

Notice of Meeting:

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

Date: Tuesday 4 July 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

Becca Brooke
Governance Team Leader

27 June 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 operating and/or capital expenditure within the Long Term Plan or Annual Plan that exceeds the Chief Executive's delegation, excluding expenditure which:
 - contravenes the Council's Financial Strategy and/or annual budgeted surplus; or
 - significantly alters any level of service outlined in the applicable Long Term Plan or Annual Plan; or
 - impacts Council policy or practice, in which case the delegation is recommendatory only and the Committee may make a recommendation to the Council for approval.
- Approval of contractual and other arrangements for supply and services, and revenue generating contracts, excluding contracts or arrangements that are reserved for the Council or another Committee's approval.
- 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: 04 July 2017

Report Name: Finance Committee - Open
Minutes - 23 May 2017

Author: Amy Viggers

Status	<i>Open</i>
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Recommendation

That the Committee confirm the Open Minutes of the Finance Committee Meeting held on 23 May 2017 as a true and correct record.

1. Attachments

2. Attachment 1 - Finance Committee - Open Minutes - 23 May 2017

Finance Committee

OPEN MINUTES

Minutes of a meeting of the Finance Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton on Tuesday 23 May 2017 at 9.30am.

PRESENT

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

In Attendance:

- Richard Briggs – Chief Executive
- David Bryant – General Manager Corporate
- Sean Murray – General Manager Venues, Tourism and Major Events
- Chris Allen – General Manager City Infrastructure
- Lance Vervoort – General Manager Community
- Kelvyn Eglinton – General Manager City Growth
- Maire Porter - City Waters Manager
- Tracey Musty – Financial Controller
- Matthew Bell – Rates and Revenue Manager
- Nigel Ward – Communications Team Leader
- Andrew Parsons – City Development Manager
- Christopher Barton – Project Development Manager
- Tahl Lawrence – Project Engineer

Governance Advisors:

- Lee-Ann Jordan – Governance Manager
- Amy Viggers and Claire Guthrie – Committee Advisors

- 1. Apologies**
Resolved: (Crs Mallett/Southgate)

That the apologies from Councillor Yeung are received and accepted.

- 2. Confirmation of Agenda**
Resolved: (Crs Mallett/Bunting)

That the agenda is confirmed, noting Item 12 (Eastern Bulk Main Subsidence Remedial Works) was circulated under separate cover.

- 3. Declarations of Interest**

No members of the Council declared a Conflict of Interest.

- 4. Public Forum**

There were no public forum speakers

- 5. Finance Committee - Open Minutes - 11 April 2017**

Resolved: (Crs Casson/Pascoe)

That the Committee confirm the Open Minutes of the Finance Committee Meeting held on 11 April 2017 as a true and correct record.

- 6. 10-Year Plan Monitoring Report - For the ten months ended 30 April 2017**

The Financial Controller introduced the report noting the operating surplus of \$43.1million was due in part to the unrealised gains from swaps and vested assets. Council's balancing the books surplus of \$14.1 million was attributed to higher user pay revenue, additional revenue associated with capital projects, lower expenditure on consultants, and higher development contribution revenue.

Staff responded to questions from Elected Members concerning:

Deferrals: 25 projects were identified as potential deferrals. The deferrals were largely as a result of external factors outside of Council's control. The deferrals had been classified into 3 categories reliance on a third party, contractual delays and other external factors.

Rates Remission Policy: Staff advised that pensioners were typically the applicants and recipients of rates remissions. As per the current policy, income assessments to receive remissions were based on income earned in the previous financial year. Elected Members would get an opportunity to review this as part of the 10 Year Plan process. Council's rates remission policy was aligned to Central Governments Rates Rebate Scheme.

Emerging Issues: Emerging issues were identified as Central Library earthquake strengthening, stormwater overflow systems, river slips, and the eastern bulk water main. These issues would be reported through the risks and opportunities register and would also be discussed as part of the 10 Year Plan process .

Resolved: (Crs Mallett/Casson)

That the Finance Committee receives the report.

7. Key Projects Monitoring Report - March 2017

The General Manager Corporate took the report as read. Staff responded to questions from Elected Members concerning Hamilton Gardens development, Hamilton Ring Road Upgrade and Extension, and the North City Road Urban Upgrade. These projects were as being outlined in the report at risk of exceeding scope, budget, or timing/scheduling.

Resolved: (Crs Mallett/Henry)

That the Finance Committee receives the report.

The meeting adjourned (10.57am - 11.16am).

8. Contract 14378 - Three Waters Network Physical Works - Approved Contract Sum Increase

This report was taken as read.

Resolved: (Crs Mallett/Bunting)

That the Finance Committee;

a) receives the report; and

b) approves an increase to the Approved Contract Sum for Contract 14378 from \$18,500,000.00 to \$23,000,000.00.

9. H3 Update - Quarter 3 Report to 31 March 2017

The General Manager of Venues, Tourism and Major Events spoke to the report. He highlighted that the number of events held this year was up 12 % from the same period last year. It was explained that a number of capital projects were currently underway which would bring the capex spend more in line with the set budget. These projects were planned and had budget allocated.

Resolved: (Crs Mallett/Casson)

That the Finance Committee receives the report.

10. Finance Committee Draft 2017 Schedule of Reports

This report was taken as read.

Resolved: (Crs Pascoe/Mallett)

That the Finance Committee:

a) receives the draft 2017 Schedule of Reports; and

b) notes that the Schedule of Reports is intended to be updated as necessary with changes notified to Committee members.

11. Eastern Bulk Main Subsidence Remedial Works

The City Waters Manager introduced the report which followed the report that came to Council on 6 April 2017 concerning this matter. The cost estimates in that report were based on a rock filling solution which was now discounted due to the size of the project. Further investigation and consideration given to alternative remedial solutions, including relocation and soil nailing methodology, meant that there was a requirement for approval of a revised project budget. It was noted that there were some adjustments to the table on page 6, paragraph 47 of the report. The total estimated cost for the project so far was \$3,840,00 and total future cost was estimated to be \$800,000.

Staff responded to questions from Elected Members concerning the preferred solution which was confirmed as the soil nailing solution. This solution would be the best value for money, had a life expectancy that matched that of the twin bulk water pipes and it was commonly used technology helped to mitigate the risks.

Resolved: (Cars Mallett/ Casson)

That the Finance Committee

- a) receives the report;
- b) approves a revised project budget of \$4,640,000 to manage remedial works; and
- c) approves a revised Approved Contract Sum for Contract 16275 of \$3,240,000, made up of a construction estimate of \$2,700,000 plus a 20% contingency of \$540,000

12. Resolution to Exclude the Public

Resolved: (Cars Mallett/Casson)

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 - 11 April 2017) Good reason to withhold information exists under Section 7 Local Government	Section 48(1)(a)
C2. Report on overdue debtors as at 30 April 2017 & Bad Debts Write-offs 2016/17) Official Information and Meetings Act 1987	

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 protect the privacy of natural persons | Section 7 (2) (a) |

The meeting went into a public excluded session at 12.18pm.

The meeting was declared closed at 12.24pm.



Committee: Finance Committee **Date:** 04 July 2017
Report Name: 10-Year Plan Monitoring Report - For the eleven months ended 31 May 2017 **Author:** Tracey Musty

Report Status	<i>Open</i>
Strategy, Policy or Plan context	<i>2015-25 10 Year Plan 2016-17 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

- 2. To inform the Finance Committee on the Council’s financial performance against the 2016-17 Annual Plan for the eleven months ended 31 May 2017.

3. Executive Summary

- 4. Council has an operating surplus of \$44.5m for the eleven months ended 31 May 2017. This result is \$34.1m favourable to the year to date budget.
- 5. The significant items that contribute to this result are: unrealised gains from interest rate Swaps at \$13.9m, favourable vested asset revenue at \$8.1m and additional revenue associated with capital (assets) projects at \$6.6m. Swaps and vested assets are excluded from Council’s balancing the books measure.
- 6. Council’s balancing the books result is a surplus of \$15.6m. This is \$13.0m favourable to the year to date budget.
- 7. The \$13.0m favourable variance is due to: higher user pays revenue of \$1.4m, additional revenue associated with capital (assets) projects of \$6.6m, higher development contribution revenue of \$4.5m, lower finance costs of \$2.8m and lower expenditures on consultants \$1.5m and electricity \$0.6m.
- 8. Capital expenditure totalled \$70.5m for the eleven months ended 31 May 2017. This result is \$11.9m behind the year to date budget of \$82.4m.
- 9. Thirty (30) capital expenditure projects have been identified as being potentially deferred (details listed in the table on page 5). These have an indicative value of \$21.9m. Deferrals relate to approved projects that may have started but 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 eleven months ended 31 May 2017 is \$348.8m against an annual budget of \$404.1m. The debt to revenue ratio is 164% against an annual target of 198%. The primary reason for the favourable result is the current underspend on the capital programme.
11. As at 31 May 2017 Council is compliant with all policy measures.

Recommendations from Management

That the Finance Committee receives the report.

12. Attachments

13. Attachment 1 - Financial Statements
14. Attachment 2 - Group of Activities Summary Reports
15. Attachment 3 - Capital Expenditure
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. This section provides a summary for both the accounting result and Council's balancing the books result.
22. The operating result relates to the overall surplus or deficit position for Council from its normal day to day operating activities. This overall result is referred to as the Accounting result. This complies with the accounting standards.
23. A subset of the accounting result is Council's balancing the books result.

24. **The Accounting Result**

25. The accounting result for the eleven months ended 31 May 2017 is a surplus of \$44.5m. This is \$34.1m favourable as the budget was expecting a surplus of \$10.4m.

Actual year to date	Budget year to date	Variance year to date
\$44.5m	\$10.4m	\$34.1m

26. **Council’s Balancing the Books**

27. Balancing the books is an internal measure that was first 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.

28. Council’s balancing the books result for the eleven months ended 31 May 2017 is a surplus of \$15.6m. This is \$13.0m favourable as the budget was a surplus of \$2.6m.

Actual year to date	Budget year to date	Variance year to date
\$15.6m	\$2.6m	\$13.0m

29. 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.

30. *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.

31. The major contributors to the overall accounting result variance of \$34.1m have remained constant over the past 6 months. In summary they 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.

Losses and Gains variances:

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

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

33. Summary of Capital Expenditure

34. The Capital Expenditure Result

35. Total spend on capital expenditure for the eleven months ended 31 May 2017 is \$70.5m, compared to a budget of \$82.4m for the same period.

Actual year to date	Budget year to date	Variance year to date
\$70.5m	\$82.4m	\$11.9m

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

37. The Capital Expenditure Programme

38. The capital expenditure programme for 2016/17 is estimated to be \$106.0m. In addition to the Approved programme as per the Annual plan it also includes deferrals and projects brought forward. The following table has the detail.

Capital Expenditure Programme for 2016-17		\$m
Approved Annual Plan Programme		\$90.8m
plus Approved Deferrals from 2014-15		\$3.0m
plus Approved Deferrals from 2015-16		\$6.9m
plus Approved Brought forward (See para 46)		\$5.3m
Total Capital Expenditure Programme		\$106.0m

39. Deferred Capital Expenditure

40. Deferred capital expenditure refers to the process whereby the budget for an approved capital project is carried forward into a future financial year.

41. 2016-17 Deferrals

42. Management have identified thirty (30) projects as at 31 May 2017 that potentially will not be completed this year. These projects will require the budget to be carried forward into a future year.

43. The deferrals have been classified into 3 categories

- 3rd Party – is reliant on a 3rd party to enable the project to proceed, a common example would be infrastructure that is depended on developers.
- Contractual – project is now under contract with a supplier to deliver the project. The initial delay was due to issues associated with contract e.g. a design issue or delay in the tender process.

- HCC/Other External – delay due to change in project scope/requirement or change in prioritisation by Council.

44. A full list of deferred projects as at 31 May 2017 is contained in the following table. Note the table has been amended to include the year to date expenditure related to the deferral along with the total approved budget for the project.

