

Notice of Meeting:

I hereby give notice that an ordinary Meeting of the Finance Committee will be held on:

Date: Tuesday 11 April 2017
Time: 9.30am
Meeting Room: Council Chamber
Venue: Municipal Building, Garden Place, Hamilton

Richard Briggs
Chief Executive

Finance Committee OPEN AGENDA

Membership

Chairperson	Cr G Mallett
Deputy Chairperson	Cr R Pascoe
Members	Mayor A King Deputy Mayor M Gallagher Cr M Bunting Cr J R Casson Cr S Henry Cr D Macpherson Cr A O'Leary Cr P Southgate Cr G Taylor Cr L Tooman Cr P Yeung

Quorum: A majority of members (including vacancies)

Meeting Frequency: Six weekly

Ian Loiterton
Committee Advisor

5 April 2017

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Purpose:

The Finance Committee is responsible for:

1. Monitoring Council's financial strategy, and financial performance against the Long Term Plan and Annual Plan.
2. Determining financial matters within its delegations and Terms of Reference and making recommendations to Council on financial matters outside its authority.
3. Guiding and monitoring Council's interests in its Council Controlled Organisations (CCOs), Council Organisations (COs) and subsidiaries.

In addition to the common delegations the Finance Committee is delegated the following Terms of Reference and powers:

Terms of Reference:

1. To monitor Council's financial strategy, and performance against that strategy.
2. To approve deferred capital expenditure.
3. To develop and monitor policy related to the following matters:
 - a) financial management;
 - b) revenue generation;
 - c) procurement and tendering; and
 - d) the appointment and remuneration of directors of CCOs and COs.
4. To monitor the probity of processes relating to policies developed by the Finance Committee.
5. To provide clear direction to Council's CCOs and COs on Council's expectations, including feedback on draft statements of intent.
6. To receive six-monthly reports of Council's CCOs and COs, including on board performance.
7. To undertake any reviews of CCOs and agree CCO-proposed changes to their governance arrangements, except where reserved for Council's approval by Council.
8. To monitor Council's investments in the Municipal Endowment Fund and the Domain Endowment Fund.

The Committee is delegated the following powers to act:

- Approval of:
 - Appointments to, and removals from, CCO and CO boards; and
 - A mandate on Council's position in respect of remuneration proposals for CCO and CO board members to be presented at Annual General Meetings.
- Approval of letters of expectation for each CCO and CO.
- Approval of statements of intent for each CCO and CO.

- Approval of proposed major transactions of CCOs and COs.
- Approval or otherwise of any proposal to establish, wind-up or dispose of any holding in, a CCO or CO.
- Approval of Private Development Agreements recommended by the Growth and Infrastructure Committee.
- Approval of acquisition or sale or lease of properties owned by the Council, or owned by the Municipal Endowment Fund or the Domain Endowment Fund consistent with the Municipal Endowment Fund Investment Policy, for any endowment properties.
- Approval to write-off outstanding accounts greater than \$10,000 (in accordance with the Debtor Management Policy).

The Committee is delegated the following recommendatory powers:

- The Committee may make recommendations to Council.
- The Committee may make recommendations to other Committees.

Oversight of Policies:

- *Appointment and Remuneration of Board Members of COs, CCOs and CCTOs Policy*
- *Freeholding of Council Endowment Land Policy*
- *Funding Needs Analysis Policy*
- *Investment and Liability Management Policy*
- *Municipal Endowment Fund Investment Policy*
- *Rates Remissions and Postponements Policy*
- *Rating Policy*
- *Revenue and Financing Policy*

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1 Apologies

2 Confirmation of Agenda

The Committee to confirm the agenda.

3 Declaration of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

4 Public Forum

As per Hamilton City Council's Standing Orders, a period of up to 30 minutes has been set aside for a public forum. Each speaker during the public forum section of this meeting may speak for three minutes or longer at the discretion of the Chair.

Please note that the public forum is to be confined to those items falling within the terms of the reference of this meeting.

Speakers will be put on a Public Forum speaking list on a first come first served basis in the Council Chamber prior to the start of the Meeting. A member of the Council Democracy Team will be available to co-ordinate this. As many speakers as possible will be heard within the allocated time.

If you have any questions regarding Public Forum please contact Democracy by telephoning 07 838 6439.

Committee: Finance Committee**Date:** 11 April 2017**Report Name:** Finance Committee - Open
Minutes - 28 February 2017**Author:** Ian Loiterton

Status	<i>Open</i>
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Recommendation

That the Committee confirm the Open Minutes of the Finance Committee Meeting held on 28 February 2017 as a true and correct record.

1. Attachments

- Attachment 1 - Finance Committee - Open Minutes - 28 February 2017

Finance Committee

OPEN MINUTES

Minutes of a meeting of the Finance Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton on Tuesday 28 February 2017 at 9.30am.

PRESENT

Chairperson	Cr G Mallett
Deputy Chairperson	Cr R Pascoe
Members	Mayor A King
	Deputy Mayor M Gallagher
	Cr S Henry
	Cr J R Casson
	Cr D Macpherson
	Cr A O'Leary
	Cr P Southgate
	Cr G Taylor
	Cr L Tooman
	Cr P Yeung

In Attendance:	Chief Executive – Richard Briggs
	General Manager Corporate – David Bryant
	General Manager Community - Lance Vervoort
	General Manager City Growth – Kelvyn Eglinton
	General Manager City Infrastructure – Chris Allen
	General Manager H3 and Events – Sean Murray
	General Manager Strategy and Communications – Sean Hickey
	Executive Director Special Projects – Blair Bowcott
	Financial Controller – Tracey Musty
	Rates and Revenue Manager – Matthew Bell
	Programme Manager: Growth and Assets – Paul Gower
	Team Leader City Landscapes, Parks and Open Spaces – Gina Hailwood
	Team Leader, Growth Funding and Analytics – Greg Carstens
	Finance Officer – Heng Liang
	Communication Advisor – Jeff Neems
	Business Analyst (IS) – Malcolm Frethey

Governance Advisors:	Governance Manager - Lee-Ann Jordan
	Committee Advisors – Ian Loiterton and Amy Viggers

Finance Committee 28 FEBRUARY 2017 - OPEN

1. Apologies

Resolved: (Crs Mallett/Pascoe)

That the apology from Cr Bunting be accepted.

2. Confirmation of Agenda

Resolved: (Crs Mallett/Pascoe)

That the Agenda be confirmed noting:

- *Item 8 was a recommendation to Council;*
 - *Items 10 – 15 had attachments under separate cover; and*
 - *The Open Agenda as originally circulated to Elected Members contained 2 errors:*
 - *Page 20: was blank in the Agenda (should have contain Arts and Culture budget)*
 - *Page 53: the graph titled 'Debit and Cash Investments' was missing data*
- Amended copies of the above pages were available in hard copy at the Meeting.*

3. Declarations of Interest

No members of the Council declared a Conflict of Interest.

4. Public Forum

As per Hamilton City Council's Standing Orders, a period of up to 30 minutes was set aside for a public forum.

No members of the public requested to speak at the Public Forum.

5. **10-Year Plan Monitoring Report - For the seven months ended 31 January 2017**

The Financial Controller took the report as read, noting that Council's Senior Leadership Team had ongoing oversight of the budget during the election and transition to the new Council. In addition, the General Manager (GM) Corporate and Financial Controller met with the Chair of the Finance Committee in December to review the November accounts. Additionally, from February 2017 fortnightly meetings were held between the General Manager (GM) Corporate, Financial Controller and the Chair and Deputy Chair of the Finance Committee.

The Financial Controller and other staff as appropriate responded to questions from Elected Members concerning:

- **Higher user pays revenue:** \$0.9m in higher 'User pays revenue' was attributable to volume of usage across Council's fees and charges activities;
- **Higher rates penalties:** penalties were applied to outstanding rate payments. As these were carried over from previous financial years, the higher rate penalties were a timing issue due to part year effects and that the trend was similar to previous years;
- **Deferrals:** identified project deferrals were covered by a budget item of -\$10m to offset interest and depreciation costs. Deferred projects were largely due to third party external factors;
- **Water charges:** commercial water by meter charges were a targeted rate under legislation;
- **Library closure:** seismic testing results were being progressed and would be brought back to Council as this was expected to require unbudgeted remedial work;
- **H3 revenue:** an inconsistency with H3 revenue within the agenda, as reported in *Item 5: 10-year Monitoring Report – January 2017* as compared to *Item 9: H3 Update – Quarter Report to 31 December 2016*, was the result of different reporting periods;
- **Surplus:** budget results as at January 2017 supported a projected end of financial year surplus of \$1.5m;
- **Utility savings:** savings of \$363k in electricity and gas costs were largely the result of efficiencies generated by the Facilities team;
- **Interest rate swaps:** are a tool used by Council to protect it from volatility in the market, as Council's rates were set in advance over a 10 year period;
- **Development contributions and building consents:** it was noted there was no direct correlation between development contributions and building consents;
- **Indicative capital expenditure deferrals:**
 - Waterworld capital works were delayed for seismic testing, and due to the complexity of the project;
 - The status of Peacockes works was to be covered in *Item 6: Key Projects Monitoring Report – January 2017*;
 - Garden Place Library refurbishments to address seismic issues were delayed due to the availability of engineers;
- **Stadia building renewals:** it was requested that budgeted amounts for Financial Years 2019 and 2020 be brought forward to accommodate digital fitouts for improved audio and security functionality;
- **Authority Replacement Feasibility Study:** the Authority Replacement Feasibility Study related to scoping an upgrade of a regulatory and revenue I.T. system;

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- **City Safe budget savings:** delivery of City Safe services by staff had created savings compared to previous outsourcing arrangements;
- **Waikato Museum asset renewal:** it was confirmed that Council could accrue funds granted to the Waikato Museum by Trust Waikato for expenditure as and when appropriate;
- **Staffing underspend:** underspend in Council's staffing budget was stated to be no reason for concern as recruitment was generally positive, with the one exception of building staff (which was due to a nationwide skills shortage). The underspend was largely attributable to timing - for example, that recruitment of Library staff was on hold while the Garden Place Library was closed;
- **Risks and Opportunities:** a projection that depreciation would exceed budget by \$3.5m and that the Rototuna Reservoir project would deliver savings of \$3.5m would be added to the Risks and Opportunities register for the end of financial year; and
- **Election costs:** costs associated with the 2016 Council election were not included in budget figures as they were currently being reconciled, but it was anticipated that costs would be slightly under budget.

The CE and Governance Manager were asked by the Mayor to respond to a concern raised by Cr Pascoe that it had been more than six months since the previous Finance Committee meeting and that this was unacceptable, the 2016 Council election notwithstanding. The CE further explained the processes in place during the inter-triennium period and from February 2017 prior to this meeting to provide the Chair and Deputy Chair of the Finance Committee with an overview of financial matters. The CE and Governance Manager confirmed that the schedule of meetings had been unanimously approved by Council on 30 November 2016.

Action

Staff were asked to provide a breakdown of the mix of residential and commercial rates penalties, and a breakdown of rate payment methods.

GM Corporate to organise a session to enable Elected Members the opportunity to learn more about interest rate swaps.

Staff to include estimates for costs/revenues in future reports until reconciled figures were available, rather than exclude these from the reports altogether.

Resolved: (Crs Mallett/Pascoe)

That the Finance Committee receives the report.

The Meeting adjourned (11.25am-11.35am).

6. Key Projects Monitoring Report - January 2017

The GM Corporate took the report as read and confirmed there were no financial risks to projects that were off track.

Resolved: (Crs O'Leary/Mallett)

That the Finance Committee receives the report.

7. Overview and Update on Council Assets

The Program Manager – Growth and Assets spoke to the report and stated its purpose was to give elected members an overview of Council assets, and key asset challenges and issues that would help inform 2018-28 10-Year Plan discussions, including:

- **Community infrastructure backlog:** due to growth and previous funding prioritisation processes, there was a shortage of community infrastructure in some areas of the city
- **Council buildings:** many assets were neither modern nor not optimal for the delivery of services
- **Core infrastructure:** meeting faster than predicted city growth would be a critical challenge in relation to the provision of core network infrastructure
- **Asset management:** there was a need for continued investment in the asset management system to improve planning and long-term sustainability of Council's assets

The Program Manager – Growth and Assets responded to questions from Elected Members concerning:

- **Purpose of the report:** to help inform the Long Term Plan process;
- **Water reservoirs:** the GM City Infrastructure clarified that reservoirs, or assets more broadly, which were identified as being in 'poor' to 'very poor' condition would be scheduled for repair/replacement works. This was to be expected, as the purpose of repair/replacement works was not to focus on assets that were in good condition;
- **Seismic testing:** a comprehensive seismic test would be carried out in instances where a preliminary test identified potential issues for a building or structure;
- **Asset management budget:** a budget increase for asset management system upgrades would be needed to keep improving Council's asset management programme;
- **Reporting of risks:** the Risk and Emergency team was involved in asset management strategies and reported to Council on identified issues including severity/nature of risk, potential impact on service levels and cost/strategy to rectify the issue;
- **Rototuna:** it was clarified that the focus on Rototuna in the report's discussion on community infrastructure backlogs (page 69, paragraphs 29 - 32 of the Agenda) was an example of proposed assets that had previously been deferred as part of Council's Long Term Planning processes. It was noted that the role of asset management was to plan for the future as well as providing an assessment of current assets;

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- **Community consultation:** it was noted that Council was required by legislation to undertake community engagement in relation to any significant changes in service. Council used a range of strategies, and balanced the need to not over use consultation. Planning of community infrastructure was informed by a range of strategies, including best practice guidelines and Council's own needs analysis/planning processes; and
- **10-Year Plan:** asset management processes would create a financial baseline in the 10-Year Plan.

Action

Staff to provide a breakdown of larger assets in the future reporting of 'Condition summary of asset groups', particularly as it relates to large traffic bridges (as compared to small pedestrian bridges etc.).

Staff to provide detail in relation to inflows into significant waterways that were assessed as being of 'poor' quality or worse.

Resolved: (Crs Mallett/Pascoe)

That the Finance Committee receives the report.

8. Waikato Local Authority Shared Services - Appointment of Director (*Recommendation to Council*)

The Chief Executive (CE) and Executive Director Special Projects took the report as read.

The CE confirmed that he nominated the Executive Director Special Projects to the Director position, as he was the best placed staff member in Council to perform the role.

Resolved: (Crs Tooman/Pascoe)

That the Finance Committee:

- a) receives the report; and
- b) recommend to Council that it approves Blair Bowcott, Executive Director Special Projects as the appointed Director of Waikato Local Authority Shared Services Ltd. to replace Richard Briggs, Chief Executive effective immediately.

Cr Henry Dissenting.

9. **H3 Update - Quarter 2 Report to 31 December 2016**

The GM H3 and Events spoke to the report, noting that it would provide greater transparency to Elected Members. He responded to questions from Elected Members concerning:

- **Waikato Regional Theatre Project:**
 - Council was represented on the Project's Panel by the GM H3 and Events, who advised the Panel that Council would not contribute any more than \$30m to the Project, and that planning would need to consider ongoing operational costs;
 - A consultant, Charcoalblue, had been engaged to consult with user groups and scope the project, and that it was expected that a report with recommendations would come to Council in June 2017; and
 - The GM H3 and Events stated that he saw his role in the Project as providing objective information and support to the consultant and Panel.
- **H3 Focus:**
 - The best value add for the City was to increase overnight stays by out of town visitors;
 - H3's venue charges were benchmarked against similar venues across New Zealand; and
 - Discounts on venue hire were available for eligible groups, noting the costs of external equipment hire could be prohibitive for community groups; and
 - A report would come to a future meeting of the Community and Services Committee to consider community/commercial business models.
- **Revenue:** the H3 budget was tracking above target and the end of financial year result was expected to be close to budget; and
- **Founders Theatre Closure:** while efforts had been made to redirect shows to Claudelands Arena and Clarence Street Theatre, there was a gap in the market as a result of the Founders Theatre closure and this would have resulted in some loss of business

Resolved: (Crs Mallett/Pascoe)

That the Finance Committee receives the report.

