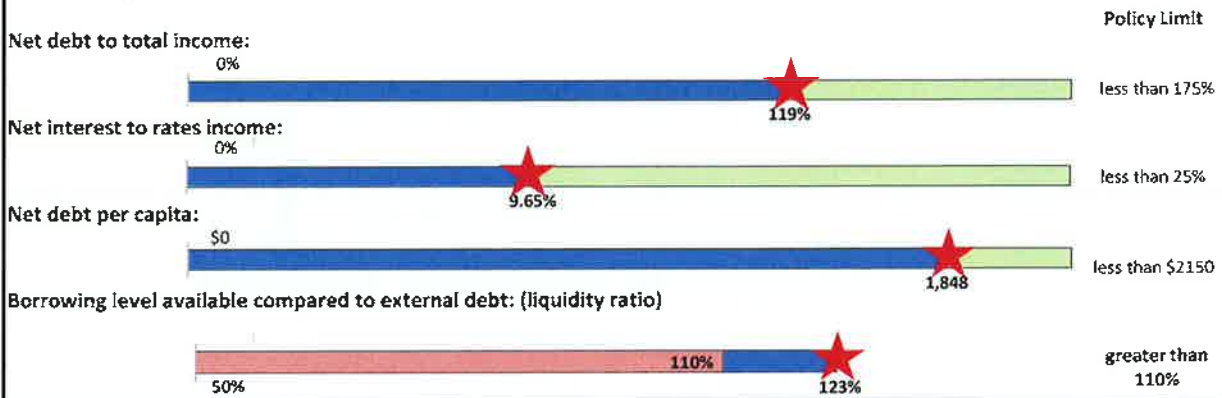


As at 30 June 2015	Years
Weighted average duration of Loans	4.27
Weighted average duration of Swaps	6.29

Treasury Report 30 June 2015

POLICY LIMITS:

The following information displays Council's position in comparison to policy limits.



COST OF BORROWING :

As at 30 June 2015	Budget	Actual
Absolute cost of borrowing	\$ 8,578,765	\$ 8,285,336
Weighted average cost of borrowing (%)*	5.60%	5.57%
Weighted average cost of current swaps (%)		4.97%

*The Weighted Average Cost of Borrowing of 5.57% is made up of the WA cost of current swaps (4.97%) + WA cost of margins (0.73%) on our loans. The calculation of our WACC is over the last 12 months on what is paid and accrued whereas the WA cost of swaps and margins is on what is payable now.

INVESTMENT ACTIVITY:

As at 30 June 2015	Budget	Actual
Cash balances		\$ 2,164,559
Borrower Notes		\$ 1,568,000
Internal investment		\$ 35,360,489
Term Deposits		\$ -
Total		\$ 39,093,048

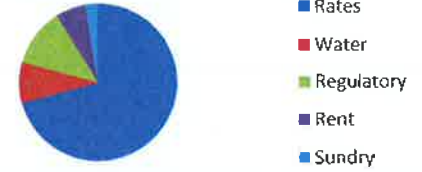
As at 30 June 2015	Budget	Actual
Investment interest received YTD:	\$ 419,964	\$ 579,481

Accounts Receivable - Amounts Owing to Council as at 30 June 2015

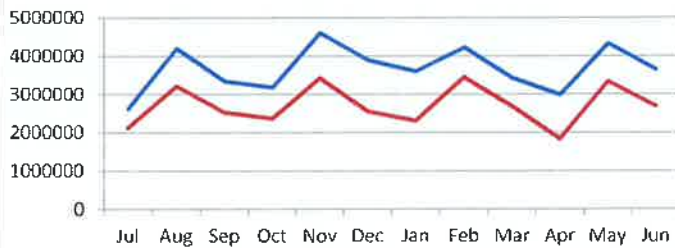
\$000	Current	30 Days	60 Days	90 Days This Year	90 Days Prev Year	Total	Owing	Total Arrears	Paid in Advance	Net Arrears
Rates		48	655	926	1,069		2,696	2,696	(1,934)	762
Water	1,019	140	56	122			1,338	318	(447)	(129)
Regulatory	3,215	126	74	255			3,670	455		455
Rent	204	49	5	183			441	237		237
Sundry	2,219	38	8	52			2,317	98		98
Total	6,657	401	798	1,538	1,069		10,461	3,805	(2,381)	1,423

% of Total arrears	30 Days	60 Days	90 Days This Year	90 Days Prev Year
Rates	2%	24%	34%	40%
Water	44%	17%	38%	
Regulatory	28%	16%	56%	
Rent	21%	2%	77%	
Sundry	39%	8%	53%	
Total	11%	21%	40%	28%