Indicative Capital Expenditure Deferrals from 2016-17	3rd Party	Contractual	HCC/ Other External	Total	YTD Actual Expenditure	2016-17 Annual Budget
	000's	000's	000's	000's	000's	000's
Infrastructure Projects						
Rotokauri Growth						
CE15111 - Increase capacity of network throughout the city	4,000			4,000	329	4,372
CE15060 - Rotokauri stormwater infrastructure stage 1	1,500			1,500	6,479	13,239
CE15090 - Roading upgrades and development in Rotokauri stage 1	600			600	586	1,284
CE15107 - Increase capacity of network in Rotokauri stage 1	375			375	43	441
CE15127 - Water pipe upgrade - growth	114			114	0	306
Peacocks Growth						
CE15088 - Roading upgrades and development in Peacocke stage 1		553		553	58	653
CE15089 - Roading upgrades and development in Peacocke stage 2		50		50	410	500
Rototuna Growth						
CE15140 - Rototuna reservoir and associated bulk mains		1,000		1,000	9,331	16,574
CE15092 - Roading upgrades and development in Rototuna	1,000			1,000	1,545	3,661
City Wide Growth						
CE15103 - Increase capacity of wastewater pump stations			210	210	81	376
CE15144 - Upgrade water treatment plant		850		850	2,237	3,337
CE15158 - Water model			514	514	237	1,014
CE15162 - Integrated catchment management plan		400		400	836	1,406
Ruakura Growth						
CE15112 - Increase capacity of network (far east interceptor)	1,000			1,000	0	2,038
Parking Management						
CE10070 - Replacement of parking enforcement equipment			664	664	31	695
	8,589	2,853	1,388	12,830	22,202	49,896
Community Projects						
CE15027 - Proposed development programme		330		330	1,733	2,608
CE10003 - Waterworld operational asset renewals			2,648	2,648	447	3,096
CE10004 - Gallagher Aquatic Centre operational asset renewal			59	59	31	197
CE10020 - Zoo animal replacement	13			13	11	41
CE16001 - Victoria on the River		2,200		2,200	1,279	4,900
CE10001 - Aquatic facilities building renewals			2,040	2,040	215	2,340
CE15033 - Land purchase future reserves			499	499	323	822
CE10008 - Museum asset renewal			67	67	72	147
	13	2,530	5,313	7,856	4,112	14,151
H3 Projects						
CE10047 - FMG Stadium Waikato property renewals		179		179	61	389
CE10048 - Stadia building renewals		100		100	0	421
	0	279	0	279	61	810
Corporate Projects						
CE10152 - Network and infrastructure			200	200	326	601
CE10153 - Core business applications	150	13	368	531	216	958
CE10154 - Minor applications		21		21	0	21
CE15155 - Mobility and eservices			122	122	165	346
CE15157 - Authority replacement		105		105	0	1,028
	150	139	690	979	708	2,953
Total Indicative Expenditure Deferrals	8,752	5,801	7,391	21,944	27,083	67,810

45. This year's capital expenditure programme has been not been amended to remove these deferred amounts. Analysis of the \$11.9m year to date capital expenditure variance shows that \$7.2m of the variance is due to the projects proposed for deferral.

46. Projects Brought Forward

47. Projects brought forward relate to approved projects from the 2015-15 10 Year Plan that have been brought forward from a future financial year.

48. The following table lists the current projects brought forward.

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

* This is the WINTEC land purchase

49. Risks and Opportunities for 2016-17

50. Risks and Opportunities

51. The Risks and Opportunities schedule is used to report to elected members any significant or potentially significant changes from the approved budget.

52. 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.

53. 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 31 May 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 - Mangaonua Gully	20-Sep-16	195			
Increase payment to Kudeweh family	29-Sep-16	80			
Authority Replacement Feasibility Study	30-Nov-16	150			
DC Funding Model, DC Assessment Tool and Growth Model	30-Nov-16			1,515	
Reduction in Authority Replacement Project	30-Nov-16			(1,028)	
Western Rail Trail	13-Dec-16			1,326	
Minor Improvements (to off-set Western Rail Trail)	13-Dec-16			(530)	
Infrastructure Capital Programme (to off-set Western Rail Trail)	13-Dec-16			(796)	
Eastern Bulk Water Main	11-Apr-17			1,870	
One Victoria Trust - Meteor Theatre	4-May-17	26			
Total		753	0	2,357	0
Approved under CE Delegated Authority					
Dominion Park Playground				315	250
Library Seismic Study				160	
Museum Chillers and Air Handling Units				215	
Transport Centre Land				1,030	
Domain Park Playground - additional security required after the playground opening		65			
Unbudgeted costs to investigate cause and risk of slips		100			
Waterworld renewals overspend required to keep the pool operational				160	
Total		165	0	1,880	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		3,618	0	(963)	250

54. Emerging Issues

55. In addition, there are also the following emerging issues that are being disclosed to raise awareness.

56. 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. Where possible these will be added into the 2017/18 Annual Plan, otherwise they will be reported on future Risks and Opportunities.

57. The current emerging issues are listed below:

- a. Central Library - Seismic study has been undertaken. This was funded through the Risks and Opportunity process. The cost of the remedial works to bring the building up to standard range between \$600k and \$3.9m. Council will consider this at the June 2017 meeting.
- b. Stormwater – Repairs associated with a private property situated on Valley Terrace.
- c. River Slips - 917 River Road and 253B River Road. The 253B Slip occurred in late December and is on esplanade reserve. Remedial options are currently being investigated. Additional slips have since resulted after periods of heavy rain.

- d. Eastern bulk water main – at the 23 May 2017 meeting the Finance committee received an update for this project. In addition to the \$1.87m already approved in April 2017 (see R&O) a further \$2.76m has been identified as required. The additional amount will be incurred over the next 2 financial years.

58. Debt and Treasury Management

59. Treasury Management

- 60. As at 31 May 2017 Council is fully compliant with all policy measures.
- 61. *The Treasury Report* (attachment 4) contains further detail around the treasury compliance measures.

62. Total Overall Debt

- 63. Total Overall Debt for the eleven months ended 31 May 2017 is \$348.8m, which is \$55.3m less than the year end budget target of \$404.1m.

Actual year to date	Annual Budget	Amount Remaining	Debt to Revenue
\$348.8m	\$404.1m	\$55.3m	164%

64. Interest Rate Swaps

- 65. The gains on interest rate Swaps continue to have a material impact on Council’s operating result. These gains are a calculated value at a “point in time”. These are based on Council’s 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, any gain (or loss) will not be realised.
- 66. From 1 July 2016 the liability has decreased from \$47.5m to \$33.6m. This is a reduction (gain) of \$13.9m for the eleven months ended 31 May 2017. The favourable movement is due to higher 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 ELEVEN MONTHS ENDED 31 MAY 2017

	Note	Actual YTD	Budget YTD	Variance favourable/ (unfavourable)	Annual Budget	Actual May 2016
		\$000	\$000	\$000	\$000	\$000
Revenue						
Rates	1	141,076	140,836	240	153,747	135,272
Revenue from activities	2	37,713	36,278	1,435	40,023	38,921
Subsidies and grants	3	4,911	5,070	(159)	5,479	4,212
Development and financial contributions	4	14,645	10,108	4,537	11,027	20,482
Interest revenue	5	1,833	1,833	-	2,000	2,136
Other revenue	6	17,063	8,944	8,119	9,744	29,266
Capital revenue	7	12,778	6,227	6,551	6,389	6,627
Total revenue		230,019	209,296	20,723	228,409	236,916
Expenses						
Personnel costs	8	64,009	62,720	(1,289)	68,390	58,410
Depreciation and amortisation	9	56,124	54,463	(1,661)	59,412	55,040
Finance costs	10	17,607	20,403	2,796	22,257	19,384
Other expenses	11	60,454	61,314	860	67,259	58,781
Total expenses		198,194	198,900	706	217,318	191,615
Operating surplus/(deficit)		31,825	10,396	21,429	11,091	45,301
Gains	12	14,012	-	14,012	-	27
Losses	12	(1,340)	-	(1,340)	-	(26,746)
Surplus/(deficit)		44,497	10,396	34,101	11,091	18,582

COUNCIL'S BALANCING THE BOOKS MEASURE FOR THE ELEVEN MONTHS ENDED 31 MAY 2017

	Note	Actual YTD	Budget YTD	Variance favourable/ (unfavourable)	Annual Budget	Actual May 2016
		\$000	\$000	\$000	\$000	\$000
Surplus/(deficit) before tax		44,497	10,396	34,101	11,091	18,582
Adjustments for balancing the books measure						
Gains		14,012	-	14,012	-	27
Losses		(1,340)	-	(1,340)	-	(26,746)
Vested assets (included in Other revenue)		15,968	7,821	8,147	8,531	28,208
Ring Road subsidy (included in Capital revenue)		240	-	240	-	795
Less Total adjustments		28,880	7,821	21,059	8,531	2,284
Council's Balancing the books surplus/(deficit)		15,617	2,575	13,042	2,560	16,298

**LOCAL GOVERNMENT REGULATIONS MEASURE FOR BALANCING THE BOOKS
FOR THE ELEVEN MONTHS ENDED 31 MAY 2017**

Note	Actual YTD	Budget YTD	Variance favourable/ (unfavourable)	Annual Budget	Actual YTD May 2016
	\$000	\$000	\$000	\$000	\$000
Surplus/(deficit) before tax	44,497	10,396	34,101	11,091	18,582
Adjustments for the Local Government Regulations measure					
Gains excl gains on investment properties	13,925	-	13,925	-	27
Losses excl losses on asset sales/disposal	-	-	-	-	(20,129)
Development and financial contributions	14,645	10,108	4,537	11,027	20,482
Vested assets	15,968	7,821	8,147	8,531	28,208
Less Total adjustments	44,538	17,929	26,609	19,558	28,588
LG Regulations Balancing the books surplus/(deficit)	(41)	(7,533)	7,492	(8,467)	(10,006)

Attachment 1

Operating Variance Analysis

For the eleven months ended 31 May 2017

		May 2017	Movement from April 2017
Revenue variances:			
1	Rates	\$0.66m	\$0.14m
<p>The current favourable position is due to higher revenue from penalties on overdue rates (see table below for further detail on the penalties) and the cost of remissions are lower than was expected. This favourable position will carry through until year end.</p>			
1	Water by Meter	(\$0.42m)	(\$0.04m)
<p>Currently tracking behind budget. This is due to lower usage by high user customers.</p>			
2	Revenue from Activities	\$1.43m	\$0.02m
<p>Building control revenues continue to exceed budget.</p>			
3	Subsidies and Grants	(\$0.16m)	\$0.15m
<p>Operating subsidies from NZTA are unfavourable. Level of subsidy is directly related to the level of expenditure. Therefore the lower subsidy is due to lower levels of expenditure. Partially offsetting this is higher revenue from the waste minimisation levy.</p>			
4	Development contributions	\$4.54m	\$1.58m
<p>Development contributions are favourable to budget. While this is expected to be maintained through to the end of the financial year the timing of this source of revenue is unpredictable.</p>			
5	Interest Revenue	\$0.00m	\$0.08m
<p>Interest revenue earned from Councils cash investments.</p>			
6	Vested assets	\$8.15m	\$2.90m
<p>As strong growth continues the level of vested revenue will remain high. The timing of this source of revenue is unpredictable.</p>			
6	Other (excluding vested)	(\$0.03m)	(\$0.01m)
<p>Minor Variance</p>			
7	Capital Revenue	\$6.55m	\$1.89m
<p>The major driver is the NZTA subsidy received for the Western Rail Trail. The increase in May was the contribution received associated with the acquisition of the Wintec land required for stormwater.</p>			
Total Revenue variance		\$20.72m	\$6.70m

Operating Variance Analysis

For the eleven months ended 31 May 2017

		May 2017	Movement from April 2017
Expenditure variances:			
8	Personnel Costs	Personnel cost actuals are tracking above budget, this reflects the additional staff at the Zoo and the City Safe contract coming "in-house".	(\$1.29m) (\$0.77m)
9	Depreciation	Depreciation will exceed budget. This is due to rising asset values from revaluations. Current forecast expects depreciation to exceed budget.	(\$1.66m) (\$0.12m)
10	Finance Costs	Interest costs are favourable due to debt being lower than expected coupled with lower interest rates.	\$2.80m (\$0.06m)
11	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 Group of Activities Financial Reports. Refer attachment 2.	\$0.86m (\$1.32m)
Total Expenditure variance		\$0.71m	(\$2.27m)
Gains and Losses Variances			
12	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 4.	\$13.91m (\$3.38m)
12	Loss on asset sales	The loss is due to the write down of existing assets which have been replaced.	(\$1.23m) (\$0.36m)
Total Expenditure variance		\$12.67m	(\$3.73m)
Total variance		\$34.10m	\$0.69m

This is a new table. It breaks down the total penalties Council has received by rating sector.

