

## Notice of Meeting:

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

**Date:** Thursday 18 August 2016  
**Time:** 1:30pm  
**Meeting Room:** Council Chamber  
**Venue:** Municipal Building, Garden Place, Hamilton

Richard Briggs  
Chief Executive

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## Finance Committee OPEN AGENDA

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### Membership

Chairperson	Cr R Pascoe
Deputy Chairperson	Cr G Mallett
Members	Her Worship the Mayor J Hardaker Cr G Chesterman Cr M Forsyth Cr M Gallagher Cr K Green Cr A King Cr D Macpherson Cr A O'Leary Cr L Tooman Cr E Wilson Cr P Yeung

**Quorum:** A majority of members (including vacancies)

**Meeting Frequency:** Six weekly

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Becca Brooke  
Committee Advisor

**12 August 2016**

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## **Terms of Reference:**

- To monitor the Council's financial and non-financial performance against the Long Term Plan and Annual Plan.
- To monitor the delivery of key projects.
- To approve and monitor contracts.
- To approve acquisition or sale or lease of properties owned by the Council, or owned by the Municipal Endowment Fund and the Domain Endowment Fund with reference to the strategy developed by the Business and Investment Sub-committee, for any endowment properties.
- To consider and approve deferred capital expenditure.
- To approve changes to projects resulting from staff recommendations within the Key Projects monitoring report.
- To consider and approve business cases referred by the Senior Leadership Team.

## **Power to act:**

- Write off outstanding accounts greater than \$10,000 (in accordance with the Debtor Management Policy).
- To approve all contractual and other arrangements for supply and services and revenue generating contracts where the term of the contract (including renewal periods) and the total value of the contract is within limits set and delegated by Council.
- To approve contracts and other arrangements where the amount of work involved in a decision not to go to public tender exceeds \$100,000 (GST excluded) or in accordance with Council's Procurement Policy.
- To approve all other matters in accordance with the terms of reference of this committee.

## **Sub-committees:**

This Committee will be supported in its work by the:

- Events Sponsorship Sub-committee.
- External Funding Sub-committee.
- Council Controlled Organisations (CCO) Sub-committee.

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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:** 18 August 2016

**Report Name:** Key Projects Monitoring  
Report - June 2016

**Author:** Natalie Young

<b>Report Status</b>	<i>Open</i>
<b>Strategy, Policy or Plan context</b>	<i>2015-2025 10-Year Plan</i>
<b>Financial status</b>	<i>There is budget allocated on a per project basis, as per attachment 1.</i>
<b>Assessment of significance</b>	<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

Provide an overview of the key projects underway at Hamilton City Council for the June 2016 period.

## Recommendation from Management

That the report be received.

## 2. Attachments

- Attachment 1 - Key Projects Status Summary Report - June 2016

## 4. Discussion

The June 2016 key projects status summary is provided as attachment 1.

Two key projects commenced reporting from the June period following Council resolution:

- Victoria on the River (VOTR) Stage 2 Works – Community Group
- Western Rail Trail – City Transportation Unit.

Six projects are in the green status

Four projects are in an amber status:

- **Hamilton Ring Road Upgrade and Extension:** the project is currently showing an amber status as revised construction pricing estimates indicate delivery is unaffordable within existing budgets.

A report was presented to the 28 July 2016 Ordinary Council meeting and this provided detailed and costed pedestrian/cycle bridge options based on Council feedback in regards to foundations, handrails and further detailed design elements.

- **District Plan Review – Phase VIII:** the project is currently showing an amber status due to the number of hearings held with the Environment Court and the costs of legal and specialist expertise, along with the nature of the hearings. As a result, costs have exceeded

budget. Detailed information on the costs of the hearings was provided to the DPR Appeals Sub-committee in early March and to full Council on 31 March 2016.

- **Pukete 3 Wastewater Treatment Plant:** the project is currently showing an amber status. As options assessment and preliminary design has progressed, in order to meet identified project objectives the risk of additional funds being required in excess of existing 2015/25 10 Year Plan project budget allocations has increased. If required, this risk will be a matter for the 2018-28 10 Year Plan deliberations and will be influenced by the market pricing at the time of tender for the major physical works components.
- **Waioira 2 Water Treatment Plant Upgrade:** the project is currently showing an amber status. As options assessment and preliminary design has progressed, in order to meet identified project objectives the risk of additional funds being required in excess of existing 2015/25 10 Year Plan project budget allocations has increased. If required, this risk will be a matter for the 2018-28 10 Year Plan deliberations and will be influenced by the market pricing at the time of tender for the major physical works components.

5. The full key projects report is available on the Councillor’s FTP site (request via Mary Birch)

**6. Financial and Resourcing Implications**

- **Hamilton Ring Road Upgrade and Extension:** the project is subject to advanced funding from NZTA, including 100% advanced funding for the Cambridge Road to Cobham Drive section, with no impact on Council’s actual financial position.
- **District Plan Review – Phase VIII:** the project will in effect come to an end in September 2016. It is a cost overrun for the financial year 2015/16 and will be recorded as such under the Unit’s budget. The costs will be offset by the overall financial result of the Growth Group. Additional money is still set aside for the 2016/17 financial year to address remaining costs.

**7. Risk**

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 group/GM project sponsor.

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

**Signatory**

Authoriser	David Bryant, General Manager Corporate
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## Key Projects Status Summary Report - June 2016 (full report D-2190628)

Total Number of Projects	Count	Project Status	Risk Ratings
Project Status – On Track	6	Green	Increased = ↑
Project Status – Needs to be Monitored	4	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	YTD spend 2015/16	Project Status	Project Exception Report	Risks
District Plan Review – Phase VIII	Kelvyn Eglinton	Luke O'Dwyer	01-Jan-10	31-Dec-16	\$ 6,168,163	\$ 6,538,865	\$ 1,047,521	Amber	As previously reported: The project is currently in an amber status due to the number of hearings held with the Environment Court and the costs of legal and specialist expertise, along with the nature of the hearings. As a result costs have exceeded budget. Detailed information on the costs of the hearings was provided to the DPR Appeals Sub-committee in early March and to full Council meeting on 31 March 2016. The project will in effect come to an end in September 2016. It is a cost overrun for this financial year and will be recorded as such under the Unit's budget. The costs will be offset by the overall financial result of the Growth Group. Additional money is still set aside for the 2016/17 financial year to address remaining costs.  No change to risks or risk ratings	→
Hamilton Gardens Development	Lance Vervoort	Helen Paki	02-Jun-14	31-Dec-18	\$ 7,374,380	\$ 2,829,663	\$ 2,351,663	Green	No change to risks or risk ratings	→
Hamilton Ring Road Upgrade and Extension	Chris Allen	Chris Barton	1-Jul-03	31-Mar-17	\$84,270,900	\$ 75,448,999	\$ 1,727,657	Amber	As previously reported: The project is currently showing an amber status as revised construction pricing estimates indicate delivery is unaffordable within existing budgets. A report was presented to the 28 July Ordinary Council meeting and this provided detailed and costed pedestrian/cycle bridge options based on Council feedback in regards to foundations, handrails and further detailed design elements.  Three new risks: <b>Risk 2 description</b> (High) - If a grade separated intersection (Peacocks connection) is preferred as an intersection form, uncertainty and process regarding land procurement could present a significant reputation, cost and time risk. <b>Risk 3 description</b> (High) - If a grade separated intersection (Peacocks connection) is preferred as an intersection form, in order to construct leveraging the existing Southern Links designation a number of pre-construction conditions must be met, which could result in additional cost or time. <b>Risk 5 description</b> (High) - If a grade separated intersection (Peacocks connection) is preferred as an intersection form, existing cost estimates are based on designation specimen design plans and option estimates, which as a result of detailed design or market pricing could result in additional costs.	↑
North City Road Urban Upgrade	Tony Denton	Matthew Lillis	01-Feb-16	23-Dec-21	\$ 8,126,000	\$ 224,385	\$ 224,385	Green	No change to risks or risk ratings	→
Pukete 3 Wastewater Treatment Plant Upgrade	Andrew Parsons	Barry Hu	1-Feb-16	30-Jun-20	\$18,356,000	\$ 729,609	\$ 729,609	Amber	The project is currently showing an amber status. As options assessment and preliminary design has progressed, in order to meet identified project objectives the risk of additional funds being required in excess of existing 2015/25 10 Year Plan project budget allocations has increased. If required, this risk will be a matter for the 2018-28 10 Year Plan deliberations and will be influenced by the market pricing at the time of tender for the major physical works components.	↑

D-2188557

1

									Risk 1 increased to very high from high <b>Risk 1 description</b> - As a result of investigation identifying the need to deliver a larger scope of works than originally identified, the project may not be deliverable within current approved budget allocations.	
<b>Rototuna Reservoir and Bulk Watermains Development</b>	Tony Denton	Chris Barton	01-Mar-15	30-Aug-17	\$21,989,000	\$ 10,773,869	\$ 10,070,869		Risks 4 and 5 have reduced to low from medium. <b>Risk 4 description</b> - As bulkmain installation is undertaken conflicts with existing services may be identified, which could result in time delays or additional service relocation costs. <b>Risk 5 description</b> - As part of the excavation and trenching involved with bulkmain installation and reservoir construction, unsuitable ground conditions may be identified which could result in time delays and additional cost.	↓
<b>Rototuna Town Centre – New Agreement Phase</b>	Lance Vervoort	Helen Paki	02-Apr-13	30-Dec-16	\$ 3,262,800	\$ 3,286,376	\$ 1,960,387		A change request form has been completed and approved. The agreed completion date has now changed to 30 December 2016 (30 July 2016).  No change to risks or risk ratings	→
<b>Victoria on the River (VOTR) Stage 2 works</b>  <b>First report</b>	Lance Vervoort	Jacob Quinn	01-May-16	31-May-16	\$ 7,000,000	\$ 1,103,197	\$ 1,103,197		No change to risks or risk ratings	→
<b>Waioira 2 Water Treatment Plant Upgrade</b>	Andrew Parsons	Barry Hu	1-Feb-16	30-Jun-21	\$ 28,746,000	\$ 464,123	\$ 464,123		The project is currently showing an amber status. As options assessment and preliminary design has progressed, in order to meet identified project objectives the risk of additional funds being required in excess of existing 2015/25 10 Year Plan project budget allocations has increased. If required, this risk will be a matter for the 2018-28 10 Year Plan deliberations and will be influenced by the market pricing at the time of tender for the major physical works components.  1 new risk: <b>Risk 1 description</b> - As a result of option assessment, investigation or design identifying the need to deliver a larger scope of works than originally anticipated at the time of setting budgets in the 2015/25 10YP, the project may not be deliverable within current approved budget allocations  Risk 2 increased to high from medium. <b>Risk 2 description</b> - As a result of actual physical works contract costs being higher than initial construction cost estimates, the project may not be deliverable within current approved budget allocations.	↑
<b>Western Rail Trail</b>  <b>First report</b>	Chris Allen	Simon Crowther	01-Jul-15	20-Dec-16	\$ 5,820,000	\$ 925,000	\$ 925,000		No change to risks or risk ratings	→

**Committee:** Finance Committee **Date:** 18 August 2016  
**Report Name:** 10-Year Plan Monitoring Report - For the year ended 30 June 2016 **Author:** Tracey Musty

<b>Report Status</b>	<i>Open</i>
<b>Strategy, Policy or Plan context</b>	<i>2015-25 10 Year Plan 2015-16 Annual Plan</i>
<b>Financial status</b>	<i>Not Applicable</i>
<b>Assessment of significance</b>	<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

- Report on Council's financial performance against the 2015-16 Annual Plan (as documented in the 2015-25 10-year Plan) for the year ended 30 June 2016. Note the results contained within the report and attachments should be considered draft until the audit is completed.

## 3. Executive Summary

- Council has completed the financial year with all key financial measures being favourable: balancing the books, debt to revenue ratio and debt levels. This follows the trend from the previous financial year.
- The operating result is a surplus of \$9.9m (this was \$637k favorable against the budget set in the 2015-25 10-year Plan). There were significant favourable variances from development contributions and vested assets but these were off-set from unfavourable variances in interest rate swaps, losses from asset sales and the landfill aftercare provision. The result also includes the grant of \$4.5m paid in June for the Rototuna indoor recreation center.
- The balancing the books measure is a surplus of \$12.8m (this was favourable \$12.0m against the budget set in the 2015-25 10-year Plan).
- For the year ended 30 June 2016 31 capital projects or programmes to the value of \$21.4m have been identified as not being completed by the end of the financial year. These are being recommended for deferral into the 2016/17 financial year. Total expenditure on capital projects for the year ended 30 June 2016 was \$69.0m
- As at 30 June 2016 overall debt was \$348.0m which is \$58.8m below the level that was budgeted in the 2015-25 10-year Plan.
- The 2016 Annual Report will be presented to the Audit and Risk Committee meeting on September 13<sup>th</sup>. At this meeting the committee will receive a verbal audit clearance from Audit

New Zealand and will then make a recommendation to the Council, meeting on September 29<sup>th</sup>.

10. **Recommendations from Management**

That:

- a) The report be received; and
- b) Capital expenditure of \$21.4m representing 31 projects is deferred into 2017/18.

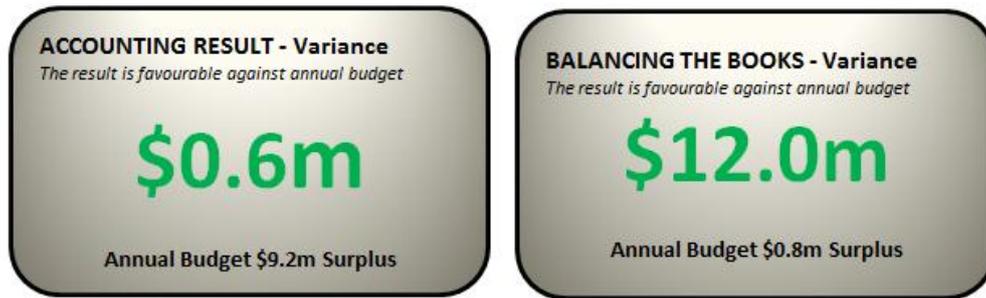
11. **Attachments**

- 12. Attachment 1 - Financial Statements
  - 13. Attachment 2 - Group of Activities
  - 14. Attachment 3 - Growth Information
  - 15. Attachment 4 - Capital Expenditure
  - 16. Attachment 5 - Capital Deferrals & Pipeline Projects
  - 17. Attachment 6 - Treasury Report
  - 18. Attachment 7 - Service Performance Measures
19. The structure of this report includes the following sections:
- a) Summary of operational results
  - b) Summary of capital expenditure
  - c) Summary of risks and opportunities
  - d) Summary of debt and treasury management
  - e) Summary of service performance measures

20. Attachments to this report provide more detailed analysis and explanation of the results.

Numbers in Brackets [xx] in Commentary  
*Where a number is followed by a number in brackets, the number in brackets is the comparative result from the 31 May 2016, the last reported financial results to the Finance Committee. For example: The financial performance in paragraph 15 for May 2016 is \$637k and the bracketed figure represents the May 2016 position [\$11.5m].*

## 21. Summary of Operating Results



22. The accounting result for the year ended 30 June 2016 is a favourable variance of \$637k [\$11.5m]. The actual surplus was \$9.9m [\$18.6m]. The annual surplus is budgeted at \$9.2m.
23. The balancing the books result is more conservative than the accounting result as it excludes non-cash items such as gains or losses from the valuation of financial instruments, vested assets and capital subsidies on the Ring Road project. The result for the year ended 30 June 2016 is a favourable variance of \$12.0m [\$17.0m] against an actual surplus of \$12.8m [\$16.3m]. The annual surplus is budgeted at \$0.8m.
24. There were two significant year end accounting adjustments that explain the movement from the May result. These are revaluations related to Councils landfill provision and impairment of Waikato Innovation Park Limited (WIPL). They are excluded from the balancing the books measure.
25. The landfill provision represents the increase in resource consent compliance costs for the four closed landfill sites Council is responsible for. The increase has come about as future maintenance and capital budgets were increased in the 2015-25 Long Term Plan.
26. The impairment of Waikato Innovation Park Limited reflects the current independent valuation for the investment.
27. The *Financial Statements* (attachment 1) show the accounting result, balancing the books reconciliation and balance sheet. Variances greater than \$250k by class of revenue and expenditure are explained in this attachment.
28. *Group of Activities Financial Reports* (attachment 2) provide activity based financial statements along with comments that explain the variance between year to date actual results and year to date budgets where they exceed \$100k.