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10. Local Authority Shared Services - Annual Report 2016

The Financial Controller took the report as read.

Action

As no representatives of Local Authority Shared Services were in attendance at the meeting, it was requested that representatives attend when its Statement of Intent was considered by the Committee (expected to be in April 2017).

Resolved: (Crs Pascoe/Mallett)

That the Finance Committee receives the report.

Cr Macpherson Dissenting.

11. Innovation Waikato Ltd and Group - Annual Report 2016

The Financial Controller took the report as read.

Action

As no representatives of Innovation Waikato Limited and Group were in attendance at the meeting, it was requested that representatives attend when its Statement of Intent was considered by the Committee (expected to be in April 2017).

Resolved: (Crs Mallett/Pascoe)

That the Finance Committee receives the report.

Cr Macpherson Dissenting.

12. Vibrant Hamilton Trust (VHT) - Annual Report 2016

The Financial Controller took the report as read.

The GM Community, as a member of the VHT, responded to questions from Elected Members concerning:

- **Purpose of VHT:** the general purpose of the VHT was to support Council's activities; the future role of the VHT was the subject of ongoing discussions; and
- **Promotion of the Trust:** the GM Community was not aware of any promotion of the VHT's grants to potential applicants outside of Council.

Action

The GM Community to add the matter of the Trust's role and purpose to a future Elected Member Briefing.

Resolved: (Crs Mallett/Pascoe)

That the Finance Committee receives the report.

13. NZ Local Government Funding Agency - Annual Report 2016

The Financial Controller took the report as read and, together with the CE and GM Corporate, responded to questions concerning:

- **Purpose:** the NZ Local Government Funding Agency enabled Councils to leverage long term loans that would not otherwise be readily available in the marketplace;
- **Guarantee:** Council's role as a guarantor of the NZ Local Government Funding Agency was understood to be limited to payment of Council's own debt, not as a guarantor of the total debt of the Agency, but the GM Corporate would confirm this.

Action

As no representatives of the NZ Local Government Funding Agency were in attendance at the meeting, it was requested that representatives attend when its Statement of Intent was considered by the Committee (expected to be in April 2017).

GM Corporate to confirm the implications of Council's status as guarantor of the NZ Local Government Funding Agency and advise Cr Pascoe.

Resolved: (Crs Mallett/Pascoe)

That the Finance Committee receives the report.

Cr O'Leary left the meeting (12.45pm) during the above item and was not present when the matter was voted on.

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14. Waikato Regional Airport Ltd - Annual Report 2016

The Financial Controller took the report as read.

Action

As no representatives of Waikato Regional Airport Ltd. were in attendance at the meeting, it was requested that representatives attend when its Statement of Intent was considered by the Committee (expected to be in April 2017).

Resolved: (Crs Mallett/Pascoe)

That the Finance Committee receives the report.

Cr Macpherson Dissenting.

Cr O'Leary re-joined the meeting (12.50pm) during the above item and was present when the matter was voted on.

15. Civic Assurance - Half Year Report to 30 June 2016

The Financial Controller took the report as read.

The CE stated that Council had considered selling its small shareholding in Civic Assurance but there were currently no interested buyers; Council would continue to be open to the idea.

Resolved: (Crs Mallett/Pascoe)

That the Finance Committee receives the report.

16. Resolution to Exclude the Public

Resolved: (Crs Tooman/Mallett)

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

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 follows.

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General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Report on overdue debtors as at 31 January 2017 & Bad Debts Writeoffs 2016/17) Good reason to withhold information exists under Section 7 Local Government	Section 48(1)(a)
C2. Update on Innovation Waikato Ltd and Group of Companies - Review of Council Investment) Official Information and Meetings Act 1987	
C3. Development Contributions Remissions Report - Six Months to 31 December 2016		
C4. Victoria on the River (VOTR) Contract Approval		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to protect the privacy of natural persons	Section 7 (2) (a)
Item C2.	to enable Council to carry out negotiations	Section 7 (2) (i)
Item C3.	to protect the privacy of natural persons	Section 7 (2) (a)
	to maintain legal professional privilege	Section 7 (2) (g)
Item C4.	to enable Council to carry out negotiations	Section 7 (2) (i)

The Meeting went into a Public Excluded session at 12.55pm.

The Meeting adjourned (12.55 - 1.30pm).

The Meeting was declared closed at 3.50pm.

Committee: Finance Committee

Date: 11 April 2017

Report Name: Waikato Local Authority
 Shared Services - Draft
 Statement of Intent 2017/18
 and Half Year Report to 31
 December 2016

Author: Tracey Musty

Report Status	<i>Open</i>
Strategy, Policy or Plan context	<i>Monitoring the performance of CCOs</i>
Financial status	<i>Not applicable</i>
Assessment of significance	<i>Having regard to the decision making provisions in the LGA 2002 and Council's Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

1. Purpose of the Report

2. To inform the Finance Committee of Waikato Local Authority Shared Services (WLASS) Half Year Report to 31 December 2016.
3. To seek approval of the Waikato Local Authority Shared Services (WLASS) Draft Statement of Intent 2017/18.

Recommendations from Management

That the Finance Committee:

- a) receives the report; and
- b) approves the Waikato Local Authority Shared Services (WLASS) Draft Statement of Intent 2017/18.

4. Attachments

5. Attachment 1 - WLASS - Draft Statement of Intent 2017/18 (*Under Separate Cover*)
6. Attachment 2 - WLASS - Six Month Report to Shareholders at 31 December 2016 (*Under Separate Cover*)

7. Discussion

8. Draft Statement of Intent 2017/18

9. A number of new business transformation initiatives are outlined in the Draft Statement of Intent for 2017/18.
10. Refer to Attachment 1 for the Draft Statement of Intent 2017/18 .

11. Six Monthly Report to Shareholders

12. All but two performance measures were achieved or are on track to be achieved (note that one performance measure was not applicable for the six month period).
13. WLASS has reported a favourable operating surplus for the six months ended 31 December 2016.
14. Refer to Attachment 2 for the Six Monthly Report to Shareholders.

Signatory

Authoriser	David Bryant, General Manager Corporate
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Committee: Finance Committee

Date: 11 April 2017

Report Name: Vibrant Hamilton Trust - Draft Statement of Intent 2017/18 and Half Year Report to 31 December 2016

Author: Tracey Musty

Report Status	<i>Open</i>
Strategy, Policy or Plan context	<i>Monitoring the performance of CCOs</i>
Financial status	<i>Not applicable</i>
Assessment of significance	<i>Having regard to the decision making provisions in the LGA 2002 and Council's Significance Policy, a decision in accordance with the recommendations is/is not considered to have a high degree of significance</i>

1. Purpose of the Report

2. To inform the Finance Committee of Vibrant Hamilton Trust's Half Year Report to 31 December 2016.
3. To seek approval of Vibrant Hamilton Trust's Draft Statement of Intent 2017/18.

Recommendations from Management

That the Finance Committee:

- a) receives the report; and
- b) approves the Vibrant Hamilton Trust Draft Statement of Intent 2017/18.

4. Attachments

5. Attachment 1 - Half Year Report for the six months ended 31 December 2016 (*Under Separate Cover*)
6. Attachment 2 - Vibrant Hamilton Trust - Draft Statement of Intent 2017/18 (*Under Separate Cover*)

7. Discussion

8. Half Year Report for the six months ended 31 December 2016

9. Since 1 July 2016 the Trustees have approved and distributed \$300k grants as budgeted.
10. Refer to Attachment 1 for the Trust's Half Year Report.

- 11. **Draft Statement of Intent 2017/18**
- 12. Trustees have forecast a distribution of grants of \$300k in 2017/18.
- 13. Refer to Attachment 2 for the Draft Statement of Intent.

Signatory

Authoriser	David Bryant, General Manager Corporate
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Committee: Finance Committee

Date: 11 April 2017

Report Name: Innovation Waikato Ltd and Group Companies - Draft Statement of Intent 2017/18, Half Year Report to 31 December 2016 and Annual Tenants Survey

Author: Tracey Musty

Report Status	<i>Open</i>
Strategy, Policy or Plan context	<i>Monitoring the performance of CCOs</i>
Financial status	<i>Not applicable</i>
Assessment of significance	<i>Having regard to the decision making provisions in the LGA 2002 and Council's Significance Policy, a decision in accordance with the recommendations is/is not considered to have a high degree of significance</i>

1. Purpose of the Report

2. To inform the Finance Committee of the Innovation Waikato Ltd and Group of companies Half Year Report to 31 December 2016 and Annual Tenant Survey results for 2016.
3. To seek approval of the Waikato Innovation Park Ltd Group of companies Draft Statement of Intent 2017/18.

4. Executive Summary

5. Draft Statement of Intent 2017/18

6. Council has reviewed its shareholding in the Innovation Waikato Ltd Group (IWL Group), and has resolved to sell its shareholding in Waikato Innovation Park Ltd, and retain its shareholding in NZ Food Innovation (Waikato) Ltd, following a restructure and the establishment of a new holding company.
7. A public expression of interest process has commenced to sell Council's shareholding in Waikato Innovation Park Ltd. This process is being managed by Deloitte, and is expected to run until 30 June 2017. There is confidence that Council will sell its shareholding by this time and therefore have no involvement in this company after 30 June 2017. However this is not a certain outcome and there are many hurdles to pass before Council can plan with certainty that it is no longer an owner of Waikato Innovation Park Limited.

8. The draft Statement of Intent has been prepared by the Board reflecting this uncertainty and the key assumptions summarise this as a consideration. The Statement of intent will need to be updated when Council has completed this sale process; assuming Council has sold its shareholding.
9. The Board has indicated that both the property business (Waikato Innovation Park Ltd) and the food innovation business (NZ Food Innovation (Waikato) Ltd) require new capital investors to fund development aspirations on the park side.
10. In the event that Council does not sell its shareholding in Waikato Innovation Park Ltd, and hence no new investor has been identified, then the property business plan to invest in new buildings as the company's financial debt/revenue ratios allow. The food innovation business plan to develop a second spray drier, but this is dependent on 90% funding from a new investor, with the balance to be met from the company's existing financial debt/revenue capacity. There are many assumptions for both of these plans and if either eventuates they will be subject to specific Council business case approval in the future.
11. Refer to Attachment 1 Draft Statement of Intent 2017/18.
12. **Half Yearly Report to 31 December 2016**
13. Increased business for the spray drying plant produced a surplus well in excess of budget for NZ Food Innovation (Waikato) Ltd.
14. It is expected that the sheep milk industry production will increase by 50% next year as new farms and genetics become available.
15. Waikato Innovation Park has consistently run at 98% + occupancy for the year with high numbers of enquires.
16. See Attachment 2 for the Half Yearly Report in full.
17. **Annual Tenant Survey 2016**
18. Attachment 3 is a summary of the latest survey of Waikato Innovation Park tenants.
19. Highlights are:
 - Turnover growth of tenants revenue is significantly higher at \$427m
 - Staff numbers have continued the upward trend to 562 based in the Park (17% growth year on year)
 - More than 1/3 of companies are collaborating in business ventures
 - 68% of tenant businesses are exporting - significantly better than the national average of 30%.

Recommendations from Management

That the Finance Committee:

- a) receives the report; and
- b) notes the Draft Statement of Intent and key assumptions and advises Innovation Waikato Ltd and Group of Companies that it supports the indicative plans outlined; noting the current uncertainty in core assumptions relating to the restructure of the Group and sale of Council's shareholding in Waikato Innovation Park Ltd.

Item 8

20. **Attachments**

- 21. Attachment 1 - IWL Group - Draft Statement of Intent 2017/18 *(Under Separate Cover)*
- 22. Attachment 2 - IWL Group - Half Year Report to 31 December 2016 *(Under Separate Cover)*
- 23. Attachment 3 - 2016 Survey of Waikato Innovation Park Tenants *(Under Separate Cover)*

Signatory

Authoriser	Blair Bowcott, Executive Director Special Projects
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Committee: Finance Committee

Date: 11 April 2017

Report Name: Civic Assurance - Draft
Statement of Intent 2017

Author: Tracey Musty

Report Status	Open
Strategy, Policy or Plan context	Monitoring the performance of CCOs
Financial status	Not applicable
Assessment of significance	Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance

1. Purpose of the Report

- To seek approval of the New Zealand Local Government Insurance Corporation Limited (trading as Civic Assurance) Draft Statement of Intent 2017.

Recommendations from Management

That the Finance Committee:

- receives the report; and
- approves the New Zealand Local Government Insurance Corporation Limited (trading as Civic Assurance) Draft Statement of Intent 2017.

3. Attachments

- Attachment 1 - Civic Assurance Chief Executive's Letter (*Under Separate Cover*)
- Attachment 2 - Draft Statement of Intent for year ended 31 December 2017 (*Under Separate Cover*)

6. Discussion

- Civic Assurance's board decided at the end of 2016 to withdraw Civic's application for a full insurance licence and not offer property insurance.
- Consequently, as from 1 March 2017 the Company has changed its name to Civic Financial Services Ltd.
- Shareholders will be asked at the AGM in June 2017 whether they wish Civic to retain ownership of the Civic Assurance House building in Wellington.
- Refer to Attachments 1 and 2 for the Chief Executive's Letter and Draft Statement of Intent.

Item 9

Signatory

Authoriser	David Bryant, General Manager Corporate
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Committee: Finance Committee

Date: 11 April 2017

Report Name: Local Government Funding Agency - Draft Statement of Intent 2017/18 and Half Year Report to 31 December 2016

Author: Tracey Musty

Report Status	<i>Open</i>
Strategy, Policy or Plan context	<i>Monitoring the performance of CCOs</i>
Financial status	<i>Not applicable</i>
Assessment of significance	<i>Having regard to the decision making provisions in the LGA 2002 and Council's Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

1. Purpose of the Report

2. To inform the Finance Committee of Local Government Funding Agency's (LGFA) Half Year Report to 31 December 2016.
3. To seek approval of Local Government Funding Agency (LGFA) Draft Statement of Intent 2017/18.

Recommendations from Management

That the Finance Committee:

- a) receives the report; and
- b) approves the Local Government Funding Agency (LGFA) Draft Statement of Intent 2017/18.

4. Attachments

5. Attachment 1 - LGFA - Letter to Shareholders (*Under Separate Cover*)
6. Attachment 2 - LGFA - Draft Statement of Intent 2017/18 (*Under Separate Cover*)
7. Attachment 3 - LGFA - Half Year Report 2016 (*Under Separate Cover*)

8. Discussion

9. Central Government has a shareholding of 11.1% in LGFA and the balance is owned by 30 councils as at 30 June 2016.
10. HCC has 8.3% shareholding in LGFA as at 30 June 2016 and is reflected at a cost of \$1.866m. Council received a dividend of \$103,935 in 2016/17.

11. We are represented on LGFA’s Shareholders’ Council by David Bryant, General Manager Corporate.
12. **Draft Statement of Intent 2017/18**
13. LGFA has two primary objectives:
 - Optimizing the debt funding terms and conditions for participating local authorities
 - Ensuring that the local authorities are financially strong.
14. Refer to Attachments 1 and 2 respectively for the letter to Shareholders and Draft Statement of Intent 2017/18.
15. **Half Year Report to 31 December 2016**
16. LGFA performed strongly during the period with an operating profit of \$5.3m, and confirmation of their AA+ credit rating.
17. Bonds issued on behalf of Council members increased to \$6.8b, making LGFA one of the largest issuers of NZD securities after the NZ Government.
18. Refer to Attachment 3 for LGFA’s Half Year Report.

Signatory

Authoriser	David Bryant, General Manager Corporate
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Committee: Finance Committee

Date: 11 April 2017

Report Name: 10-Year Plan Monitoring
Report - For the eight months
ended 28 February 2017

Author: Tracey Musty

Report Status	<i>Open</i>
Strategy, Policy or Plan context	<i>2015-25 10 Year Plan 2015-16 Annual Plan</i>
Financial status	<i>Not Applicable</i>
Assessment of significance	<i>Having regard to the decision making provisions in the LGA 2002 and Council's Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

1. Purpose of the Report

- To inform the Finance Committee on the Council's financial performance against the 2016-17 Annual Plan for the eight months ended 28 February 2017.