As at 31 May 21017

Current Rating Sector	Properties with a Penalty	% of Properties with a Penalty	Total Amount of Penalties	Penalties as a % of Total Rates
Residential	7,057	13.70%	704,752	0.64%
Commercial	581	13.40%	219,192	0.40%
Rural	86	14.00%	9,213	0.58%
Non-rateable	52	9.80%	3,944	0.29%
Other	56	18.10%	11,625	0.30%
All	7,832	13.70%	948,726	0.56%

STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2017

	Note	Actual	Annual Budget	Actual May 2016
		\$000	\$000	\$000
Assets				
Current assets				
Cash and cash equivalents	1	37,077	45,000	2,852
Receivables	2	22,669	17,614	22,096
Prepayments		1,457	1,663	1,551
Inventory		142	244	109
Other financial assets	1	46,040	107	47,000
Derivative financial instruments	6	51	-	0
Non-current assets held for sale		-	-	1,328
Total current assets		107,436	64,628	74,936
Non-current assets				
Property, plant and equipment	3	3,592,481	3,470,927	3,385,879
Intangible assets		18,371	20,520	19,065
Investment property		19,420	22,478	22,332
Investment in associates		7,430	7,430	7,430
Other financial assets	1	25,363	25,907	24,443
Investment in subsidiaries		8,422	10,150	10,150
Derivative financial instruments	6	586	-	-
Total non-current assets		3,672,073	3,557,412	3,469,299
Total assets		3,779,509	3,622,040	3,544,235
Liabilities				
Current liabilities				
Employee entitlements		5,908	5,053	5,293
Payables and deferred revenue	4	39,557	15,017	35,060
Provisions		1,781	1,074	1,614
Borrowings	5	113,362	73,036	73,358
Derivative financial instruments	6	950	-	143
Total current liabilities		161,558	94,180	115,468
Non-current liabilities				
Employee entitlements		1,068	886	881
Provisions		12,559	8,072	8,478
Borrowings	5	281,815	346,863	286,288
Derivative financial instruments	6	33,311	40,000	41,866
Total non-current liabilities		328,753	395,821	337,513
Total liabilities		490,311	490,001	452,981
Net assets		3,289,198	3,132,039	3,091,254
Equity				
Accumulated funds		1,681,598	1,597,166	1,645,500
Other reserves	7	1,607,600	1,534,873	1,445,754
Total equity attributable to Hamilton City Council		3,289,198	3,132,039	3,091,254
Total equity		3,289,198	3,132,039	3,091,254

Notes to the Statement of financial position

Note 1: Cash and financial assets

		Actual	Annual Budget	Last Year YTD
		\$000	\$000	\$000
Cash and short-term deposits		37,077	45,000	2,852
Other financial assets - current	Term deposits	46,040	-	47,000
	Loan investments	-	107	-
		83,117	45,107	49,852
Other financial assets - non-current	Term deposits	4,000	4,000	3,600
	Loan investments	16,846	16,930	15,973
	Shares	4,517	4,977	4,870
		25,363	25,907	24,443
Total cash and financial assets		108,480	71,014	74,295

Note 2: Rates and debtors receivables

	Actual			Last Year 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 1-4	170,471		170,471	161,723		161,723
Penalties, adjustments & postponed	980		980	951		951
Remissions and govt rebates instalments 1-4	(3,931)		(3,931)	(3,092)		(3,092)
Rates receipts	(153,559)	(2,964)	(156,523)	(145,824)	(3,709)	(149,533)
Balance as at 31 March	11,854	108	11,962	11,872	120	11,992
Water by meter			954			1,095
Sundry debtors						
Debtors			3,360			3,817
Rentals			397			468
Rates rebates Internal Affairs			72			0
NZTA			750			48
H3 debtors			516			608
			5,096			4,942
Debtor accruals			3,829			3,252
Parking			3,926			3,984
Provision for doubtful debts			(3,098)			(3,170)
Total Rates and debtors receivables			22,669			22,096

Attachment 1

	Actual	Last Year YTD
	\$000	\$000
Debtors ageing Rates		
	as at 30 Jun 2016	as at 30 Jun 2015
Pre 2013/14	34	Pre 2013/14 74
2014/15	60	2014/15 3,755
2015/16	2,977	
	<u>3,072</u>	<u>3,829</u>
Sundry debtors	as at 31 May 2017	as at 31 May 2016
Current	2,491	Current 2,577
0-30 days	1,002	0-30 days 479
30-60 days	274	30-60 days 171
60-90 days	39	60-90 days 12
>90 days	479	>90 days 1,703
	<u>4,284</u>	<u>4,942</u>

Note 3: Fixed assets work in progress

	Balance 1 July 2016	New WIP 2016/17	WIP capitalised 2016/17	Balance 31 May 2017
	\$000	\$000	\$000	\$000
Operational Land	100	1,962	(1,030)	1,032
Restricted Land	29	-	-	29
Parks & Gardens Land	1,143	1,594	(178)	2,559
Heritage	25	-	(24)	1
Land under Roads	88	-	(7)	81
Operational Buildings	4,599	1,602	(6,768)	567
Parks & Gardens Improvements	3,061	2,998	(3,275)	2,784
Refuse	650	195	(515)	330
Wastewater	7,613	6,794	(2,829)	11,578
Stormwater	2,596	8,865	(1,398)	10,063
Transportation	14,099	20,180	(18,083)	16,196
Water Supply	16,072	14,005	(433)	29,644
Wastewater Treatment Plant	3,203	2,885	(2,452)	3,636
Water Treatment Station	3,071	3,412	(2,568)	3,915
Operational Plant & Equipment	3,693	3,896	(2,748)	4,841
Intangible Assets	3,658	1,228	(998)	3,888
Other	17	902	(736)	183
	<u>63,717</u>	<u>70,518</u>	<u>(44,042)</u>	<u>90,193</u>
Fixed Assets Vested	5,538	12,397	(5,837)	12,098
Total Fixed assets work in progress	69,255	82,915	(49,879)	102,291

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	Last Year YTD
	\$000	\$000	\$000
Payables	39,557	15,017	35,060
Total Payables	39,557	15,017	35,060

Note 5: Borrowings

	Actual	Annual Budget	Last Year YTD
	\$000	\$000	\$000
Borrowings - current	113,362	73,036	73,358
Borrowings - non-current	281,815	346,863	286,288
Total external debt	395,177	419,899	359,646

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	Last Year YTD
	\$000	\$000	\$000
Interest rate Swaps - held for trading (current asset)	(51)	-	-
Interest rate Swaps - held for trading (non-current asset)	(586)	-	-
Interest rate Swaps - held for trading (current liability)	950	-	143
Interest rate Swaps - held for trading (non-current liability)	33,311	40,000	41,866
Total net derivative financial instrument liabilities	33,624	40,000	42,009

The Council's unrealised loss position on interest rate Swaps has reduced by \$13.9m this financial year. This is due to an increase in market interest rates in comparison to when Council's fixed interest rate contracts were entered into

Note 7: Other Reserves

	Balance 1 July 2016	Transfers into fund	Transfers out of fund	Balance 31 May 2017
	\$000	\$000	\$000	\$000
Total Restricted reserves	32,475	5,448	-	37,923
Total Council created reserves	5,005	3,089	(2,644)	5,450
Total Revaluation and fair value through equity reserves	1,519,394	46,034	(1,201)	1,564,227
Total restricted and Council created reserves	1,556,874	54,571	(3,845)	1,607,600

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

Attachment 2

ARTS AND CULTURE
Theatres | Libraries | Museum | Arts | Active Communities
for the eleven months ended 31 May 2017

Prior YTD Actual 2015/16 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
Revenue				
(4) Rates	(5)	(2)	(3)	(2)
0 Water by Meter	0	0	0	0
1,451 Revenue from activities	929	994	(65)	1,084
27 Subsidies and grants	15	33	(18)	39
0 Development Contributions	0	0	0	0
21 Vested and Other Revenue	18	18	0	20
0 Capital revenue	0	0	0	0
1,496 Total revenue	957	1,043	(86)	1,141
Expenses				
5,843 Personnel costs	5,699	5,915	216	6,448
2,464 Depreciation and amortisation	3,253	2,510	(743)	2,738
180 Finance costs	151	169	19	185
Other Expenses				
2,099 - Operating & Maintenance costs	1,725	1,804	79	1,967
359 - Professional costs	481	504	23	538
4,067 - Administrative costs	3,766	3,782	15	4,131
820 - Property costs	698	862	164	940
15,831 Total expenses	15,774	15,547	(227)	16,948
(14,335) Operating surplus/(deficit)	(14,816)	(14,503)	(313)	(15,807)
(117) Gains and losses	(269)	0	(269)	0
(14,452) Surplus/(deficit)	(15,085)	(14,503)	(582)	(15,807)

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

Personnel costs - \$216k favourable. \$43k is due to favourable annual leave variances that is reducing as the year progresses. The remainder consists of staff vacancies in the Libraries and Founders Theatre. Library staff will be recruited after the completion of the Central Library seismic upgrade. Theatres \$132k favourable relates to budgeted additional payroll costs for theatre events. These costs are now being borne within Tech services in H3 Group, reported within Economic activity financials.

Depreciation - \$743k unfavourable. The useful lives of building assets have been reassessed as part of the latest revaluation carried out June 2016. The revaluation was completed after budgets were set.

Property Costs - \$164k favourable. Cleaning, electricity and security costs at the Museum and Libraries track \$106k below budget. Other variances include 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.

Gains and losses - \$269k unfavourable. Library and Museum building fixtures and fittings have been replaced resulting in a write-off of \$116k. The remaining \$153k is an error that will be corrected in June.

Attachment 2

	RECREATION			
	Pools Indoor Recreation Zoo			
	for the eleven months ended 31 May 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
4,107 Revenue from activities	4,055	4,051	4	4,367
289 Subsidies and grants	264	255	8	279
0 Development Contributions	0	0	0	0
28 Vested and Other Revenue	25	26	(1)	28
0 Capital revenue	0	0	0	0
4,424 Total revenue	4,343	4,332	12	4,674
Expenses				
4,727 Personnel costs	4,994	4,660	(334)	5,077
1,317 Depreciation and amortisation	1,325	1,453	128	1,585
258 Finance costs	218	245	27	267
Other Expenses				
1,583 - Operating & Maintenance costs	1,654	1,524	(129)	1,657
169 - Professional costs	265	159	(106)	172
1,783 - Administrative costs	1,897	1,869	(28)	2,106
719 - Property costs	721	795	74	873
10,555 Total expenses	11,073	10,705	(368)	11,737
(6,131) Operating surplus/(deficit)	(6,730)	(6,373)	(357)	(7,063)
(156) Gains and losses	(119)	0	(119)	0
(6,287) Surplus/(deficit)	(6,849)	(6,373)	(476)	(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 - \$334k unfavourable. \$323k 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 \$11k above budget.

Depreciation and Amortisation - \$128k favourable. The useful lives of building assets have been reassessed as part of the latest revaluation carried out June 2016. The revaluation was completed after budgets were set.

Operating & Maintenance costs - \$129k unfavourable. There has been increased costs of chemicals and shop stock purchases that are recovered by shop sales. Additional reactive maintenance works have been undertaken to ensure efficient operations.

Professional Costs - \$106k unfavourable. Includes costs associated with a swimming programme licence agreement to deliver a new learn to swim programme. This is the first part of a one off charge which will increase returns as the programme progresses. There is also unbudgeted operations analysis work undertaken by PricewaterhouseCoopers and Waterworld WiFi installation costs that will be moved to capital expenditure in June.

Gains and losses - \$119k unfavourable. Building fixtures and fittings have been replaced resulting in a write-off.

The following commentary specifically addresses the financial position for Aquatic Facilities

Revenue \$39k unfavourable. Club Aqua income continues to track below budget but contributes a \$127k profit year to date towards pool operations (\$91k achieved year to date May 2016). 2017/18 revenue budgets have been reduced to bring revenue into line with what is achievable. Income from other programmes offsets the majority of the variance 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.

Expenditure \$94k unfavourable. This is due to unbudgeted professional costs and increased reactive maintenance costs associated with the aging Waterworld facility.

Attachment 2

PLANNING AND DEVELOPMENT

City Planning | Planning Guidance & Compliance | Building Control

for the eleven months ended 31 May 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
8,949	8,693	7,054	1,639	7,764
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
8,949	8,693	7,054	1,639	7,764
Expenses				
5,377	5,856	5,751	(105)	6,272
0	0	0	(0)	0
0	0	0	0	0
Other Expenses				
1,172	1,234	1,049	(184)	1,144
2,104	1,164	1,763	599	1,895
2,302	2,716	2,649	(67)	2,943
11	13	13	0	14
10,966	10,982	11,225	243	12,269
(2,017)	(2,289)	(4,171)	1,882	(4,505)
Operating surplus/(deficit)				
0	0	0	0	0
(2,017)	(2,289)	(4,171)	1,882	(4,505)
Surplus/(deficit)				

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

Revenue from activities - \$1.6m favourable. There has been increased activity for Building Control and Planning Guidance. This variance is expected to continue through to year end.

Personnel Costs - \$105k unfavourable. Additional staff in Building Control have been contracted due to increased activity and for the online building consents project. Additional fixed term staff in Planning Guidance have also been contracted. These costs are offset by additional revenue.

Operating & Maintenance costs - \$184K unfavourable. This is due to the online building consents project, which is is offset by additional revenue.

Professional costs - \$599k favourable. The majority of this variance relates to expenditure on consultants. This has 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 reduce by the year end.

Attachment 2

ECONOMIC DEVELOPMENT

Economic Initiatives | Strategic Property Investment | Claudelands | Stadiums
for the eleven months ended 31 May 2017

Prior YTD Actual 2015/16 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
Revenue				
(173) Rates	(173)	(237)	64	(317)
0 Water by Meter	0	0	0	0
7,407 Revenue from activities	7,291	8,000	(708)	8,794
6 Subsidies and grants	0	0	0	0
0 Development Contributions	0	0	0	0
521 Vested and Other Revenue	480	480	0	524
(11) Capital revenue	0	0	0	0
7,750 Total revenue	7,599	8,243	(644)	9,002
Expenses				
2,643 Personnel costs	4,708	4,499	(208)	4,906
4,722 Depreciation and amortisation	4,717	4,501	(216)	4,910
4,550 Finance costs	3,814	4,289	475	4,679
Other Expenses				
5,209 - Operating & Maintenance costs	4,662	4,259	(403)	4,615
306 - Professional costs	437	489	51	534
4,032 - Administrative costs	4,235	4,284	49	4,584
1,464 - Property costs	1,252	1,480	228	1,610
22,925 Total expenses	23,825	23,801	(24)	25,838
(15,175) Operating surplus/(deficit)	(16,226)	(15,558)	(668)	(16,836)
(777) Gains and losses	(9)	0	(9)	0
(15,952) Surplus/(deficit)	(16,235)	(15,558)	(677)	(16,836)

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

Revenue from activities - \$708k unfavourable. Venues, Tourism & Major Events related is \$382k unfavourable, with \$345k unfavourable relating to iSite ticketing activities being below budget due to a correction of accounting treatment, however \$61k favourable to operating budget. H3 Group related \$37k unfavourable due to mix of events across venues.