## 29. Operating result variance analysis:

- a number without brackets is favourable: it can mean either revenue is higher than budget or expenditure is lower than budget
- a number with brackets is unfavourable: it can mean either revenue is lower than budget or expenditure is higher than budget

The major contributors to the overall variance are:

**Revenue variances:**

		June 2016 variance	May 2016 variance
Development contributions	Strong growth has had a significant impact on Development Contribution revenue.	\$14.7m	\$12.2m
Planning and Development Revenue	The strong growth occurring in Hamilton resulted in increased volumes of building consents and LIM applications. The effect is that revenue from these sources has exceeded budget.	\$2.4m	\$2.2m
Rates (including metered water)	Revenue from penalties on overdue rates continues a trend of recent years of exceeding budget. Rates remission budgets have proven to be too optimistic. Water rates have ended the year favourable to budget due to more water being sold to non-domestic users.	\$1.4m	\$1.2m
Other	Across all other activities revenue is favourable. Explanations of variances are explained in the <i>Group of Activities Financial Report</i> (attachment 2).	\$3.8m	(\$0.2)m
<b>Revenue variance</b>		<b>\$22.3m</b>	<b>\$15.4m</b>

**Expenditure variances:**

		June 2016 variance	May 2016 variance
Personnel Costs	The two key drivers are the high level of vacant positions in the first six months and the impact from the Chief Executive restructure.	\$2.5m	\$2.6m
Finance Costs	Interest costs are favourable as a result of the relatively low level of debt.	\$0.9m	\$1.4m
Group of Activities Other Expenditure +	Across all other activities expenditure is unfavourable. Explanations of variances are explained in the Group of Activities Financial Report.	(\$14.9)m	\$0.0m
<b>Expenditure variance</b>		<b>(\$11.5)m</b>	<b>\$4.0m</b>

**Non-cash variances:**

		<b>June 2016 variance</b>	<b>May 2016 variance</b>
Vested assets*	Strong growth that occurred in Hamilton resulted in new subdivisions being completed and associated land and infrastructure being vested to Council.	\$25.8m	\$20.4m
Group of Activities Depreciation +	Council has re-valued its water, wastewater and Stormwater assets this year. Values have increased causing depreciation to increase. Council has impaired the value in Waikato Innovation Park Limited.	(\$4.4)m	(\$1.6)m
Loss on swaps*	This loss reflects a decrease in market interest rates in comparison to when Council's fixed interest rate contracts were entered into.	(\$21.4)m	(\$15.9)m
Loss on asset sales *	Main contributors are the sale of the Pensioner Housing units and the Beggs Wiseman building.	(\$10.2)m	(\$10.8)m
<b>Expenditure variance</b>		<b>(\$10.2)m</b>	<b>(\$7.9)m</b>
<b>Total variance</b>		<b>\$0.6m</b>	<b>\$11.5m</b>

\* These items are fully eliminated from the balancing the books financial strategy measure

+ These items contain elements that eliminated from the balancing the books financial strategy measure.

Please refer to attachment 1 for the balancing books table. This table explains the items eliminated and shows the movement from the accounting result through to the balancing the book result.

## Summary of Capital Expenditure



30. The capital expenditure programme is comprised of the 2015/16 Annual Plan budgeted programme of \$65.6m and deferred projects from 2014/15 of \$18.1m. This gives a total programme of \$83.7m.
31. The result for the year ended 30 June 2016 is a favourable variance of \$14.7m [\$20.5m] against an actual capital expenditure of \$51.2m [\$42.0m].
32. The *Capital Expenditure Report* (attachment 4) provides a list of all projects and year to date variances to budget.
33. For the year ended 30 June 2016 31 capital projects or programmes to the value of \$21.4m have been identified as not being completed by the end of the financial year. These projects are listed in attachment 6.
34. The following table provides a summary of the value of deferrals. Attachment 5 has a full list of capital deferrals with explanations.

Deferrals (\$'000's)	3rd Party	Contractual	Other External	HCC	Total
<b>Infrastructure Projects</b>					
Rototuna	3,744	-	-	-	3,744
Rotokauri	1,063	277	-	-	1,340
Peacocke	3,447	-	-	-	3,447
Ruakura	505	-	-	-	505
Citywide	-	10,039	-	-	10,039
	<b>8,759</b>	<b>10,316</b>	-	-	<b>19,075</b>
<b>Community Projects</b>					
Museum	-	-	-	-	-
Hamilton City Theatres	-	-	-	249	249
Claudlands and Stadia	70	-	140	35	245
Parks and Green Spaces	-	360	713	-	1,073
	<b>70</b>	<b>360</b>	<b>853</b>	<b>284</b>	<b>1,567</b>
<b>Corporate Projects</b>					
Information Services	-	-	-	743	743
	-	-	-	<b>743</b>	<b>743</b>
<b>TOTAL</b>	<b>8,829</b>	<b>10,676</b>	<b>853</b>	<b>1,027</b>	<b>21,385</b>

35. In response to the level of deferrals, under delegation of the Chief Executive, Council have brought forward approved projects. These are projects that were already in the approved 10-Year Plan. These pipeline projects are valued at \$1.3m and are listed in attachment 5.
36. As there are a number of approved and proposed changes to the Capital Expenditure budget the following table summarises these:

**Capital Expenditure Budget**

Approved Budget as per 10-Year Plan	\$65.6m	
Approved Deferrals from 2014-15	\$18.1m	
<b>Revised Capital Budget for 2015-16</b>		<b>\$83.7m</b>
Plus Risk and Opportunities.	\$0.4m	
Less Recommended Deferrals as at 30 June	(\$21.4)m	
Plus Pipeline Projects	\$1.3m	
<b>Other Adjustments</b>		<b>(\$19.7)m</b>
Adjusted Capital Budget for 2015-16		\$64.0m
Less actual spent as at 30 June 2016		\$69.0m
Variance against adjusted budget as at 30 June 2016		(\$5.0)m
<b>The variance explained</b>		
Expenditure on Rototuna Reservoir brought forward from 2016-17.		(\$2.5)m
Additional expenditure funded from extra contributions - 3rd party agreements Rototuna		(\$1.9)m
Additional expenditure funded from extra contributions - Western Rail Trail		(\$0.8)m
Other minor items		\$0.2m
Total		(\$5.0)m

**37. Summary of Debt and Treasury Management**

**38. Treasury Management**

39. Council is compliant with all other policy measures.

**40. Total Overall Debt**



41. Total Overall Debt for the year ended 30 June 2016 is \$348.0m [\$339.5m], which is \$58.8m [\$67.5m] less than the year end budget target of \$406.8m.

42. Total overall debt is \$58.8m less than the amount in the 10-Year Plan at 30 June 2016. This includes permanent reductions from assets sales and the favourable opening balance from the previous financial year. The following table details the actual 30 June 2016 position:

<b>Total Overall Debt Position</b>		<b>\$million</b>
LTP Closing balance as at 30 June 2016		406.8
<i>Permanent adjustments</i>		
less Favourable opening position from 30 June 2015	14.0	
less Closed cash-backed reserve (housing upgrade reserve)	3.50	
plus Other increases in cash backed reserves	-1.55	
less Proceeds from asset sales	6.0	
		21.95
<i>Timing adjustments</i>		
less Proposed deferrals from capital programme	21.39	
Plus Proposed pipeline projects from capital programme	-1.3	
less Value of accruals at 30 June (non-cash)	4.8	
less Favourable closing position at 30 June 2016	12.0	
		36.90
<b>Closing balance as at 30 June 2016</b>		<b>347.9</b>

43. Interest had been anticipated to be favourable by \$1.5m by the 30 June due to the lower debt levels; this was achieved. Offsetting this is a \$642k accounting adjustment relating to the landfill revaluation provision.

**44. Summary of Service Performance Measures**

45. The 2015-25 10-Year Plan contains 65 performance measures across Council’s 13 service groups. These are the service performance measures that will be reported in Council’s Annual Report.

46. Performance results are collected on a quarterly basis.

47. This Service Performance Measures Report (attachment 7) includes a high level graph of the results and an exceptions report that provides more detail for the measures that are reported as not achieving this year’s target or no data available.

48. For a full list of the performance measures, please see the 2015-25 10 Year Plan, <http://www.hamilton.co.nz/10yearplan>

**Signatory**

Authoriser	David Bryant, General Manager Corporate
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## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2016

Notes	Year to Date			Annual Budget	Prior YTD June 2015	
	Actual	Budget	Variance favourable/ (unfavourable)			
	\$000	\$000	\$000	\$000	\$000	
<b>Revenue</b>						
Rates excluding water rates	1	139,339	138,472	867	138,472	133,045
Water rates	2	8,279	7,772	507	7,772	7,693
Revenue from activities	3	42,807	42,056	751	42,056	41,372
Subsidies and grants	4	10,533	9,257	1,276	9,257	10,895
Development and financial contributions	5	24,239	9,500	14,739	9,500	16,069
Other revenue	6	43,301	13,381	29,920	13,381	28,770
<b>Total revenue</b>		<b>268,498</b>	<b>220,438</b>	<b>48,060</b>	<b>220,438</b>	<b>237,844</b>
<b>Expenses</b>						
Personnel costs	7	64,042	66,546	2,504	66,546	65,943
Depreciation and amortisation	8	60,416	58,269	(2,147)	58,269	57,278
Finance costs	9	21,713	22,647	934	22,647	23,591
Other expenses	10	80,853	63,744	(17,109)	63,744	65,514
<b>Total expenses</b>		<b>227,024</b>	<b>211,206</b>	<b>(15,818)</b>	<b>211,206</b>	<b>212,326</b>
<b>Operating surplus/(deficit)</b>		<b>41,474</b>	<b>9,232</b>	<b>32,242</b>	<b>9,232</b>	<b>25,518</b>
Gains		3,893	0	3,893	0	3,022
Losses	11	(35,498)	0	(35,498)	0	(20,124)
<b>Surplus/(deficit)</b>		<b>9,869</b>	<b>9,232</b>	<b>637</b>	<b>9,232</b>	<b>8,416</b>

## BALANCING THE BOOKS MEASURE FOR THE YEAR ENDED 30 JUNE 2016

<b>Surplus/(deficit)</b>		<b>9,869</b>	<b>9,232</b>	<b>637</b>	<b>9,232</b>	<b>8,416</b>
<b>Adjustments for balancing the books measure</b>						
Gains		3,893	-	3,893	-	3,022
Losses		(35,498)	-	(35,498)	-	(20,124)
Vested assets		34,274	8,481	25,793	8,481	19,824
Provisions		(6,380)	-	(6,380)	-	371
Ring Road subsidy		852	-	852	-	637
<b>Total adjustments</b>		<b>(2,859)</b>	<b>8,481</b>	<b>(11,340)</b>	<b>8,481</b>	<b>3,730</b>
<b>Balancing the books surplus/(deficit)</b>		<b>12,728</b>	<b>751</b>	<b>11,977</b>	<b>751</b>	<b>4,686</b>

## Notes to the Statement of comprehensive revenue and expense

These explanations are at a high level for the Council, further detail can be found on the individual activity statements.

### Note 1: Rates excluding water rates

Revenue from penalties on overdue rates continues a trend of recent years of exceeding budget. The number of rates remissions requested are lower than was expected.

### Note 2: Water Rates

\$500k favourable result is due to the increased water consumption.

### Note 3: Revenue from activities

Continuing strong growth in Hamilton has increased volumes of building consents and LIM applications. The effect is that revenue from these sources continues to exceed budget. Additional expenditure is expected to be incurred over the coming months as a result.

### Note 4: Subsidies and Grants

Both the operating and capital programmes within Transportation are behind the budgeted position.

### Note 5: Development & financial contributions

Continued strong growth in Hamilton has had a significant impact on Development Contribution revenue.

### Note 6: Other revenue

The continued strong growth in Hamilton has resulted in new subdivisions being completed and associated land and infrastructure being vested to Council.

### Note 7: Personnel costs

A review of the remuneration budgets has shown a number of positions had been vacant earlier in the year. These are now either filled or being actively recruited.

### Note 8: Depreciation and amortisation

Council has re-valued its water, wastewater and stormwater assets this year. Values have increased causing depreciation to increase. This has been added to the Risks and Opportunities Schedule and the 2016/17 budget has been updated.

### Note 9: Finance Costs

This is due to lower borrowings as a result of the lower starting debt position, the capital programme behind schedule and the operating result being in a favourable position.

### Note 10: Other Expenses

There is no primary driver, as the variance is across many of the activities. Please refer to the individual statements for explanations regarding other expenses.

### Note 11: Losses

The variance has two main drivers:

- \$21.4m in unrealised losses on the revaluation of interest rate swaps. Interest rate swaps provide certainty over cash flow. The loss represents reductions in market interest rates.
- \$10.2m in losses associated with the sale or disposal of assets. The losses include the Pensioner Housing assets and the Beggs Wiseman building.

The losses are non-cash and are eliminated from the balancing the books measure.

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Notes	Council		
		Actual	Annual Budget	Actual Jun 2015
		\$000	\$000	\$000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	1	6,964	45,000	57,291
Receivables	2	19,646	17,101	19,276
Prepayments		1,557	1,663	1,465
Inventory		142	237	109
Other financial assets	1	41,090	-	5,010
Non-current assets held for sale		-	-	-
<b>Total current assets</b>		<b>69,399</b>	<b>64,001</b>	<b>83,151</b>
<b>Non-current assets</b>				
Property, plant and equipment	3	3,517,156	3,294,067	3,237,606
Intangible assets		19,835	19,184	19,726
Investment property		24,795	24,308	24,139
Investment in associates		7,430	7,430	7,430
Other financial assets	1	24,070	8,280	8,611
Investment in subsidiaries		8,422	10,150	10,150
Derivative financial instruments		1,052	-	84
<b>Total non-current assets</b>		<b>3,602,760</b>	<b>3,363,419</b>	<b>3,307,746</b>
<b>Total assets</b>		<b>3,672,159</b>	<b>3,427,420</b>	<b>3,390,897</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Employee entitlements		6,043	5,013	7,038
Payables	4	38,412	13,621	32,206
Borrowings	5	73,400	79,048	56,375
Derivative financial instruments	6	41	-	234
Provisions		2,697	1,724	2,219
<b>Total current liabilities</b>		<b>120,593</b>	<b>99,406</b>	<b>98,072</b>
<b>Non-current liabilities</b>				
Employee entitlements		1,068	886	881
Borrowings	5	291,489	336,036	340,989
Derivative financial instruments	6	48,541	-	25,947
Provisions		12,559	8,085	8,477
<b>Total non-current liabilities</b>		<b>353,657</b>	<b>345,007</b>	<b>376,294</b>
<b>Total liabilities</b>		<b>474,250</b>	<b>444,413</b>	<b>474,366</b>
<b>Net assets</b>		<b>3,197,909</b>	<b>2,983,007</b>	<b>2,916,531</b>
<b>Equity</b>				
Accumulated funds		1,640,929	1,609,284	1,611,331
Other reserves	7	1,556,980	1,373,723	1,305,200
<b>Total equity attributable to Hamilton City Council</b>		<b>3,197,909</b>	<b>2,983,007</b>	<b>2,916,531</b>
<b>Total equity</b>		<b>3,197,909</b>	<b>2,983,007</b>	<b>2,916,531</b>

## Notes to the Statement of financial position

### Note 1: Cash and financial assets

		Actual	Annual budget	Prior YTD
		\$000	\$000	\$000
Cash and short-term deposits		6,964	45,000	57,291
Other financial assets - current	Term deposits	41,000	0	5,000
	Loan investments	90	0	10
		<u>41,090</u>	<u>0</u>	<u>5,010</u>
Other financial assets - non-current	Term deposits	3,680	3,303	3,600
	Shares	4,443	4,977	4,870
	Loan investments	15,947	0	141
		<u>24,070</u>	<u>8,280</u>	<u>8,611</u>
<b>Total cash and financial assets</b>		<b>72,124</b>	<b>53,280</b>	<b>70,912</b>

The financial statements separate term deposits with maturities of greater than three months and less than one year from those with maturities of less than three months at acquisition. The above table shows that total cash and financial assets at 30 June is above budget of \$18.8m.

### Note 2: Rates and debtors receivables

	Actual			Prior YTD		
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Rates</b>	<b>Rates</b>	<b>Arrears</b>	<b>Total</b>	<b>Rates</b>	<b>Arrears</b>	<b>Total</b>
Balance as at 1 July	(1,885)	3,829	1,944	(1,710)	3,323	1,612
Instalments 1-4	161,723		161,723	153,969	0	153,969
Penalties, adjustments & postponed	1,042	0	1,042	946	0	946
Remissions and govt rebates instalments 1-4	(3,153)	0	(3,153)	(2,241)	0	(2,241)
Rates receipts	<u>(156,819)</u>	<u>(3,753)</u>	<u>(160,572)</u>	<u>(149,050)</u>	<u>(3,274)</u>	<u>(152,323)</u>
Balance as at 30 June	908	75	984	1,914	49	1,963
Rates accounts with a credit balance reclassified as Income in advance			2,088			1,866
Balance date adjustments (income rec'd not receipted in Authority)			<u>(150)</u>			<u>(89)</u>
<b>Adjusted Rates debtors as at 30 June</b>			<b>2,922</b>			<b>3,740</b>
<b>Water by meter</b>			<b>954</b>			<b>896</b>
<b>GST refund</b>			<b>3,729</b>			<b>1,637</b>
<b>Sundry debtors</b>						
Debtors			3,823			5,385
Rentals			369			377
NZTA			0			995
Rates rebates Internal Affairs			104			127
H3 debtors			<u>1,096</u>			<u>961</u>
			<b>5,392</b>			<b>7,844</b>
<b>Parking</b>	*		<b>3,886</b>			<b>3,979</b>
<b>Debtor accruals</b>			<b>5,857</b>			<b>4,497</b>
<b>Provision for doubtful debts</b>	**		<b>(3,094)</b>			<b>(3,317)</b>
<b>Total rates and debtors receivables</b>			<b>19,646</b>			<b>19,276</b>

### Commentary

\* Parking debt of \$2.0m was written off at 30 June 2015.

\*\* Provision for doubtful debts reduced by \$2.0m at 30 June 2015 due to parking debtors write off.