3. Executive Summary

- Council has an operating surplus of \$37.3m for the eight months ended 28 February 2017. This result is \$30.4m favourable to the year to date budget.
- The significant items that contribute to this result are: unrealised gains from interest rate Swaps at \$18.8m, favourable vested asset revenue at \$3.8m and additional revenue associated with capital (assets) projects at \$4.8m. Swaps and vested assets are excluded from Council's balancing the books measure.
- Council's balancing the books result is a surplus of \$9.6m. This is \$8.3m favourable to the year to date budget.
- The \$8.3m favourable variance is due to: higher user pays revenue of \$0.9m, additional revenue associated with capital (assets) projects of \$4.8m and lower expenditures on consultants \$1.8m and electricity \$0.4m.
- Capital expenditure totalled \$44.7m for the eight months ended 28 February 2017. This result is \$5.3m behind the year to date budget of \$50.0m.
- Twenty (20) capital expenditure projects have been identified as being potentially deferred (details listed in the table on page 5). These have an indicative value of \$18.6m. Deferrals relate to approved projects that will not be completed this financial year. These projects are still required and need their budget to be carried forward into a future financial year.

- 10. Overall debt for the eight months ended 28 February 2017 is \$354.5m against an annual budget of \$404.1m. The debt to revenue ratio is 170% against an annual target of 198%.
- 11. Council is compliant across all treasury policy measures.

Recommendations from Management

That the Finance Committee receives the report.

12. Attachments

- 13. Attachment 1 - Financial Statements
- 14. Attachment 2 - Activity Summary Report
- 15. Attachment 3 - Capital Expenditure Report
- 16. Attachment 4 - Treasury Report

17. Discussion

- 18. The structure of this report includes the following sections:
 - a) Summary of the operating result; including Council’s balancing the books result.
 - b) Summary of capital expenditure
 - c) Summary of risks and opportunities
 - d) Summary of debt and treasury management
- 19. Attachments to this report provide more detailed analysis and explanation of the results.

20. Operating Result

- 21. The operating result relates to the surplus or deficit position for Council from its normal day to day operating activities. The overall result is referred to as the Accounting result. This is compliant with Tier 1 Public Benefit Entity (PBE) accounting statements. A subset of the accounting result is Council’s balancing the books result.
- 22. This section provides a summary for both the accounting result and Council’s balancing the books result.

23. The Accounting Result

- 24. The accounting result for the eight months ended 28 February 2017 is a surplus of \$37.3m. This is \$30.4m favourable as the budget was expecting a surplus of \$6.9m.

Actual year to date	Budget year to date	Variance year to date
\$37.3m	\$6.9m	\$30.4m

25. **Council's Balancing the Books**

26. Balancing the books is an internal measure adopted by Council as part of the 2012-22 10-Year Plan. This measure eliminates any gains or losses from interest rate Swaps, revenue associated with vested assets and capital subsidy for the Ring Rd.
27. Council's balancing the books result for the eight months ended 28 February 2017 is a surplus of \$9.6m. This is \$8.3m favourable as the budget was a surplus of \$1.3m.

Actual year to date	Budget year to date	Variance year to date
\$9.6m	\$1.3m	\$8.3m

28. The *Financial Statements* (attachment 1) show the accounting result, Council's balancing the books result, the Government's balancing the books result and balance sheet. Variances are explained in this attachment.
29. *Group of Activities Financial Reports* (attachment 2) contains an individual operating statement for each of the 13 activities Council externally reports. These include comments that explain variances between year to date actual results and year to date budgets where they exceed \$100k.
30. A high level view of the major contributors to the overall accounting result variance of \$30.4m are:

Revenue variances:

- Higher revenue from building consents and planning guidance
- Higher 3rd party capital contributions.
- Higher NZTA capital subsidy. Western Rail trail is a major contributor.
- Higher rates penalties received and lower hardship remissions issued.
- Higher revenue through vested assets

Expenditure variances:

- Lower finance costs due to lower debt and interest rates.
- Lower expenditure on consultants due to timing.
- Lower expenditure on maintenance (buildings and both treatment plants).
- Lower expenditure on electricity and gas.
- Higher depreciation due to asset revaluations. The current forecast predicts depreciation to exceed budget by \$2.7m.

Losses and Gains variances:

- Gain on interest rate Swaps due to higher market interest rates.

31. More detailed explanations can be found in the notes in attachment 1 and attachment 2.

32. Summary of Capital Expenditure

33. The Capital Expenditure Result

34. Total spend on capital expenditure for the eight months ended 28 February 2017 is \$44.7m, compared to a budget of \$50.0m for the same period.

Actual year to date	Budget year to date	Variance year to date
\$44.7m	\$50.0m	\$5.3m

35. The *Capital Expenditure Report* (attachment 3) provides a full list of all projects and year to date variances to budget.

36. The Capital Expenditure Programme

37. The capital expenditure programme for 2016/17 comprises the approved Annual Plan programme plus approved deferrals from 2014/15 and 2015/16. The total programme is \$100.67m. The following table has the detail.

Capital Expenditure Programme for 2016-17		\$m
Approved Annual Plan Programme		\$90.77m
Approved Deferrals from 2014-15		\$3.00m
Approved Deferrals from 2015-16		\$6.90m
Total Capital Expenditure Programme		\$100.67m

38. Deferral Expenditure

39. Deferrals refers to the process whereby capital expenditure projects that are unable to be completed in the current year are approved to have the project and associated budget carried forward into a future year. The request for deferrals that are submitted for approval will include the year they are now likely to be completed. Once approved they are included and reported on in the capital expenditure report.

40. 2016-17 Deferrals

41. Management have identified twenty (20) projects as at 28 February 2017 that potentially will not be completed this year. These projects will require the budget to be carried forward into a future year.

42. As we move through the year the deferrals in this list may change as we gain more certainty over the delivery of the capital expenditure programme.

43. A full list of deferred projects as at 28 February 2017 is contained in the following table.

Indicative Capital Expenditure Deferrals from 2016-17		\$000	\$000
Project	Month	Total Budget	Indicative Deferral
CE15162 - Integrated catchment management plan	Feb-17	1,406	300
CE10070 - Replacement of parking enforcement equipment	Feb-17	695	650
CE15144 - Upgrade water treatment plant	Feb-17	3,337	1,000
CE16001 - Victoria on the River	Jan-17	4,900	2,200
CE15033 - Land purchase future reserves	Jan-17	822	428
CE10014 - Founders Theatre building renewals	Jan-17	152	152
CE10012 - Founders Theatre plant and equipment renewals	Jan-17	353	353
CE10008 - Museum asset renewal	Jan-17	147	17
CE15088 - Roading upgrades and development in Peacocke stage 1	Jan-17	653	453
CE15089 - Roading upgrades and development in Peacocke stage 2	Jan-17	500	200
CE15092 - Roading upgrades and development in Rototuna	Jan-17	3,661	1,000
CE15107 - Increase capacity of network in Rotokauri stage 1	Jan-17	441	265
CE15128 - Upgrade/build new watermains in Rotokauri stage 1	Jan-17	391	114
CE15060 - Rotokauri stormwater infrastructure stage 1	Dec-16	1,834	1,300
CE10001 - Aquatic facilities building renewals	Oct-16	2,340	2,200
CE10003 - Waterworld operational asset renewals	Oct-16	3,096	2,900
CE15090 - Roading upgrades and development in Rotokauri stage 1	Oct-16	1,284	600
CE15111 - Increase capacity of network throughout the city	Oct-16	4,372	3,500
CE15140 - Rototuna reservoir and associated bulk mains	Oct-16	16,574	450
CE15158 - Water model	Jul-16	1,014	554
Total Indicative Expenditure Deferrals		47,973	18,636

44. Pipeline Projects

45. Pipeline projects relate to approved projects that have been brought forward from a future financial year.
46. Management have identified three projects as at 28 February 2017. These are listed in the following table.

Capital Expenditure Pipelines to 2016-17	\$000						
Project	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
CE10048 - Stadia building renewals	200	200	(200)	(200)			
CE10009 - ArtsPost Earthquake Strengthening	100		(100)				
CE15060 - Rotokauri stormwater infrastructure stage 1*	5,000						(5,000)
Total Indicative Expenditure Pipelines	5,300	200	(300)	(200)	0	0	(5,000)

*This is the WINTEC land purchase

47. Risks and Opportunities for 2016-17

48. Risks and Opportunities

49. The Risks and Opportunities schedule is used to report to elected members any significant or potentially significant changes from the approved budget.
50. While the approved budget is not amended to reflect these changes the schedule serves to track these changes and ensure these items have the appropriate visibility.

51. These changes are classified into 3 categories:

- Approved through a resolution of Council or committee.
- Approved under the delegated authority of the Chief Executive
- Other

Risks and Opportunities as at 28 February 2017		\$000	\$000	\$000	\$000
Project	Date	Operating		Capital	
		Cost	Revenue	Cost	Revenue
Approved by Council or Committee Resolution					
Additional Zoo Staff	20-Sep-16	302			
Project Watershed	20-Sep-16	195			
Authority Replacement Feasibility Study	30-Nov-16	150			
Growth and DC Funding Model	30-Nov-16			1,515	
Reduction in Authority Upgrade Project	30-Nov-16			(1,665)	
Western Rail Trail	13-Dec-16			1,300	
Eastern Bulk Water Main *	11-Apr-17			1,080	
Total		647	0	2,230	0
Approved under CE Delegated Authority					
Dominion Park Playground				315	250
Library Seismic Study				160	
Museum Chillers and Air Handling Units				215	
Total		0	0	690	250
Other					
Rototuna Reservoir				(5,200)	
Depreciation Increase due to asset revaluations		2,700			
Total		2,700	0	(5,200)	0
Total Risks and Opportunities		3,347	0	(2,280)	250

* this item has been considered by Council as part of the 6th of April meeting.

52. Emerging Issues

53. In addition, there are also the following emerging issues that are being disclosed to raise awareness. At this stage the timing and value of these issues cannot be confirmed. Once there is more certainty they will be reported in full to Council.

54. These items have no approved budget either in the current year or any future year.

- a. Central Library; seismic strengthening works required to bring the building up to standard.
- b. Stormwater; repairs associated with a private property situated on Valley Terrace.
- c. Hamilton Crematorium; investigation and design work associated with the renewal project that has been included in the 2017-18 Proposed Annual Plan.

55. Debt and Treasury Management

56. Treasury Management

57. *The Treasury Report* (attachment 4) contains further detail around the treasury compliance measures of which Council is compliant. There is also a debt summary table along with graphical analysis on debt and cash investments and interest rate movements as they relate to the Council’s Swap liability.

58. Total Overall Debt

59. Total Overall Debt for the eight months ended 28 February 2017 is \$354.5m, which is \$49.6m less than the year end budget target of \$404.1m.

Actual year to date	Annual Budget	Amount Remaining	Debt to Revenue
\$354.5m	\$404.1m	\$49.6m	170%

60. Interest Rate Swaps

61. The gains on interest rate Swaps continue to have a material impact on Councils operating result. These gains are a calculated value at a “point in time”. These are based on Councils total external debt and the difference between actual interest rates and the rates that Council has locked in. They can be referred to as unrealised, because as long as the debt is allowed to reach its maturity then any gain (or loss) will never be realised.

62. From 1 July 2016 the liability has decreased from \$47.5m to \$28.7m. This is a reduction (gain) of \$18.8m for the eight months ended 28 February 2017. The favourable movement is due to lower market interest rates than when we entered into the fixed rate swap contracts.

Signatory

Authoriser	David Bryant, General Manager Corporate
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STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE EIGHT MONTHS ENDED 28 FEBRUARY 2017

	Note	Actual YTD	Budget YTD	Variance favourable/ (unfavourable)	Annual Budget	Actual Feb 2016
		\$000	\$000	\$000	\$000	\$000
Revenue						
Rates	1	101,971	101,830	141	153,747	98,093
Revenue from activities	2	27,584	26,664	920	40,023	28,452
Subsidies and grants	3	3,449	3,641	(192)	5,479	2,999
Development and financial contributions	4	6,973	7,352	(379)	11,027	13,480
Interest revenue	5	1,192	1,333	(141)	2,000	1,420
Other revenue	6	10,287	6,546	3,741	9,744	20,527
Capital revenue	7	9,474	4,723	4,751	6,389	4,545
Total revenue		160,930	152,089	8,841	228,409	169,516
Expenses						
Personnel costs	8	45,494	45,659	165	68,390	41,371
Depreciation and amortisation	9	40,979	39,610	(1,369)	59,412	37,605
Finance costs	10	12,682	14,839	2,157	22,257	14,156
Other expenses	11	42,464	45,017	2,553	67,259	41,081
Total expenses		141,619	145,125	3,506	217,318	134,213
Operating surplus/(deficit)		19,311	6,964	12,347	11,091	35,303
Gains	12	18,907	-	18,907	-	473
Losses	12	(871)	-	(871)	-	(14,700)
Surplus/(deficit)		37,347	6,964	30,383	11,091	21,076

COUNCIL'S BALANCING THE BOOKS MEASURE FOR THE EIGHT MONTHS ENDED 28 FEBRUARY 2017

	Note	Actual YTD	Budget YTD	Variance favourable/ (unfavourable)	Annual Budget	Actual Feb 2016
		\$000	\$000	\$000	\$000	\$000
Surplus/(deficit) before tax		37,347	6,964	30,383	11,091	21,076
Adjustments for balancing the books measure						
Gains		18,907	-	18,907	-	473
Losses		(871)	-	(871)	-	(14,700)
Vested assets (included in Other revenue)		9,459	5,687	3,772	8,531	19,734
Ring Road subsidy (included in Capital revenue)		238	-	238	-	72
Total adjustments		27,733	5,687	22,046	8,531	5,579
Council's Balancing the books surplus/(deficit)		9,614	1,277	8,337	2,560	15,497

**LOCAL GOVERNMENT REGULATIONS MEASURE FOR BALANCING THE BOOKS
FOR THE EIGHT MONTHS ENDED 28 FEBRUARY 2017**

Note	Actual YTD	Budget YTD	Variance favourable/ (unfavourable)	Annual Budget	Actual Feb 2016
	\$000	\$000	\$000	\$000	\$000
Council's Balancing the books surplus/(deficit)	9,614	1,277	8,337	2,560	15,497
Adjustments for the Local Government measure					
Remove revenue from Development Contributions	6,973	7,352	(379)	11,027	13,480
Add back Ring Rd subsidy	(238)	-	(238)	-	(72)
Add back Losses on Asset Sale/Disposal	852	-	-	-	585
Add back Gains on Investment Properties	(87)	-	-	-	-
Total adjustments	7,500	7,352	(617)	11,027	13,993
LG Regulations Balancing the books surplus/(deficit)	2,114	(6,075)	8,954	(8,467)	1,504