There is reduced revenue received from Strategic Property due to the sale of properties (\$356k unfavourable).

Personnel costs - \$208k unfavourable. This variance is due to the changes in staff within Economic Growth Unit (\$139k), which is offset by vacancies in City Planning (\$353k).

H3 Group related is \$81k unfavourable due to events and demand on staff redirected from Founders related activity.

Depreciation and amortisation - \$216k unfavourable. The useful lives of building assets have been reassessed as part of the latest revaluation carried out June 2016. The revaluation was completed after budgets were set.

Finance costs -\$475k favourable. Due to the favourable debt position for Council.

Operating and Maintenance costs - \$403k unfavourable. Strategic Property unfavourable variance which includes Domain Endowment Fund Internal expenditure (\$425k). 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 has been corrected accordingly.

Venues, Tourism & Major Events \$136k unfavourable, being H3 cost of sales incurred with the impact of increased sporting stadia events (offset by incremental stadia revenues), along with theatre events costs at Claudelands (Founders Theatre impact), and iSite with a correction of accounting treatment (offset in revenue) having a favourable variance of \$365k.

Property costs - \$228k favourable. This variance is partially due to a reduction in property costs (\$118k) following sale of properties.

\$110k is related to Venues, Tourism & Major Events. Cleaning, Security and Insurance costs currently tracking below due to timing. We expect to be below budget for the year.

Attachment 2

SAFETY

Animal Control | Environmental Health and Public Safety
for the eleven months ended 31 May 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
2,173 Revenue from activities	2,099	2,040	59	2,164
9 Subsidies and grants	0	0	0	0
0 Development Contributions	0	0	0	0
3 Vested and Other Revenue	3	3	1	3
0 Capital Revenue	0	0	1	0
2,185 Total revenue	2,102	2,043	60	2,167
Expenses				
2,059 Personnel costs	2,625	2,180	(445)	2,377
80 Depreciation and amortisation	73	71	(3)	77
22 Finance costs	18	21	2	23
Other Expenses				
1,212 - Operating & Maintenance costs	1,174	1,156	(18)	1,264
128 - Professional costs	139	114	(25)	124
755 - Administrative costs	795	775	(20)	850
554 - Property costs	209	641	432	699
4,810 Total expenses	5,033	4,957	(76)	5,414
(2,625) Operating surplus/(deficit)	(2,931)	(2,914)	(16)	(3,247)
0 Gains and losses	0	0	0	0
(2,625) Surplus/(deficit)	(2,931)	(2,914)	(16)	(3,247)

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

Personnel costs - \$445k unfavourable. City Safe Operations have been brought inhouse incurring unbudgeted expenditure that is offset by a reduction in Security costs.

Property costs - \$432k favourable. Reduced security costs due to City Safe Operations being brought inhouse.

Attachment 2

COMMUNITY SUPPORT
Community Development | Emergency Management | Housing
for the eleven months ended 31 May 2017

Prior YTD Actual 2015/16 5000	Year to Date		Variance Favourable/ (Unfavourable) 5000	Annual Budget 5000
	Actual 5000	Budget 5000		
Revenue				
(114) Rates	(1)	(0)	(0)	(1)
0 Water by Meter	0	0	0	0
1,467 Revenue from activities	91	79	12	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
(480) Capital revenue	0	0	0	0
874 Total revenue	92	80	12	88
Expenses				
1,164 Personnel costs	1,125	1,201	75	1,314
507 Depreciation and amortisation	159	160	2	175
11 Finance costs	9	10	1	11
Other Expenses				
1,031 - Operating & Maintenance costs	826	680	(146)	746
89 - Professional costs	234	73	(161)	82
2,056 - Administrative costs	1,819	1,745	(74)	2,081
237 - Property costs	187	164	(23)	179
5,093 Total expenses	4,358	4,033	(325)	4,588
(4,219) Operating surplus/(deficit)	(4,267)	(3,954)	(313)	(4,500)
(7,483) Gains and losses	(3)	0	(3)	0
(11,702) Surplus/(deficit)	(4,270)	(3,954)	(316)	(4,500)

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

Operating & Maintenance costs - \$146k unfavourable. Some Civil Defence and Emergency contracts have an offsetting budget in Personnel Costs. The 2017/18 budget has been corrected accordingly.

Professional costs - \$161k unfavourable. This is primarily due to undertaking an organisational review and update of all the business continuity plans.

Attachment 2

GOVERNANCE

Governance and Public Affairs

for the eleven months ended 31 May 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
19 Revenue from activities	270	218	53	219
0 Subsidies and grants	0	0	0	0
0 Development Contributions	0	0	0	0
0 Vested and Other Revenue	8	5	3	5
0 Capital Revenue	0	0	0	0
19 Total revenue	278	222	56	224
Expenses				
423 Personnel costs	287	551	264	600
0 Depreciation and amortisation	0	0	0	0
0 Finance costs	0	0	0	0
Other Expenses				
74 - Operating & Maintenance costs	112	151	39	166
206 - Professional costs	685	674	(11)	727
3,641 - Administrative costs	3,930	4,730	800	5,149
7 - Property costs	0	13	13	13
4,350 Total expenses	5,014	6,119	1,104	6,654
(4,331) Operating surplus/(deficit)	(4,736)	(5,896)	1,160	(6,431)
0 Gains and losses	0	0	0	0
(4,331) Surplus/(deficit)	(4,736)	(5,896)	1,160	(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 - \$264k favourable. Staff vacancies in Mayoral Support Services.

Administrative costs - \$800k favourable. Overhead allocations are favourable due to favourable professional service variances from support areas. Councillor Remuneration And Honoraria is also tracking \$190k favourable as the budget is set by the Remuneration Authority which includes additional duties.

Attachment 2

PARKS AND GREEN SPACES

Hamilton Gardens | Community Parks | Sports Parks | Cemeteries and Crematorium
for the eleven months ended 31 May 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
2,309	2,418	2,088	330	2,317
5	5	7	(1)	7
3	2	0	2	0
145	134	140	(6)	152
1,496	1,855	1,597	258	1,597
3,959	4,413	3,831	582	4,073
Expenses				
1,998	2,098	2,086	(12)	2,276
3,173	3,424	3,014	(410)	3,288
1,379	1,225	1,377	152	1,502
Other Expenses				
9,569	10,441	9,752	(689)	10,758
318	269	188	(80)	253
2,521	2,779	2,639	(141)	2,877
606	667	667	0	727
19,564	20,902	19,723	(1,179)	21,680
(15,605)	(16,489)	(15,891)	(597)	(17,607)
(583)	(454)	0	(454)	0
(16,188)	(16,943)	(15,891)	(1,052)	(17,607)

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

Revenue from activities - \$330k favourable. Cemetery revenue is \$105k favourable due to the number of cremations and cemetery plot sales. Other variances include \$169k Hamilton Gardens shop revenue which is offset by unbudgeted stock purchases and park rental and project watershed recoveries tracking \$56k ahead of budget.

Capital revenue - \$258k favourable. Capital contributions have been received from external parties for the Dominion Park playground and the Hamilton Gardens development.

Depreciation and amortisation - \$410k unfavourable. The useful lives of building assets have been reassessed as part of the latest revaluation carried out June 2016. The revaluation was completed after budgets were set.

Finance costs - \$152k favourable. Due to the favourable debt position for Council.

Operating & Maintenance costs - \$689k unfavourable. \$189k is due to items included in 2015/16 capital work in progress that have now been expensed in the current year as they were not capital in nature. \$103k relates to Hamilton Gardens shop stock expenditure that is recovered from shop revenue. Maintenance costs track \$397k ahead of budget due to the impact of significant rain and wind events with efforts made to absorb costs within existing budgets. Overall the year end maintenance position is expected to be \$195k unfavourable due to the Mangaonua Gully project approved at the 20th September 2016 Council meeting which is offset by Project Watershed Reserve Funding.

Administrative Costs - \$141k unfavourable. Overhead charges track \$56k above budget due to unfavourable support unit variances that include the unbudgeted PricewaterhouseCoopers performance and growth analysis work along with higher than budgeted computer software charges. Other variances include recoverable expenses which are recovered from external parties and the timing of marketing expenditure in Hamilton Gardens.

Gains and losses - \$454k unfavourable. Building fixtures and fittings have been replaced resulting in a write-off.

Attachment 2

RUBBISH AND RECYCLING

Refuse Collection | Waste Minimisation | Landfill Site Management
for the eleven months ended 31 May 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
328 Revenue from activities	330	345	(15)	345
543 Subsidies and grants	570	418	152	418
0 Development Contributions	0	0	0	0
12 Vested and Other Revenue	11	12	(1)	13
0 Capital revenue	0	0	1	0
884 Total revenue	911	775	137	776
Expenses				
4 Personnel costs	7	0	(7)	0
311 Depreciation and amortisation	362	347	(14)	379
114 Finance costs	105	118	13	129
Other Expenses				
5,022 - Operating & Maintenance costs	5,072	5,084	12	5,577
275 - Professional costs	249	582	333	635
788 - Administrative costs	868	749	(119)	821
31 - Property costs	36	33	(3)	36
6,545 Total expenses	6,697	6,912	215	7,576
(5,661) Operating surplus/(deficit)	(5,786)	(6,137)	352	(6,800)
(3) Gains and losses	(16)	0	(16)	0
(5,664) Surplus/(deficit)	(5,803)	(6,137)	336	(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 - \$152k 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 - \$333k favourable. Waste Minimisation Initiatives are \$201k favourable in consultants costs due to a variance in the timing of planned works and expenditure being incurred as operations and maintenance expenditure. Resource consent compliance is \$132k favourable due to timing of works and a lower than anticipated need for contingency monitoring.

Administrative costs - \$119k unfavourable. Some works have been budgeted under Professional costs.

Attachment 2

STORMWATER

Stormwater Network | Catchment Management

for the eleven months ended 31 May 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
107 Revenue from activities	232	163	69	212
0 Subsidies and grants	0	0	0	0
0 Development Contributions	0	0	0	0
42 Vested and Other Revenue	28	30	(2)	32
101 Capital revenue	1,875	47	1,828	51
249 Total revenue	2,134	239	1,895	295
Expenses				
0 Personnel costs	0	0	0	0
7,267 Depreciation and amortisation	7,568	7,018	(550)	7,656
408 Finance costs	404	454	50	496
Other Expenses				
1,771 - Operating & Maintenance costs	1,657	1,614	(42)	1,747
289 - Professional costs	197	166	(31)	182
318 - Administrative costs	332	324	(8)	355
168 - Property costs	190	192	2	192
10,222 Total expenses	10,347	9,768	(579)	10,627
(9,973) Operating surplus/(deficit)	(8,213)	(9,528)	1,316	(10,332)
(56) Gains and losses	(62)	0	(62)	0
(10,029) Surplus/(deficit)	(8,275)	(9,528)	1,254	(10,332)

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

Capital revenue - \$1.8m favourable. Unbudgeted 3rd party contributions to physical works of \$168k, a land purchase contribution of \$1.66m, and higher than anticipated paid connections have been received. Increased revenue from paid connections is offset by a corresponding increased capital expenditure.

Depreciation and amortisation - \$550k unfavourable. The impact on depreciation of assets revalued at the end of the previous financial year was not known until after budgets were set.

TRANSPORTATION

Transport Network | Transport Centre | Parking Management

for the eleven months ended 31 May 2017

Prior YTD Actual 2015/16 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
Revenue				
(104)	(104)	(97)	(7)	(130)
0	0	0	0	0
5,245	5,119	4,897	222	5,363
3,332	4,057	4,358	(301)	4,737
0	0	0	0	0
1,666	1,592	1,587	5	1,731
4,775	8,228	4,490	3,738	4,640
14,915	18,891	15,234	3,656	16,341
Expenses				
661	665	829	164	903
16,861	16,210	16,604	394	18,113
7,152	6,382	7,177	795	7,829
Other Expenses				
10,317	11,259	11,072	(187)	12,048
488	798	867	69	915
4,017	4,140	4,188	48	4,595
1,810	2,013	2,089	75	2,293
41,304	41,467	42,826	1,358	46,696
(26,389)	(22,577)	(27,591)	5,015	(30,355)
(920)	14	0	14	0
(27,309)	(22,563)	(27,591)	5,028	(30,355)

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

Revenue from activities - \$222k favourable. There are a number of activities that are trending ahead of revenue budgets in the areas of Transport Network (\$120k), and Off Street Parking (\$125k).

Subsidies and grants - \$301k unfavourable. This is an improved position from last month which showed \$451k unfavourable. The level of subsidy received is directly related to the level of expenditure. As subsidised maintenance expenditure is \$368k favourable (see note for O&M costs below) the amount of subsidy received is lower. It is expected that this variance will continue to be addressed over the last month of the financial year.

Capital Revenue - \$3.7m favourable. The key contributors are projects where revenue was not included in the budget.

- Rototuna School Collector (\$100k favourable)
- Western Rail Trail (\$3,826k favourable).
- Renewal programs, which are expected to be completed by the end of the financial year (\$307k unfavourable).

Personnel costs - \$164k favourable. With the pending introduction of parking technology, parking activity efficiencies were identified and have been realised.

Depreciation and amortisation - \$394k favourable. The impact on depreciation of assets revalued at the end of the previous financial year was not known until after budgets were set.

Finance costs- \$795k favourable. Due to the favourable debt position for Council.