	Actual \$000	Prior YTD \$000
<b>Debtors aging</b>		
<b>Rates</b>	<b>as at 30 June 2016</b>	<b>as at 30 June 2015</b>
2012/13	0	2012/13 0
2013/14	34	2013/14 80
2014/15	60	2014/15 0
2015/16		
1st qtr	268	405
2nd qtr	354	621
3rd qtr	723	920
4th qtr	1,481	1,714
	<u>2,922</u>	<u>3,740</u>
<b>Sundry debtors</b>		
	<b>as at 30 June</b>	<b>as at 30 June</b>
Current	3,922	Current 6,412
0-30 days	878	0-30 days 867
30-60 days	77	30-60 days 41
60-90 days	195	60-90 days 67
>90 days	321	>90 days 458
	<u>5,392</u>	<u>7,844</u>

### Commentary

### Note 3: Fixed assets work in progress

Asset categories	Balance 1 July 2015	New WIP 2015/16	WIP capitalised 2015/16	Balance 30 June 2016
	\$000	\$000	\$000	\$000
Restricted Land	941	50	(734)	257
Parks & Gardens Land	2,514	1,457	(2,898)	1,073
Land under Roads	1,540	0	(1,451)	89
Operational Buildings	7,314	3,664	(7,118)	3,860
Parks & Gardens Improvements	5,455	2,903	(6,107)	2,251
Refuse	1,841	360	(1,557)	644
Wastewater	11,251	7,900	(11,505)	7,646
Stormwater	4,034	365	(1,666)	2,733
Transportation	19,717	17,995	(22,894)	14,818
Water Supply	10,894	14,660	(9,676)	15,878
Wastewater Treatment Plant	2,210	4,306	(3,375)	3,141
Water Treatment Station	2,793	5,297	(4,829)	3,261
Operational Plant & Equipment	4,001	3,937	(4,254)	3,684
Intangible Assets	2,850	3,866	(3,058)	3,658
Other	618	2,212	(2,106)	724
	<u>77,973</u>	<u>68,972</u>	<u>(83,228)</u>	<u>63,717</u>
Fixed Assets Vested	12,856	34,273	(41,591)	5,538
<b>Total Fixed assets work in progress</b>	<b>90,829</b>	<b>103,245</b>	<b>(124,819)</b>	<b>69,255</b>

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.

**Note 4: Payables**

	Actual	Annual budget	Prior YTD
	\$000	\$000	\$000
Payables	38,412	13,621	32,206
<b>Total payables</b>	<b>38,412</b>	<b>13,621</b>	<b>32,206</b>

**Note 5: Borrowings**

	Actual	Annual budget	Prior YTD
	\$000	\$000	\$000
Borrowings (current)	73,400	79,048	56,375
Borrowings (non-current)	291,489	336,036	340,989
<b>Total external debt</b>	<b>364,889</b>	<b>415,084</b>	<b>397,364</b>

The calculation for Net External Debt and Total Overall Debt is shown in the Treasury Report (attachment 6). Total Overall Debt is the Financial Strategy benchmark.

**Note 6: Derivative financial instruments**

	Actual	Annual budget	Prior YTD
	\$000	\$000	\$000
Interest rate swaps - held for trading (current)	41	0	234
Interest rate swaps - held for trading (non-current)	48,541	0	25,947
<b>Total derivative financial instrument liabilities</b>	<b>48,582</b>	<b>0</b>	<b>26,181</b>

The revaluation of interest rate swaps held by Council show an unrealised mark-to-market revaluation loss for 2016 of \$21.4m (2015 loss \$14.1m) as shown in the Statement of comprehensive revenue and expense. This revaluation loss has increased the derivative financial instrument liability and occurs because market interest rates are now lower than when the fixed rate swap contracts were entered into.

**Note 7: Other Reserves**

	Balance 1 July 2015	Transfers into fund	Transfers out of fund	Balance 30 June
	\$000	\$000	\$000	\$000
Total restricted reserves	30,491	2,178	(194)	32,475
Total Council created reserves	10,326	4,149	(9,470)	5,005
Total Revaluation and Fair Value Through Equity Reserves	1,264,383	271,523	(16,406)	1,519,500
<b>Total restricted and Council created reserves</b>	<b>1,305,200</b>	<b>277,850</b>	<b>(26,070)</b>	<b>1,556,980</b>

Transfers into the reserves of greater than \$100k include net proceeds from the sale of three pensioner houses and Beggs Wiseman building, interest, Hamilton Gardens targeted rate, reserves contributions and waste minimisation levies.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	Council	
	Actual \$000	Annual Budget \$000
<b>Cash flows from operating activities</b>		
<b>Cash was provided from:</b>		
Rates revenue	149,319	146,244
Fees, rents and charges	47,615	42,056
Subsidies and grants	9,984	9,257
Other capital contributions	26,594	11,213
Interest received	2,209	2,000
Dividends received	120	143
Sundry revenue	-	1,044
	<b>235,841</b>	<b>211,957</b>
<b>Cash was applied to:</b>		
Payments to employees	64,098	66,546
Payments for suppliers	69,376	61,845
Interest paid	21,067	22,647
Net GST paid	327	1,900
	<b>154,868</b>	<b>152,938</b>
<b>Net cash flow from operating activities</b>	<b>80,973</b>	<b>59,019</b>
<b>Cash flows from investing activities</b>		
<b>Cash was provided from:</b>		
Proceeds from reduction in other financial assets	67	0
Proceeds from sale of shares		0
Proceeds from sale of investment property	1,647	0
Proceeds from sale of property, plant and equipment	4,456	139
	<b>6,170</b>	<b>139</b>
<b>Cash was applied to:</b>		
Acquisition of other financial assets (term deposits)	36,000	0
Purchase of investment property	23	0
Purchase of intangible assets	3,187	0
Purchase of property, plant and equipment	65,785	65,646
	<b>104,995</b>	<b>65,646</b>
<b>Net cash flow from investing activities</b>	<b>(98,825)</b>	<b>(65,507)</b>
<b>Cash flows from financing activities</b>		
<b>Cash was provided from:</b>		
Loans raised		32,913
Finance leases raised		0
	<b>0</b>	<b>32,913</b>
<b>Cash was applied to:</b>		
Loan repayments	32,314	26,000
Finance lease repayments	161	425
	<b>32,475</b>	<b>26,425</b>
<b>Net cash flow from financing activities</b>	<b>(32,475)</b>	<b>6,488</b>
Net increase/(decrease) in cash held	(50,327)	0
Opening cash and cash equivalents balance	57,291	45,000
<b>Closing cash and cash equivalents balance</b>	<b>6,964</b>	<b>45,000</b>

**ARTS AND CULTURE**  
Theatres | Libraries | Museum | Arts | Active Communities  
**for the year ended 30 June 2016**

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
(2) Rates excluding Water rates	(5)	(1)	(4)	(1)
0 Water rates	0	0	0	0
1,683 Revenue from activities	1,549	1,679	(130)	1,679
511 Subsidies and grants	30	38	(9)	38
0 Development & financial contributions	0	0	0	0
39 Other revenue	23	20	3	20
<b>2,231 Total revenue</b>	<b>1,597</b>	<b>1,736</b>	<b>(139)</b>	<b>1,736</b>
<b>Expenses</b>				
6,524 Personnel costs	6,427	6,539	113	6,539
1,396 Depreciation and amortisation	2,740	2,611	(129)	2,611
284 Finance costs	195	203	7	203
Other Expenses				
4,645 - Operating & Maintenance costs	2,736	2,137	(599)	2,137
302 - Professional costs	463	314	(148)	314
3,640 - Administrative costs	4,750	4,122	(628)	4,122
855 - Property costs	889	1,048	159	1,048
<b>17,644 Total expenses</b>	<b>18,199</b>	<b>16,974</b>	<b>(1,225)</b>	<b>16,974</b>
<b>(15,413) Operating surplus/(deficit)</b>	<b>(16,603)</b>	<b>(15,238)</b>	<b>(1,364)</b>	<b>(15,238)</b>
(70) Gains and losses	(132)	0	(132)	0
<b>(15,483) Surplus/(deficit)</b>	<b>(16,735)</b>	<b>(15,238)</b>	<b>(1,496)</b>	<b>(15,238)</b>

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

Revenue from Activities - \$130k unfavourable [\$76k unfavourable]. Theatres contributed \$276k to this variance with the budget including revenue for Clarence Street Theatre (\$232k) and revenue loss due to the Founders Theatre closure (\$44k).

Personnel costs - \$113k favourable [\$221k favourable]. The variance is due to positions that have been vacant in the Library and Museum. Recruitment of staff has been completed and there is a favourable year end variance. Earlier in the year positions were put on hold pending the Museum Strategic Plan review which has now been completed.

Depreciation - \$129k unfavourable [\$70k unfavourable]. This variance is due to the useful lives of the building assets being reassessed as part of the latest revaluation carried out during the 2015 financial year along with the capitalisation of outstanding work in progress. The revaluation was completed after budgets were set.

Operating & Maintenance Costs - \$599k unfavourable [\$107k unfavourable]. This variance consists of unbudgeted costs associated with central library floor remediation work and support unit charges that are driven by higher than anticipated business review costs.

Professional Costs \$148k unfavourable [\$60k unfavourable]. This variance includes \$72k of unbudgeted consultants costs relating to the Founders Theatre assessments.

Administrative costs - \$628k unfavourable [\$265k unfavourable]. This variance includes compensation costs associated with the Founders Theatre closure and the Clarence Street Theatre operating grant. Also included are Arts Post payments made to artists offset by sale proceeds.

Property costs - \$159k favourable [\$138k favourable]. Various favourable variances including energy costs, security and cleaning charges with the Founders Theatre closure and Clarence Street budget contributing \$114k of savings.

Gains and losses - \$132k unfavourable [\$117k unfavourable]. The loss is due to the write off of existing building fixtures and fittings which were replaced during the period.

## RECREATION

Pools | Indoor Recreation | Zoo

for the year ended 30 June 2016

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
0 Rates excluding Water rates	0	0	0	0
0 Water rates	0	0	0	0
4,210 Revenue from activities	4,351	4,429	(78)	4,429
318 Subsidies and grants	302	276	26	276
0 Development & financial contributions	0	0	0	0
45 Other revenue	31	28	3	28
<b>4,573 Total revenue</b>	<b>4,684</b>	<b>4,733</b>	<b>(49)</b>	<b>4,733</b>
<b>Expenses</b>				
5,011 Personnel costs	5,196	4,896	(300)	4,896
642 Depreciation and amortisation	1,459	1,631	172	1,631
315 Finance costs	281	292	11	292
Other Expenses				
2,772 - Operating & Maintenance costs	1,797	1,448	(349)	1,448
337 - Professional costs	169	164	(5)	164
1,838 - Administrative costs	6,569	1,957	(4,612)	1,957
765 - Property costs	825	871	46	871
<b>11,680 Total expenses</b>	<b>16,295</b>	<b>11,258</b>	<b>(5,037)</b>	<b>11,258</b>
<b>(7,107) Operating surplus/(deficit)</b>	<b>(11,611)</b>	<b>(6,525)</b>	<b>(5,086)</b>	<b>(6,525)</b>
(0) Gains and losses	(159)	0	(159)	0
<b>(7,107) Surplus/(deficit)</b>	<b>(11,770)</b>	<b>(6,525)</b>	<b>(5,245)</b>	<b>(6,525)</b>

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

Personnel costs - \$300k unfavourable [\$208k unfavourable]. \$257k Zoo - the variance consists of an increase in the number of full-time zoo-keeper positions to implement a two keeper system and other operational support. \$43k Pools - use of casual staff in high peak periods exceeded personnel budget.

Depreciation and amortisation costs - \$172k favourable [\$178k favourable]. The variance is due to the useful lives of the building assets (including indoor pools) at Waterworld and Gallagher pools being reassessed and extended as part of the latest revaluation carried out during the 2015 financial year. This resulted in a reduction of the depreciation expense. The revaluation was completed after budgets were set.

Operating & Maintenance costs - \$349k unfavourable [\$295k unfavourable]. Operational costs at the zoo and the pools are above budget. Variances include trade waste charges involved with emptying the Hydrotherapy Pool to allow liner replacement, operational variances including chemicals and maintenance. Allocations from support services charges were unfavourable due to higher than anticipated business review costs.

Administrative Costs \$4.6m unfavourable [\$42k favourable]. Variance includes \$4.5m grant payment to the Ministry of Education for the indoor recreation facility at Rototuna High School. Overhead allocations are also \$112k above budget due to the flow through of unfavourable variances from support areas. Refer the overheads commentary for further information.

Gains and losses - \$159k unfavourable [\$156k unfavourable]. The loss is due to the write off of existing building fixtures and fittings which were replaced during the period.

## PLANNING AND DEVELOPMENT

City Planning | Planning Guidance & Compliance | Building Control

for the year ended 30 June 2016

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
0 Rates excluding Water rates	0	0	0	0
0 Water rates	0	0	0	0
8,022 Revenue from activities	9,795	7,410	2,385	7,410
0 Subsidies and grants	0	0	0	0
0 Development & financial contributions	0	0	0	0
0 Other revenue	0	0	0	0
<b>8,022 Total revenue</b>	<b>9,795</b>	<b>7,410</b>	<b>2,385</b>	<b>7,410</b>
<b>Expenses</b>				
5,693 Personnel costs	5,927	6,326	399	6,326
0 Depreciation and amortisation	0	0	(0)	0
0 Finance costs	0	0	0	0
Other Expenses				
1,103 - Operating & Maintenance costs	1,441	1,204	(237)	1,204
2,356 - Professional costs	2,494	1,513	(980)	1,513
2,412 - Administrative costs	2,823	2,474	(348)	2,474
15 - Property costs	12	14	2	14
<b>11,579 Total expenses</b>	<b>12,696</b>	<b>11,531</b>	<b>(1,165)</b>	<b>11,531</b>
<b>(3,558) Operating surplus/(deficit)</b>	<b>(2,902)</b>	<b>(4,121)</b>	<b>1,220</b>	<b>(4,121)</b>
0 Gains and losses	0	0	0	0
<b>(3,558) Surplus/(deficit)</b>	<b>(2,902)</b>	<b>(4,121)</b>	<b>1,220</b>	<b>(4,121)</b>

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

Revenue from activities - \$2.4m favourable [\$2.2m favourable]. The increase in revenue is due to an increased number of building (\$2.3m) and resource consents being lodged due to strong economic activity in the city. This has also resulted in an overall increase in expenses so is partly offset.

Personnel costs - \$399k favourable [\$422k favourable]. The favourable variance is due to the number of vacancies in the first six months of the financial year. The vacancies have now been filled but the favourable variance remains. This has been largely offset by an unfavourable variance in consultants under Professional costs where contractors have been used to cover staff vacancies.

Operating & Maintenance costs - \$237k unfavourable [\$211k unfavourable]. Due to the strong economic activity in the city there has been an increase in demand for Planning and Development services resulting in an increase in the demand of related Operating & Maintenance expenses. This increase partly offsets the increase in revenue due.

Professional costs - \$980k unfavourable [\$562k unfavourable]. The majority of this variance relates to an increase in use of consultants and contractors to support high levels of activity in both Planning Guidance and Building Control Units, which has been offset by revenue and personnel costs. This variance is also due to the unbudgeted Legal services required for the District Plan Review appeals. \$100k relates to a Building Control IT Mobility Solution project implemented for the inspection team that did not get completed in the 2014/15 year. A reduction in the number of Weathertight Homes Resolution Claims has meant that the Building Unit has had a favourable budget at financial year end.

Administrative costs - \$348k unfavourable [\$209k unfavourable]. The majority of this unfavourable variance relates to Overhead Allocations across all areas of Planning and Development totalling \$221k. These are indirect expenses and are sitting unfavourably organisation wide.

## ECONOMIC DEVELOPMENT

Economic Initiatives | Strategic Property Investment | Claudelands | Stadiums

for the year ended 30 June 2016

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
(265) Rates excluding Water rates	(213)	(300)	87	(300)
0 Water rates	0	0	0	0
10,065 Revenue from activities	8,154	8,871	(716)	8,871
100 Subsidies and grants	6	0	6	0
0 Development & financial contributions	0	0	0	0
1,103 Other revenue	554	524	30	524
11,002 Total revenue	8,501	9,095	(593)	9,095
<b>Expenses</b>				
3,352 Personnel costs	2,902	3,217	315	3,217
2,559 Depreciation and amortisation	5,193	5,928	735	5,928
6,956 Finance costs	4,943	5,134	192	5,134
Other Expenses				
11,258 - Operating & Maintenance costs	5,617	5,659	42	5,659
557 - Professional costs	259	391	132	391
4,004 - Administrative costs	4,579	3,980	(599)	3,980
1,991 - Property costs	1,536	1,936	400	1,936
30,677 Total expenses	25,027	26,245	1,217	26,245
(19,674) Operating surplus/(deficit)	(16,526)	(17,150)	624	(17,150)
501 Gains and losses	1,113	0	1,113	0
(19,174) Surplus/(deficit)	(15,413)	(17,150)	1,737	(17,150)

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

Revenue from activities - \$716k unfavourable [\$358k unfavourable]. This is primarily driven by the shortfall of revenue from Claudelands, against plan (\$634k). However this has been offset by operational cost savings, with Claudelands' net deficit \$739k favourable to budget.

The variance is also driven by a \$136k shortfall in rental income from the Beggs Wiseman Building as this property has now been sold. Fully tenanted the property was estimated to receive \$148k per annum, however up until the sale of the property in March 2016 it was only part tenanted receiving \$1.5k per month.

Personnel costs - \$315k favourable [\$638k favourable]. Reduced casual staff hires at Claudelands Events Centre has contributed \$146k. \$157k relates to overstated budgets across the Strategic Property area.