Attachment 1

Operating Variance Analysis

For the eight months ended 28 February 2017

		Feb-17	Movement from Jan 2016
		Favourable/(Unfavourable)	
Revenue variances:			
Rates	The current favourable position is due to higher revenue from penalties on overdue rates and the cost of remissions are lower than was expected. This favourable position will carry through until year end.	\$0.38 m	(\$0.05m)
Water by Meter	Currently tracking behind budget. This is due to lower usage by high user customers.	(\$0.24m)	\$0.04 m
Revenue from Activities	Building control revenues continue to exceed budget.	\$0.92 m	(\$0.01m)
Subsidies and Grants	Operating subsidies from NZTA are unfavourable as the expenditure to which we received subsidy is tracking below. As this expenditure increases so to will the subsidy. Partially offsetting this is higher revenue from the waste minimisation levy.	(\$0.19m)	(\$0.03m)
Development contributions	Is currently below budget but indicators and trend data suggest a strong third and fourth quarter will see revenue meet and potentially exceed budget. The timing of this source of revenue is unpredictable.	(\$0.38m)	\$0.12 m
Interest Revenue	Interest revenue earned from Council cash investments.	(\$0.14m)	(\$0.16m)
Vested assets	As strong growth continues the level of vested revenue will remain high. The timing of this source of revenue is unpredictable.	\$3.77 m	(\$0.44m)
Other (excluding vested)	Minor Variance	(\$0.03m)	(\$0.00m)
Capital Revenue	The major driver is NZTA subsidy received for the Western Rail Trail.	\$4.75 m	\$0.25 m
Total Revenue variance		\$8.84 m	(\$0.29m)
Expenditure variances:			
Personnel Costs	Personnel cost budgets are tracking to budget.	\$0.16 m	\$0.17 m
Depreciation	Depreciation will exceed budget. This is due to rising asset values from revaluations. Current forecast expects depreciation to exceed budget by \$2.7m.	(\$1.37m)	(\$0.02m)
Finance Costs	Interest costs are favourable, due to debt being lower than expected coupled with lower interest rates.	\$2.16 m	\$0.61 m
Other Expenses	Across all activities expenditure is favourable. Lower expenditure on professional fees, planned maintenance and electricity. Detailed explanations of variances are explained in the <i>Group of Activities Financial Report</i> (attachment 2).	\$2.55 m	\$0.50 m
Total Expenditure variance		\$3.51 m	\$1.26 m
Gains and Losses Variances			
Less loss on Swaps	This is due to an increase in market interest rates in comparison to when Council's fixed interest rate contracts were entered into. Refer graph on attachment 5.	\$18.80 m	(\$2.16m)
Loss on asset sales	The loss is due to the write down of existing assets which have been replaced.	(\$0.77m)	(\$0.03m)
Total Expenditure variance		\$18.04 m	(\$2.19m)
Total variance		\$30.38 m	(\$1.21m)

STATEMENT OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2017

	Note	Actual \$000	Annual Budget \$000	Actual Feb 2016 \$000
Assets				
Current assets				
Cash and cash equivalents	1	22,802	45,000	4,696
Receivables	2	26,864	17,614	21,763
Prepayments		1,974	1,663	1,689
Inventory		142	244	109
Other financial assets	1	16,040	107	49,010
Derivative financial instruments	6	89	-	-
Non-current assets held for sale		-	-	15,033
Total current assets		67,911	64,628	92,300
Non-current assets				
Property, plant and equipment	3	3,790,742	3,470,927	3,232,440
Intangible assets		18,359	20,520	18,142
Investment property		19,420	22,478	24,145
Investment in associates		7,430	7,430	7,430
Other financial assets	1	24,553	25,907	8,569
Investment in subsidiaries		8,422	10,150	10,150
Derivative financial instruments	6	616	-	-
Total non-current assets		3,869,542	3,557,412	3,300,876
Total assets		3,937,453	3,622,040	3,393,176
Liabilities				
Current liabilities				
Employee entitlements		6,230	5,053	5,511
Payables and deferred revenue	4	29,498	15,017	30,220
Provisions		1,781	1,074	1,646
Borrowings	5	98,426	73,036	83,251
Derivative financial instruments	6	1,019	-	-
Total current liabilities		136,954	94,180	120,628
Non-current liabilities				
Employee entitlements		1,068	886	881
Provisions		12,559	8,072	8,478
Borrowings	5	261,572	346,863	285,859
Derivative financial instruments	6	28,415	40,000	39,738
Total non-current liabilities		303,614	395,821	334,956
Total liabilities		440,568	490,001	455,584
Net assets		3,496,885	3,132,039	2,937,592
Equity				
Accumulated funds		1,674,327	1,597,166	1,632,106
Other reserves	7	1,822,558	1,534,873	1,305,486
Total equity attributable to Hamilton City Council		3,496,885	3,132,039	2,937,592
Total equity		3,496,885	3,132,039	2,937,592

Attachment 1

Notes to the Statement of financial position

Note 1: Cash and financial assets

		Actual	Annual budget	Prior YTD
		\$000	\$000	\$000
Cash and short-term deposits		22,802	45,000	4,696
Other financial assets - current	Term deposits	16,040	-	49,000
	Loan investments	-	107	10
		38,842	45,107	53,706
Other financial assets - non-current	Term deposits	3,440	4,000	3,600
	Loan investments	16,596	16,930	99
	Shares	4,517	4,977	4,870
		24,553	25,907	8,569
Total cash and financial assets		63,395	71,014	62,275

Note 2: Rates and debtors receivables

	Actual			Prior YTD		
	\$000	\$000	\$000	\$000	\$000	\$000
Rates	Rates	Arrears	Total	Rates	Arrears	Total
Balance as at 1 July	(2,107)	3,072	965	(1,885)	3,829	1,944
Instalments 1-3	127,859		127,859	121,296		121,296
Penalties, adjustments & postponed	693		693	786		786
Remissions and govt rebates instalments 1-4	(3,853)		(3,853)	(3,037)		(3,037)
Rates receipts	(105,791)	(2,784)	(108,575)	(105,995)	(3,477)	(109,473)
Balance as at 28 February	16,800	288	17,088	11,165	351	11,516
Water by meter			993			1,061
Sundry debtors						
Debtors			2,963			3,859
Rentals			386			348
Rates rebates Internal Affairs			108			148
NZTA			0			0
H3 debtors			497			613
			3,953			4,968
Debtor accruals			3,858			3,442
Parking			4,086			3,998
Provision for doubtful debts			(3,114)			(3,222)
Total Rates and debtors receivables			26,864			21,763

Attachment 1

	Actual	Prior YTD
	\$000	\$000
Debtors ageing		
Rates	as at 30 Jun 2016	as at 30 Jun 2015
2013/14	34	2013/14 74
2014/15	60	2014/15 3,755
2015/16	2,977	
	3,072	3,829
Sundry debtors		
	as at 28 Feb 2017	as at 28 Feb 2016
Current	2,632	Current 2,417
0-30 days	654	0-30 days 608
30-60 days	130	30-60 days 122
60-90 days	64	60-90 days 88
>90 days	473	>90 days 1,732
	3,953	4,968

Note 3: Fixed assets work in progress

	Balance 1 July 2016	New WIP 2016/17	WIP capitalised 2016/17	Balance 28 Feb 2017
	\$000	\$000	\$000	\$000
Operational Land	100	1,924	(1,030)	994
Restricted Land	29	-	-	29
Parks & Gardens Land	1,143	341	(178)	1,306
Heritage	25	-	(18)	7
Land under Roads	88	-	(7)	81
Operational Buildings	4,599	1,301	(3,849)	2,051
Parks & Gardens Improvements	3,061	2,151	(1,262)	3,950
Refuse	650	107	(136)	621
Wastewater	7,613	5,417	(1,771)	11,259
Stormwater	2,596	1,740	(1,360)	2,976
Transportation	14,099	14,384	(8,008)	20,475
Water Supply	16,072	10,452	(363)	26,161
Wastewater Treatment Plant	3,203	1,789	(2,452)	2,540
Water Treatment Station	3,071	1,561	(2,568)	2,064
Operational Plant & Equipment	3,693	2,458	(1,544)	4,607
Intangible Assets	3,658	470	(189)	3,939
Other	17	611	(418)	210
	63,717	44,706	(25,153)	83,270
Fixed Assets Vested	5,538	9,459	(4,234)	10,763
Total Fixed assets work in progress	69,255	54,165	(29,387)	94,033

Work in progress is a part of Council Property, plant and equipment non-current assets. Costs are recorded as work in progress until an asset becomes operational.

Attachment 1

Note 4: Payables

	Actual	Annual Budget	Prior YTD
	\$000	\$000	\$000
Payables	29,498	15,017	30,220
Total Payables	29,498	15,017	30,220

Note 5: Borrowings

	Actual	Annual Budget	Prior YTD
	\$000	\$000	\$000
Borrowings - current	98,426	73,036	83,251
Borrowings - non-current	261,572	346,863	285,859
Total external debt	359,998	419,899	369,110

The calculation for Net External Debt and Total Overall Debt is shown in the Treasury Report (attachment 5). Total Overall Debt is the Financial Strategy benchmark.

Note 6: Derivative financial instruments

	Actual	Annual Budget	Prior YTD
	\$000	\$000	\$000
Interest rate Swaps - held for trading (current asset)	(89)	-	-
Interest rate Swaps - held for trading (non-current asset)	(616)	-	-
Interest rate Swaps - held for trading (current liability)	1,019	-	-
Interest rate Swaps - held for trading (non-current liability)	28,415	40,000	39,738
Total net derivative financial instrument liabilities	28,729	40,000	39,738

The Council's unrealised losses position on interest rate swaps has reduced by \$18.8m this financial year. From 1 July 2016 the liability has decreased from \$47.5m to \$28.7m as at 28 February 2017. The favourable movement is due to lower market interest rates than when we entered into the fixed rate swap contracts.

Note 7: Other Reserves

	Balance 1 July 2016	Transfers into fund	Transfers out of fund	Balance 28 Feb 2017
	\$000	\$000	\$000	\$000
Total Restricted reserves	32,475	5,319	-	37,794
Total Council created reserves	5,005	774	(425)	5,354
Total Revaluation and fair value through equity reserves	1,519,394	260,870	(855)	1,779,409
Total restricted and Council created reserves	1,556,874	266,963	(1,280)	1,822,557

Transfers into the revaluation reserve are due to the revaluation of transportation assets such as roads and footpaths.

ARTS AND CULTURE
Theatres | Libraries | Museum | Arts | Active Communities
for the eight months ended 28 February 2017

Prior YTD Actual 2015/16 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
Revenue				
(2) Rates	(5)	(2)	(3)	(2)
0 Water by Meter	0	0	0	0
1,136 Revenue from activities	656	723	(68)	1,084
5 Subsidies and grants	6	24	(18)	39
0 Development Contributions	0	0	0	0
14 Vested and Other Revenue	12	13	(1)	20
0 Capital revenue	0	0	0	0
1,153 Total revenue	668	758	(90)	1,141
Expenses				
4,174 Personnel costs	4,083	4,309	226	6,448
1,732 Depreciation and amortisation	2,352	1,825	(527)	2,738
131 Finance costs	108	123	15	185
Other Expenses				
1,389 - Operating & Maintenance costs	1,279	1,351	73	1,967
196 - Professional costs	161	233	72	538
2,723 - Administrative costs	2,662	2,767	105	4,131
616 - Property costs	513	626	113	940
10,961 Total expenses	11,158	11,235	77	16,948
(9,807) Operating surplus/(deficit)	(10,489)	(10,476)	(13)	(15,807)
(88) Gains and losses	(116)	0	(116)	0
(9,895) Surplus/(deficit)	(10,605)	(10,476)	(129)	(15,807)

Attachment 2

The comments below explain the variance between year to date actual results and year to date budgets where they exceed \$100k.

Personnel costs - \$226k favourable. \$90k is due to favourable annual leave variances that will reduce as the year progresses. The remainder consists of staff vacancies in the Libraries, Museum and Founders Theatre. Library staff will be recruited after the completion of the Central Library seismic upgrade. One of three vacancies at the Museum has been filled and the other two are in the process of being recruited.

H3 - Theatres \$91k fav relates to budgeted additional payroll costs for theatre events. These costs are now being borne within Tech services in H3, reported within Economic activity financials.

Depreciation - \$527k unfavourable. This variance is due to the useful lives of the building assets being reassessed as part of the latest revaluation carried out June 2016. The revaluation was completed after budgets were set. This variance will continue through to year end.

Administrative Costs - \$105k favourable. Library - \$46k favourable. Printing and stationery and Support unit costs track below budget and are expected to be on target at year end.

H3 Theatres \$56k favourable relates to theatre closure costs budgeted, but not currently incurred. This is expected to be spent by the end of the year.

Property Costs - \$113k favourable. Cleaning, electricity and Security costs at the Museum and Libraries track \$84k below budget and this variance is likely to continue. Other variances include minor insurance, rates, and body corporate fees at the community libraries. Contracts are in the process of being reviewed and budgets have been amended in the proposed 2017/18 Annual Plan.

H3 Theatres \$7k favourable is related to small movements across various categories.

Gains and losses - \$116k unfavourable. The loss is due to the write off of existing Library and Museum building fixtures and fittings which have been replaced.

RECREATION

Pools | Indoor Recreation | Zoo

for the eight months ended 28 February 2017

Prior YTD Actual 2015/16 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
Revenue				
0 Rates	(3)	0	(3)	0
0 Water by Meter	0	0	0	0
3,020 Revenue from activities	3,043	3,002	41	4,367
209 Subsidies and grants	187	194	(7)	279
0 Development Contributions	0	0	0	0
19 Vested and Other Revenue	16	19	(3)	28
0 Capital revenue	0	0	0	0
3,248 Total revenue	3,243	3,215	28	4,674
Expenses				
3,381 Personnel costs	3,581	3,419	(161)	5,077
940 Depreciation and amortisation	956	1,057	101	1,585
189 Finance costs	156	178	22	267
Other Expenses				
1,109 - Operating & Maintenance costs	1,176	1,127	(49)	1,657
119 - Professional costs	161	114	(47)	172
1,239 - Administrative costs	1,348	1,367	18	2,106
565 - Property costs	527	588	60	873
7,542 Total expenses	7,906	7,849	(56)	11,737
(4,294) Operating surplus/(deficit)	(4,663)	(4,634)	(28)	(7,063)
(130) Gains and losses	(119)	0	(119)	0
(4,423) Surplus/(deficit)	(4,782)	(4,634)	(148)	(7,063)

The comments below explain the variance between year to date actual results and year to date budgets where they exceed \$100k.

Personnel costs - \$161k unfavourable. \$142k of the variance is due to the increase in the number of full-time zoo keeper positions and other operational support. Additional staff costs of \$302k was approved by Council on 20/09/16. Personnel costs at the pools tracks \$19k above budget but is expected to be on budget at year end.

Depreciation and Amortisation - \$101k unfavourable. This variance is due to the useful lives of the building assets being reassessed as part of the latest revaluation carried out June 2016. The revaluation was completed after budgets were set. This variance will continue through to year end.

Gains and losses - \$119k unfavourable. The loss is due to the write down of existing building fixtures and fittings which have been replaced.

The following commentary specifically addresses the Financial position for Aquatic Facilities

Aquatic Services - \$57k unfavourable. Club Aqua income is \$195k unfavourable as budgets were overly optimistic but contributes a \$82k profit year to date towards pool operations (\$63k achieved year to date February 2016.) 2017/18 revenue budgets have been reduced to bring revenue into line with what is achievable. Income from other programmes tracks \$123k favourable as budgets were reduced to accommodate a 12 week closure to complete pool renewal works. These works have been delayed and will not proceed until the outcome of the seismic and fire assessments are known. Realistically the work will not commence this year and revenue will be unaffected by the closure and available to offset the Club Aqua income shortfall. Year to date income has been impacted by a cooler summer which has resulted in reduced visitor numbers. While overall income is expected to meet budget, it tracks \$122k below the comparative amount received year to date February 2016.

PLANNING AND DEVELOPMENT
 City Planning | Planning Guidance & Compliance | Building Control
 for the eight months ended 28 February 2017

Prior YTD Actual 2015/16 5000	Year to Date		Variance Favourable/ (Unfavourable) 5000	Annual Budget 5000
	Actual 5000	Budget 5000		
Revenue				
0 Rates	0	0	0	0
0 Water by Meter	0	0	0	0
6,494 Revenue from activities	6,125	5,113	1,012	7,764
0 Subsidies and grants	0	0	0	0
0 Development Contributions	0	0	0	0
0 Vested and Other Revenue	0	0	0	0
0 Capital revenue	0	0	0	0
6,494 Total revenue	6,125	5,113	1,012	7,764
Expenses				
3,755 Personnel costs	3,996	4,191	196	6,272
0 Depreciation and amortisation	0	0	(0)	0
0 Finance costs	0	0	0	0
Other Expenses				
820 - Operating & Maintenance costs	902	760	(142)	1,144
1,304 - Professional costs	929	1,367	437	1,895
1,584 - Administrative costs	1,901	1,940	39	2,943
8 - Property costs	9	9	0	14
7,471 Total expenses	7,738	8,268	531	12,269
(977) Operating surplus/(deficit)	(1,612)	(3,155)	1,542	(4,505)
0 Gains and losses	0	0	0	0
(977) Surplus/(deficit)	(1,612)	(3,155)	1,542	(4,505)

Attachment 2

The comments below explain the variance between year to date actual results and year to date budgets where they exceed \$100k.