Operating & Maintenance costs - \$187k unfavourable. Unsubsidised maintenance expenditure is \$511k unfavourable, particular areas of note are verge landscaping and street cleaning. Subsidised maintenance expenditure is \$368k favourable and is partially offset by reduced NZTA subsidy. The majority of this variance are costs for bridge related investigations forecast to be realised by now but are expected next month.

Attachment 2

SEWERAGE

Sewerage Collection | Sewerage Treatment and Disposal
for the eleven months ended 31 May 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
2,442 Revenue from activities	2,717	2,708	9	3,290
0 Subsidies and grants	0	0	0	0
0 Development Contributions	0	0	0	0
333 Vested and Other Revenue	294	312	(17)	338
325 Capital revenue	440	47	393	51
3,100 Total revenue	3,451	3,066	385	3,680
Expenses				
65 Personnel costs	2	0	(2)	0
8,287 Depreciation and amortisation	8,374	7,812	(562)	8,521
3,058 Finance costs	2,847	3,202	355	3,493
Other Expenses				
6,053 - Operating & Maintenance costs	6,831	7,263	432	7,873
272 - Professional costs	250	353	103	383
1,655 - Administrative costs	1,736	1,695	(41)	1,856
1,690 - Property costs	1,767	1,904	137	2,079
21,082 Total expenses	21,807	22,228	421	24,204
(17,981) Operating surplus/(deficit)	(18,356)	(19,162)	806	(20,524)
(352) Gains and losses	(229)	0	(229)	0
(18,333) Surplus/(deficit)	(18,586)	(19,162)	576	(20,524)

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

Capital revenue - \$393k 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 - \$562k unfavourable. The impact on depreciation of assets revalued at the end of the previous financial year was not known until after budgets were set.

Finance costs - \$355k favourable. Due to the favourable debt position for Council.

Operating & Maintenance costs - \$432k favourable. Shared Services costs are \$130k favourable due to a variance in the planned timing of works programmes. Maintenance is \$144k favourable due to a variance in the timing of planned works and lower than anticipated reactive failures. Budget is anticipated to be fully spent by year end. Contractual services are \$60k favourable due to reduced biosolids generation and disposal costs

Professional costs - \$103k favourable. There have been delays in updating the Wastewater model.

Property costs - \$137k favourable. There has been lower than anticipated electricity demand due to co-generation utilisation.

Gains and losses - \$229k unfavourable. Due to the replacement of assets which were not fully depreciated resulting in a write-off.

WATER SUPPLY

Water Treatment and Storage | Water Distribution

for the eleven months ended 31 May 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
7,633	7,087	7,507	(420)	8,169
188	152	144	9	160
0	0	0	0	0
0	0	0	0	0
296	231	244	(13)	265
409	380	47	333	51
8,526	7,850	7,941	(91)	8,645
Expenses				
(1)	2	0	(2)	0
6,088	6,389	6,377	(13)	6,956
2,868	2,910	3,272	362	3,569
Other Expenses				
3,993	5,253	5,203	(49)	5,652
160	161	387	226	422
1,170	1,247	1,224	(23)	1,338
1,824	1,677	1,907	230	2,093
16,102	17,639	18,370	731	20,031
(7,576)	(9,789)	(10,429)	640	(11,386)
(107)	(54)	0	(54)	0
(7,683)	(9,843)	(10,429)	586	(11,386)

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

Water by Meter - \$420k unfavourable. Lower than anticipated water demand.

Capital Revenue - \$333k favourable. Higher than anticipated paid connections. Increased revenue is offset by a corresponding increase in capital expenditure.

Finance costs - \$362k favourable. Due to the favourable debt position for Council.

Professional costs - \$226k favourable. There have been delays in updating the water supply model.

Property costs - \$230k favourable. Electricity cost has been less than expected.

Attachment 3

CAPITAL EXPENDITURE for the eleven months ended 31 May 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	1,026	988	(38)	1,068		1,068	
CE10006 - Library asset renewal	R	4	4	(0)	4		4	
CE10007 - Library building asset renewal programme	R	98	70	(28)	70		70	
Total libraries		1,129	1,062	(66)	1,142	0	1,142	
Museum								
CE10008 - Museum asset renewal	R	72	139	67	147		147 1	
CE10009 - ArtsPost earthquake strengthening	R	25	0	(25)		100	100 2	
CE10010 - Public art support fund	R	16	28	13	31		31	
CE10011 - Museum activity building renewals	R	194	191	(3)	209		209	
Total Museum		306	359	52	387	100	487	
Hamilton City Theatres								
CE10012 - Founders Theatre plant and equipment renewals	R		235	235	256	97	353 3	
CE10013 - Technical services equipment renewals	R	204	282	79	308		308	
CE10014 - Founders Theatre building renewals	R		0	0	0	152	152	
CE10159 - Founders Theatre stage house renewal	R	10	0	(10)	0		0	
Total Hamilton City Theatres		214	517	303	564	249	813	
TOTAL ARTS AND CULTURE		1,649	1,938	289	2,093	349	2,442	
ECONOMIC DEVELOPMENT								
Claudelands and Stadia								
CE10041 - Claudelands plant and equipment	R	4	214	210	234		234	
CE10042 - Seddon Park plant and equipment	R	7	103	96	36	70	106	
CE10043 - FMG Stadium Waikato plant and equipment	R	177	123	(54)	134		134	
CE10044 - Turf services plant and equipment	R	14	50	36	55		55	
CE10045 - Claudelands property renewals	R	118	140	22		140	140	
CE10046 - Seddon Park property renewals	R	102	54	(48)	21	35	56	
CE10047 - FMG Stadium Waikato property renewals	R	61	357	296	389		389 4	
CE10048 - Stadia building renewals	R	0	386	386	421		421 5	
CE10049 - Claudelands building renewals	R	47	0	(47)			0	
CE15051 - Stadia capital improvement function	LOS	0	164	164	179		179	
Total Claudelands and Stadia		530	1,591	1,060	1,468	245	1,713	
Strategic Property								
CE10052 - Strategic property renewals	R	51	70	19	76		76	
CE10053 - Tenancy inducement renewals	R	0	19	19	21		21	
Total Strategic Property		51	89	38	97	0	97	
TOTAL ECONOMIC DEVELOPMENT		581	1,680	1,099	1,565	245	1,810	
PARKS AND GREEN SPACES								
Cemeteries and Crematorium								
CE10021 - Building renewals cemeteries	R	0	10	10	10		10	
CE10022 - Renewal of crematorium assets	R	132	132	0	132		132	
CE10023 - Hamilton Park east and west cemeteries renewals	R	51	46	(5)	46		46	
CE15024 - Hamilton Park cemetery, burial and ash lawn extension	G	21	21	(0)	21		21	
Total Cemeteries and Crematorium		204	209	5	209	0	209	
Hamilton Gardens								
CE10026 - Hamilton Gardens renewals	R	9	51	42	51		51	
CE10028 - Hamilton Gardens building renewals	R	169	131	(38)	131		131	
CE15027 - Proposed development programme	G	1,894	2,168	275	2,608		2,608 6	
Total Hamilton Gardens		2,072	2,350	278	2,790	0	2,790	
Parks								
CE10029 - Toilet and changing room renewals	R	25	82	58	82		82	

	Type	Year To Date			Annual Budget			Notes
		Actual	Budget	Variance	Approved 2016/17	Approved Deferred	Total	
		\$000	\$000	\$000	\$000	\$000	\$000	
CE10030 - Building renewals parks and open spaces	R	183	236	53	236		236	
CE10032 - Parks and open spaces assets and playgrounds renewals	R	897	1,316	419	1,241	115	1,356	7
CE15033 - Land purchase future reserves	G	323	320	(3)	224	598	822	8
CE15034 - Destination playground public toilets	LOS	290	382	93	255	127	382	
CE15035 - Rototuna Park development	G	96	233	137		233	233	
CE15036 - Playground development programme	G	810	509	(301)	509		509	9
CE15168 - Rototuna Town Centre	G	6	0	(6)				
CE16001 - Victoria on the River	LOS	1,279	3,750	2,471	4,900		4,900	10
Total Parks		3,908	6,830	2,922	7,449	1,073	8,522	
Sports Parks								
CE10031 - Sports area renewals	R	102	119	17	119		119	
Total Sports Parks		102	119	17	119	0	119	
TOTAL PARKS AND GREEN SPACES		6,286	9,508	3,222	10,567	1,073	11,640	
RECREATION								
Aquatic Facilities								
CE10001 - Aquatic facilities building renewals	R	215	1,740	1,525	2,340		2,340	11
CE10003 - Waterworld operational asset renewals	R	608	2,386	1,778	3,096		3,096	12
CE10004 - Gallagher Aquatic Centre operational asset renewal	R	31	164	133	197		197	13
Total Aquatic Facilities		854	4,290	3,436	5,632	0	5,632	
Hamilton Zoo								
CE10015 - Zoo animal enclosure renewals	R	117	120	3	139		139	
CE10016 - Zoo building renewals	R	362	362	(0)	362		362	
CE10017 - Property renewals	R	8	11	3	11		11	
CE10019 - Zoo quarantine replacement	R	8	0	(8)			0	
CE10020 - Zoo animal replacement	R	11	41	30	41		41	14
CE15018 - Zoo browse plantation	LOS	5	21	16	21		21	13
Total Hamilton Zoo		511	554	43	573	0	573	
TOTAL RECREATION		1,365	4,844	3,479	6,205	0	6,205	
SAFETY								
CE10037 - CCTV renewals	R	0	41	41	41		41	
TOTAL SAFETY		0	41	41	41	0	41	
RUBBISH AND RECYCLING								
CE10054 - Replacement of closed landfill assets	R	51	160	109	160		160	
CE10056 - Replacement of RTS & HOC assets	R	52	2	(50)	2		2	
CE15055 - Closed landfill management	LOS	92	257	165	257		257	15
TOTAL RUBBISH AND RECYCLING		195	419	224	419	0	419	
STORMWATER								
CE10058 - Replacement of Stormwater assets	R	488	342	(146)	573		573	
CE15059 - Rototuna Stormwater infrastructure	G	685	843	158	330	513	843	
CE15060 - Rotokauri stormwater infrastructure stage 1	G	6,479	330	(6,149)	1,834	5,000	6,834	16
CE15062 - Peacocke stormwater infrastructure stage 1	G	0	0	(0)			0	
CE15064 - Stormwater pipe upgrade - growth	G	120	171	51	127	61	188	
CE15066 - Existing network improvements in new areas	G	109	11	(98)	102		102	
CE15068 - Stormwater customer connections to the network	G	91	46	(44)	51		51	
CE15162 - Integrated catchment management plan	LOS	836	1,328	492	806	600	1,406	17
C960015 - Project Watershed	R	2	0	(2)			0	
TOTAL STORMWATER		8,811	3,071	(5,740)	3,822	6,174	9,996	
TRANSPORT								
Parking Management								
CE10070 - Replacement of parking enforcement equipment	R	31	661	630	367	328	695	18
CE10071 - Parking building renewal	R	5	24	19	26		26	
Total Parking Management		36	685	649	393	328	721	