Depreciation and amortisation - \$735k favourable [\$712k favourable]. The favourable variance is due to the building revaluation that was carried out by independent assessors during the 2015 financial year. This process identified that the useful life's of the building assets should be extended. The result of extending the asset life is to spread the cost over a longer period thereby reducing the depreciation expense. The revaluation was completed after budgets were set.

Finance costs - \$192k favourable [\$157k favourable]. Due to the favourable debt position for Council.

Professional costs - \$132k favourable [\$55k favourable]. Various favourable variances including \$88k at Claudelands as final arbitration with the Show Trust has been reached, resulting in reimbursement of legal fees.

Administrative costs - \$599k unfavourable [\$208k unfavourable]. The majority of this unfavourable variance relates to Overhead allocations across all areas of Economic Development. These are indirect expenses and are sitting unfavourably organisation wide. \$195k of this unfavourable variance also relates to additional costs to cover Founders Theatre clientele transferring to Claudelands.

Property costs - \$400k favourable [\$295k favourable]. Various favourable variances including energy costs and cleaning charges predominantly at Waikato Stadium and Claudelands. The across the board savings are a result of the lower activity due to the decrease in the level of revenue predominately at Claudelands Events Centre. Event security costs are running to budget with the actuals flowing through other categories.

Gains and losses - \$1.1m favourable [\$777k unfavourable]. \$405k relates to the sale of the land at 13 Graham Street, which was sold as part of the pensioner housing stock. The sale was a Council decision and was done so at market value. \$196k relates to the sale of the Beggs Wiseman Building. The sale was also at market value and was due to a Council decision influenced by progressive tenant exits.

## SAFETY

Animal Control | Environmental Health and Public Safety  
for the year ended 30 June 2016

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
0 Rates excluding Water rates	0	0	0	0
0 Water rates	0	0	0	0
2,156 Revenue from activities	2,305	2,136	170	2,136
113 Subsidies and grants	9	0	9	0
0 Development & financial contributions	0	0	0	0
4 Other revenue	3	3	0	3
<b>2,272 Total revenue</b>	<b>2,317</b>	<b>2,139</b>	<b>179</b>	<b>2,139</b>
<b>Expenses</b>				
2,142 Personnel costs	2,282	2,081	(201)	2,081
50 Depreciation and amortisation	87	84	(3)	84
39 Finance costs	24	25	1	25
Other Expenses				
1,302 - Operating & Maintenance costs	1,347	1,296	(51)	1,296
244 - Professional costs	140	185	45	185
753 - Administrative costs	864	768	(96)	768
695 - Property costs	604	648	44	648
<b>5,224 Total expenses</b>	<b>5,348</b>	<b>5,087</b>	<b>(261)</b>	<b>5,087</b>
<b>(2,952) Operating surplus/(deficit)</b>	<b>(3,031)</b>	<b>(2,949)</b>	<b>(81)</b>	<b>(2,949)</b>
0 Gains and losses	0	0	0	0
<b>(2,952) Surplus/(deficit)</b>	<b>(3,031)</b>	<b>(2,949)</b>	<b>(81)</b>	<b>(2,949)</b>

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

Revenue from activities - \$170k favourable [\$125k favourable]. \$98k of this variance relates to Food Premises who are going through a 3 year transitional period changing from a rigid once a year fixed annual fee to new and more dynamic regime.

Personnel costs - \$201k unfavourable [\$152k unfavourable]. \$108k of this variance is due to the employment of a second Alcohol Licensing Inspector. The 2016/17 budget has been adjusted to accommodate the increased expenditure.

## COMMUNITY SUPPORT

Community Development | Emergency Management | Housing

for the year ended 30 June 2016

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
(0) Rates excluding Water rates	(143)	(173)	30	(173)
0 Water rates	0	0	0	0
2,173 Revenue from activities	1,476	2,289	(813)	2,289
21 Subsidies and grants	0	0	0	0
0 Development & financial contributions	0	0	0	0
2 Other revenue	(479)	1	(480)	1
<b>2,196 Total revenue</b>	<b>855</b>	<b>2,117</b>	<b>(1,262)</b>	<b>2,117</b>
<b>Expenses</b>				
1,493 Personnel costs	1,268	1,526	258	1,526
11 Depreciation and amortisation	520	1,145	625	1,145
24 Finance costs	12	12	(0)	12
Other Expenses				
2,100 - Operating & Maintenance costs	1,141	909	(232)	909
64 - Professional costs	119	96	(23)	96
1,841 - Administrative costs	2,326	2,230	(96)	2,230
136 - Property costs	256	408	152	408
<b>5,669 Total expenses</b>	<b>5,642</b>	<b>6,326</b>	<b>684</b>	<b>6,326</b>
<b>(3,473) Operating surplus/(deficit)</b>	<b>(4,787)</b>	<b>(4,209)</b>	<b>(578)</b>	<b>(4,209)</b>
(10) Gains and losses	(7,483)	0	(7,483)	0
<b>(3,483) Surplus/(deficit)</b>	<b>(12,270)</b>	<b>(4,209)</b>	<b>(8,061)</b>	<b>(4,209)</b>

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

Revenue from activities - \$813k unfavourable [\$631k unfavourable]. Council deferred the implementation of an 11% increase in pensioner housing rentals to December 2015. The unfavourable variance is a combination of revenue ceasing due to the sale of housing and the shortfall from not implementing the 11% increase at the start of the year.

Other revenue - \$480k unfavourable. [\$480k unfavourable]. Council had in the past received \$480k funding from Housing New Zealand to invest in social housing (Graham Street property). Repayment of the funds was required because the property was sold less than 20 years later. The original receipt of funds was treated as revenue, therefore repayment of the funds has been treated as negative revenue.

Personnel costs - \$258k favourable [\$236k favourable]. \$160k of this variance was due to vacant positions in the Social Development team. \$93k of the variance is due to a vacant position in Risk & Emergency that has now been filled.

Depreciation and amortisation costs - \$625k favourable [\$543k favourable]. The variance is due to the Pensioner Housing sale. The buildings are no longer being depreciated.

Operating & Maintenance costs - \$232k unfavourable [\$163k unfavourable]. Variance consists of allocations from support units. Driving this variance are higher than anticipated business review costs.

Property costs - \$152k favourable [\$101k favourable]. Various favourable variances including rent, cleaning and insurance costs with \$125k relating to the Pensioner Housing sale in March 2016.

Gains and Losses - \$7.5m unfavourable [\$7.5m]. The variance represents the loss relating to the sale of the pensioner housing stock.

## DEMOCRACY SERVICES

Governance and Public Affairs

for the year ended 30 June 2016

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
0 Rates excluding Water rates	0	0	0	0
0 Water rates	0	0	0	0
18 Revenue from activities	19	17	2	17
0 Subsidies and grants	0	0	0	0
0 Development & financial contributions	0	0	0	0
(0) Other revenue	0	0	0	0
<b>17 Total revenue</b>	<b>19</b>	<b>17</b>	<b>2</b>	<b>17</b>
<b>Expenses</b>				
505 Personnel costs	459	565	106	565
0 Depreciation and amortisation	0	0	0	0
0 Finance costs	0	0	0	0
Other Expenses				
135 - Operating & Maintenance costs	88	141	53	141
218 - Professional costs	305	296	(9)	296
4,871 - Administrative costs	4,010	4,248	237	4,248
1 - Property costs	6	2	(4)	2
<b>5,731 Total expenses</b>	<b>4,869</b>	<b>5,252</b>	<b>384</b>	<b>5,252</b>
<b>(5,713) Operating surplus/(deficit)</b>	<b>(4,850)</b>	<b>(5,235)</b>	<b>386</b>	<b>(5,235)</b>
0 Gains and losses	0	0	0	0
<b>(5,713) Surplus/(deficit)</b>	<b>(4,850)</b>	<b>(5,235)</b>	<b>386</b>	<b>(5,235)</b>

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

Personnel costs \$106k favourable [\$96k favourable]. The variance is due to fixed term positions that are vacant in Mayoral Support Services. These vacancies will remain until the election process is finalised with casual staff being contracted in the interim.

Administrative costs - \$237k favourable [\$147k unfavourable]. Various favourable variances including \$79k of unused Councillor Conference budget. October 2016 is the conclusion of the current Council's triennium so a conservative pattern in Councillor related expenditure is an expected variance at this time of year.

## PARKS AND GREEN SPACES

Hamilton Gardens | Community Parks | Sports Parks | Cemeteries and Crematorium

for the year ended 30 June 2016

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
0 Rates excluding Water rates	0	0	0	0
0 Water rates	0	0	0	0
2,563 Revenue from activities	2,609	2,207	402	2,207
486 Subsidies and grants	5	7	(1)	7
4 Development & financial contributions	3	0	3	0
1,120 Other revenue	2,098	1,715	383	1,715
<b>4,174 Total revenue</b>	<b>4,715</b>	<b>3,928</b>	<b>786</b>	<b>3,928</b>
<b>Expenses</b>				
2,086 Personnel costs	2,175	2,092	(83)	2,092
2,539 Depreciation and amortisation	3,479	3,275	(204)	3,275
1,545 Finance costs	1,498	1,557	59	1,557
Other Expenses				
11,082 - Operating & Maintenance costs	11,135	10,441	(694)	10,441
429 - Professional costs	262	213	(49)	213
2,388 - Administrative costs	2,868	2,516	(352)	2,516
629 - Property costs	658	661	3	661
<b>20,699 Total expenses</b>	<b>22,076</b>	<b>20,755</b>	<b>(1,321)</b>	<b>20,755</b>
<b>(16,525) Operating surplus/(deficit)</b>	<b>(17,361)</b>	<b>(16,826)</b>	<b>(535)</b>	<b>(16,826)</b>
<b>(101) Gains and losses</b>	<b>(1,020)</b>	<b>0</b>	<b>(1,020)</b>	<b>0</b>
<b>(16,626) Surplus/(deficit)</b>	<b>(18,381)</b>	<b>(16,826)</b>	<b>(1,555)</b>	<b>(16,826)</b>

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

Revenue from activities - \$402k favourable [\$360k favourable]. Cemetery revenue is \$130k favourable due to an increased number of cremations and cemetery plot sales. Other variances include Hamilton Gardens shop revenue being favourable (partially offset by stock purchases included in expenditure) and contributions from external parties to fund planting work in natural areas.

Other Revenue \$383k favourable [\$74k favourable]. The variance is due to contributions received for the Hamilton Gardens development. This project is well advanced and contributions have been received earlier than anticipated.

Depreciation and amortisation costs - \$204k unfavourable [\$171k unfavourable]. This variance is due to the useful lives of the building assets being reassessed as part of the latest revaluation carried out during the 2015 financial year. This resulted in an increase of the depreciation expense. The revaluation was completed after budgets were set.

Operating & Maintenance Costs - \$694k unfavourable [\$289k favourable]. This variance includes reserve plantings that have been recovered from external parties. Support units allocations were \$354k unfavourable due to higher than anticipated business review costs and additional costs incurred to complete the 2015/16 work programme.

Administrative costs - \$352k unfavourable [\$176k unfavourable]. This variance includes unbudgeted shop purchase costs in Hamilton Gardens that are recovered from sale recoveries. Overhead allocations are also \$205k above budget due to the flow through of unfavourable variances from support areas. Refer the overheads commentary for further information.

Losses - \$1.0m unfavourable [\$583k unfavourable]. The loss is due to the write off of existing assets which were replaced during the period.

## RUBBISH AND RECYCLING

Refuse Collection | Waste Minimisation | Landfill Site Management

for the year ended 30 June 2016

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
0 Rates excluding Water rates	0	0	0	0
0 Water rates	0	0	0	0
327 Revenue from activities	329	339	(10)	339
491 Subsidies and grants	543	410	133	410
0 Development & financial contributions	0	0	0	0
16 Other revenue	14	13	1	13
<b>834 Total revenue</b>	<b>885</b>	<b>762</b>	<b>124</b>	<b>762</b>
<b>Expenses</b>				
1 Personnel costs	0	0	(0)	0
292 Depreciation and amortisation	372	308	(64)	308
760 Finance costs	766	129	(638)	129
Other Expenses				
4,701 - Operating & Maintenance costs	5,608	5,713	105	5,713
306 - Professional costs	350	414	64	414
594 - Administrative costs	4,909	747	(4,161)	747
25 - Property costs	34	61	26	61
<b>6,679 Total expenses</b>	<b>12,039</b>	<b>7,371</b>	<b>(4,668)</b>	<b>7,371</b>
<b>(5,845) Operating surplus/(deficit)</b>	<b>(11,153)</b>	<b>(6,609)</b>	<b>(4,544)</b>	<b>(6,609)</b>
0 Gains and losses	(3)	0	(3)	0
<b>(5,845) Surplus/(deficit)</b>	<b>(11,157)</b>	<b>(6,609)</b>	<b>(4,547)</b>	<b>(6,609)</b>

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

Subsidies and grants - \$133k [\$133k] favourable due to an increased level of Waste Levy received.

Finance Costs - \$638k [\$4k] unfavourable. Due to interest portion of the Landfill Aftercare Provision.

Operating and Maintenance Costs - \$105k [\$219k] favourable predominantly due to delays in programmed maintenance works resulting from complex, health and safety, operational and compliance planning requirements at the Rototuna and Horotiu landfill sites.

Administrative costs - \$4.5m [\$86k] unfavourable. Due to adjustment of the Landfill Aftercare Provision. Council is responsible for four closed landfill sites - Horotiu, Willoughby, Cobham Drive and Rototuna. Council's aftercare responsibilities include ongoing maintenance and monitoring such as treatment and monitoring of leachate, groundwater and surface monitoring and gas monitoring and recovery. The aftercare provision is based on the projected costs of providing this aftercare using budget data from the 2015-25 Long Term Plan. The 2015-25 Long Term Plan increases budget.

## STORMWATER

Stormwater Network | Catchment Management

for the year ended 30 June 2016

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
0 Rates excluding Water rates	0	0	0	0
0 Water rates	0	0	0	0
282 Revenue from activities	125	241	(116)	241
0 Subsidies and grants	0	0	0	0
0 Development & financial contributions	0	0	0	0
117 Other revenue	154	82	72	82
<b>399 Total revenue</b>	<b>279</b>	<b>323</b>	<b>(44)</b>	<b>323</b>
<b>Expenses</b>				
18 Personnel costs	0	0	(0)	0
5,624 Depreciation and amortisation	8,013	5,745	(2,268)	5,745
395 Finance costs	444	461	17	461
Other Expenses				
1,207 - Operating & Maintenance costs	1,907	1,635	(272)	1,635
145 - Professional costs	313	289	(24)	289
307 - Administrative costs	361	323	(39)	323
178 - Property costs	168	188	21	188
<b>7,874 Total expenses</b>	<b>11,206</b>	<b>8,642</b>	<b>(2,564)</b>	<b>8,642</b>
<b>(7,475) Operating surplus/(deficit)</b>	<b>(10,927)</b>	<b>(8,319)</b>	<b>(2,608)</b>	<b>(8,319)</b>
0 Gains and losses	(56)	0	(56)	0
<b>(7,475) Surplus/(deficit)</b>	<b>(10,984)</b>	<b>(8,319)</b>	<b>(2,664)</b>	<b>(8,319)</b>

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

Revenue from activities - \$116 [\$78k] unfavourable due to a reduction in the level of Project Watershed funding from Waikato Regional Council for maintenance activities in open streams. This is offset with a reduced physical works program.

Depreciation and amortisation - \$2.3m [\$2.0m] unfavourable. An asset revaluation was completed in February 2016 which resulted in an increase in the value of the assets, this has caused an increase in the depreciation expenditure.

Operating and Maintenance Costs - \$272k [\$221k] unfavourable. The major variances being due to:

- \$53k of emergency physical works awaiting a pending insurance claim;
- \$97k resulting from maintenance from prior financial year;
- \$45k associated with additional stormwater compliance monitoring.

**TRANSPORTATION**  
 Transport Network | Parking Management  
 for the year ended 30 June 2016

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000	
	Actual \$000	Budget \$000			
<b>Revenue</b>					
(154)	Rates excluding Water rates	(120)	(156)	36	(156)
0	Water rates	0	0	0	0
6,377	Revenue from activities	7,627	6,064	1,563	6,064
8,763	Subsidies and grants	9,638	8,527	1,111	8,527
0	Development & financial contributions	0	0	0	0
1,841	Other revenue	3,023	1,711	1,312	1,711
16,827	<b>Total revenue</b>	20,167	16,145	4,022	16,145
<b>Expenses</b>					
798	Personnel costs	715	899	184	899
18,171	Depreciation and amortisation	18,503	17,966	(537)	17,966
6,893	Finance costs	7,770	8,071	302	8,071
Other Expenses					
10,557	- Operating & Maintenance costs	12,864	11,346	(1,519)	11,346
341	- Professional costs	997	946	(51)	946
4,040	- Administrative costs	4,467	4,204	(263)	4,204
2,060	- Property costs	2,082	2,276	194	2,276
42,860	<b>Total expenses</b>	47,399	45,708	(1,690)	45,708
(26,033)	<b>Operating surplus/(deficit)</b>	(27,231)	(29,563)	2,332	(29,563)
8	Gains and losses	(1,675)	0	(1,675)	0
(26,025)	<b>Surplus/(deficit)</b>	(28,907)	(29,563)	656	(29,563)

**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 [\$295k unfavourable]. The main contributor is unbudgeted revenue that has been realised, specifically:

1. \$850k received from the Litt Development towards Borman Road development works;
2. \$465k for work undertaken by Council on behalf of NZTA, primarily related to traffic signal capital improvements on the state highways;
3. \$625k for minor improvement works (Dinsdale Roundabout) on the state highways managed by Council on behalf of NZTA;

Subsidies and grants: \$1.1m favourable [\$545k unfavourable]:

1. Western Rail Trail: Council portion of this project is funded from the Discretionary Transport Fund. When setting expenditure from this fund is not forecast to be subsidised, however this project has attracted 51% subsidy (\$469k) from NZTA;
2. Hamilton Ring Road: NZTA subsidy received (\$770k) for construction/enabling works between Naylor Street and Cobham Drive;

Other revenue: \$1.3m favourable [\$626k favourable].