Revenue from activities - \$1.01m favourable. This is due to increased activity for Building Control and Planning Guidance. This variance is expected to continue through to year end.

Personnel costs - \$196k favourable. This is due to vacancies in the City Planning Unit. Recruitment for these roles is currently underway. This favourable variance is expected to continue through to year end and is partly offset by increased staff demands in Economic Development.

Operating & Maintenance costs - \$142k unfavourable. This variance is due to the online building consents project, which is within overall project budget and is offset by additional revenue. This variance is expected to continue through to year end.

Professional costs - \$437k favourable. The majority of this variance relates to an increase in expenditure on consultants. These have been partially off set by legal services required for the District Plan hearings and an increase in consultants required for increased resource consenting activity. This variance is expected to continue through to year end.

ECONOMIC DEVELOPMENT

Economic Initiatives | Strategic Property Investment | Claudelands | Stadiums
for the eight months ended 28 February 2017

Prior YTD Actual 2015/16 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
Revenue				
(115) Rates	(177)	(163)	(14)	(317)
0 Water by Meter	0	0	0	0
5,124 Revenue from activities	5,448	5,771	(323)	8,794
6 Subsidies and grants	0	0	0	0
0 Development Contributions	0	0	0	0
359 Vested and Other Revenue	312	349	(37)	524
0 Capital revenue	0	0	0	0
5,374 Total revenue	5,583	5,957	(374)	9,002
Expenses				
1,857 Personnel costs	3,318	3,253	(65)	4,906
3,446 Depreciation and amortisation	3,434	3,274	(161)	4,910
3,325 Finance costs	2,737	3,119	383	4,679
Other Expenses				
3,294 - Operating & Maintenance costs	3,350	3,088	(262)	4,615
236 - Professional costs	240	357	117	534
2,991 - Administrative costs	3,177	3,411	234	4,584
1,028 - Property costs	907	1,072	165	1,610
16,177 Total expenses	17,162	17,574	411	25,838
(10,803) Operating surplus/(deficit)	(11,579)	(11,617)	37	(16,836)
(169) Gains and losses	(9)	0	(9)	0
(10,971) Surplus/(deficit)	(11,588)	(11,617)	29	(16,836)

Attachment 2

The comments below explain the variance between year to date actual results and year to date budgets where they exceed \$100k.

Revenue from activities - \$323k unfavourable. Venues, Tourism & Major Events is \$90k unfavourable, with \$69k unfavourable relating to iSite ticketing activities being below budget, however \$107k favourable to operating budget. H3 \$21k unfavourable due to mix of events.
Reduction in revenue received from Strategic Property due to the sale of properties (\$263k unfavourable).

Depreciation and amortisation - \$161k unfavourable. This variance is due to the useful lives of the building assets being reassessed as part of the latest revaluation carried out June 2016. The revaluation was completed after budgets were set. This variance will continue through to year end.

Finance costs - \$383k favourable. Due to the favourable debt position for Council.

Operating and Maintenance Costs - \$262k unfavourable. Strategic Property unfavourable variance which includes Domain Endowment Fund Internal expenditure (\$301k). This was due to the budget set in the LTP incorrectly accounting for library income of \$345k, therefore this variance will continue until the year end. The 17/18 budget will be corrected accordingly.
Venues, Tourism & Major Events \$60k unfavourable, relating to timing of budget and impact of theatre events costs.

Professional costs - \$117k favourable. Venues Tourism & Major Events \$34k unfavourable due to compliance and consultants costs higher than budgeted levels (Service Level Review costs).
\$92k relates to consultants in Economic Growth with this variance expected to partly reduce by year end.

Administrative costs - \$234k favourable. H3 \$60k favourable, relates to the timing of our budget vs actual costs in marketing and advertising costs. Tracking on Budget by end of year.
Tourism & Events \$154k fav - relates to difference between phasing of budget and actuals.

Property costs - \$165k favourable. This variance is partially due to a reduction in property costs (\$82k) following sale of properties.
\$80k relates to H3. Cleaning and Insurance costs currently tracking below due to timing. Expected this will be on budget by end of year.

SAFETY

Animal Control | Environmental Health and Public Safety

for the eight months ended 28 February 2017

Prior YTD Actual 2015/16 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
Revenue				
0 Rates	0	0	0	0
0 Water by Meter	0	0	0	0
1,897 Revenue from activities	1,838	1,828	10	2,164
9 Subsidies and grants	0	0	0	0
0 Development Contributions	0	0	0	0
2 Vested and Other Revenue	2	2	0	3
0 Capital Revenue	0	0	1	0
1,908 Total revenue	1,840	1,830	11	2,167
Expenses				
1,465 Personnel costs	1,877	1,587	(290)	2,377
61 Depreciation and amortisation	54	51	(3)	77
16 Finance costs	13	15	2	23
Other Expenses				
846 - Operating & Maintenance costs	802	839	38	1,264
99 - Professional costs	78	83	5	124
526 - Administrative costs	563	560	(3)	850
444 - Property costs	202	468	267	699
3,457 Total expenses	3,589	3,603	15	5,414
(1,549) Operating surplus/(deficit)	(1,749)	(1,773)	26	(3,247)
0 Gains and losses	0	0	0	0
(1,549) Surplus/(deficit)	(1,749)	(1,773)	26	(3,247)

The comments below explain the variance between year to date actual results and year to date budgets where they exceed \$100k.

Personel costs - \$290k unfavourable. This variance is largely due to the City Safe Operations being brought inhouse (\$275k) which is offset by a reduction in Security costs (\$270k).

Property costs - \$267k favourable. Security in City Safe Operations brought inhouse mostly offset by the unfavourable variance in Personnel costs.

COMMUNITY SUPPORT
Community Development | Emergency Management | Housing
for the eight months ended 28 February 2017

Prior YTD Actual 2015/16 5000	Year to Date		Variance Favourable/ (Unfavourable) 5000	Annual Budget 5000
	Actual 5000	Budget 5000		
Revenue				
(83) Rates	(1)	(0)	(0)	(1)
0 Water by Meter	0	0	0	0
1,441 Revenue from activities	57	54	3	88
0 Subsidies and grants	0	0	0	0
0 Development Contributions	0	0	0	0
1 Vested and Other Revenue	1	1	(0)	1
0 Capital revenue	0	0	0	0
1,358 Total revenue	57	54	3	88
Expenses				
864 Personnel costs	804	850	46	1,203
465 Depreciation and amortisation	115	117	2	175
8 Finance costs	7	7	1	11
Other Expenses				
758 - Operating & Maintenance costs	467	570	103	857
70 - Professional costs	155	64	(91)	82
1,562 - Administrative costs	1,490	1,487	(3)	2,081
203 - Property costs	131	120	(12)	179
3,929 Total expenses	3,169	3,216	47	4,588
(2,571) Operating surplus/(deficit)	(3,112)	(3,162)	50	(4,500)
1 Gains and losses	(3)	0	(3)	0
(2,570) Surplus/(deficit)	(3,115)	(3,162)	47	(4,500)

Attachment 2

The comments below explain the variance between year to date actual results and year to date budgets where they exceed \$100k.

Operating & Maintenance costs - \$103k favourable. This variance is due to the timing of building maintenance work in the Enderley Community Centre and Garden Place Activation events. Both are expected to be on target at year end.

GOVERNANCE
 Governance and Public Affairs
 for the eight months ended 28 February 2017

Prior YTD Actual 2015/16 5000	Year to Date		Variance Favourable/ (Disfavourable) 5000	Annual Budget 5000
	Actual 5000	Budget 5000		
Revenue				
0 Rates	0	0	0	0
0 Water by Meter	0	0	0	0
15 Revenue from activities	260	213	46	219
0 Subsidies and grants	0	0	0	0
0 Development Contributions	0	0	0	0
0 Vested and Other Revenue	10	5	5	5
0 Capital Revenue	0	0	0	0
15 Total revenue	269	218	51	224
Expenses				
313 Personnel costs	223	404	181	600
0 Depreciation and amortisation	0	0	0	0
0 Finance costs	0	0	0	0
Other Expenses				
62 - Operating & Maintenance costs	107	108	1	166
177 - Professional costs	592	614	23	727
2,627 - Administrative costs	2,821	3,530	708	5,149
1 - Property costs	0	12	12	13
3,179 Total expenses	3,743	4,668	925	6,654
(3,164) Operating surplus/(deficit)	(3,474)	(4,450)	976	(6,431)
0 Gains and losses	0	0	0	0
(3,164) Surplus/(deficit)	(3,474)	(4,450)	976	(6,431)

The comments below explain the variance between year to date actual results and year to date budgets where they exceed \$100k.

Personnel costs - \$181k favourable. This variance is largely due to staff vacancies in Mayoral Support Services.

Administrative costs - \$708k favourable. Overhead allocations are favourable due to favourable professional service variances from support areas.

PARKS AND GREEN SPACES

Hamilton Gardens | Community Parks | Sports Parks | Cemeteries and Crematorium
for the eight months ended 28 February 2017

Prior YTD Actual 2015/16 5000	Year to Date		Variance Favourable/ (Unfavourable) 5000	Annual Budget 5000
	Actual 5000	Budget 5000		
Revenue				
0	0	0	0	0
0	0	0	0	0
1,628	1,673	1,448	224	2,317
5	5	7	(1)	7
2	2	0	2	0
96	87	103	(16)	152
1,116	1,852	1,597	255	1,597
2,848	3,619	3,156	463	4,073
Expenses				
1,443	1,526	1,517	(9)	2,276
2,311	2,454	2,192	(262)	3,288
1,008	879	1,001	123	1,502
Other Expenses				
6,542	7,408	6,763	(645)	10,758
165	138	150	12	253
1,783	1,864	1,835	(29)	2,877
471	482	482	(0)	727
13,722	14,750	13,940	(811)	21,680
(10,874)	(11,131)	(10,784)	(347)	(17,607)
(273)	(319)	0	(319)	0
(11,147)	(11,450)	(10,784)	(666)	(17,607)

Attachment 2

The comments below explain the variance between year to date actual results and year to date budgets where they exceed \$100k.

Revenue from activities - \$224k favourable. Cemetery revenue is \$83k favourable due to the number of cremations and cemetery plot sales. Other variances include \$144k Hamilton Gardens shop revenue which is offset by unbudgeted stock purchases. The remainder is due to the timing of park rentals off by a timing variance in project watershed recoveries.

Capital revenue - \$255k favourable. This variance is driven by capital contributions received from external parties. The two projects in question being the Dominion Park Playground and the Hamilton Gardens Development.

Depreciation and amortisation - \$262k unfavourable. This variance is due to the useful lives of the building assets being reassessed as part of the latest revaluation carried out June 2016. The revaluation was completed after budgets were set. This variance will continue through to year end.

Finance costs - \$123k favourable. Due to the favourable debt position for Council.

Operating & Maintenance costs - \$645k unfavourable. \$189k of the variance is due to items included in 2015/16 capital work in progress that have been expensed as they were not capital in nature. \$153k are expenses that will be recovered from external parties. Maintenance costs track \$137k ahead of target and are expected to be \$195k unfavourable at year end. The Finance Committee resolved at the 20th September 2016 meeting to approve \$434k over a three year period to complete restoration works within Mangaonua Gully funded from the Project Watershed Operating Reserve. \$195k is expected to be incurred this year, \$126k has been included in the proposed 2017/18 Annual Plan with the remaining \$113k due 2018/19. Support services track \$166k unfavourable due to a timing of budget phasing and is expected to be on target at year end.

Gains and losses - \$319k unfavourable. The loss is due to the write off of existing building fixtures and fittings which have been replaced.

RUBBISH AND RECYCLING

Refuse Collection | Waste Minimisation | Landfill Site Management

for the eight months ended 28 February 2017

Prior YTD Actual 2015/16 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
Revenue				
0 Rates	0	0	0	0
0 Water by Meter	0	0	0	0
246 Revenue from activities	247	259	(12)	345
389 Subsidies and grants	423	313	110	418
0 Development Contributions	0	0	0	0
8 Vested and Other Revenue	7	9	(1)	13
0 Capital revenue	0	0	1	0
644 Total revenue	678	581	98	776
Expenses				
3 Personnel costs	5	0	(5)	0
225 Depreciation and amortisation	256	253	(4)	379
83 Finance costs	75	86	11	129
Other Expenses				
3,608 - Operating & Maintenance costs	3,662	3,691	29	5,577
194 - Professional costs	139	422	283	635
550 - Administrative costs	633	546	(86)	821
23 - Property costs	29	24	(5)	36
4,687 Total expenses	4,799	5,022	223	7,576
(4,043) Operating surplus/(deficit)	(4,121)	(4,440)	320	(6,800)
0 Gains and losses	(16)	0	(16)	0
(4,043) Surplus/(deficit)	(4,138)	(4,440)	304	(6,800)

The comments below explain the variance between year to date actual results and year to date budgets where they exceed \$100k.

Subsidies and grants - \$110k favourable due to higher than anticipated levy income. Any additional funds received will be held in the Waste Minimisation Reserve for future use.

Professional costs - \$283k favourable due to:

- Waste Minimisation Initiatives - \$163k favourable in consultants costs due to a variance in the timing of planned works.
- Resource consent compliance - \$120k due to a variance in the timing of works.

STORMWATER
Stormwater Network | Catchment Management
for the eight months ended 28 February 2017

Prior YTD Actual 2015/16 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
Revenue				
0 Rates	0	0	0	0
0 Water by Meter	0	0	0	0
64 Revenue from activities	41	110	(70)	212
0 Subsidies and grants	0	0	0	0
0 Development Contributions	0	0	0	0
27 Vested and Other Revenue	18	22	(4)	32
70 Capital revenue	134	34	100	51
161 Total revenue	192	166	26	295
Expenses				
0 Personnel costs	0	0	0	0
3,751 Depreciation and amortisation	5,556	5,104	(452)	7,656
298 Finance costs	290	330	41	496
Other Expenses				
1,144 - Operating & Maintenance costs	1,188	1,180	(8)	1,747
173 - Professional costs	129	117	(12)	182
224 - Administrative costs	234	236	3	355
168 - Property costs	190	192	2	192
5,758 Total expenses	7,587	7,159	(428)	10,627
(5,598) Operating surplus/(deficit)	(7,395)	(6,993)	(402)	(10,332)
0 Gains and losses	(48)	0	(48)	0
(5,598) Surplus/(deficit)	(7,442)	(6,993)	(449)	(10,332)

Attachment 2

The comments below explain the variance between year to date actual results and year to date budgets where they exceed \$100k.

Capital revenue - \$100k favourable. Due to unbudgeted 3rd party contributions to physical works being received and higher than anticipated paid connections. Increased revenue from paid connections is offset by a corresponding increased capital expenditure.

Depreciation and amortisation - \$452k unfavourable. This is due to the revaluation that occurred in the previous financial year. The full impact of the revaluation on depreciation was not realised until after budgets were set. This variance will continue through to year end.