Attachment 3

Type	Year To Date			Annual Budget		Notes		
	Actual	Budget	Variance	Approved 2016/17	Approved Deferred		Total	
	\$000	\$000	\$000	\$000	\$000	\$000		
Transportation Network								
CE10072 - Replacement of footpath	R	1,945	2,346	401	2,558	2,558	19	
CE10073 - Replacement of street furniture	R		62	62	62	62		
CE10074 - Replacement of drainage (kerb and channel)	R	1,092	1,181	89	1,300	1,300		
CE10075 - Replacement of road base	R	980	1,043	63	1,061	1,061		
CE10076 - Road resurfacing	R	4,766	5,016	250	5,148	5,148	20	
CE10077 - Replacement of bridges and culverts	R	12	101	89	103	103		
CE10078 - Replacement of retaining walls and structures	R	5	5	0	5	5		
CE10079 - Replacement of environmental controls	R		0	0	0	0		
CE10080 - Replacement of lighting	R	319	298	(22)	310	310		
CE10081 - Replacement of traffic equipment	R	274	274	(0)	282	282		
CE10082 - Replacement of street signs	R	1	0	(1)	0	0		
CE10098 - Building and property renewals	R		104	104	104	104		
CE15085 - Minor improvements to transport network	LOS	121	650	530	650	650	21	
CE15086 - Bus stop infrastructure	LOS	20	114	94	114	114		
CE15087 - Network upgrades to allow new development	G	54	11	(43)	179	179		
CE15088 - Roading upgrades and development in Peacocke stage 1	G	58	340	282	153	653	22	
CE15089 - Roading upgrades and development in Peacocke stage 2	G	410	404	(6)	500	500	23	
CE15090 - Roading upgrades and development in Rotokauri stage 1	G	586	355	(231)	1,284	1,284	24	
CE15092 - Roading upgrades and development in Rototuna	G	1,545	2,021	476	3,071	3,661	25	
CE15093 - Roading upgrades and development in Ruakura	G	806	917	110	1,000	1,000		
CE15094 - Traffic signal improvements	LOS	248	282	34	306	306		
CE15095 - Integrated transport initiatives	LOS	5,908	916	(4,991)	916	916	26	
CE16003 - Transport Centre Land	LOS	1,030	0	(1,030)			27	
PIF12005 - Hamilton Ring Road Completion	LOS	988	900	(88)		1,000		
Total Transportation Network		21,167	17,339	(3,828)	19,105	2,090	21,195	
TOTAL TRANSPORT		21,203	18,024	(3,179)	19,498	2,418	21,916	
SEWERAGE								
CE10100 - Replacement of wastewater pump stations	R	797	1,015	218	1,015	1,015	28	
CE10101 - Replacement of wastewater assets	R	3,542	3,506	(36)	3,701	3,701		
CE15103 - Increase capacity of wastewater pump stations	LOS	81	376	296	376	376	29	
CE15104 - Wastewater pipe upgrade - growth	G	13	286	273	306	306	30	
CE15105 - Increase capacity of wastewater network - Rototuna	G	329	372	43	272	372		
CE15106 - Wastewater network upgrades to allow development	G	20	11	(9)	81	81		
CE15107 - Increase capacity of network in Rotokauri stage 1	G	43	40	(3)	441	441	31	
CE15109 - Increase capacity of network in Peacocke stage 1	G	120	0	(120)	69	69		
CE15111 - Increase capacity of network throughout the city	G	329	3,525	3,196	4,088	284	4,372	32
CE15112 - Increase capacity of network (far east interceptor)			1,000	1,000	2,038	2,038	33	
CE15114 - Increase capacity of network (bulk storage)	G	38	455	417	467	134	601	34
CE15161 - Wastewater master plan	R	347	153	(194)	153	153		
CE10115 - Replacement of wastewater treatment plant assets	G	1,407	1,496	89	1,875	1,875		
CE15116 - Upgrade wastewater treatment plant systems	LOS	105	153	48	153	153		
CE15117 - Upgrade wastewater treatment plant (Pukete 3)	G	762	621	(141)	737	102	839	
CE15120 - Wastewater treatment plant compliance	LOS	651	406	(245)	509	509	35	
CE15121 - Wastewater customer connections to the network	G	252	46	(206)	51	51		
TOTAL SEWERAGE		8,835	13,460	4,626	16,332	620	16,952	
WATER SUPPLY								
CE10123 - Replacement of watermains	R	3,015	3,021	6	3,339	3,339		
CE10124 - Replacement of water meters, valves and hydrants	R	241	323	83	360	360		
CE15126 - Upgrade or build new watermains in Rototuna	G	94	256	161	511	50	561	
CE15127 - Water pipe upgrade - growth	G	0	286	286	306	306	36	
CE15128 - Upgrade/build new watermains in Rotokauri stage 1	G	412	277	(135)	114	277	391	
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	11	6	81	81		
CE15133 - Water demand management - network water loss	LOS	384	393	9	407	407		
CE15136 - Water demand management - Dinsdale reservoir zone	LOS	112	340	228	474	474	37	
CE10138 - Replacement of treatment plant and reservoir assets	R	756	682	(74)	855	855		
CE15139 - Water treatment plant compliance - minor upgrades	LOS	513	818	305	1,026	1,026		
CE15140 - Rototuna reservoir and associated bulk mains	G	9,331	16,050	6,719	13,574	3,000	16,574	38
CE15141 - Water demand management - Hillcrest reservoir zone	LOS	313	232	(81)	306	306		
CE15144 - Upgrade water treatment plant	G	2,237	2,420	183	3,337	3,337	39	
CE10145 - Tools of trade renewals	R	49	46	(2)	51	51		

	Type	Year To Date			Annual Budget			Notes
		Actual	Budget	Variance	Approved 2016/17	Approved Deferred	Total	
		\$000	\$000	\$000	\$000	\$000	\$000	
CE15146 - Water customer connections	G	300	46	(253)	51		51	40
CE15148 - Upgrade or build new watermain in Ruakura	G	14	0	(14)				0
CE15158 - Water model	R	237	460	223	1,014		1,014	41
CE15159 - Water master plan	G	103	76	(27)	76		76	
CE15166 - Fluoride free water source	LOS	81	53	(28)		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
CE16004 - Eastern Bulk Main Slip	LOS	82	0	(82)				0
TOTAL WATER SUPPLY		18,324	25,791	7,466	25,986	3,380	29,366	
CORPORATE SERVICES								
Corporate Buildings								
CE10151 - Renewals program	R	165	117	(48)	127		127	
Total Corporate Buildings		165	117	(48)	127	0	127	
Information Services								
CE10152 - Network and infrastructure	R	326	513	187	601		601	42
CE10153 - Core business applications	R	216	818	602	958		958	43
CE10154 - Minor applications	R	0	18	18	21		21	44
CE15155 - Mobility and e services	LOS	165	295	130	346		346	45
CE10156 - Lease funding of equipment	R	785	663	(122)	776	243	1,019	
CE15157 - Authority replacement	LOS	0	451	451	528	500	1,028	46
Total Information Services		1,492	2,759	1,266	3,230	743	3,973	
Performance								
CE10158 - Replacement of fleet vehicles	R	1,076	805	(271)	878		878	47
Total Performance		1,076	805	(271)	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	537	0	(537)	0		0	48
Total DC Funding Model and DC Assessment Tool and Growth Model		537	0	(537)	0		0	
TOTAL CORPORATE SERVICES		3,270	3,680	410	4,235	743	4,978	
TOTAL COUNCIL		70,519	82,455	11,936	90,764	15,002	105,766	

Capital Expenditure Variance Explanations: Variances greater than \$200k and/or deferrals indicated for the eleven months ended 31 May 2017			
	YTD Variance \$000	Indicative Deferral \$000	Projects brought forward \$000
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. \$50k deferral requested due to a delay in the delivery of chairs from the supplier. They are expected to be received July.		67	
2 CE10009 - ArtsPost Earthquake Strengthening This work has been brought forward from future financial years. It is to undertake seismic assessment work including the preparation of a Heritage Architect Conservation plan.			100
3 CE10012 - Founders Theatre plant and equipment renewals This capital budget is not to be deferred, but rather removed. Any decision on capital funding for a new theatre will be outside this budget.	235 f/w	-	
4 CE10047 - FMG Stadium Walkat o property renewals Data Network Solution project underway, with key equipment to arrive in June. Deferral for Gate 1 plans.	295 f/w	179	
5 CE10048 - Stadia building renewals Path project underway with significant progress occurred. Deferral for Seddon Park lift work due to contractor availability.	386 f/w	100	
6 CE15027 - Proposed development programme Contract delay caused by extended negotiations due to the Picturesque Garden contract coming in at very high cost. The garden/contract needed to be value managed to remain within budget and therefore the garden construction needed to be redesigned which caused a delay. The whole project should be back on track in September 2017.		330	
7 CE10032 - Parks and open spaces assets and playgrounds renewals Work programme still underway and is expected to be completed this financial year.	419 f/w		
8 CE15033 - Land purchase future reserves Request for \$501k 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, it is likely these issues will be resolved in the next financial year.		501	
9 CE15036 - Playground development programme The overspend of \$301k 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.	(301) unf/w		
10 CE16001 - Victoria on the River Deferral of \$2.2m anticipated as original tender responses came back well above budget, with negotiations delaying the start of works. Work has now commenced in April 2017 with the preferred contractor.		2,200	
11 CE10001 - Aquatic facilities building renewals Aquatic Facilities project is delayed while the seismic assessment undergoes peer review. Findings will be presented to Councillors at a July briefing.	1,525 f/w	2,040	
12 CE10003 - Waterworld operational asset renewals Aquatic Facilities project is delayed while the seismic assessment undergoes peer review. Findings will be presented to Councillors at a July briefing. An additional unbudgeted \$160k was required to replace defective components to keep the pool operational.		2,648	
13 CE10004 - Gallagher Aquatic Centre operational asset renewal Deferral for boiler work at Gallagher Aquatic Center, this work will not be completed this year. Gas lines have already been laid.		59	
14 CE10020 - Zoo animal replacement Deferral required as the import of African Wild Dogs has been delayed and they will arrive 2017/18.		13	
15 CE15055 - Closed landfill management Forecast underspend of up to \$147k this financial year due to anticipated consent capital works being assessed as no longer being required. Underspend to offset unbudgeted expenditure on Western Rail Trail project.	165 f/w		

	YTD Variance \$000	Indicative Deferral \$000	Projects brought forward \$000
16 CE15060 - Rotokauri stormwater infrastructure stage 1 Land access agreement via easement in lieu of \$1.5m land purchase. Will require deferral for future land purchase. Council approved additional funding of \$5m for additional stormwater swale land purchase from Wintec this FY - refer Finance Committee 20 Sept 2016. Purchase completed for a net cost of \$4.85m (purchase price offset by \$1.66m Capital Contribution) Brought forward relates to the Wintec Land Purchase, this was approved by Finance Committee on 20 September 2016.	(6,149) unfav	1,500	5,000
17 CE15162 - Integrated catchment management plan Potential deferral of up to \$400k for contractually committed delivery of the ICMP programme in partnership with developers.	492 fav	400	
18 CE10070 - Replacement of parking enforcement equipment Delay in the implementation of this project as parking options for the central city were considered and approved by Council - possible deferral.	630 fav	664	
19 CE10072 - Replacement of footpath Work programme still underway expected to be completed this financial year.	401 fav		
20 CE10076 - Road resurfacing Work programme still underway expected to be completed this financial year.	250 fav	-	
21 CE15085 - Minor improvements to transport network Minor Work programme unspent to allow budget to be redirected to the Western Rail Trail	530 fav		
22 CE15088 - Roading upgrades and development in Peacocke stage 1 Potential deferral of up to \$553k of contractually committed works relating to Dixon/Ohaupo intersection design as part of Southern Link investigations.		553	
23 CE15089 - Roading upgrades and development in Peacocke stage 2 Potential deferral of up to \$50k of contractually committed works relating to Southern Links pre-construction works to match contractor's environmental monitoring and seasonal constraints.		50	
24 CE15090 - Roading upgrades and development in Rotokauri stage 1 This is dependent on the land access agreement described in note 17 above.	(231) unfav	600	
25 CE15092 - Roading upgrades and development in Rototuna Potential deferral of up to \$1.0m 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, which will offset unbudgeted expenditure on the Western Rail Trail project	476 fav	1,000	
26 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 \$3.8m received for the WRT project.	(4,991) unfav	-	
27 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	(1,030) unfav		
28 CE10100 - Replacement of wastewater pump stations Variance due to timing of works but is on track to be completed this financial year	218 fav		
29 CE15103 - Increase capacity of wastewater pump stations Revised design required resulting in delayed physical works.	296 fav	210	
30 CE15104 - Wastewater pipe upgrade - growth Forecast underspend of \$228k to offset forecast overspend in CE15105.	273 fav		
31 CE15107 - Increase capacity of network in Rotokauri stage 1 This is dependent on the land access agreement described in note 17 above.		375	
32 CE15111 - Increase capacity of network throughout the city This is dependent on the land access agreement described in note 17 above.	3,196 fav	4,000	
33 CE15112 - Increase capacity of network (far east interceptor) Third party upsizing contribution for Ruakura Wastewater Infrastructure being installed by others. Deferral of \$1m required in accordance with third party installation program. Delays to paying first instalment due to PDA delays.	1,000 fav	1,000	
34 CE15114 - Increase capacity of network (bulk storage) Forecast \$197k favourable year-end variance of to offset CE15161 unfavourable result.	417 fav		

Attachment 3

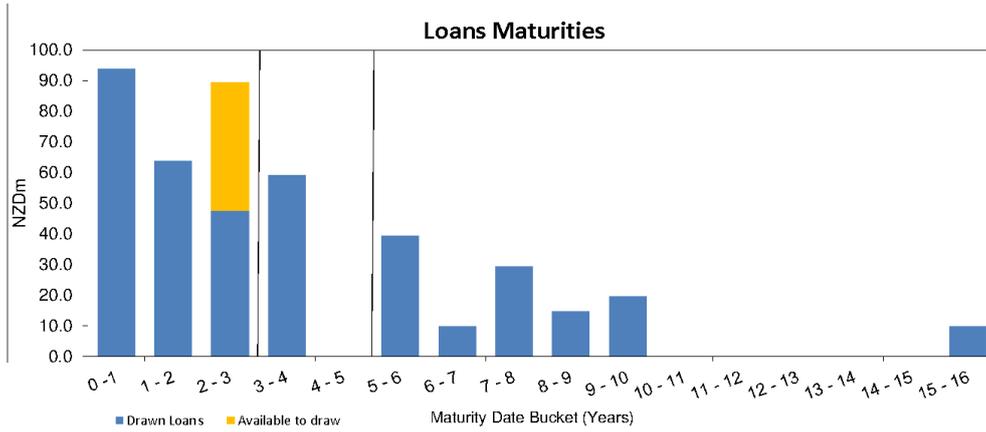
	YTD Variance \$000	Indicative Deferral \$000	Projects brought forward \$000
35 CE15120 - Wastewater treatment plant compliance Over expenditure of \$283k will be fully offset by under expenditure in CE15139 due to reprioritisation of more urgent works in wastewater activity. The additional projects identified include improvements to the biosolids collection area to mitigate SW compliance risks and the installation of a new security fence to mitigate safety and security concerns	(245) unfav		
36 CE15127 - Water pipe upgrade - growth This is dependent on the land access agreement described in note 17 above.	286 fav	114	
37 CE15136 - Water demand management - Dinsdale reservoir zone Physical works are currently underway and expected to be completed by 30 June.	228 fav		
38 CE15140 - Rototuna reservoir and associated bulk mains 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.	6,719 fav	1,000	
39 CE15144 - Upgrade water treatment plant Potential deferral of up to \$850k based on contractually committed construction program for the Hamilton South pipeline.	183 unfav	850	
40 CE15146 - Water customer connections Increased connections are offset by favourable Capital Revenue	(253) unfav		
41 CE15158 - Water model Project is spread over 2 financial years. Deferral amount will be spent in 2017/18.	223 fav	514	
42 CE10152 - Network and infrastructure Deferral is required to complete the Unified Comms project and the SQL Server Currency.	187 fav	200	
43 CE10153 - Core business applications Deferral is required to enable commencement of application upgrades. These upgrades are now scheduled to start later as the programme was reprioritised to complete the Unified comms and GoDass rollout.	602 fav	531	
44 CE10154 - Minor applications \$21k deferral to complete Vernon/Cardax upgrades due to complexity of vendor implementation causing a delay to starting the currency work.	18 fav	21	
45 CE15155 - Mobility and eservices \$122k deferral required to complete work as requested by steering Groups due to delays in decisions around scope/SOW's.	130 fav	122	
46 CE15157 - Authority replacement This funding has been authorised to be used to spend on the Growth Model and DC Funding Model.	451 fav	105	
47 CE10158 - Replacement of fleet vehicles Council has purchased additional vehicles for the building inspectors. There has also been an unplanned replacement of a Hiab Crane.	(271) unfav		
48 CE16002 - DC Funding Model and DC Assessment Tool and Growth Model This project is being funded by a budget off-set from the project CE15157 - Authority replacement. This was approved by Council.	(537) unfav		