1. Rototuna School Collector Road: \$1.0m contribution received from developer;
2. SH1/Gallagher Intersection: \$140k transferred by Finance into Transport accounts that has then been paid to NZTA as part of Council's financial contribution to this NZTA led project;
3. Interest Revenue (Finance): Interest Income allocated by Finance more than budgeted by \$168k;

Personnel Costs: \$184k favourable [\$163k favourable]. This was primarily driven by 2 FTEs not recruited for as the Parking team prepares to reduce by 2 FTE parking wardens. This is to offset the OPEX costs associated with the new parking technology roll out in November 2016.

Operating and Maintenance Costs: \$1.5m unfavourable [\$230k favourable].

A. Expenditure was incurred that was not originally budgeted for:

1. \$307k was incurred as WIP related costs were reclassified as they could not be capitalised;
2. \$626k is minor improvement works (Dinsdale Roundabout) undertaken on behalf of NZTA - this was fully reimbursed by NZTA and revenue captured under 'Revenue from Activities'
3. \$347k is attributed to work undertaken on behalf of NZTA primarily for traffic signal renewals and improvements - these costs have been reimbursed by NZTA and are captured in the 'Revenue from Activities';

B. Expenditure budgeted for but overspent include \$336k for Landscaping & Weed spraying, the main contributors include additional temporary traffic management costs for increased compliance for working on state highways; an increase in the area of landscaping handed to Council to maintain, this includes subdivision developments (i.e. Bourne Brook - 5,500m<sup>2</sup> of planting), and roading projects (i.e. Wairere Drive - 19,000m<sup>2</sup>; 6,000m<sup>2</sup> of mowing); This expenditure attracted NZTA subsidy, which means the net overspend is \$271k.

Administrative Costs: \$263k unfavourable. Costs associated with overhead allocation.

Property Costs: \$194k favourable [\$293k favourable]. Costs budgeted for insurance and external rents were not realised in FY2015/16.

Depreciation and amortisation: \$537k unfavourable [\$392k unfavourable]. Assets were capitalised during the year which were liable for back-dated depreciation.

Finance Costs: \$302k favourable [\$247k favourable]. Due to the favourable debt position for Council.

Losses: - \$1.7m unfavourable [\$920k unfavourable]. The loss is due to the write off of assets which were replaced during the current financial year.

## SEWERAGE

Sewerage Collection | Sewerage Treatment and Disposal  
for the year ended 30 June 2016

Prior YTD Actual 2015/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
0 Rates excluding Water rates	0	0	0	0
0 Water rates	0	0	0	0
3,997 Revenue from activities	3,982	4,256	(274)	4,256
0 Subsidies and grants	0	0	0	0
0 Development & financial contributions	0	0	0	0
615 Other revenue	702	388	314	388
4,612 Total revenue	4,683	4,644	39	4,644
<b>Expenses</b>				
1,044 Personnel costs	1,022	1,256	234	1,256
8,312 Depreciation and amortisation	9,056	8,092	(964)	8,092
3,932 Finance costs	3,322	3,452	129	3,452
Other Expenses				
7,307 - Operating & Maintenance costs	6,729	7,306	577	7,306
275 - Professional costs	466	358	(108)	358
1,613 - Administrative costs	1,945	1,742	(203)	1,742
1,582 - Property costs	1,856	1,808	(48)	1,808
24,064 Total expenses	24,396	24,013	(383)	24,013
(19,452) Operating surplus/(deficit)	(19,713)	(19,369)	(343)	(19,369)
(959) Gains and losses	(404)	0	(404)	0
(20,411) Surplus/(deficit)	(20,116)	(19,369)	(747)	(19,369)

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

Revenue from activities - \$274k [\$136k] unfavourable. This is predominantly due to unfavourable tradewaste revenue of \$168k due to an over accrual at the end of 2014/15 and reduced shared services revenue resulting from a lower than expected level of expenditure.

Other revenue - \$314k [\$303k] favourable predominantly due to capital contributions received for paid connections. The additional revenue offsets additional capital expenditure.

Personnel costs - \$234k [\$157k] favourable, predominately due to extended staff absences in the Shared Service area. This result is shared between the Waipa, Waikato and Hamilton Councils.

Depreciation and amortisation - \$964k [\$870k] unfavourable. An asset revaluation was completed in February 2016 which resulted in an increase in the value of the assets, this has caused an increase in the depreciation

Finance Costs - \$129k [\$106k] favourable. Due to the favourable debt position for Council.

Operating & Maintenance Costs - \$577k [\$1.08m] favourable, with the major variances being:

- Chemicals \$385k favourable due to extended periods of stable performance of the treatment process throughout the year.

- Disposal of Biosolids \$206k favourable as a result of lower Biosolids production from stable process operation year to date.

- Wastewater Treatment Plant water use charges are \$51k favourable as a result of stable process operation year to date and usage management or diversion of source to alternatives.

Professional costs - \$108k [\$19k favourable] unfavourable predominantly due to expense that was budgeted within Operating & Maintenance expenses for work which was then outsourced.

Administrative costs \$203k [\$86k] unfavourable predominantly due to organisational overheads.

Losses - \$404k [\$352k] unfavourable. The loss is due to the write off of assets which were replaced during the current financial year.

## WATER SUPPLY

Water Treatment and Storage | Water Distribution  
for the year ended 30 June 2016

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
0 Rates excluding Water rates	0	0	0	0
7,693 Water rates	8,279	7,772	508	7,772
247 Revenue from activities	317	157	160	157
0 Subsidies and grants	0	0	0	0
0 Development & financial contributions	0	0	0	0
638 Other revenue	751	315	436	315
<b>8,578 Total revenue</b>	<b>9,348</b>	<b>8,244</b>	<b>1,104</b>	<b>8,244</b>
<b>Expenses</b>				
81 Personnel costs	(1)	0	1	0
6,949 Depreciation and amortisation	6,660	7,553	893	7,553
2,947 Finance costs	3,116	3,237	121	3,237
Other Expenses				
4,771 - Operating & Maintenance costs	4,657	5,265	608	5,265
194 - Professional costs	192	389	198	389
1,158 - Administrative costs	1,325	1,213	(112)	1,213
1,700 - Property costs	2,021	1,897	(124)	1,897
<b>17,800 Total expenses</b>	<b>17,969</b>	<b>19,555</b>	<b>1,586</b>	<b>19,555</b>
<b>(9,222) Operating surplus/(deficit)</b>	<b>(8,621)</b>	<b>(11,311)</b>	<b>2,690</b>	<b>(11,311)</b>
(156) Gains and losses	(108)	0	(108)	0
<b>(9,378) Surplus/(deficit)</b>	<b>(8,730)</b>	<b>(11,311)</b>	<b>2,582</b>	<b>(11,311)</b>

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

Water rates - \$508k [\$411k] favourable due to a higher than expected level of water consumption from non-residential metered customers.

Revenue from activities - \$160k [\$37k] favourable due to additional revenue for pipe realignment works completed by council in support of the Kahikatea/Gallagher Drive intersection works.

Other revenue - \$436k [\$416k] favourable. Capital contributions received for paid connections are higher than budgeted. The additional revenue offsets additional capital expenditure.

Depreciation and amortisation - \$893k [\$836k] favourable. An asset revaluation was completed in February 2016 which resulted in an increase in the value of the assets, this has caused an increase in the depreciation expenditure.

Finance Costs - \$121k [\$99k] favourable. Due to the favourable debt position for Council.

Operating and Maintenance - \$608k [\$817k] favourable, with the major variances being:

- Water Treatment Plant maintenance \$177k favourable due to condition assessment resulting in re-prioritisation of work programmes.
- Service delivery contract \$210k favourable due to the need to prioritise wastewater works.
- Chemicals \$203k favourable due reduced chemical use as a result of stable plant operation and consistent river water quality.

Professional Costs - \$198k [\$217k] favourable predominantly due to reprioritisation of Operational planning works to 2016/17.

Administrative costs - \$112k [\$46k] unfavourable predominantly due to organisational overhead costs.

Property Costs - \$124k [\$59k] unfavourable predominantly due to increased insurance costs for underground assets.

Gains and losses - \$108k [\$107k] unfavourable. The loss is due to the write off of assets which were replaced during the current financial year.

## OVERHEADS &amp; SUPPORT UNITS

for the year ended 30 June 2016

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
(177) Rates excluding Water rates	(6)	0	(6)	0
0 Water rates	0	0	0	0
2,585 Revenue from activities	2,193	1,964	229	1,964
13 Subsidies and grants	0	0	0	0
0 Development & financial contributions	0	0	0	0
151 Other revenue	12	0	12	0
<b>2,572 Total revenue</b>	<b>2,199</b>	<b>1,964</b>	<b>235</b>	<b>1,964</b>
<b>Expenses</b>				
37,157 Personnel costs	35,680	37,147	1,467	37,147
11,225 Depreciation and amortisation	4,370	3,931	(439)	3,931
66 Finance costs	73	75	2	75
Other Expenses				
(34,050) - Operating & Maintenance costs	(26,600)	(28,237)	(1,637)	(28,237)
7,811 - Professional costs	9,448	7,497	(1,951)	7,497
(19,725) - Administrative costs	(21,957)	(19,407)	2,550	(19,407)
1,557 - Property costs	938	958	20	958
<b>4,041 Total expenses</b>	<b>1,952</b>	<b>1,964</b>	<b>12</b>	<b>1,964</b>
<b>(1,469) Operating surplus/(deficit)</b>	<b>247</b>	<b>(0)</b>	<b>247</b>	<b>(0)</b>
1,469 Gains and losses	(247)	0	(247)	0
<b>(0) Surplus/(deficit)</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>

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

Revenue from activities - \$229k favourable [\$141k favourable]. There is a favourable variance in Events facilities admin but this is being offset through additional operating expenditure.

Personnel costs - \$1.5m favourable [\$1.1m favourable]. This variance is predominately due to vacancies in the support units within the City Infrastructure Group which includes new positions that were approved during the 10-Year Plan. These positions are currently being recruited. The variance has a direct offset against the unfavourable variance in Other Expenses.

Depreciation and amortisation - \$439k unfavourable [\$361k] unfavourable. Higher depreciation due to capitalisation of assets in Corporate properties and Information systems.

Operating & Maintenance Costs - \$1.6m unfavourable [\$1.8m unfavourable]. This variance is offset by the favourable variance in Administrative costs, it is due to actuals appearing in this section and budget being under administrative costs.

Professional costs - \$2.0m unfavourable [\$844k unfavourable]. Higher level of costs have been incurred for developer agreements, unit reviews (Zoo and Pools) and information services.

Administrative costs - \$2.6m favourable [\$2.0m favourable]. This is offsetting the unfavourable variance in Operating and Maintenance.

## Items not allocated directly to Activities

Rates | Development Contributions | Vested Assets

for the year ended 30 June 2016

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000	
	Actual \$000	Budget \$000			
<b>Revenue</b>					
133,644	Rates excluding Water rates	139,825	139,102	723	139,102
0	Water rates	0	0	0	0
0	Revenue from activities	0	0	0	0
0	Subsidies and grants	0	0	0	0
16,066	Development & financial contributions	24,236	9,500	14,736	9,500
19,824	Other revenue	34,393	8,581	25,812	8,581
169,533	<b>Total revenue</b>	198,455	157,183	41,272	157,183
<b>Expenses</b>					
38	Personnel costs	(11)	0	11	0
0	Depreciation and amortisation	0	0	0	0
(565)	Finance costs	(730)	0	730	0
Other Expenses					
525	- Operating & Maintenance costs	525	525	(0)	525
0	- Professional costs	0	0	0	0
0	- Administrative costs	(28)	0	28	0
0	- Property costs	0	0	0	0
(2)	<b>Total expenses</b>	(244)	525	769	525
169,536	<b>Operating surplus/(deficit)</b>	198,699	156,658	42,041	156,658
(17,889)	Gains and losses	(23,587)	0	(23,587)	0
151,646	<b>Surplus/(deficit)</b>	175,112	156,658	18,454	156,658

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

Rates excluding Water rates - \$723k favourable [\$679k favourable]. This comprises three variances:

- The cost of rates remissions for Council properties is favourable as the actual remissions were lower when the rates were struck than had been budgeted.
- The cost of hardship remissions are favourable.
- Revenue from rates penalties are higher following the trend over that past few years.

Development and financial contributions - \$14.7m favourable [\$12.3m favourable]. The variance is explained in the Growth Report (attachment 4).

Other revenue - \$25.8m favourable [\$20.5m favourable]. Strong growth is occurring in Hamilton resulting in new subdivisions being completed and associated land and infrastructure being vested to Council.

Finance costs - \$730k favourable [\$678k favourable]. This is interest relating to Reserve balances.

Gains and losses - \$23.6m unfavourable [\$15.9m unfavourable]. The variance is due to interest rate swaps, as reported previously (attachment 1).

**GROWTH RELATED ITEMS  
for the year ended 30 June 2016**

**DEVELOPMENT AND FINANCIAL CONTRIBUTIONS**

For the current financial year total development contributions received are \$24.2m [\$20.5m] , this is \$14.7m [\$12.3m] favourable against the annual budget of \$9.5m.

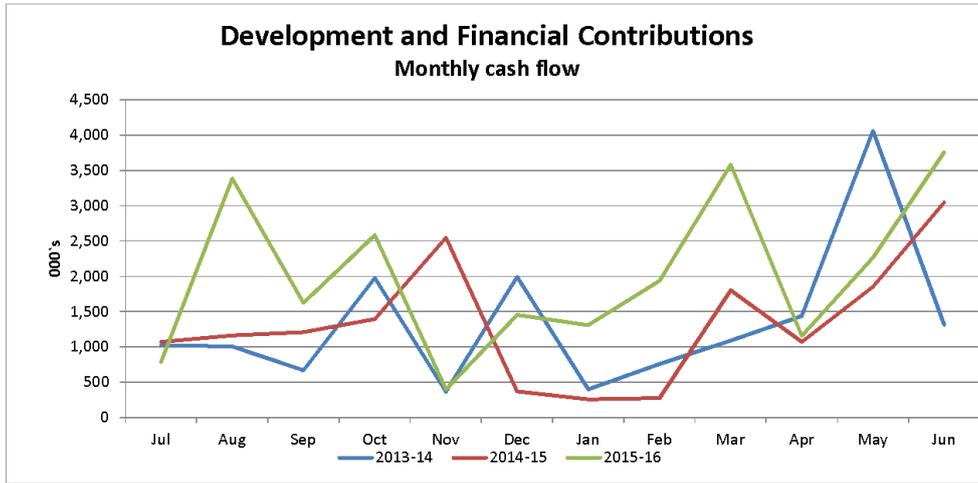
The following table and graphs provide trend data for the 2013-14, 2014-15 and the current year.

Table 1: actual contribution received per month

(000's)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
2013-14	1,025	1,006	668	1,977	367	1,992	401	760	1,091	1,440	4,060	1,316	16,103
2014-15	1,072	1,165	1,211	1,397	2,547	370	259	277	1,801	1,071	1,854	3,045	16,069
2015-16	789	3,383	1,623	2,583	402	1,455	1,307	1,938	3,582	1,156	2,265	3,756	24,239

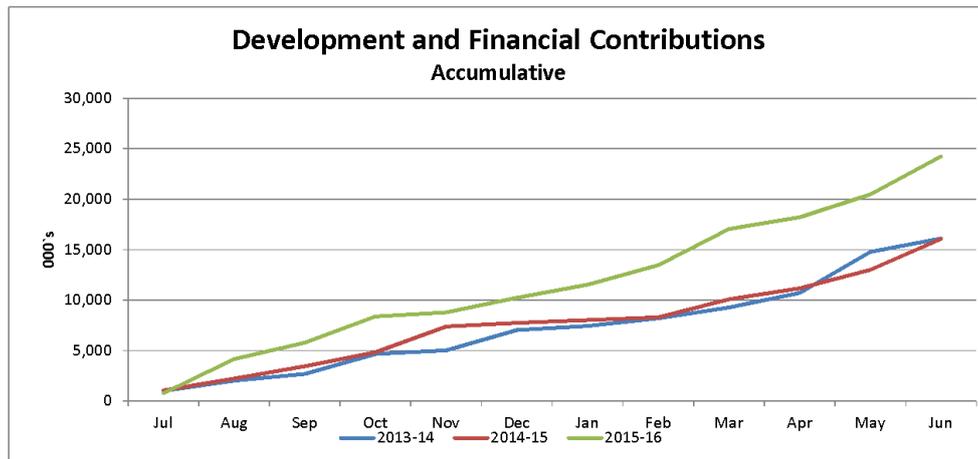
Graph 1 - Monthly actual cashflow

This graph tracks the actual contributions on a monthly basis this demonstrates that not only are the contributions volatile over the past 3 year (as low as \$250k and as high as \$4.0m) there is also little consistency between months .



Graph 2 - Accumulated actual cashflow.

This graph tracks the accumulated trends over the past 3 years. This highlights that for the current year contributions are tracking above the previous two years and potentially trending to a annual level in excess of what Council received over the past two years.