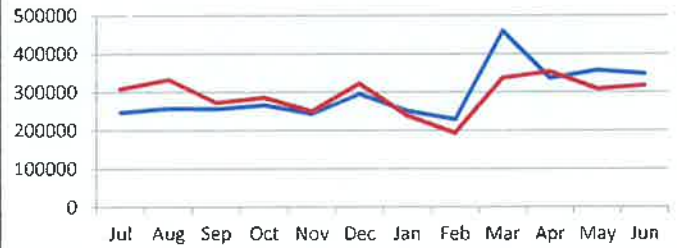
Total Arrears



2014/15 Rates Arrears vs 2013/14



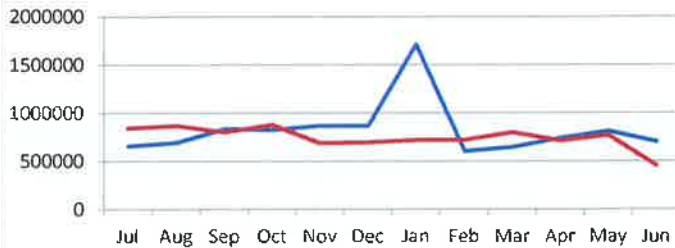
2014/15 Water Rates Arrears vs 2013/14



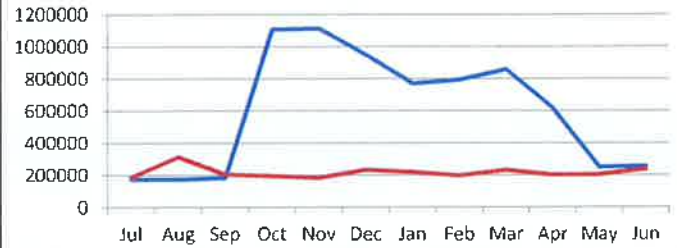
30 days - Penalty instalment 4.
60 days - Overdue instalment 4
90 days - Overdue instalments and penalties 1,2 and 3 plus previous year.

Current plus arrears total consistent with previous year.

2014/15 Regulatory Arrears vs 2013/14



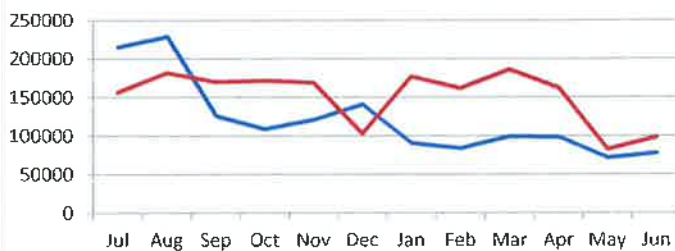
2014/15 Rent Arrears vs 2013/14



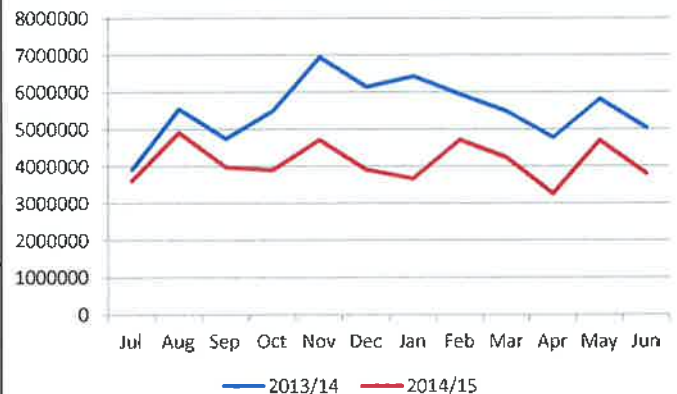
3 months plus arrears is made up of fees outstanding for building consents, resource consents and development contributions. Some accounts have arrangements to pay off. The amount with debt collection agencies is \$22K.

One arbitral rent is still being paid off. Other outstanding rents have payment arrangements or are being followed up by Property Services.

2014/15 Sundry Debts Arrears vs 2013/14



2014/15 Total Arrears vs 2013/14



Amount lodged with debt collection agencies \$16K. The remainder are being pursued or have payment arrangements in place.

RESOLUTION TO EXCLUDE THE PUBLIC

That the public be excluded from the following parts of proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason 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:

1.	The making available of information would be likely to unreasonably prejudice the commercial position of persons who are the subject of the information. {Section 7(2)(c)}
2.	To enable the council (the committee) to carry on without prejudice or disadvantage commercial negotiations. {(Section 7(2)(i))}.
3.	To protect the privacy of natural persons. {Section 7(2)(a)}.
4.	Publicity prior to successful prosecution of the individuals named would be contrary to the laws of natural justice and may constitute contempt of court. {Section 48(1)(b)}.
5.	To protect information which is the subject to an obligation of confidence, the publication of such information would be likely to prejudice the supply of information from the same source and it is in the public interest that such information should continue to be supplied. {Section7(2)(c)(i)}.
6.	In order to maintain legal professional privilege. {Section 2(g)}.
7.	To enable the council to carry on without prejudice or disadvantage, negotiations {Section 7(2)(i)}.

Resolution to allow members of the public to remain

If the council/committee wishes members of the public to remain during discussion of confidential items the following additional recommendation will need to be passed:

Move/Second

"That _____ be permitted to remain at this meeting, after the public has been excluded, because of his/her/their knowledge of Item _____.

This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because _____.

Note:

Every resolution to exclude the public shall be put at a time when the meeting is open to the public.