TRANSPORTATION

Transport Network | Transport Centre | Parking Management

for the eight months ended 28 February 2017

Prior YTD Actual 2015/16 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
Revenue				
(70) Rates	(104)	(94)	(10)	(130)
0 Water by Meter	0	0	0	0
3,727 Revenue from activities	3,740	3,517	223	5,363
2,376 Subsidies and grants	2,827	3,103	(275)	4,737
0 Development Contributions	0	0	0	0
1,146 Vested and Other Revenue	1,110	1,155	(45)	1,731
2,844 Capital revenue	6,898	3,025	3,873	4,640
10,023 Total revenue	14,471	10,706	3,766	16,341
Expenses				
482 Personnel costs	487	603	116	903
12,065 Depreciation and amortisation	11,989	12,076	87	18,113
5,226 Finance costs	4,579	5,219	640	7,829
Other Expenses				
7,200 - Operating & Maintenance costs	7,886	8,128	242	12,048
227 - Professional costs	480	573	93	915
2,877 - Administrative costs	2,946	3,046	101	4,595
1,310 - Property costs	1,369	1,473	103	2,293
29,389 Total expenses	29,737	31,119	1,382	46,696
(19,366) Operating surplus/(deficit)	(15,265)	(20,413)	5,147	(30,355)
282 Gains and losses	14	0	14	0
(19,084) Surplus/(deficit)	(15,251)	(20,413)	5,161	(30,355)

Attachment 2

The comments below explain the variance between year to date actual results and year to date budgets where they exceed \$100k.

Revenue from activities - \$223k favourable. There are a number of activities that are trending ahead of revenue forecasts in the areas of Transport Network (\$17k), On Street Parking (\$108k) and Off Street Parking (\$98k). These activities continue to be monitored.

Subsidies and grants - \$275k unfavourable. Subsidised maintenance expenditure is \$464k favourable which directly affects on the subsidy that can be claimed.

Capital Revenue - \$3.9m favourable. The key contributors are projects where projected revenue was not included in the FY 2016-17 budget. The revenue offsets additional capital expenditure. This includes:

- Rototuna School Collector \$100k
- Western Rail Trail (WRT) \$3,826k

Personnel costs - \$116k favourable. With the pending introduction of parking technology, parking activity efficiencies were identified and have been realised. This variance will continue until year-end.

Finance costs - \$640k favourable. Due to the debt amount being less than was budgeted.

Operating & Maintenance costs - \$242k favourable. The subsidised maintenance program is \$464k favourable - which is offset by reduced subsidy revenue - and the non-subsidised program is \$361k unfavourable. A large portion of this program is managed by the Infrastructure Alliance. The March IA forecast will give clarity on the maintenance spend to the end of year.

Support unit costs are \$217k favourable due to better than expected timecost recoveries in City Transportation and City Development.

Administrative costs - \$101k favourable. Doubtful Debt expense for On Street Parking Management is \$85k favourable.

Property costs - \$103k favourable. The Transport Centre has a new cleaning regime commencing in March. Also, delayed Body Corp expenditure for the Garden Place carpark is now expected at the end of the financial year.

SEWERAGE

Sewerage Collection | Sewerage Treatment and Disposal

for the eight months ended 28 February 2017

Prior YTD Actual 2015/16 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
Revenue				
0	0	0	0	0
0	0	0	0	0
1,664	1,860	1,908	(47)	3,290
0	0	0	0	0
0	0	0	0	0
225	191	231	(40)	338
237	316	34	282	51
2,126	2,367	2,173	194	3,680
Expenses				
28	2	0	(2)	0
5,444	6,107	5,681	(426)	8,521
2,235	2,043	2,329	286	3,493
Other Expenses				
4,185	4,475	5,163	688	7,873
177	89	267	178	383
1,160	1,222	1,237	15	1,856
1,302	1,325	1,411	86	2,079
14,531	15,263	16,088	825	24,204
(12,404)	(12,896)	(13,915)	1,019	(20,524)
0	(73)	0	(73)	0
(12,404)	(12,969)	(13,915)	946	(20,524)

Attachment 2

The comments below explain the variance between year to date actual results and year to date budgets where they exceed \$100k.

Capital revenue - \$282k favourable. Due to unbudgeted 3rd party contributions to physical works being received and higher than anticipated paid connections. Increased revenue from paid connections is offset by a corresponding increased capital expenditure.

Depreciation and amortisation - \$426k unfavourable. This is due to the revaluation that occurred in the previous financial year. The full impact of the revaluation on depreciation was not realised until after budgets were set. This variance will continue through to year end.

Finance costs - \$286k favourable. Due to the debt amount being less than was budgeted.

Operating & Maintenance costs - \$688k favourable. Primarily due to:

- Shared Services costs are \$138k favourable due to a variance in the planned timing of works programmes. Budget is anticipated to be fully spent by year end.
- Maintenance is \$166k favourable due to a variance in the timing of planned works and lower than anticipated reactive failures.
- Contractual services are \$102k favourable due to the timing of biosolids collection.
- Chemicals is \$116k favourable due to the timing of chemical deliveries.

Professional costs - \$178k favourable. Primarily due to delays in updating the Wastewater model.

WATER SUPPLY

Water Treatment and Storage | Water Distribution

for the eight months ended 28 February 2017

Prior YTD Actual 2015/16 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
Revenue				
0 Rates	0	0	0	0
5,597 Water by Meter	5,284	5,523	(239)	8,169
126 Revenue from activities	122	86	36	160
0 Subsidies and grants	0	0	0	0
0 Development Contributions	0	0	0	0
194 Vested and Other Revenue	150	181	(31)	265
278 Capital revenue	275	34	241	51
6,195 Total revenue	5,831	5,824	7	8,645
Expenses				
(1) Personnel costs	2	0	(2)	0
4,694 Depreciation and amortisation	4,680	4,638	(42)	6,956
2,096 Finance costs	2,088	2,380	292	3,569
Other Expenses				
2,941 - Operating & Maintenance costs	3,494	3,675	181	5,652
124 - Professional costs	107	289	182	422
810 - Administrative costs	876	891	15	1,338
1,351 - Property costs	1,267	1,448	181	2,093
12,015 Total expenses	12,513	13,320	806	20,031
(5,820) Operating surplus/(deficit)	(6,683)	(7,496)	813	(11,386)
0 Gains and losses	(45)	0	(45)	0
(5,820) Surplus/(deficit)	(6,727)	(7,496)	769	(11,386)

Attachment 2

The comments below explain the variance between year to date actual results and year to date budgets where they exceed \$100k.

Water Rates - \$239k unfavourable due to lower than anticipated water demand.

Capital Revenue - \$241k favourable. Due to higher than anticipated paid connections. Increased revenue is offset by a corresponding increase in capital expenditure.

Finance costs - \$292k favourable. Due to the debt amount being less than was budgeted.

Operating & Maintenance costs - \$181k favourable primarily due to:

- This is due to a variance in the timing of planned works. The budget is anticipated to be fully spent by year end.

Professional costs - \$182k favourable. Primarily due to delays in updating the Water Supply model.

Property costs - \$181k favourable. Primarily due to electricity being less than expected due to some assets being out of service for planned maintenance or renewal.

CAPITAL EXPENDITURE
for the eight months ended 28 February 2017

PROJECT TYPE KEY	
R	Renewal
LOS	Level of Service
G	Growth

Type	Year To Date			Annual Budget		Notes		
	Actual	Budget	Variance	Approved 2016/17	Approved Deferred		Total	
	\$000	\$000	\$000	\$000	\$000	\$000		
ARTS AND CULTURE								
Libraries								
CE10005 - Library collection purchases	R	702	712	11	1,068	1,068		
CE10006 - Library asset renewal	R	4	4	0	4	4		
CE10007 - Library building asset renewal programme	R	98	19	(79)	70	70		
Total Libraries		804	735	(69)	1,142	0	1,142	
Museum								
CE10008 - Museum asset renewal	R	39	115	76	147	147	1	
CE10010 - Public art support fund	R	5	21	16	31	31		
CE10011 - Museum activity building renewals	R	153	70	(84)	209	209		
Total Museum		197	205	8	387	0	387	
Hamilton City Theatres								
CE10012 - Founders Theatre plant and equipment renewals	R		171	171	256	97	353	2
CE10013 - Technical services equipment renewals	R	139	205	66	308		308	
CE10014 - Founders Theatre building renewals	R		0	0		152	152	3
CE10159 - Founders Theatre stage house renewal	R	10	0	(10)				
Total Hamilton City Theatres		149	376	227	564	249	813	
TOTAL ARTS AND CULTURE		1,150	1,316	166	2,093	249	2,342	
ECONOMIC DEVELOPMENT								
Claudelds and Stadia								
CE10041 - Claudelds plant and equipment	R	3	156	153	234		234	
CE10042 - Seddon Park plant and equipment	R	14	24	10	36	70	106	
CE10043 - FMG Stadium Waikato plant and equipment	R	101	89	(12)	134		134	
CE10044 - Turf services plant and equipment	R	0	36	36	55		55	
CE10045 - Claudelds property renewals	R	113	140	27		140	140	
CE10046 - Seddon Park property renewals	R	100	49	(51)	21	35	56	
CE10047 - FMG Stadium Waikato property renewals	R	57	260	202	389		389	
CE10048 - Stadia building renewals	R	0	281	281	421		421	4
CE10049 - Claudelds building renewals	R	39	0	(39)			0	
CE15051 - Stadia capital improvement function	LOS		119	119	179		179	
Total Claudelds and Stadia		427	1,154	727	1,468	245	1,713	
Strategic Property								
CE10052 - Strategic property renewals	R	51	51	0	76		76	
CE10053 - Tenancy inducement renewals	R		14	14	21		21	
Total Strategic Property		51	65	14	97	0	97	
TOTAL ECONOMIC DEVELOPMENT		478	1,219	741	1,565	245	1,810	
PARKS AND GREEN SPACES								
Cemeteries and Crematorium								
CE10021 - Building renewals cemeteries	R		10	10	10		10	
CE10022 - Renewal of crematorium assets	R	124	132	8	132		132	
CE10023 - Hamilton Park east and west cemeteries renewals	R	35	5	(31)	46		46	
CE15024 - Hamilton Park cemetery, burial and ash lawn extension	G		21	21	21		21	
Total Cemeteries and Crematorium		159	167	8	209	0	209	
Hamilton Gardens								
CE10026 - Hamilton Gardens renewals	R	9	39	30	51		51	
CE10028 - Hamilton Gardens building renewals	R	74	112	38	131		131	
CE15027 - Proposed development programme	G	1,594	1,563	68	2,608		2,608	
Total Hamilton Gardens		1,678	1,814	136	2,790	0	2,790	
Parks								
CE10029 - Toilet and changing room renewals	R	25	60	35	82		82	
CE10030 - Building renewals parks and open spaces	R	120	163	43	236		236	
CE10032 - Parks and open spaces assets and playgrounds renewals	R	507	465	(42)	1,241	115	1,356	

Attachment 3

	Type	Year To Date			Annual Budget		Notes	
		Actual	Budget	Variance	Approved 2016/17	Approved Deferred		Total
		\$000	\$000	\$000	\$000	\$000	\$000	
CE15033 - Land purchase future reserves	G	164	156	(8)	224	598	822	5
CE15034 - Destination playground public toilets	LOS	290	277	(13)	255	127	382	
CE15035 - Rototuna Park development	G	38	15	(23)		233	233	
CE15036 - Playground development programme	G	793	509	(284)	509		509	6
CE16001 - Victoria on the River	LOS	178	150	(28)	4,900		4,900	7
Total Parks		2,116	1,795	(320)	7,449	1,073	8,522	
Sports Parks								
CE10031 - Sports area renewals	R	30	49	19	119		119	
Total Sports Parks		30	49	19	119	0	119	
TOTAL PARKS AND GREEN SPACES		3,983	3,826	(157)	10,567	1,073	11,640	
RECREATION								
Aquatic Facilities								
CE10001 - Aquatic facilities building renewals	R	196	490	294	2,340		2,340	8
CE10003 - Waterworld operational asset renewals	R	395	526	131	3,096		3,096	9
CE10004 - Gallagher Aquatic Centre operational asset renewal	R	3	53	49	197		197	
Total Aquatic Facilities		594	1,069	475	5,632	0	5,632	
Hamilton Zoo								
CE10015 - Zoo animal enclosure renewals	R	75	90	15	139		139	
CE10016 - Zoo building renewals	R	311	287	(25)	362		362	
CE10017 - Property renewals	R	1	11	10	11		11	
CE10019 - Zoo quarantine replacement	R	8	0	(8)			0	
CE10020 - Zoo animal replacement	R	2	40	38	41		41	
CE15018 - Zoo browse plantation	LOS		0	0	21		21	
Total Hamilton Zoo		398	428	30	573	0	573	
TOTAL RECREATION		992	1,496	504	6,205	0	6,205	
SAFETY								
CE10037 - CCTV renewals	R		20	20	41		41	
TOTAL SAFETY		0	20	20	41	0	41	
RUBBISH AND RECYCLING								
CE10054 - Replacement of closed landfill assets	R	36	53	18	160		160	
CE10056 - Replacement of RTS & HOC assets	R	52	0	(52)	2		2	
CE15055 - Closed landfill management	LOS	19	86	66	257		257	
TOTAL RUBBISH AND RECYCLING		107	139	32	419	0	419	
STORMWATER								
CE10058 - Replacement of Stormwater assets	R	374	342	(32)	573		573	
CE15059 - Rototuna Stormwater Infrastructure	G	525	780	254	330	513	843	10
CE15060 - Rotokauri stormwater infrastructure stage 1	G	21	30	9	1,834		1,834	11
CE15062 - Peacocke stormwater infrastructure stage 1	G	0	0	(0)			0	
CE15064 - Stormwater pipe upgrade - growth	G	103	120	17	127	61	188	
CE15066 - Existing network improvements in new areas	G	72	8	(64)	102		102	
CE15068 - Stormwater customer connections to the network	G	59	34	(25)	51		51	
CE15162 - Integrated catchment management plan	LOS	585	984	399	806	600	1,406	12
C9600015 - Project Watershed	R	2	0	(2)			0	
TOTAL STORMWATER		1,742	2,297	555	3,822	1,174	4,996	
TRANSPORT								
Parking Management								
CE10070 - Replacement of parking enforcement equipment	R	31	345	314	367	328	695	13
CE10071 - Parking building renewal	R	5	17	12	26		26	