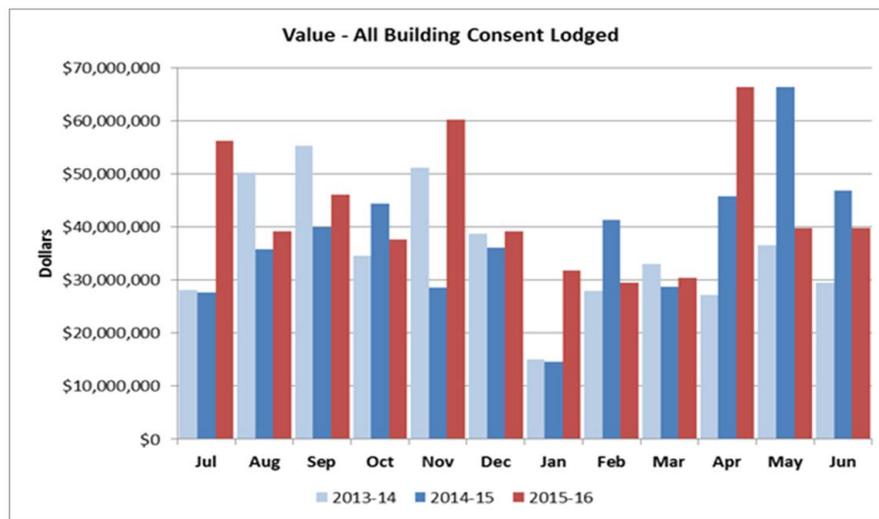
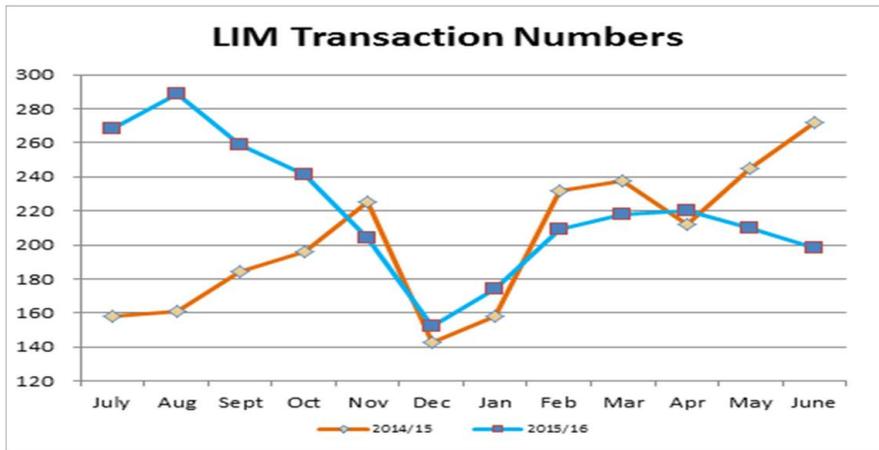
### VESTED ASSETS

Revenue recognised from the transfer (vesting) of sub divisional assets to Council is \$34.3m (\$28.2m) which results in \$25.8m (\$20.4m) favourable year to date. The annual budget for vested assets of \$8.5m is already exceeded. These additional assets will result in additional depreciation expense in the current year followed by on-going maintenance and operational costs in future years.

Top 5 by value year to date

Month	Location	\$000's Value
August-15	Industrial Subdivision Rotokauri	5,523
March-16	Residential Subdivision Rototuna	1,961
May-16	Residential Subdivision Peacockes	1,847
February-16	Residential Subdivision Rototuna	1,635
September-15	Residential Subdivision Rototuna	1,547
		<b>12,512</b>

### Building Consents and LIMS





## Capital Expenditure Variance Explanations: Variances greater than \$250k and/or deferrals indicated for the year ended 30 June 2016

### 1 Founders Theatre Plant and Equipment Renewals

This is on the deferral schedule.

### 2 Founders Theatre Building Renewals

This is on the deferral schedule.

### 3 Seddon Park Plant & Equipment Renewals

This is on the deferral schedule.

### 4 Claudelands Property Renewals

This is on the deferral schedule.

### 5 Seddon Park Property Renewals

This is on the deferral schedule.

### 6 FMG Stadium Waikato Property Renewals

Extra funding of \$150k allocated for data network renewal and \$118k brought forward for Function Room PA System & Lighting renewal - both are in progress along with CCTV equipment replacement. Key project: CCTV replacement \$58k. Overspend in this code has been offset by underspend in Stadium Plant & Equipment Renewals relating to scoreboard structure installation.

### 7 Tenancy Inducement Renewals

Tenancy Inducement Renewals is a contingent allocation to enable attraction or retention of commercial tenants at lease expiry. The allocation is based on current market rates. There are currently no vacant commercial premises nor any leases of Council's commercial property expiring within the remainder of the current financial year. The allocation is therefore no longer required. Underspend here is offsetting an understated operating budget within Strategic Property.

### 8 Hamilton Gardens Development

The overall 4 year programme is on track to be completed within the \$7.033 million budget but the work programme is ahead of what was originally planned in the ten year plan budget, as external funds have been secured ahead of when predicted. An amount that represents the advanced spend has been included on the Pipeline projects schedule.

### 9 Playground Renewals

This is on the deferral schedule.

### 10 Land Purchase Future Reserves

This is on the deferral schedule.

### 11 Destination Playground Public Toilets

This is on the deferral schedule.

### 12 Rototuna Park Development

This is on the deferral schedule.

### 13 Victoria On The River

A Council resolution dated 15/12/2015 was approved for a total spend over the next 3 financial years of \$6.75m. \$1.6m was approved to be spent in 2015/16 however only \$1.1m had been spent at 30 June. A further \$4.9m was approved in the annual plan to be spent in 2016/17 with remainder of \$0.5m to be spent in 2017/18.

### 14 Rototuna Stormwater

This is on the deferral schedule.

### 15 Peacockes Stormwater Stage 1

This is on the deferral schedule.

### 16 Integrated Catchment Management Plan

This is on the deferral schedule.

### 17 Parking Enforcement Equipment

This is on the deferral schedule.

### 18 Replacement of Footpath

Infrastructure Alliance work programme completed under budget.

### 19 Road Resurfacing

Infrastructure Alliance work programme not completed; due to adverse weather conditions that delayed the start/commencement of some work sites.

- 20 Roothing Upgrades in Peacockes Stage 1**  
This is on the deferral schedule.
- 21 Roothing Upgrades in Peacockes Stage 2**  
This is on the deferral schedule.
- 22 Roothing Upgrades in Rotokauri**  
This is on the deferral schedule.
- 23 Roothing Upgrades in Rototuna**  
This is on the deferral schedule.
- 24 Integrated Transport Initiatives**  
The higher expenditure relates to the Western Rail Trail, this expenditure is off-set from NZTA Subsidy that was received.
- 25 Hamilton Ring Road Completion**  
This is on the deferral schedule.
- 26 Replacement of Wastewater Assets**  
Overspent by \$352k due to additional costs because of the work site and reprioritisation of the overall renewals programme. Offset by underspend on Stormwater asset replacement (\$102k) and Watermain asset replacement (\$255k).
- 27 Pipe Upgrade Growth**  
Delivered programme under-budget.
- 28 Increase Capacity of Wastewater Network in Rototuna**  
This is on the deferral schedule.
- 29 Increase Capacity of Network in Peacockes Stage 1**  
This is on the deferral schedule.
- 30 Increase Capacity of Network Throughout the City**  
This is on the deferral schedule.
- 31 Increase Capacity of the Network (Bulk Storage)**  
This is on the deferral schedule.
- 32 Upgrade Wastewater Treatment Plant (Pukete 3)**  
This is on the deferral schedule.
- 33 Wastewater Treatment Plant Compliance**  
Works completed as per programme. Overspent by \$798k due to reprioritisation of programs between the Water and Wastewater Treatment Plants. Significantly offset by savings in CE15139 - Water Treatment Plant Compliance (\$506k).
- 34 Replacement of Watermains**  
Works not completed as per programme. Offset by overspend on CE10101 - Wastewater Asset Replacement.
- 35 Upgrade or Build New Watermains in Rototuna**  
This is on the deferral schedule.
- 36 Water Pipe Upgrade - Growth**  
Reliant on third party agreements with developers. Delivered under budget this financial year.
- 37 Upgrade/Build New Watermains in Rotokauri stage 1**  
This is on the deferral schedule.
- 38 Water Treatment Plant Compliance Minor Upgrades**  
Works completed as per programme. Underspent by \$506k due to reprioritisation of programs between the Water and Wastewater Treatment Plants. Offset by CE15120 - Wastewater Treatment Plant Compliance.
- 39 Rototuna Reservoir**  
Contractually committed bulk water main is being delivered ahead of program. Over-expenditure of \$2,470k in 2015/16, will be offset in 2016/17. Reservoir construction progressing well.
- 40 Upgrade or Build New Watermains in Ruakura**  
This is on the deferral schedule.
- 41 Fluoride Free Water Source**  
This is on the deferral schedule.

**42 Information Services Lease Funding of Equipment**

This is on the deferral schedule.

**43 Information Services Authority Replacement**

This is on the deferral schedule.

**POTENTIAL CAPITAL DEFERRALS**  
as at 30 June 2016

Activity	Project	Council / 3rd Party / Contractual / Other External	Deferral into 2016/17	Deferral into 2017/18	Total Value of Deferrals	Explanation
<b>INFRASTRUCTURE PROJECTS</b>						
<b>Rototuna</b>						
Water	CE15126 - Upgrade or build new watermains in Rototuna	3rd Party	463		463	Revised programmes, development timing and reliance on 3rd parties for North City Road upgrade, Borman Road East extension and Kay Road watermain improvements.
Wastewater	CE15105 - Increase capacity of wastewater network - Rototuna	3rd Party	453	900	1,353	Revised programmes, development timing and reliance on 3rd parties for North City Road upgrade, Borman Road East extension and River Road wastewater improvements.
Stormwater	CE15059 - Rototuna stormwater infrastructure	3rd Party	513		513	Revised programmes, development timing and reliance on 3rd parties for Borman Road East extension and stream erosion works.
	CE15064 - Stormwater pipe upgrade - Growth	3rd Party	61		61	Reliant on third party agreements with developers to complete engagements related to Magellan lake
Transportation	CE15092 - Roading upgrades and development in Rototuna	3rd Party	1,451		1,354	Revised programmes, development timing and reliance on 3rd parties for the North City Road upgrade and Borman Road Eastern and Western extensions and the Borman/Moonlight intersection.
<b>Total Rototuna</b>			<b>2,941</b>	<b>900</b>	<b>3,744</b>	
<b>Rotokauri</b>						
Water	CE15128 - Upgrade/build new watermains in Rotokauri stage 1	Contractual	277		277	Revised programme.
Wastewater	CE15111 - Increase capacity of network throughout the city	3rd Party	284		284	Far Western Interceptor project is behind programme due to reliance on 3rd party land access. Currently tracking behind baseline programme, however a programme is in place to award Far Western Interceptor contract in May 2017.
Transportation	CE15090 - Roading upgrades and development in Rotokauri stage 1	3rd Party	0	779	779	Revised programme, development timing and reliance on 3rd parties for Rotokauri Road upgrade. Delay to Ruffell/Onion Road upgrade to allow assessment of further options to satisfy Kiwi Rail.
<b>Total Rotokauri</b>			<b>561</b>	<b>779</b>	<b>1,340</b>	
<b>Peacocke</b>						
Stormwater	CE15062 - Peacocke stormwater infrastructure stage 1	3rd Party	0	624	624	Revised programme, development timing and reliance on 3rd parties. Reallocate \$360k to CE15162 - ICMPs to assist with Peacockes - Mangakotukutuku.
Wastewater	CE15109 - Increase capacity of network in Peacocke stage 1	3rd Party	1,022		1,022	Revised programme, development timing and reliance on 3rd party (defer to year 2018/19 for new pump station to match development programme).
Transportation	CE15088 - Roading upgrades and development in Peacocke stage 1	3rd Party	500		500	Required to support Southern Links conditions for Dixon-Ohaupo intersection.
	CE15089 - Roading upgrades and development in Peacocke stage 2	3rd Party	0	1,301	1,301	Property purchase provision is only utilised if land owners request purchase and HCC agrees.
<b>Total Peacocke</b>			<b>1,522</b>	<b>1,925</b>	<b>3,447</b>	
<b>Ruakura</b>						
Water	CE15148 - Upgrade or build new watermains in Ruakura	3rd Party	0	505	505	Revised programme, development timing and reliance on 3rd parties.
<b>Total Ruakura</b>			<b>0</b>	<b>505</b>	<b>505</b>	
<b>Citywide</b>						
Wastewater	CE15117 - Upgrade wastewater treatment plant (Pukete 3)	Contractual	102		102	Currently tracking behind baseline programme.
	CE15114 - Increase capacity of network (bulk storage)	Contractual	134		134	Currently tracking behind baseline programme.
Stormwater	CE15162 - Integrated catchment management plan	Contractual	600		600	\$360k reallocated from CE15062 for Peacockes Mangakotukutuku ICMP. An ICMP works programme is in place to complete works but project delivery is reliant on modelling outputs.
Transportation	PIF12005 - Hamilton Ring Road Completion	Contractual	8,822		8,822	Project completion is contractually committed, however revised construction programme will require potential gross expenditure deferral of up to \$9M. Note 100% advance funding from NZTA, no impact on Councils actual financial position.
Water Supply	CE15166 - Fluoride free water source	Contractual	53		53	Supplier has advised that a key component will be significantly delayed.
	CE10070 - Replacement of parking enforcement equipment	Contractual	328		328	Deferral required to align with program for Parking Equipment replacement project.
<b>Total Citywide</b>			<b>10,039</b>	<b>0</b>	<b>10,039</b>	
<b>Total Infrastructure Projects</b>			<b>15,063</b>	<b>4,109</b>	<b>19,075</b>	
<b>COMMUNITY PROJECTS</b>						
Hamilton City Theatres	CE10012 - Founders Theatre plant and equipment renewals	HCC	97		97	With the current closure of Founders Theatre these projects are on hold until a decision is made on the theatre's future.
	CE10014 - Founders Theatre building renewals	HCC	152		152	With the current closure of Founders Theatre these projects are on hold until a decision is made on the theatre's future.
Parks and Green Spaces	CE10032 - Parks and open spaces assets and playgrounds renewals	Other External	115		115	The Lake Magellan Bridge renewal is contractually committed and work is in progress. Due to initial consenting delays the construction start date was later than planned and will not be completed until 2016/17.
	CE15033 - Land purchase future reserves	3rd Party	598		598	Deferral is required as completion is dependent upon reaching agreement on land valuations and obtaining property titles.
	CE15034 - Destination playground public toilets	Contractual	127		127	The public toilet upgrade at Hamilton Lake Domain is contractually committed and work is being progressed. Deferral is required due to the delay caused by inclement weather conditions and some structural complexities (now resolved) meaning work will not be completed until the end of July 2017.
	CE15035 - Rototuna Park development	3rd Party	233		233	Deferral is required due to third party delays (developer) in the development of the swale upgrade (ditch) adjoining the park.
Claudlands and Stadia	CE10042 - Seddon Park plant and equipment	3rd Party	70		70	Wicket block replacement to be deferred based on advice from NZ Cricket.
	CE10045 - Claudlands property renewals	Other External	140		140	Delayed. Extra funding of \$140k brought forward for Oval Parking Improvements - in progress. Project wasn't completed due to bad weather, will be completed in early 2017. Key projects in progress: oval lighting (\$65k); toilet block renewal (\$65k). All other key projects were completed.
	CE10046 - Seddon Park property renewals	HCC	35		35	Defer gate improvements to 2016/17 to complete with budgeted path upgrade.
<b>Total Community Projects</b>			<b>1,567</b>	<b>0</b>	<b>1,567</b>	
<b>CORPORATE PROJECTS</b>						
Information Services	CE10156 - Lease funding of equipment	HCC	243		243	Deferred due to a delay in the roll-out of the new desktop hardware which requires new device types.
	CE15157 - Authority replacement	HCC	500		500	Unable to source a suitable regulatory system this year. Deferral required until the organisation is ready to progress.
<b>Total Corporate Projects</b>			<b>743</b>	<b>0</b>	<b>743</b>	
<b>Total Deferrals</b>			<b>17,373</b>	<b>4,109</b>	<b>21,385</b>	