TREASURY REPORT
for the eleven months ended 31 May 2017

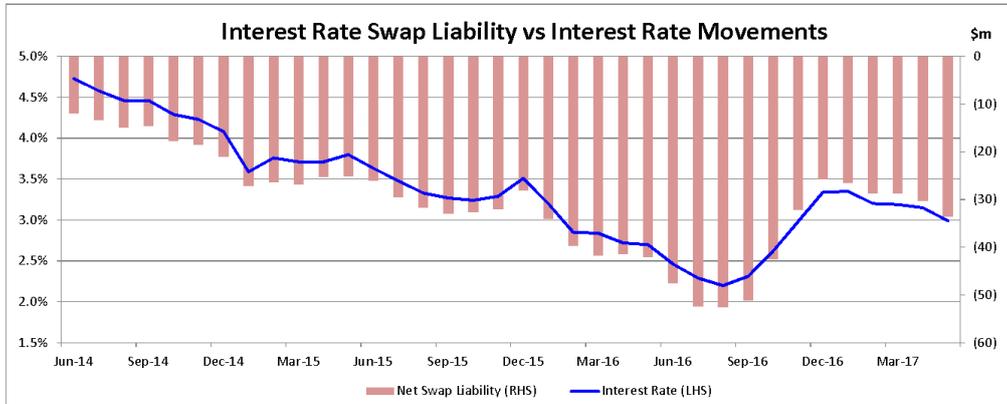
Policy Compliance

	Policy	Result @ 31-May-17	Policy Compliance
Fixed rate maturity	all years	within annual parameters	achieved for all years ✓
Funding maturity	0 - 3 years	15% - 60%	52% ✓
	3 - 5 years	15% - 60%	16% ✓
	5 years plus	10% - 60%	32% ✓
Liquidity ratio	minimum	110%	122% ✓
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
	31-May-17	30-Jun-17	Fav. / (Unfav.)
External debt	395,177	419,899	24,722
less Cash investments	(87,281)	(49,000)	38,281
Net external debt	307,896	370,899	63,003
add Cash-backed reserves	40,440	33,183	(7,257)
Total overall debt	348,336	404,082	55,746



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 a decrease in interest rates leading to an increase in liability.

Committee: Finance Committee

Date: 04 July 2017

Report Name: Key Projects Monitoring
Report - May 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 period ending 31 May 2017.

Recommendations from Management

That the Finance Committee receives the report.

2. Attachments

- Attachment 1 - Key Projects Status Summary Report - May 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:
 - Hamilton Gardens Development
 - 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
 - Waioira 2 Water Treatment Plant Upgrade

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 Ring Road Upgrade and Extension**
9. NZTA funding for design stage approved, however HCC & NZTA construction funding still to be confirmed.
10. A further update will be provided to the Growth and Infrastructure Committee on 20 June 2017.
11. Land procurement still presents significant time and cost risk to the project.
- 12. North City Road Urban Upgrade**
13. Designs are progressing. There are significant time and cost risks subject to agreement with developers regarding construction staging, timing and costs share.
- 14. Western Rail Trail**
15. Kiwi Rail crossing issue at Killarney Road to be resolved by 30 June 2017.
16. Financial summary and closure report are being completed.
- 17. Risk**
18. 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.
19. Any change to risk profile or risk rating is included in the key projects status summary report for each project.
20. There has been no change to the project risk ratings for this period.

Signatory

Authoriser	David Bryant, General Manager Corporate
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Key Projects Status Summary Report - May 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	\$ 4,387,067	\$ 2,274,288	\$ 1,893,688	Green	The Picturesque Garden structures contract is now well underway and foundation posts have been sunk. Work has started on the Huddleston steam engine. In contact with Fosters to finish the Mansfield house project. No change to risks or risk ratings	→
Hamilton Ring Road Upgrade and Extension	Andrew Parsons	Tahl Lawrence	01-Jul-03	30-Jun-20	\$ 84,310,900	\$ 76,393,504	\$ 1,000,000	\$ 987,893	Amber	As previously reported the project shows an amber status. Project design progressing well. NZTA funding for design stage approved, however HCC & NZTA construction funding still to be confirmed. Land procurement still presents significant time and cost risk. A further update will be provided to G&I Committee on 20 June 2017, to confirm scope and design contracts. No change to risks or risk ratings	→
North City Road Urban Upgrade	Andrew Parsons	Chris Barton	01-Jul-15	23-Dec-21	\$ 8,126,000	\$ 586,876	\$ 531,000	\$ 362,571	Amber	The project currently shows an amber status. As previously reported there are delays in obtaining agreement with developers which pose risk to the timeframes and cost for the project. Designs are progressing. No change to risks or risk ratings	→
Pukete 3 Wastewater Treatment Plant Upgrade	Andrew Parsons	Barry Hu	01-Jul-15	30-Jun-20	\$ 18,354,000	\$ 1,499,136	\$ 839,431	\$ 651,136	Green	Progressing well. Designs currently underway with a plan to award the physical works contract by the end of 2017. No change to risks or risk ratings	→
Rototuna Reservoir and Bulk Watermains Development	Andrew Parsons	Lance Haycock	01-Mar-15	30-Aug-17	\$ 21,989,000	\$ 20,103,799	\$ 16,074,263	\$ 9,331,375	Green	On track. No change to risks or risk ratings	→
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	On track. Consent has been lodged. No change to risks or risk ratings	→
Victoria on the River (VOTR) Stage 2 works	Lance Vervoort	Gina Hailwood	01-May-16	31-Aug-17	\$ 7,000,000	\$ 2,382,276	\$ 4,900,000	\$ 1,279,889	Green	Project in progress. Earthworks are 90% completed and on track. Piling for boardwalks completed. No change to risks or risk ratings	→

D-2423224

1

Waioira 2 Water Treatment Plant Upgrade	Andrew Parsons	Barry Hu	01-Jul-15	30-Jun-21	\$ 28,746,000	\$ 2,341,062	\$ 3,337,431	\$ 2,237,048		Project currently on track. Hamilton South pipeline installation progressing well. No change to risks or risk ratings	→
Western Rail Trail	Chris Allen	Simon Crowther	01-Jul-15	30-Jun-17	\$ 7,146,000	\$ 6,665,348	\$ 6,400,000	\$ 5,741,552		The project currently shows an amber status due to the outstanding issues requiring further work eg Killarney Road crossing. Kiwi Rail crossing issue to be resolved by 30 June 2017. Official opening 7 April 2017. Financial summary and closure report are being completed. No change to risks or risk ratings	→

D-2423224

2

Committee: Finance Committee

Date: 04 July 2017

Report Name: Single-Year Community Grant Allocation 2016/17

Author: Andy Mannering

Report Status	<i>Open</i>
Strategy, Policy or Plan context	<i>Community Assistance Funding Policy</i>
Financial status	<i>There is budget allocated Amount \$1,160,000 per annum</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 Council of the Single-Year Community Grant allocation outcome for the 2016/17 financial year.

3. Executive Summary

- The Allocation Committee awarded \$292,000 through the Single-Year Community Grant to 97 community organisations during the 2016/17 financial year.
- The grants are distributed annually to support not-for-profit community organisations with small community-led initiatives that contribute to the social wellbeing of the city.
- The Council will receive applications for the 2017/18 financial year in March 2018.

Recommendation from Management

That the Finance Committee receives the report.

7. Attachments

- Attachment 1 - Single-Year Community Grant 2016 17 - List of Successful Applicants

9. Key Issues

10. Strategic Alignment

- The Community Assistance Policy was adopted at the 8 April 2015 Strategy and Policy Committee ([Agenda](#), [Minutes](#)) meeting, upon the completion of the review of the Community Assistance Funding Programme and Policy by the Working Group during 2014.

- The [Community Assistance Policy](#) outlines the funding split between multi-year grants and single-year grants for the 3-year term beginning 2015/16 is:
 - a. The Multi-year grant will be allocated up to a maximum of \$900,000 per year for each year of the 3-year term.
 - b. The total funds remaining after allocating the Multi-year grant will be allocated through the Single-year grant. The minimum amount available for the Single-year grant will be \$260,000 per year.
- At the 20 August 2015 Finance Committee meeting ([Agenda](#), [Minutes](#)) it was resolved that:

The unallocated amount of \$32,000 be moved to the Single-Year Community Grant for the funding years 2015/16, 2016/17 and 2017/18, increasing the Single-Year Community Grant to a total of \$292,000 per annum.
- The Community Assistance Policy is scheduled to be reviewed in the 2017/18 financial year.

11. Allocation Committee

- The Single-Year Community Grant Allocation Committee reports to the Finance Committee, with Councillors Southgate and Yeung approved as Council representatives as set out in the 2016-19 Governance Structure.
- Five Community Representatives are selected and approved by the General Manager Community.

12. 2016/17 Single-Year Community Grant Applications

- All applications for funding are managed through the SmartyGrants online funding application system.
- The funding application round was advertised for a period of one month, opening from Wednesday 1 March 2017, with a closing date of Friday 31 March 2017.
- 130 applications were received with a total funding request amount of \$596,611.
- Community Development and Leisure staff reviewed the applications prior to the Allocation Committee meeting, removing ineligible applications prior to assessment. Nine applications failed to meet the funding criteria and guidelines.
- Two members of the Allocation Committee assessed each application against the funding criteria, prior to the Allocation Committee convening on 1 and 2 May 2017 to collectively assess, discuss and determine the successful applicants.
- The Allocation Committee approved 97 applications, with a total funding amount of \$292,000. The Allocation Committee recognises this as a fair representation of Council investment to Hamilton communities in line with the intent of the Community Assistance Policy.
- Staff will publish the list of successful applicants on the Council website at the conclusion of the committee meeting.

13. Legislative requirements or legal issues

- The Council is not legislatively required to provide community assistance funding. However the Local Government Act anticipates grants as an activity of local government.
- Section 5 of the Local Government Act provides a definition for the term 'activity':
 - i. Activity means a good or service provided by, or on behalf of, a local authority or a council-controlled organisation, and includes;
 - a. the provision of facilities and amenities, and
 - b. the making of grants, and
 - c. the performance or regulatory and other government functions.

14. Financial and Resourcing Implications

15. The 10-Year Plan budget has \$1,160,000 per annum to be distributed via the Community Assistance Policy.
16. 2015/16, 2016/17 and 2017/18 has \$868,000 committed per annum to 27 Community Organisations via the Multi-Year Community Grant, leaving \$292,000 to be allocated annually through the Single-Year Community Grant.
17. The 10-Year Plan outlines Council grants will be used effectively, with the specific measure being that \$3 worth of services will be leveraged for every \$1 of community grant funding provided. The below table shows the funds leveraged from the Community Assistance Funding provided by Council in the 2016/17 financial year.

Grant	\$ Amount Allocated	\$ Total Project Cost	\$ Leveraged for Council Contribution
Multi-Year Community Grant	\$868,000	\$12,960,000	\$14.93
Single-Year Community Grant	\$292,000	\$4,015,520	\$13.75
Total	\$1,160,000	\$16,975,520	\$14.63

18. Risk

19. All applicants to the Single-Year Community Grant have been kept informed throughout the process and were notified of the decision to mitigate any potential risk; however there is still an element of risk that some groups will not be happy with the outcome of the funding decisions.

Signatory

Authoriser	Lance Vervoort, General Manager Community
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Single-Year Community Grant 2016/17

Hamilton City Council "Single-Year Community Grant" of \$292,000 was allocated through an Allocation Committee in 2016/17. A total of 130 applications were received in this funding round, requesting \$596,611 of which 97 were successful, allocating a total of \$292,000.