	Type	Year To Date			Annual Budget		Notes
		Actual	Budget	Variance	Approved 2016/17	Approved Deferred	
		\$000	\$000	\$000	\$000	\$000	\$000
Total Parking Management		36	362	326	393	328	721
Transportation Network							
CE10072 - Replacement of footpath	R	1,415	1,670	255	2,558		2,558 14
CE10073 - Replacement of street furniture	R		41	41	62		62
CE10074 - Replacement of drainage (kerb and channel)	R	802	880	78	1,300		1,300
CE10075 - Replacement of road base	R	364	721	357	1,061		1,061 15
CE10076 - Road resurfacing	R	3,561	3,643	81	5,148		5,148
CE10077 - Replacement of bridges and culverts	R	9	25	16	103		103
CE10078 - Replacement of retaining walls and structures	R	3	5	2	5		5
CE10079 - Replacement of environmental controls	R		0	0	0		0
CE10080 - Replacement of lighting	R	96	176	81	310		310
CE10081 - Replacement of traffic equipment	R	229	175	(54)	282		282
CE10082 - Replacement of street signs	R		0	0	0		0
CE10098 - Building and property renewals	R		80	80	104		104
CE15085 - Minor improvements to transport network	LOS	91	160	69	650		650
CE15086 - Bus stop infrastructure	LOS	12	52	40	114		114
CE15087 - Network upgrades to allow new development	G	39	8	(31)	179		179
CE15088 - Roading upgrades and development in Peacocke stage 1	G	23	125	102	153	500	653 16
CE15089 - Roading upgrades and development in Peacocke stage 2	G	84	244	160	500		500 17
CE15090 - Roading upgrades and development in Rotokauri stage 1	G	61	135	74	1,284		1,284 18
CE15092 - Roading upgrades and development in Rototuna	G	883	1,379	496	3,071	590	3,661 19
CE15093 - Roading upgrades and development in Ruakura	G	806	667	(139)	1,000		1,000
CE15094 - Traffic signal improvements	LOS	65	192	127	306		306
CE15095 - Integrated transport initiatives	LOS	5,008	440	(4,568)	916		916 20
CE16003 - Transport Centre Land	LOS	1,030	0	(1,030)			
PIF12005 - Hamilton Ring Road Completion	LOS	797	650	(147)		1,000	1,000
Total Transportation Network		15,379	11,467	(3,913)	19,105	2,090	21,195
TOTAL TRANSPORT		15,415	11,829	(3,587)	19,498	2,418	21,916
SEWERAGE							
CE10100 - Replacement of wastewater pump stations	R	523	507	(16)	1,015		1,015
CE10101 - Replacement of wastewater assets	R	2,792	1,567	(1,224)	3,701		3,701 22
CE15103 - Increase capacity of wastewater pump stations	LOS	37	265	227	376		376
CE15104 - Wastewater pipe upgrade - growth	G		226	226	306		306
CE15105 - Increase capacity of wastewater network - Rototuna	G	316	352	36	272	100	372
CE15106 - Wastewater network upgrades to allow development	G	20	8	(12)	81		81
CE15107 - Increase capacity of network in Rotokauri stage 1	G	24	25	1	441		441 23
CE15109 - Increase capacity of network in Peacocke stage 1	G	66	0	(66)	69		69
CE15111 - Increase capacity of network throughout the city	G	269	991	722	4,088	284	4,372 24
CE15112 - Increase capacity of network (far east interceptor)			1,000	1,000	2,038		2,038 25
CE15114 - Increase capacity of network (bulk storage)	G	22	245	223	467	134	601
CE15161 - Wastewater master plan	R	324	153	(172)	153		153
CE10115 - Replacement of wastewater treatment plant assets	G	981	699	(282)	1,875		1,875 26
CE15116 - Upgrade wastewater treatment plant systems	LOS	46	153	107	153		153
CE15117 - Upgrade wastewater treatment plant (Pukete 3)	G	341	360	19	737	102	839
CE15120 - Wastewater treatment plant compliance	LOS	397	190	(207)	509		509
CE15121 - Wastewater customer connections to the network	G	172	34	(139)	51		51
TOTAL SEWERAGE		6,330	6,774	444	16,332	620	16,952
WATER SUPPLY							
CE10123 - Replacement of water mains	R	2,191	2,147	(44)	3,339		3,339
CE10124 - Replacement of water meters, valves and hydrants	R	337	204	(133)	360		360
CE15126 - Upgrade or build new water mains in Rototuna	G	75	224	149	511	50	561
CE15127 - Water pipe upgrade - growth	G	0	80	80	306		306

Attachment 3

	Type	Year To Date			Annual Budget		Notes
		Actual	Budget	Variance	Approved 2016/17	Approved Deferred	
		\$000	\$000	\$000	\$000	\$000	\$000
CE15128 - Upgrade/build new watermains in Rotokauri stage 1	G	281	277	(4)	114	277	391 27
CE15130 - Upgrade/build new watermains in Peacocke stage 1	G	0	0	0	104		104
CE15132 - Water network upgrades to allow new development	G	5	8	3	81		81
CE15133 - Water demand management - network water loss	LOS	293	316	23	407		407
CE15136 - Water demand management - Dinsdale reservoir zone	LOS	40	35	(5)	474		474
CE10138 - Replacement of treatment plant and reservoir assets	R	535	318	(216)	855		855
CE15139 - Water treatment plant compliance - minor upgrades	LOS	449	382	(67)	1,026		1,026
CE15140 - Rototuna reservoir and associated bulk mains	G	7,484	14,200	6,716	13,574	3,000	16,574 28
CE15141 - Water demand management - Hillcrest reservoir zone	LOS	60	82	22	306		306
CE15144 - Upgrade water treatment plant	G	652	220	(432)	3,337		3,337 29
CE10145 - Tools of trade renewals	R	47	34	(13)	51		51
CE15146 - Water customer connections	G	184	34	(151)	51		51
CE15148 - Upgrade or build new watermains in Ruakura	G	6	0	(6)			0
CE15158 - Water model	R	51	410	359	1,014		1,014 30
CE15159 - Water master plan	G	96	76	(19)	76		76
CE15166 - Fluoride free water source	LOS	63	53	(10)		53	53
PIF12031 - New structure to extract water from the Waikato River	LOS	46	0	(46)			0
C9400064 Chlorine Scrubber Installation WTP	LOS	0	0	0			0
TOTAL WATER SUPPLY		12,894	19,100	6,206	25,986	3,380	29,366
CORPORATE SERVICES							
Corporate Buildings							
CE10151 - Renewals program	R	71	85	14	127		127
Total Corporate Buildings		71	85	14	127	0	127
Information Services							
CE10152 - Network and infrastructure	R	211	250	39	601		601
CE10153 - Core business applications	R	116	399	284	958		958 31
CE10154 - Minor applications	R		9	9	21		21
CE15155 - Mobility and eservices	LOS	147	144	(3)	346		346
CE10156 - Lease funding of equipment	R	373	324	(50)	776	243	1,019
CE15157 - Authority replacement	LOS		220	220	528	500	1,028
Total Information Services		847	1,346	499	3,230	743	3,973
Performance							
CE10158 - Replacement of fleet vehicles	R	636	585	(51)	878		878
Total Performance		636	585	(51)	878	0	878
DC Funding Model and DC Assessment Tool and Growth Model							
CE16002 - DC Funding Model and DC Assessment Tool and Growth Model	G	62	0	(62)	0		0
Total DC Funding Model and DC Assessment Tool and Growth Model		62	0	(62)	0		0
TOTAL CORPORATE SERVICES		1,615	2,016	401	4,235	743	4,978
TOTAL COUNCIL		44,706	50,030	5,324	90,763	9,902	100,665

Capital Expenditure Variance Explanations: Variances greater than \$250k and/or deferrals indicated for the eight months ended 28 February 2017

	YTD Variance \$000	Potential Deferral \$000
<p>1 CE10008 - Museum asset renewal Any unspent budget remaining at the 30 June 2017 will be requested as a deferral. By carrying over the budget it affords Council the opportunity to acquire more substantial art pieces should something come on to the market.</p>		17
<p>2 CE10012 - Founders Theatre plant and equipment renewals The Founders capital is to be deferred pending decisions around the building of a new theatre.</p>		353
<p>3 CE10014 - Founders Theatre building renewals The Founders capital is to be deferred pending decisions around the building of a new theatre.</p>		152
<p>4 CE10048 - Stadia building renewals Projects to commence after cricket season.</p>	281 fav	
<p>5 CE15033 - Land purchase future reserves Request for \$428k to be deferred to 17/18 for unresolved purchases. Efforts will be made to work to resolve these purchases however timing is out of our control. Allocated funding was based on predicted timing of subdivision development. Based on discussions with developers we are confident the remaining will be resolved in the next financial year.</p>		428
<p>6 CE15036 - Playground development programme The overspend of \$284k is offset by \$250k external contributions received towards the playground construction. Note the project is expected to be overspent by \$67k for lighting and CCTV that were not part of the original budget.</p>	(284) unfav	
<p>7 CE16001 - Victoria on the River Deferral of \$2.2m anticipated as original tender responses came back well above budget. Staff are in negotiations with preferred supplier and works are due to start in April 2017.</p>		2,200
<p>8 CE10001 - Aquatic facilities building renewals The Aquatic Facilities renewals project has been deferred pending seismic and fire assessment work which is due for completion March 2017.</p>	294 fav	2,200
<p>9 CE10003 - Waterworld operational asset renewals The Aquatic Facilities renewals project has been deferred pending seismic and fire assessment work which is due for completion March 2017.</p>		2,900
<p>10 CE15059 - Rototuna Stormwater infrastructure Due to construction staging of Borman Road Eastern extension. Forecast overall saving of up to \$150k.</p>	254 fav	
<p>11 CE15060 - Rotokauri stormwater infrastructure stage 1 Land access agreement via easement in lieu of \$1.3m land purchase. Will require deferral for future land purchase. Council approved additional funding of \$5m for additional stormwater sale land purchase from Wintec this FY - refer Finance Committee 20 Sept 2016. Potential risk pending third party land purchase agreements.</p>		1,300
<p>12 CE15162 - Integrated catchment management plan Potential deferral of up to \$300k for contractually committed delivery of the ICMP programme.</p>	399 fav	300

Attachment 3

	YTD Variance \$000	Potential Deferral \$000
<p>13 CE10070 - Replacement of parking enforcement equipment There is a potential delay in the implementation of this project as parking options for the central city are to be considered and approved by Council.</p>	314 fav	650
<p>14 CE10072 - Replacement of footpath This is a timing issue; budget is expected to be spent this year.</p>	255 fav	
<p>15 CE10075 - Replacement of road base This is a timing issue; budget is expected to be spent this year.</p>	357 fav	-
<p>16 CE15088 - Roading upgrades and development in Peacocke stage 1 Potential deferral of up to \$453k of contractually committed works relating to Dixon/Ohaupo intersection as part of Southern Link investigations.</p>		453
<p>17 CE15089 - Roading upgrades and development in Peacocke stage 2 Potential deferral of up to \$200k of contractually committed works relating to Southern Links pre-construction works.</p>		200
<p>18 CE15090 - Roading upgrades and development in Rotokauri stage 1 Potential deferral of up to \$600k regarding the Ruffell Rd / Onion Rd / Koura Dr upgrade pending confirmation of scope and third party land agreements.</p>	-	600
<p>19 CE15092 - Roading upgrades and development in Rototuna Potential deferral of up to \$1,000k subject to third party land agreement for the Borman Road West extension to Kay Rd. Also forecast saving of \$200k on Borman Road East extension.</p>	496 fav	1,000
<p>20 CE15095 - Integrated transport initiatives This is being driven by the Western Rail Trail (WRT) project. Included in the Transportation Activity report under revenue (i.e. Capital revenue) there is \$3,826k received for the WRT project.</p>	(4,568) unfav	-
<p>21 CE16003 - Transport Centre Land Unbudgeted expense associated with the sale and purchase of land relating to the Genesis Development on Bryce Street and the Transport Centre</p>	(1,030) unfav	
<p>22 CE10101 - Replacement of wastewater assets On-track. Delivery slightly ahead of baseline cashflow due to work program reallocation and successful completion of wastewater relining projects.</p>	(1,224) unfav	-
<p>23 CE15107 - Increase capacity of network in Rotokauri stage 1 Potential deferral of up to \$265k in accordance with third party agreements and subject to development timing.</p>		265
<p>24 CE15111 - Increase capacity of network throughout the city Potential deferral of Rotokauri Far Western Wastewater Interceptor due to delays with Third Party land agreements (Gower & Wintec). Also subject to contractor physical works program.</p>	722 fav	3,500
<p>25 CE15112 - Increase capacity of network (far east interceptor) On-track. Delays to paying first instalment of development cost-share agreement - subject to Ruakura PDA.</p>	1,000 fav	
<p>26 CE10115 - Replacement of wastewater treatment plant assets Delivery of works is ahead of schedule and expected to be delivered on budget.</p>	(282) unfav	
<p>27 CE15128 - Upgrade/build new watermains in Rotokauri stage 1</p>		114

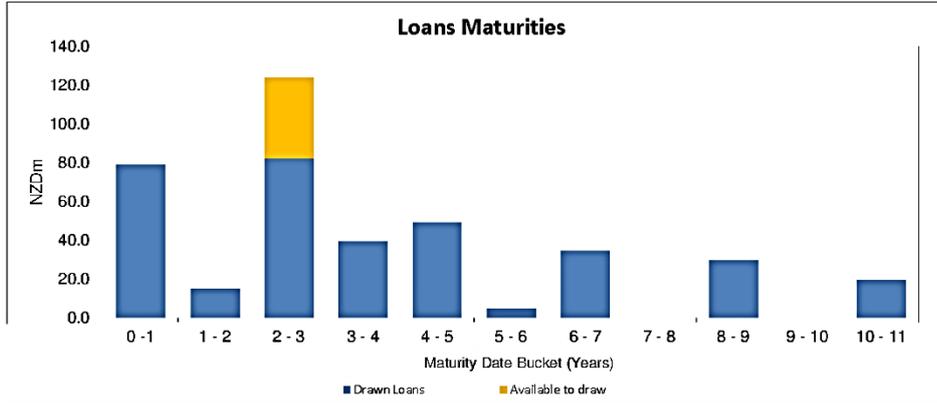
	YTD Variance \$000	Potential Deferral \$000
Potential deferral of contractually committed developer upsizing agreement in accordance with development timing.		
28 CE15140 - Rototuna reservoir and associated bulk mains	6,716 fav	450
Project on-track. Currently forecast overall underspend of approx \$5.6m against allocated budget (offset against \$2.4m overspend in 2015/16). Potential deferral of up to \$450k required to complete reservoir commissioning in 2017/18.		
29 CE15144 - Upgrade water treatment plant	(432) unfav	1,000
Delivery of works is ahead of program due to early commencement of Contract 16036. Potential deferral of up to \$1m dependent on contractually committed construction progress.		
30 CE15158 - Water model	359 fav	554
Project is spread over 2 financial years. Deferral amount will be spent in 2017/18.		
31 CE10153 - Core business applications	284 fav	-
The planned schedule of corporate systems upgrades was delayed due to the deployment of the GoDaaS Desktop. Projects have now commenced in February 2017 with expectation that upgrades and associated budget will be caught up by year end.		

TREASURY REPORT
for the eight months ended 28 February 2017

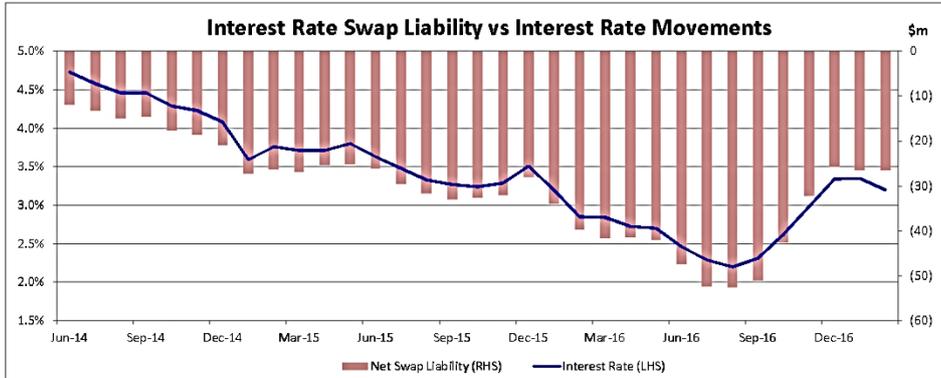
Policy Compliance

	Policy	Result @ 28-Feb-17	Policy Compliance
Fixed rate maturity	all years within annual parameters	achieved for all years	✓
Funding maturity	0 - 3 years	15% - 60%	57% ✓
	3 - 5 years	15% - 60%	21% ✓
	5 years plus	10% - 60%	21% ✓
Liquidity ratio	minimum	110%	117% ✓
Counterparty credit risk	maximum \$75m per bank	achieved	✓

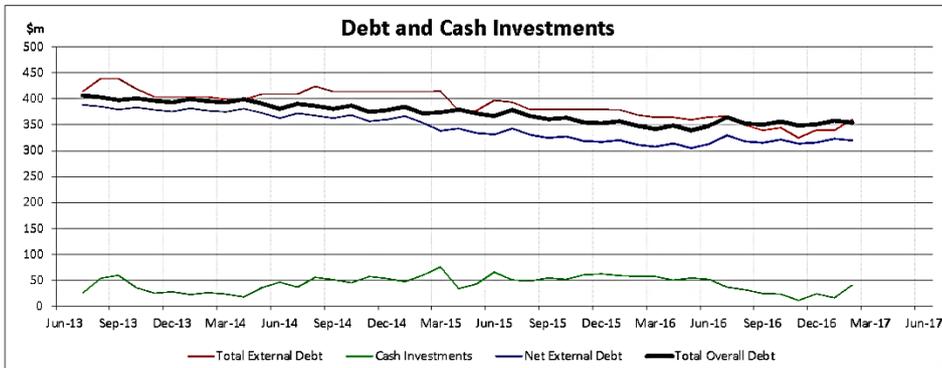
Comments on policy breaches
There are no breaches of policy.