## PIPELINE PROJECTS - to bring forward to 2015/2016

as at 30 June 2016

Activity	Project	Budgeted Cost \$000's	Rationale and other information	Budgeted in 10-Year Plan
<b>COMMUNITY PROJECTS</b>				
FMG Stadium Waikato	Property renewals function room PA system and lighting upgrade	118	PA Component was tendered with wider Stadium PA replacement that is currently underway. By completing both components together it will ensure the project is completed by the same contractor.	2016/17
	Property renewals data network cabling upgrade	150	The upgrade of the data network at the Stadium is required to support a range of essential services including the PA system, wi-fi network, ticketing and video screens. This is well overdue for replacement and essential to the continued efficient operation of the venue. This funding would be used for the first stage of installing cabling with equipment to be purchased in the next financial year.	2016/17
		<b>268</b>		
Claudelands	Property Renewals. Oval Parking Improvements	140	The entry points for parking on the oval are in poor condition and present a bad first impression to customers. Customers cars have had to be towed off the oval in wet weather. With additional events needing to be hosted following the closure of Founders Theatre the parking will be used more extensively.	2016/17 & 2019/20
	Property Renewals. Additional gate signage	30	A project is currently underway to install new gate signage and additional funding was allowed in future years to complete further stages. It is proposed to bring forward all funding and do this as one project.	2016/17 & 2017/18
		<b>170</b>		
Libraries	Operational asset renewals	97	1) \$30k for security gate/CCTV renewal at the community libraries 2) \$41k for shelving and furniture renewal (public area) 3) \$26k for Hillcrest library carpet (trip hazard)	2016/17
Parks & Green Spaces	Signage renewals	10	Renew aging signage in Braithwaite Park, Munro's Walkway and the parks in the western green belt	2016/17
	Path Renewals	165	\$123k for Braithwaite Park, Munro's walkway and \$42k for Ferry Bank	2017/18 & 2019/20
		<b>175</b>		
Hamilton Gardens	CE15027 - Proposed development programme	573	The overall 4 year programme is on track to be completed within the \$7.033m budget but the work programme is ahead of what was originally planned in the ten year plan budget as external funds have been secured ahead of when predicted. Funding is made up of external funds and the targeted rate. The combination of these covers this year's spend.	2016/17 & 2017/18
<b>Total Community Projects</b>		<b>1,283</b>		
<b>Total Pipeline Projects to Bring Forward</b>		<b>1,283</b>		



## TREASURY REPORT for the year ended 30 June 2016

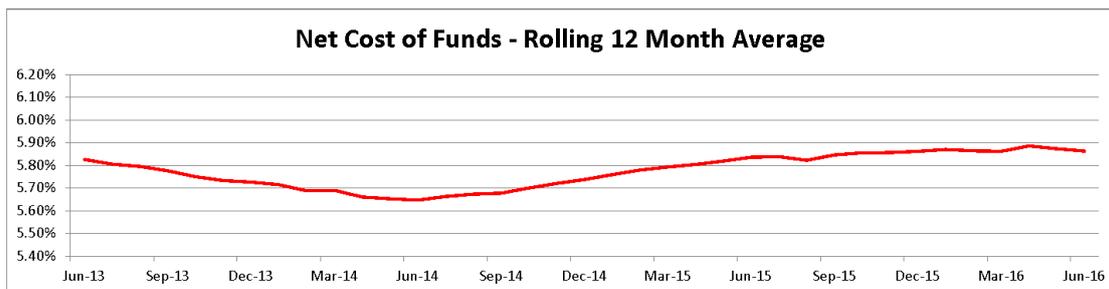
### Policy Compliance

	Policy	Result @ 30-Jun-16	Policy Compliance	
Fixed rate maturity	all years	within annual parameters	achieved for all years	✓
Funding maturity	0 - 3 years	15% - 60%	51%	✓
	3 - 5 years	15% - 60%	39%	✓
	5 years plus	10% - 60%	10%	✓
Liquidity ratio	minimum	110%	116%	✓
Counterparty credit risk	maximum	\$75m per bank	achieved	✓

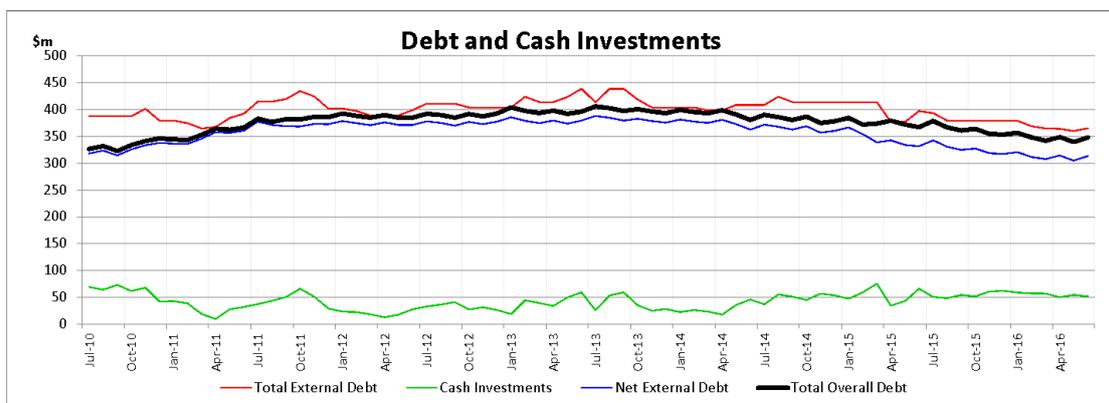
#### Comments on policy breaches

There are no breaches of policy.

Finance Costs (\$000's)	Result @ 30-Jun-16	Budget @ 30-Jun-16	Variance Fav. / (Unfav.)	Annual Budget
Interest and financing costs paid (net of interest paid to reserves)	21,070	22,647	1,577	22,647
less Interest received	(2,365)	(2,000)	365	(2,000)
<b>Net finance costs</b>	<b>18,705</b>	<b>20,647</b>	<b>1,942</b>	<b>20,647</b>
Weighted average net cost of funds (12 month rolling average)	5.86%	5.90%	0.04%	5.90%

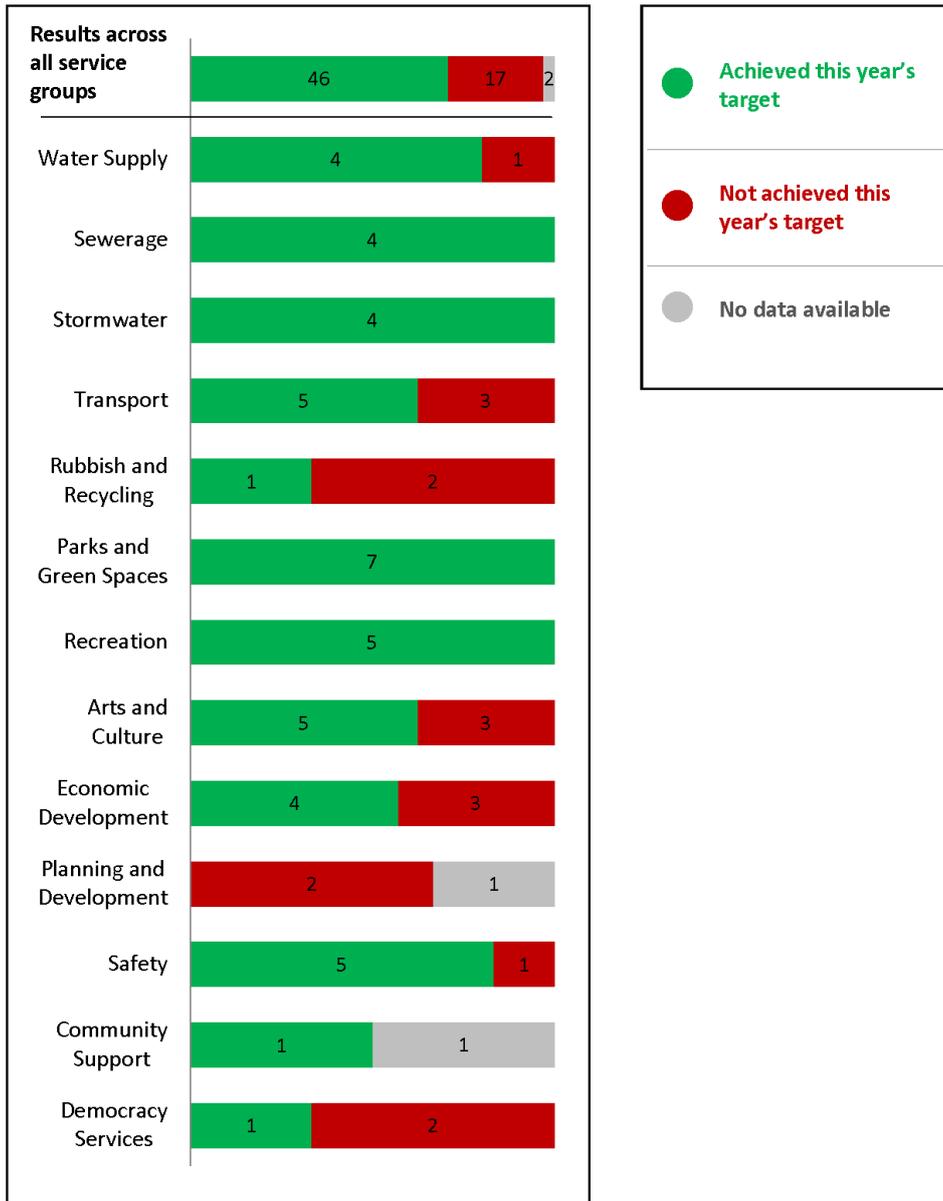


Debt and Cash Investments (\$000's)	Result @ 30-Jun-16	Budget @ 30-Jun-16	Variance Fav. / (Unfav.)
External debt	364,890	415,084	50,194
less Cash investments	(51,644)	(45,000)	6,644
Net external debt	313,246	370,084	56,838
add Cash-backed reserves	34,760	36,713	1,953
<b>Total overall debt</b>	<b>348,006</b>	<b>406,797</b>	<b>58,791</b>



## Service Performance Reporting for the year ended 30 June 2016

There are 65 Performance Measures contained in the 2015-25 10-Year Plan. The results below show that, overall, 71% (46) met the target, 26% (17) did not meet the target and 3% (2) have no data available. The Service Performance Exceptions Report provides details of the measures that are off track or have no data.



2015/2016: Water Supply

**City Waters (Water Supply)**

Level Of Service Statement	Measure	M	Qrt	Target	Fraction Of Successes	Result	Status	Comment
A timely response if there is a problem with the water supply.	The median response times for the following when the Council attends a call-out in response to a fault or unplanned interruption to its water system: C) Attendance for non-urgent call-outs: From the time that Council receives notification to the time that service personnel reach the site.	✓	1	Less than or equal to 5.00 Days	-	6.20	 Needs corrective action	days. Data monitoring will be increased and actioned as required to ensure the measure is met before the end of the year.
		✓	2	Less than or equal to 5.00 Days	-	4.77	 Needs corrective action	Data monitoring has been increased and actions implemented to ensure the measure is met before the end of the year. Results have improved in quarter 2.
		✓	3	Less than or equal to 5.00 Days	-	8.80	 Off track	There was a 20% increase in the number of water leaks that were REPORTED over the quarter which exceeded the available resources. This was possibly due to the City Waters led campaign encouraging the Reporting of leaks together with the initiative of making the information visible on the website. Priority was directed to urgent work, however additional resources were contracted in to assist and planning measures are to be put in place for summer 2016/17.
		✓	4	Less than or equal to 5.00 Days	-	5.86	 Off track	Due to the increase in reported water leaks in quarter 3, this resulted in an increased work load in quarter 4. Priority was directed to urgent work, with additional resources contracted to manage non-urgent call outs. Planning measures are to be put in place in preparation for the 2016/17 summer.
		Less than or equal to 5.00 Days						6.60

2015/2016: Transport

City Transportation

Level Of Service Statement	Measure	M	Qrt	Target	Fraction Of Successes	Result	Status	Comment
A Transport network that is safe to use.	The change from the previous financial year in the number of fatalities and serious injury crashes on Hamilton's local road network.	✓	1	Less than or equal to 25.00 deaths or serious injuries than the previous financial year	-		 No Data	Annual trend data results due Q4
		✓	2	Less than or equal to 25.00 deaths or serious injuries than the previous financial year	-		 No Data	Current trend data received shows we have less serious deaths/injuries than the previous years. Annual trend data results due Q4
		✓	3	Less than or equal to 25.00 deaths or serious injuries than the previous financial year	-		 No Data	The annual trend data results are due in quarter 4.
		✓	4	Less than or equal to 25.00 deaths or serious injuries than the previous financial year	-	26.00* (interim result as at 30 June 2016)	 Off track* (interim)	The 2015/16 data set is not complete. The data is collected externally and the complete data for 2015/16 will not be available until the end of September 2016. *26 is the interim result of 9 months of data, as at 30 June 2016. The number of deaths and serious injuries is rising nationally. A focus continues on activities which aim to reduce the deaths and serious injuries including minor traffic improvements, education programmes in schools and with the wider community.  ( 2014/15 result = 27)
				Less than or equal to 25.00 deaths or serious injuries than the previous		26.00*	 Off track	

Level Of Service Statement	Measure	M	Qrt	Target	Fraction Of Successes	Result	Status	Comment
The Council will invest in making biking safer	The change from the previous financial year in the number of deaths and serious injuries involving cyclists on Hamilton's roads.		1	Less than or equal to 3.00	-		 No Data	Annual trend data results due Quarter 4
			2	Less than or equal to 3.00	-		 No Data	Annual trend data results due quarter 4
			3	Less than or equal to 3.00	-		 No Data	Annual trend data results due quarter 4
			4	Less than or equal to 3.00	-	6.00* (interim result as at 30 June 2016)	 Off track* (interim)	The 2015/16 data set is not complete. The data is collected externally and the complete data for 2015/16 will not be available until the end of September 2016. *6 is the interim result of 9 months of data, as at 30 June 2016. The Hamilton Biking Plan continues to be implemented to ensure safe, accessible, biking options are available. (2014/15 result = 4)
		Less than or equal to 3.00						6.00*

Level Of Service Statement	Measure	M	Qrt	Target	Fraction Of Successes	Result	Status	Comment
A timely response to requests for service	The percentage of customer service requests relating to roads and footpaths responded to within five working days.	✓	1	Greater than or equal to 95.00 %	7 43.00/ 8 13.00	91.39	 Needs corrective action	There were 743 requests out of 813 responded to within 5 days, giving a percentage of 91 (Totals per month - July 308/351, August 167/185, September 268/277). Data monitoring will be increased and actioned as required to ensure the measure is met before the end of the year.
		✓	2	Greater than or equal to 95.00 %	7 54.00/ 8 03.00	93.90	 Needs corrective action	There will be a focus on the customer response times by completing regular proactive management and reviews. Data monitoring has been increased and actions implemented. There were 1,497 requests out of 1,616 responded to within 5 days
		✓	3	Greater than or equal to 95.00 %	6 83.00/ 8 24.00	82.89	 Needs corrective action	2,180/2,440. Jan 78%, Feb 81%, Mar 90%. We have identified which teams have struggled to achieve the performance standards and have put in place wrap around support. The specific area that struggled in the period was street scape. We received a large number of calls due to a period of extreme growth, and management changes meant that response times were not always met. With the management changes addressed there has been a dramatic improvement during March. This will continue to be of focus by way of our dashboard and management meetings during Quarter 4. We will continue to keep the focus on this item by way of our dashboard and management meetings during quarter 4
		✓	4	Greater than or equal to 95.00 %	9 04.00/ 10 31.00	87.68	 Off track	Apr 92.11%, May 87.04%, Jun 86.11%. (Totals per month - Apr 175/190, May 450/517, Jun 279/324). There was a large amount of calls relating to flooding issues due to heavy rain which meant service requests were required to be prioritised. Service request response times will be monitored during 2016/17 to ensure these continue to be proactively managed.
						Greater than or equal to 95.00 %	3 084.00/ 3 471.00	88.85

2015/2016: Rubbish and Recycling

City Waters (Rubbish and Recycling)

Level Of Service Statement	Measure	M	Qrt	Target	Fraction Of Successes	Result	Status	Comment
Reliable rubbish and recycling collections.	The number of weeks with more than 20 complaints about uncollected kerbside household rubbish and recycling.		1	Equal 0.00 weeks	-	0.00	 On track	
			2	Equal 0.00 weeks	-	0.00	 On track	
			3	Equal 0.00 weeks	-	1.00	 Off track	A large number of excess bags were not collected during January, resulting in increased customer complaints being received. The complaints were partly around an increased number of bags (above the allowed 2) being put out at a busy time of year, but also some issues around new drivers not being fully aware of the routes. The latter point is to be taken up with Waste Management at a forthcoming Contract Meeting.
			4	Equal 0.00 weeks	-	0.00	 On track	Target met during quarter 4. The end of year target was not met due to 1 week where more than 20 complaints were received. Complaints will continue to be monitored during 2016/17 to ensure these continue to be proactively managed.
		Equal 0.00 weeks						1.00

Level Of Service Statement	Measure	M	Qrt	Target	Fraction Of Successes	Result	Status	Comment
The Council will promote and encourage recycling and reuse.	The percentage of waste recovered for recycling through the kerbside collection.		1	Greater than or equal to 30.00 %	20 53.32/ 74 94.41	27.40	 Off track	The figure for quarter 1 is slightly lower than usual, this is due to the way our Contractor calculates the monthly recycling tonnage (based on what is transported off site for further treatment). There were no volumes transported off site for some waste streams in September resulting in a lower recycling tonnage for that month and a lower percentage result for the quarter. Further long term improvements will be seen as waste minimisation initiatives are implemented.
			2	Greater than or equal to 30.00 %	25 34.00/ 82 83.00	30.59	 On track	Further significant improvements in the percentage of waste recovered for recycling are not anticipated to be observed until proposed improvements are implemented. These include the long term waste education, communication, marketing and engagement strategy, soon to be finalised, and any future changes to expand the level of service of the kerbside recycling collection. Quarter 2 did meet the target with a result of 31%. The year to date result is still off track due to the quarter 1 result of 27.4%
			3	Greater than or equal to 30.00 %	22 33.01/ 81 97.38	27.24	 Off track	Further significant improvements in the percentage of waste recovered for recycling are not anticipated to be observed until proposed improvements are implemented. These include the long term waste education, communication, marketing and engagement strategy soon to be finalised and any future changes to expand the level of service of the kerbside recycling collection. 6,820 tonnes out of 23,974 tonnes recovered.
			4	Greater than or equal to 30.00 %	20 86.81/ 77 44.66	26.95	 Off track	Further significant improvements in the percentage of waste recovered for recycling are not anticipated to be observed until proposed improvements are implemented. These improvements include the long term waste education, communication, marketing and engagement strategy and any future changes to expand the level of service of the kerbside recycling collection.
			Greater than or equal to 30.00 %		8 907.14/ 31 719.45	28.08	 Off track	