Successful Applicants

	Organisation name	Project Title	Total Allocated
1	Asthma and Respiratory Services (Waikato) Inc	Operating and administrative costs	\$5,000.00
2	Catholic Family Support services	Operating costs	\$5,000.00
3	English Language Partners Waikato	Volunteer ESOL Home tutor training	\$5,000.00
4	Families Autism Support Trust (FAST Trust)	Programme 2017 - 2018	\$5,000.00
5	Hamilton Budgeting Advisory Trust	Staff training and volunteer costs	\$5,000.00
6	Hamilton Children and Families Trust	Hamilton Children's Day Carnival 2018	\$5,000.00
7	Hamilton Combined Christian Foodbank Trust	Operation and Administration Costs	\$5,000.00
8	Link House	Client Service Coordination	\$5,000.00
9	Male Support Services Waikato	Outgoings	\$5,000.00
10	Pacific Rose Festival Trust	Pacific Rose Bowl Festival 2017	\$5,000.00
11	Prison Care Ministries	Mileage costs	\$5,000.00
12	Taiohi Toa Trust	Fairfield Boxing Academy	\$5,000.00
13	True Colours Children's Health Trust	Wages	\$5,000.00
14	Volunteering Waikato	Wages	\$5,000.00
15	Waikato Community Broadcasting Trust	Studio Development	\$5,000.00
16	Waikato Environment Centre Trust	Community Sustainability Education	\$5,000.00
17	Western Community Association	Treats in the Park	\$5,000.00
18	Pasifika by Nature Trust Inc	Pasifika by Nature Cultural Festival 2017	\$4,800.00
19	Sri Lanka Friendship Society Waikato Inc	Independence Celebration	\$4,750.00
20	ARTMAKERS	Creative Kids Holiday Programme	\$4,000.00
21	Arts for Health Community Trust	Wages	\$4,000.00
22	Brain Injury Waikato Incorporated	Liaison Officer's wages	\$4,000.00
23	Chapel Hill Community Church	24-7 YouthWork	\$4,000.00
24	Community Link Trust	Wages	\$4,000.00
25	Diabetes New Zealand Inc Waikato Branch	Field Officer Wages	\$4,000.00
26	Diversity Counselling New Zealand	Venue Hire for DCNZ programmes	\$4,000.00
27	Endometriosis Waikato	Support our 2017 Programmes	\$4,000.00
28	Enrich+ Spectrum Energy	Salary support for our service facilitator	\$4,000.00
29	Glenview Community Centre	Hamilton South community events	\$4,000.00
30	Hamilton Chinese Golden Age Society	administrative costs & Events	\$4,000.00
31	Hamilton Riding for the Disabled	Hamilton Group Riding for the Disabled	\$4,000.00
32	Life Education Trust Hamilton	Operating and administration costs	\$4,000.00

33	Link City Trust - Awaken Youth	Youth Development programmes	\$4,000.00
34	St Mark's Anglican Church, Nawton	After-school club and Youth group	\$4,000.00
35	Streetworks Charitable Trust	Contractor's wages	\$4,000.00
36	The Refugee Orientation Centre Trust	Centre equipment and Jambo Cup Event	\$4,000.00
37	The Waikato Society of Potters Incorporated	Play with Clay	\$4,000.00
38	Waikato Family Centre	Crying Baby, Crying Mother	\$4,000.00
39	Waikato Youth Empowerment Trust	Programme Delivery Costs	\$4,000.00
40	Hamilton Christian Nightshelter Trust	New Shower	\$3,500.00
41	Waikato Area Girls' Brigade	Leadership Training	\$3,300.00
42	Te Whare o te Ata Fairfield/Chartwell Community Centre Trust	Christmas in Fairfield Park	\$3,000.00
43	Waikato Hispano Latino Cultural Charitable Trust	14th Hispanic Spring Festival	\$3,000.00
44	Mangaiti Gully Restoration Trust	Eastern Track Construction	\$2,800.00
45	Colombian Resettlement Association Waikato	Colombian Independence Day	\$2,700.00
46	Community Fruit Hamilton	Community Fruit Hamilton Jam Sessions	\$2,700.00
47	Dress for Success Hamilton	Operating and Administrative costs	\$2,700.00
48	Hamilton Community Centre of Music (HCCM)	Sistema Waikato	\$2,700.00
49	Muscular Dystrophy Northern	Fieldworker Service - Hamilton	\$2,700.00
50	Perry Outdoor Education Trust	POET programme	\$2,700.00
51	Riff Raff Public Art Trust	Words in the Wind	\$2,700.00
52	StarJam Charitable Trust	Musical Performance Programmes	\$2,700.00
53	The Hamilton Chinese Learning Centre Trust	Running the Centre	\$2,700.00
54	The One Victoria Trust Board Incorporated	Projector for The Meteor Theatre	\$2,700.00
55	Waikato Rocks Trust	Christmas at the Lake	\$2,700.00
56	YouthNet NZ	Operating Costs	\$2,700.00
57	EVelocity	EVelocity Waikato	\$2,600.00
58	Pregnancy Counselling Services	Operating Costs	\$2,600.00
59	Hamilton East Community Trust	Administration and Heritage Day	\$2,400.00
60	Alzheimers Waikato Charitable Trust	Rent	\$2,000.00
61	Amputee Society Waikato	Operating/Administration Costs	\$2,000.00
62	Big Buddy Mentoring Trust	Operating costs	\$2,000.00
63	Epilepsy Waikato Charitable Trust	Operating Costs	\$2,000.00
64	Hamilton Kerala Samajam Incorporated	Community Awareness & Development	\$2,000.00
65	Hamilton Methodist Social Services Trust	Art & Craft Class	\$2,000.00
66	Heart Kids Waikato	Family Support Worker Wages	\$2,000.00
67	Lugton Park Combined Sports Association	Administration costs	\$2,000.00
68	MS Waikato Trust	Assistance with salary	\$2,000.00
69	New Zealand Parkour Association Inc.	Parkour Vehicle	\$2,000.00
70	North Hamilton Community Patrol	Operating costs	\$2,000.00
71	Prisoners Aid and Rehabilitation Society	Operating and administrative costs	\$2,000.00
72	Rostrevor House	Salary support for the Whanau Worker	\$2,000.00
73	Shama Hamilton Ethnic Women's Centre Trust	Vehicle Purchase	\$2,000.00

74	South East Kirikiriroa Community Association	Solar battery	\$2,000.00
75	Te Whanau Putahi	School Holiday Program	\$2,000.00
76	Toughlove Waikato Trust	Education and Training	\$2,000.00
77	Waikato Filipino Association Inc.	Philippine Cultural Programme	\$2,000.00
78	Waikato Hispano Latino Cultural Trust	Spanish for Pre-school/Primary Children	\$2,000.00
79	Stroke Foundation Hamilton	Telephone and Internet costs	\$1,800.00
80	The Dyslexia Association of Waikato	Extending Information	\$1,800.00
81	Scouts NZ - Hillcrest Group	Operating Costs	\$1,660.00
82	Hamilton East Community Toy Library Inc	Operating and Administrative costs	\$1,500.00
83	Hamilton North East Community Development Trust	Big Ideas for the Northeast	\$1,500.00
84	Rainbow Chinese Community Centre Trust	Operating and administrative costs	\$1,500.00
85	Roots Up Transformation	Community Plantings in Hillcrest	\$1,470.00
86	Waikato Society of Arts Inc	Minor Equipment	\$1,270.00
87	The CARE Community Trust	First Aid training and First Aid kit	\$1,250.00
88	Citizens Advice Bureau Hamilton Inc	Equipment update	\$1,100.00
89	Te Rongopai Community Trust	Hall Sound System	\$1,100.00
90	Waikato Refugee Forum	Strengthening Refugee Voices Project	\$1,100.00
91	Young Workers Resource Centre	Young Workers Resource Centre 2017	\$1,100.00
92	Desert Spring Ministries Trust	Operating and administrative costs	\$1,000.00
93	Hamilton Community Men's Shed Trust	Operating and administrative costs	\$1,000.00
94	Neurogenesis Trust	neurogenesis running costs	\$1,000.00
95	Waikato Ethnic Family Services Trust	Operating costs	\$1,000.00
96	Training Ship Rangiriri - Sea Cadet Association NZ	First Aid Training	\$900.00
97	Hamilton Toy Box Toy Library	Rent	\$800.00

Committee: Finance Committee

Date: 04 July 2017

Report Name: Lease - SPARK Claudelands

Author: Nicolas Wells

Report Status	<i>Open</i>
Strategy, Policy or Plan context	<i>Economic Growth</i>
Financial status	<i>Rental income will be \$54,000 minimum over the term of six year lease</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 seek approval for a new lease to Spark for telecommunications equipment located at **Claudelands Event Centre, Brooklyn Road, Hamilton.**

Recommendations from Management

That the Finance Committee:

- a) receives the report; and
- b) approves a new lease for SPARK, for telecommunications equipment located at Claudelands Event Centre, subject to the following terms and conditions;
 - (i) term – 6 years, commencing 1 October 2017,
 - (ii) renewals – 3 x 6 years (1 October 2023, 1 October 2029 & 1 October 2035),
 - (iii) rental - \$9,000 plus GST per annum,
 - (iv) rent reviews – 3 yearly CPI with Market review on renewal (the higher of CPI or Market will apply on renewal date)
 - (v) relocation and redevelopment clause included.

3. Attachments

4. Attachment 1 - Aerial Photograph - Spark site at Claudelands Event Centre

5. Key Issues

6. Background
7. Spark currently has telecommunications equipment located at Claudelands Event Centre. They have been present on site since the mid 1990s.

Item 9

- 8. The current lease runs through to 30 September 2017. No further renewals are available, therefore negotiations for a new agreement commenced in April 2017.
- 9. Market value was determined in accordance with Council Policy by a registered valuer.
- 10. The new agreement continues the same conditions as the current lease with the following amendments:
 - a) Rental will be reviewed by CPI three yearly with market reviews on renewal (the higher of CPI or market will apply on renewal).
 - b) Relocation and redevelopment clause – Should there be any need to develop the area, then Council has the ability to negotiate with Spark to relocate their equipment accordingly.

11. Financial and Resourcing Implications

- 12. Rental was determined in accordance with standard commercial practice by a registered valuer based on existing market rates.
- 13.
- 14. Spark have agreed to the new rental of \$9,000 plus GST per annum, plus costs.

15. Risk

- 16. There is minimal risk to Council renewing the lease. Spark have had telecommunications equipment on site since the mid 1990s. Rental and associated costs have always been punctually paid.

Signatory

Authoriser	Kelvyn Eglinton, General Manager City Growth
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 **Hamilton City Council**
Te kaunihera o Kiriikiriroa

Disclaimer: Hamilton City Council does not guarantee that the data shown on this map is 100% correct.

Claudelands - Spark site

Scale :- 1 : 1029

Date :- 23/05/2017



Committee: Finance Committee

Date: 04 July 2017

Report Name: Lease - SPARK Beetham Park

Author: Nicolas Wells

Report Status	<i>Open</i>
Strategy, Policy or Plan context	<i>Economic Growth</i>
Financial status	<i>Rental income will be \$66,000 minimum over the term of six year lease</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 seek approval for a new lease to Spark for telecommunications equipment located at **Beetham Park, Ulster Street, Hamilton.**

Recommendations from Management

That the Finance Committee:

- a) receives the report; and
- b) that Council approves a new lease for SPARK, for telecommunications equipment located at Beetham Park, Ulster Street, Hamilton, subject to the following terms and conditions;
 - (i) term – 6 years, commencing 29 June 2017.
 - (ii) renewals – 3 x 6 years (29 June 2023, 29 June 2029 & 29 June 2035).
 - (iii) rental - \$11,000 plus GST per annum
 - (iv) rent reviews – 3 yearly CPI with Market review on renewal (the higher of CPI or Market will apply on renewal date)
 - (v) relocation and redevelopment clause included.

3. Attachments

4. Attachment 1 - Aerial Photograph - Spark site at Beetham Park

5. Key Issues

6. Background
7. Spark currently has telecommunications equipment located at Beetham Park. They have been present on site since the mid 1990s.

8. The current lease runs through to 28 June 2017. No further renewals are available, therefore negotiations for a new agreement commenced in April 2017.
9. Market value was determined in accordance with Council Policy by a registered valuer.
10. The new agreement continues the same conditions as the current lease with the following amendments:
 - a) Rental will be reviewed by CPI three yearly with market reviews on renewal (the higher of CPI or market will apply on renewal).
 - b) Relocation and redevelopment clause – Should there be any need to develop the area, then Council has the ability to negotiate with Spark to relocate their equipment accordingly.

11. Financial and Resourcing Implications

12. Rental was determined in accordance with standard commercial practice by a registered valuer based on existing market rates.
13. Spark have agreed to the new rental of \$11,000 plus GST per annum, plus costs.

14. Risk

15. There is minimal risk to Council renewing the lease. Spark have had telecommunications equipment on site since the mid 1990s. Rental and associated costs have always been punctually paid.

Signatory

Authoriser	Kelvyn Eglinton, General Manager City Growth
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 **Hamilton City Council**
Te kaunihera o Kirikiriroa

Disclaimer: Hamilton City Council does not guarantee that the data shown on this map is 100% correct.

Spark - Beetham

Scale :- 1 : 1029

Date :- 23/05/2017



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 - 23 May 2017) Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
C2. Report on overdue debtors as at 31 May 2017 & Bad Debts Writeoffs 2016/17)	

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 protect the privacy of natural persons	Section 7 (2) (a)