Debt and Cash Investments (\$'000's)	Result @	Budget @	Variance
	28-Feb-17	30-Jun-17	Fav. / (Unfav.)
External debt	359,997	419,899	59,902
less Cash investments	(40,595)	(49,000)	(8,405)
Net external debt	319,402	370,899	51,497
add Cash-backed reserves	35,130	33,183	(1,947)
Total overall debt	354,532	404,082	49,550



The above graph shows how the movements in Interest rates impact HCC's swap position in the balance sheet. If interest rates decrease the liability increases. Recent months have seen an increase in interest rates leading to a reduction in liability.



Committee: Finance Committee

Date: 11 April 2017

Report Name: Key Projects Monitoring
Report - February 2017

Author: Natalie Young

Report Status	<i>Open</i>
Strategy, Policy or Plan context	<i>2015-2025 10-Year Plan</i>
Financial status	<i>There is budget allocated on a per project basis, as per attachment 1</i>
Assessment of significance	<i>Having regard to the decision making provisions in the LGA 2002 and Council's Significance Policy, a decision in accordance with the recommendations is/is not considered to have a high degree of significance</i>

1. Purpose of the Report

To inform the Finance Committee of the status of key projects underway at Hamilton City Council for the February 2017 period.

Recommendation from Management

That the Finance Committee receives the report.

2. Attachments

- Attachment 1 - Key Projects Status Summary Report - February 2017

4. Discussion

- A project is determined as a key project by Council. Council can request for a project to be included in the key project reporting when they require regular visibility of the project's status and progress.
- The following six projects have a green status indicating that they are on track to be delivered within scope, budget and schedule:
 - Pukete 3 Wastewater Treatment Plant Upgrade
 - Rototuna Reservoir and Bulk Watermains Development
 - Rototuna Town Centre – New Agreement Phase
 - Victoria on the River Stage 2 Works
 - Waioara 2 Water Treatment Plant Upgrade
 - Western Rail Trail.

7. The following three projects have an amber status indicating that they are at risk of exceeding, scope, budget, or schedule. These projects require close monitoring by management to ensure that any issues are identified and addressed.

8. Hamilton Gardens Development

9. The Picturesque Garden contract delay was caused by extended negotiations due to initial tender being higher than budget.

10. Contracts and work programme are being closely monitored and project is expected to be back on track in September 2017.

11. Hamilton Ring Road Upgrade and Extension

12. Funding (NZTA subsidy and local share) still to be confirmed.

13. Land procurement still presents significant time and cost risk to the project.

14. North City Road Urban Upgrade

15. Designs are progressing. Significant time and cost risks subject to agreement with developers in regards to construction staging, timing and costs share.

16. Risk

17. Project risks are identified on a project specific basis and are actively managed and monitored by the assigned project manager in conjunction with the relevant project governance/GM project sponsor.

18. Any change to risk profile or risk rating is included in the key projects status summary report for each project.

19. There has been a risk increase to North City Road Urban Upgrade Project, due to delays in obtaining agreement with developers and the risk that this poses to the timeframes and cost for the project.

Signatory

Authoriser	David Bryant, General Manager Corporate
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Key Projects Status Summary Report - February 2017

Total Number of Projects	Count	Project Status	Risk Ratings
Project Status – On Track	6	Green	Increased = ↑
Project Status – Needs to be Monitored	3	Amber	Unchanged = →
Project Status – Needs urgent management attention	0	Red	Decreased = ↓

Project/ Programme Name	Project Sponsor	Project Manager	Start date	Expected completion date	Total project budget	Total project cost TD	2016/17 budget	YTD spend 2016/17	Project Status	Project Exception Report	Risks
Hamilton Gardens Development	Lance Vervoort	Helen Paki	02-Jun-14	31-Dec-18	\$ 7,580,686	\$ 4,087,714	\$ 2,727,028	\$ 1,594,335	Amber	<p>The project currently shows an amber status.</p> <p>Total funding target of \$7.2m has been achieved well ahead of project completion. Picturesque Garden contract delay caused by extended negotiations due to initial tender being higher than budget. Work programme is expected to be back on track in September 2017. Overall project still on track but needs to be monitored.</p> <p>No change to risks or risk ratings</p>	→
Hamilton Ring Road Upgrade and Extension	Andrew Parsons	Tahl Lawrence	01-Jul-03	30-Jun-20	\$ 84,270,900	\$ 76,246,405	\$ 1,000,000	\$ 797,406	Amber	<p>As previously reported the project shows an amber status. Project design progressing well. Funding (NZTA subsidy & local share) still to be confirmed. Land procurement still presents significant time and cost risk.</p> <p>No change to risks or risk ratings</p>	→
North City Road Urban Upgrade	Andrew Parsons	Chris Barton	01-Jul-15	23-Dec-21	\$ 8,126,000	\$ 501,491	\$ 531,000	\$ 277,106	Amber	<p>The project currently shows an amber status.</p> <p>Designs progressing.</p> <p>There has been a risk increase to North City Road Urban Upgrade Project, due to delays in obtaining agreement with developers and the risk that this poses to the timeframes and cost for the project.</p>	↑
Pukete 3 Wastewater Treatment Plant Upgrade	Andrew Parsons	Barry Hu	01-Jul-15	30-Jun-20	\$ 18,356,000	\$ 1,310,000	\$ 839,431	\$ 340,498	Green	<p>Progressing well. Designs currently underway with a plan to award the physical works contract by the end of 2017.</p> <p>No change to risks or risk ratings</p>	→
Rototuna Reservoir and Bulk Watermains Development	Andrew Parsons	Lance Haycock	01-Mar-15	30-Aug-17	\$ 21,989,000	\$ 17,683,076	\$ 13,700,000	\$ 6,910,652	Green	<p>No change to risks or risk ratings</p>	→
Rototuna Town Centre – New Agreement Phase	Lance Vervoort	Helen Paki	02-Apr-13	31-Jul-17	\$ 3,839,300	\$ 3,286,376	\$ 0.00	\$ 0.00	Green	<p>No change to risks or risk ratings</p>	→
Victoria on the River (VOTR) Stage 2 works	Lance Vervoort	Gina Hailwood	01-May-16	31-Aug-17	\$ 7,000,000	\$ 1,208,476	\$ 4,900,000	\$ 173,211	Green	<p>Schick Civil Construction have been awarded the contract for VOTR Stage Two - remediation and enhancement work.</p> <p>No change to risks or risk ratings</p>	→

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Waioira 2 Water Treatment Plant Upgrade	Andrew Parsons	Barry Hu	01-Jul-15	30-Jun-21	\$ 28,746,000	\$ 1,208,476	\$ 3,337,431	\$ 652,333		Project currently on track. Hamilton South pipeline installation currently progressing, substantive treatment plant physical works anticipated to commence in 2019. No change to risks or risk ratings	→
Western Rail Trail	Chris Allen	Simon Crowther	01-Jul-15	31-Mar-17	\$ 7,146,000	\$ 5,024,145	\$ 6,221,000	\$ 4,099,145		Physical works are expected to be completed 29 March 2017	→

Committee: Finance Committee

Date: 11 April 2017

Report Name: Weathertight Buildings

Author: Cory Lang

Report Status	<i>Open</i>
Strategy, Policy or Plan context	<i>Update on weathertight building claims</i>
Financial status	<i>There is budget allocated</i>
Assessment of significance	<i>Having regard to the decision making provisions in the LGA 2002 and Council's Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

1. Purpose of the Report

- To inform the Finance Committee of the present status of weathertight claims.

3. Executive Summary

- There are a few changes to the position of our claims since we last reported to the committee in April 2016.
- Hamilton City Council's number of claims have been static over the last two financial years, and continues to be the least number of claims of any of the major metro councils.

Recommendation from Management

That the Finance Committee receives the report.

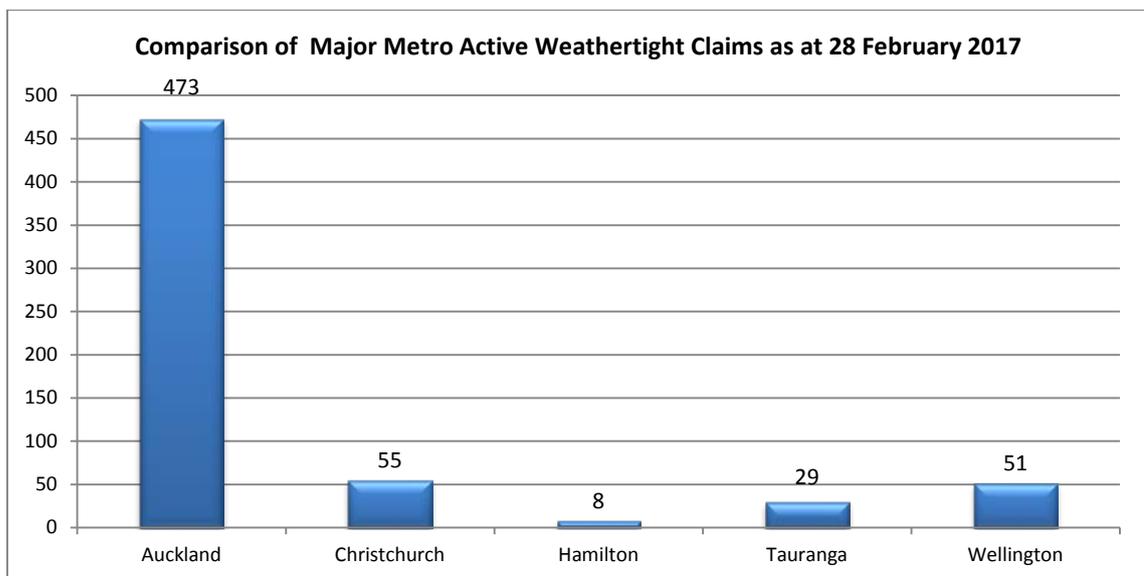
6. Attachments

- There are no attachments for this report.

8. Key Issues

- Background
- Building Act 1991 changed building controls from a prescriptive system to a more self-regulated regime and as a result, buildings constructed primarily between 1994– 2004 suffered from a range of unforeseen issues with weather tightness.
- A number of timber-framed buildings constructed during the period 1994– 2004 were subsequently found to have weathertightness issues.

12. As awareness of the issue of leaky buildings grew, the scale and scope of the damage started to become apparent, legislation was quickly introduced to provide some additional redress and assistance to the owners of these buildings. The Weathertight Homes Resolution Services Act 2002 was first introduced to provide faster and more flexible legal options and assistance. This was followed several years later by the Weathertight Homes Resolution Services Act 2006 (the WHRS Act) which streamlined and refined the earlier process.
13. The key features of the Bill are:
 - Introduction of new criteria to be eligible for mediation and adjudication services;
 - Establishment of a new Weathertight Homes Tribunal to undertake adjudications;
 - Development of a class action system for multi-unit claims;
 - New assessment reports that focus on the eligibility of claims; and
 - An expedited process for claims below a “low value ceiling”.
14. WHRS provides assessment, evaluation, mediation and adjudication services to homeowners.
15. The owner of a dwelling house who considers that their home is a leaky building can apply to the WHRS to have their home assessed. A WHRS assessor will then inspect the property and produce a report setting out whether or not, in the assessor’s opinion, the property meets the criteria to be eligible as a claim.
16. The criteria is that the dwelling house must have been built or subject to alterations and a claim lodged within 10 years of the Code Compliance being issued, that the dwelling house was a leaky building and that damage to the dwelling house has resulted due to it being a leaky building. The assessor’s report is then provided to an evaluation panel which considers the report and decides whether, in the panel’s opinion, the claim is eligible to proceed further, to mediation or adjudication
17. Owners of leaky homes face significant financial and emotional stress as a result of having to deal with the situation they find themselves in. Many people do not have the resources to repair their dwellings and find themselves caught in a litigation process which is expensive and very time consuming. Meanwhile, they live in homes that continue to deteriorate.



The above graph shows a comparison of active weathertight claims by metro councils across New Zealand.

18. The number of claims detailed on the Ministry of Business, Innovation and Employment website reflects a great number of claims for Hamilton City Council because of the delay in notification of settled claims.

19. Financial and Resourcing Implications

20. Councils have some financial exposure, and due to the "joint and several liability" provisions in the law, councils have been left in the position where the primary contributors to the weathertightness issue, being contractors and developers, have been able to wind-up their companies and avoid contribution. This has meant that in some cases councils have had to assume a greater share of the monetary contribution paid to the homeowner.
21. Costs are minimized as much as possible where a small number of experienced staff and experts are actively engaged in managing each claim.

Financial information as at 28 February 2017	(\$000's)	Note
Councils Total Costs of Settlements to 28 February 2017	3,007	
Annual Budget 2016/17 to settle claims	176	
<i>Less Costs:</i>		
Property Settlements	0	2
Expert and legal costs	0	
Estimated cost to settle 2016/17 claims	0	
	0	
Expected deficit to settle 2016/17 claims	176	
Resolved claims as at 28 February 2017	(\$000's)	
Property Settlements as at 28 February 2017	0	
	Claim #'s	
<i>Claims 1/03/2017:</i>		1
- Claim Status A	3	
- Claim Status B	0	
- Claim Status C	0	
- Claim Status D	1	
- Claim Status A and D	1	
New claims	0	
Less claims settled/withdrawn	0	2
Claims as at 28 February 2017	5	

Note 1 WHRS figures show 8 active claims. The number shown does not reflect the actual number of active claims that we are currently dealing with as some claims remain on the WHRS files after settlement and until the claimant advises WHRS that the settlement has occurred. Often the claimants do not advise WHRS for some time after settlement.

Note 2 No weathertight claim settlements have occurred between the period after 1 October 2015 to 28 February 2017.

Claim Status:

A - Application with WHRS has been accepted (criteria for a Weather tight home met)

B - Assessors report accepted by WHRS

C - The claim with WHRS is active which means there's a claim for monetary settlement of all associated costs e.g. repairs, experts costs

D - Owners progressing with monetary claim outside of WHRS (e.g. directly through court)

22. Risk

23. In terms of current risk we are confident that any risk is mitigated through the utilization of the subject matter experts and active management processes. We are not able to estimate the number of future claims but when our claims are compared with other Metro Councils they are small in number.

Signatory

Authoriser	Kelvyn Eglinton, General Manager City Growth
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- 12. WRAL will endeavor to review paying an ordinary annual dividend based on the forecast Cash Flow for the year 2017/18 and propose to make a decision in the last quarter of the financial year ended 2017/18.
- 13. See Attachment 2 for the Draft Statement of Intent.

Recommendations from Management

That the Finance Committee:

- a) receives the report; and
- b) approves the Draft Statement of Intent for 2017/18.

14. Attachments

- 15. Attachment 1 - Interim Report for the six months ended 31 December 2016 *(Under Separate Cover)*
- 16. Attachment 2 - Draft Statement of Intent for the year ending 30 June 2018 *(Under Separate Cover)*

Signatory

Authoriser	David Bryant, General Manager Corporate
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Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

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 follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Finance Committee - Public Excluded Minutes - 28 February 2017) Good reason to withhold information exists under Section 7 Local Government	Section 48(1)(a)
C2. Discussion on Waikato Regional Airport Limited) Official Information and Meetings Act 1987	
C3. Report on overdue debtors as at 28 February 2017 & Bad Debts Writeoffs 2016/17)	
C4. Valley Terrace Stormwater Pipe Remedial Works		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h)
Item C3.	to protect the privacy of natural persons to maintain legal professional privilege	Section 7 (2) (a) Section 7 (2) (g)
Item C4.	to protect the privacy of natural persons to maintain legal professional privilege	Section 7 (2) (a) Section 7 (2) (g)