2015/2016: Arts and Culture

**Hamilton City Libraries**

Level Of Service Statement	Measure	M	Qrt	Target	Fraction Of Successes	Result	Status	Comment
A modern and relevant library service	The number of physical and online visits to the libraries each year		1	Greater than or equal to 1.00 % increase each year	-	-3.90	Off track	Year to date visitor numbers are now showing a 3.9% decrease when compared to the same period last Financial year
			2	Greater than or equal to 1.00 % increase each year	-	-5.40	Off track	Decreasing visitor numbers has been a national trend. Public Libraries New Zealand is undertaking research to gain a better understanding of this change and we are interested in using this data once it is available. Online visits are steadier than physical visits and the use of e-collections is significantly increasing. Libraries are purchasing more e-collections to sustain this online interest. Libraries are also continuing to provide a range of programmes in line with the Libraries' Strategic Plan to encourage physical visitors.
			3	Greater than or equal to 1.00 % increase each year	-	-6.30	Off track	The target for the year is not expected to be reached. Decreasing visitor numbers has been a national trend. Public Libraries New Zealand has researched the decline and found that the traditional role of libraries is likely to change with new technologies and changing community needs. The use of e-collections is significantly increasing and we are purchasing more e-collections to sustain this online interest. Libraries are also continuing to provide a range of programmes in line with the Libraries' Strategic Plan to encourage physical visitors.
			4	Greater than or equal to 1.00 % increase each year	-	-2.50	Off track	Total virtual and physical visits for the year is: 1,307,317. The decline in visits correlates to the decline in 'use of the libraries collections'.
		Greater than or equal to 1.00 % increase each year						-2.50

Level Of Service Statement	Measure	M	Qrt	Target	Fraction Of Successes	Result	Status	Comment
A modern and relevant library service	Use of the Library Collections, both Print and Electronic		1	Greater than or equal to 1.00 % increase each year	-	-5.60	 Off track	The quarter has been lower than expected with the total issues at 376,100. This is partly due to seasonal fluctuations and is expected to pick up in quarters 2 and 4.
			2	Greater than or equal to 1.00 % increase each year	-	-5.90	 Off track	The decline in Hamilton's issues is less than the national average of 8.01%. E-collections, when compared to the same period last year, have increased 129.8%. Although online visits have declined (only 1%), they have not declined as much as physical visits. There is a plan in place to continue increasing the proportion of e-collections with an aim to increase expenditure to 30% of our total collections budget by 2020.
			3	Greater than or equal to 1.00 % increase each year	-	-5.60	 Off track	The target for the year is not expected to be reached. Collection usage also follows the same trend as the number of physical and virtual visitors. There is a plan in place to continue increasing the proportion of e-collections with an aim to increase expenditure to 30% of our total collections budget by 2020.
			4	Greater than or equal to 1.00 % increase each year	-	-4.86	 Off track	Total for the year: 1,422,759 items from the collections (electronic and print) issued to customers. This result is a reflection of the decline in usage that is happening nationally and has been occurring over the last few years
		Greater than or equal to 1.00 % increase each year						-4.86

H3

Level Of Service Statement	Measure	M	Qrt	Target	Fraction Of Successes	Result	Status	Comment
Theatres will be well used	the total number of people attending events at Founders each year		1	Greater than or equal to 12500.00	-	15006.00	 On track	
			2	Greater than or equal to 12500.00	-	17662.00	 On track	
			3	Greater than or equal to 12500.00	-	1905.00	 Off track	Founders Theater interim closure from March 1 2016. Target was on track, however due to the closure it will not be met.
			4	Greater than or equal to 12500.00	-	78.00	 Off track	69% of year end target achieved. Target was on track but due to Founders Theatre interim closure from March 1 2016, it has not been met.
		Greater than or equal to 50000.00						34 651.00

## 2015/2016: Economic Development

## Economic Growth

Level Of Service Statement	Measure	M	Qrt	Target	Fraction Of Successes	Result	Status	Comment
Growth in Hamilton and Waikato region visitor economy	The percentage of growth in the visitor economy of the Hamilton and Waikato region.		1	Greater than 2.80 %	-		 No Data	This is an annual expenditure figure provided by Ministry of Business, Innovation and Employment (MBIE) and isn't available quarterly. The results for year end March 2016 will be available in November 2016. MBIE have recast growth figures so Hamilton and Waikato Tourism have decreased their target to 2.7% .
			2	Greater than 2.80 %	-		 No Data	This is an annual expenditure figure provided by Ministry of Business, Innovation and Employment (MBIE) and isn't available quarterly. The results for year end March 2016 will be available in November 2016. MBIE have recast growth figures so Hamilton and Waikato Tourism have decreased their target to 2.7% .
			3	Greater than 2.80 %	-		 No Data	This is an annual expenditure figure provided by Ministry of Business, Innovation and Employment (MBIE) and isn't available quarterly. The results for year end March 2016 will be available in November 2016. MBIE have recast growth figures so Hamilton and Waikato Tourism have decreased their target to 2.7% .
			4	Greater than 2.80 %	-		 No Data	This is an annual expenditure figure provided by Ministry of Business, Innovation and Employment (MBIE) and isn't available quarterly. The results for year end March 2016 will be available in November 2016. MBIE have recast growth figures so Hamilton and Waikato Tourism have decreased their target to 2.7% .
				Greater than 2.80 %			No Data	

H3

Level Of Service Statement	Measure	M	Qrt	Target	Fraction Of Successes	Result	Status	Comment
Our venues should be well used	The total number of hire days across the Claudelands facilities each year.		1	Greater than or equal to 125.00 Days	-	145.00	On track	Result was recorded as 245 in quarter 1 because of a system generated error in the event booking management system. Updated 03.02.16
			2	Greater than or equal to 125.00 Days	-	106.00	On Track	Due to seasonal fluctuations the measure is on track
			3	Greater than or equal to 125.00 Days	-	94.00	Off track	Seasonal Events result in lower hire days during this quarter. Measure is still on track for the year.
			4	Greater than or equal to 125.00 Days	-	141.00	On track	97% of year end target achieved.
		Greater than or equal to 500.00 Days						486.00
Our venues should be well used	The number of people attending events at Claudelands each year.		1	Greater than or equal to 45000.00	-	52400.00	On track	Result was recorded as 51,401 in Q1 because of a system generated error in the event booking management system. Updated 03.02.16
			2	Greater than or equal to 45000.00	-	25854.00	Off track	
			3	Greater than or equal to 45000.00	-	33527.00	Off track	A reduction in exhibition activity has seen a decline in attendance figures for the 2015/16 financial year. Forecast attendance for the year end is currently 178,000 which is 2,000 down on the target.
			4	Greater than or equal to 45000.00	-	58253.00	On track	95% of year end target achieved. Renewed strong seasonal business lift in 4th quarter.
		Greater than or equal to 180000.00						170 034.00

Level Of Service Statement	Measure	M	Qrt	Target	Fraction Of Successes	Result	Status	Comment
Our venues should be well used	The number of people attending events at the stadiums each year.		1	Greater than or equal to 50000.00	-	19573.00	 Off track	
			2	Greater than or equal to 50000.00	-	16544.00	 Off track	
			3	Greater than or equal to 50000.00	-	48309.00	 Off track	There were no semi-final or final rugby matches in Quarter 1 or 2 and no planned All Blacks matches for the financial year. Forecast attendance for the year is 170,000 which is 30,000 down from the target.
			4	Greater than or equal to 50000.00	-	74031.00	 On track	79% of year end target achieved. As advised in Q3, with no Super Rugby semi or final matches and no All Blacks matches in 2015/16 the target was not going to be met. A strong result considering the lack of the above matches this year.
			Greater than or equal to 200000.00			158 457.00	 Off track	

2015/2016: Planning and Development

**Building Control**

Level Of Service Statement	Measure	M	Qrt	Target	Fraction Of Successes	Result	Status	Comment
Planning and building consents will be processed on time - Building Control.	<b>The percentage of building consents processed within statutory timeframes.</b>		1	Equal 100.00 %	4 92.00/ 4 98.00	98.80	 Off track	Resource challenges have effected the workflow and timeframes of building consents in the last quarter
			2	Equal 100.00 %	4 96.00/ 4 96.00	100.00	 On track	
			3	Equal 100.00 %	3 59.00/ 3 59.00	100.00	 On track	Quarter 3 had 100% of consents processes within statutory timeframes, Previous quarters reported timeframes as being off track for building consent applications. The Units timeframes were effected due to resource challenges and a steady increase in building consent applications.
			4	Equal 100.00 %	4 46.00/ 4 48.00	99.55	 Off track	Two building consents exceeded timeframe in April owing to resourcing issues.
						Equal 100.00 %	1 793.00/ 1 801.00	99.56

## Planning Guidance

Level Of Service Statement	Measure	M	Qrt	Target	Fraction Of Successes	Result	Status	Comment
Planning and building consents will be processed on time - Planning Guidance.	The percentage of non-notified resource consent applications processed within statutory timeframes.		1	Equal 100.00 %	2 03.00/ 2 08.00	97.60	 Off track	Was reported as 99.8%, updated on 22.03.16. Applications processed outside of timeframes due to a miscount of days and consultant negotiations to ensure agreed conditions of consent were reached to best reflect the environment.
			2	Equal 100.00 %	1 82.00/ 1 82.00	100.00	 On track	No consents were processed out of time.
			3	Equal 100.00 %	1 21.00/ 1 22.00	99.18	 Off track	The difference in the number of consents that went over time in Q1 from what was originally reported is that when the report for that quarter was prepared, data entry had not fully been completed.
			4	Equal 100.00 %	1 96.00/ 1 96.00	100.00	 On track	No consents were processed out of time during quarter 4. The annual result is off track due to consents being processed out of time in quarters 1 and 3.
				Equal 100.00 %		702.00/ 708.00	99.15	 Off track

2015/2016: Safety

City Safe

Level Of Service Statement	Measure	M	Qrt	Target	Fraction Of Successes	Result	Status	Comment
Premises selling food will be regularly monitored.	The percentage of high risk premises selling food inspected at least once each year for compliance with the current food safety requirements (excluding those premises subject to the new Food Act 2014 regime).		1	Equal 100.00 %	-	98.00	 Off track	291 out of 296 high risk food businesses have been inspected at least once in the past 12-months; 5 remaining premises have been scheduled for inspection over the weekend periods when they are operating next quarter.
			2	Equal 100.00 %	-	99.00	 Off track	1 remaining premises scheduled for inspection in late January. 293/294
			3	Equal 100.00 %	-	100.00	 On track	All high risk premises completed. 272/272.
			4	Equal 100.00 %	-	99.00	 Off track	2 remaining premises both rescheduled for next quarter. (245/247 inspected this year).
		Equal 100.00 %						99.00

2015/2016: Community Support

Risk and Emergency Management

Level Of Service Statement	Measure	M	Qrt	Target	Fraction Of Successes	Result	Status	Comment
The Council to always be ready for an emergency	Hamilton's overall capability for an emergency event, assessed against the Ministry of Civil Defence criteria		1	Greater than or equal to 75.00 %	-		 No Data	No data Hamilton City increased its score in Emergency Management from 72% to 75% in the MCDEM Local Government Capability Self Assessment for 14/15. The national 'Shake Out' exercise is set for 15 October 2015 with 25,561 participants already registered in the Hamilton community. The next assessment is not due until the 4th quarter.
			2	Greater than or equal to 75.00 %	-		 No Data	no data Hamilton City increased its score in Emergency Management from 72% to 75% in the MCDEM Local Government Capability Self Assessment for 14/15. The next assessment is not due until the 4th quarter.
			3	Greater than or equal to 75.00 %	-		 No Data	No data Hamilton City increased its score in Emergency Management from 72% to 75% in the MCDEM Local Government Capability Self Assessment for 14/15. The next assessment is not due until the 4th quarter.
			4	Greater than or equal to 75.00 %	-		 No Data	No data An informal external review of the capability of Hamilton CDEM was undertaken in Q.4 by Waikato Group Civil Defence. No self assessment was undertaken so there is no data to report. A formal external assessment will be undertaken by Department of Prime Minister & Cabinet in Q.1 of 2016/2017 and this will provide baseline data going forward.
				Greater than or equal to 75.00 %			No Data	

Democracy

Level Of Service Statement	Measure	M	Qrt	Target	Fraction Of Successes	Result	Status	Comment
Timely and open access to public information	63. The percentage of official information requests responded to within 20 working days		1	Equal 100.00 %	78.00/ 78.00	100.00	 On track	
			2	Equal 100.00 %	51.00/ 52.00	98.08	 Off track	131 Official Information requests have been received this year. 130 were responded to within 20 working days.
			3	Equal 100.00 %	45.00/ 46.00	97.83	 Off track	446 Official Information requests received this quarter; 45 were responded to within 20 working days. One was responded to on the 21st working day due to a delay in the unit responsible providing information.
			4	Equal 100.00 %	40.00/ 41.00	97.56	 Off track	41 Official Information requests received; 40 responded to within 20 working days. Information was not provided from the unit responsible in time to meet the deadline. The response was one day late.
						Equal 100.00 %	214.00/ 217.00	98.62
Timely and open access to public information	65. The percentage of Council meeting agendas circulated at least two working days prior to the meeting		1	Equal 100.00 %	62.00/ 62.00	100.00	 On track	
			2	Equal 100.00 %	24.00/ 24.00	100.00	 On track	
			3	Equal 100.00 %	22.00/ 23.00	95.65	 Off track	23 agendas were circulated this quarter. Due to a report review, one agenda was distributed outside of this timeframe by 6 hours.
			4	Equal 100.00 %	18.00/ 19.00	94.74	 Off track	19 agendas were circulated this quarter. One was not distributed at least two days prior to the meeting.
						Equal 100.00 %	126.00/ 128.00	98.44

**Committee:** Finance Committee **Date:** 18 August 2016  
**Report Name:** Claudelands - Quarter 4 and Year End Report 2015-16 **Author:** Sean Murray

<b>Report Status</b>	<i>Open</i>
<b>Strategy, Policy or Plan context</b>	<i>Hamilton Plan, 2015-2025 10-Year Plan, Economic Development Agenda, Central City Transformation Plan</i>
<b>Financial status</b>	<i>There is budget allocated</i>
<b>Assessment of significance</b>	<i>Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

## 1. Purpose of the Report

- To present the Claudelands Event Centre performance report for Quarter 4 and Year End (1 July 2015 to 30 June 2016).

## 3. Executive Summary

- The report is a quarterly and year end summary of financial and non-financial performance of Claudelands Event Centre as requested by the Finance Committee at it's meeting on 19 November 2015.
- Key Financial activity across the period(s):
  - Revenue down on budget, with an unfavourable variance of \$635k
  - Costs containment in relation to reduced revenue activity, along with the review of useful life and valuation of Claudelands resulted in a favourable expenditure variance of \$1.46m
  - Deficit for the year was at \$8.586m, which is \$810k favourable against budget
  - The current forecast for 2016-17 Quarter 1 is well up on the same period in 2015-16 with over 100,000 people attending events at Claudelands between July and September 2016.

## 6. Recommendation from Management

- That the report be received.

## 8. Attachments

- Attachment 1 - Claudelands Q4 and Year End Report 2015-16

## Signatory

Authoriser	Sean Murray, Executive Director H3 and Events
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# C L A U D E L A N D S

Venue Report

## **Quarter 4 and 2015-16 Year End Report**

For 1 July 2015 – 30 June 2016

Prepared August 2016



Claudlands | FMG Stadium Waikato | Seddon Park | Founders Theatres | Technical Services | Turf Services  
a / Gate 1, Brooklyn Road, Hamilton 3214, PO Box 9094, Waikato Mail Centre, Hamilton 3240, New Zealand | p / +64 7 929 3000 | w / h3group.co.nz



## 1. Summary Comment

1.1 The fourth quarter of the year (April-June) has delivered an additional 58,000 attendees at functions and events at Claudelands. The operation remains on track to receive its one millionth visitor in August 2016.

1.2 The changing mix in the business categories continue to be challenging with reduced high revenue exhibition activity. By contrast our current forecast for the first quarter in the 2016/17 financial year is well up on the same quarter the year before as a result of a lift in the number of exhibition and performance events. July to September 2016 will see over 100,000 people attending an event at Claudelands. (see 9.1)

1.3 Notable events that took place at Claudelands including actual attendance in Q4 were as follows:

- Battlegrounds NZ 2016 (469)
- Judith Durham (931)
- The Proclaimers (925)
- Ice Age Live! (15,469)
- Hospice Waikato Bucket List Banquet 2016 (760)
- University of Waikato Graduations (7,050)
- Three Magic Netball games (4,363)
- Chopper (713)
- Vaisakhi Mela Cultural Performance (1,200)
- Dairy Women's Network Conference (323)
- Comedy Convoy (832)
- Tainui Waka Cultural Trust Kapa Haka performance (3,246)
- Women's Lifestyle Expo 2016 (12,000)
- NZ Veterinary Conference 2016 (550)

## 2. Q4 Activity Snapshot 1 April 2016 – 30 June 2016 and Year End Summary

2015/16 Q4				2015/16 Year End			
Event Type	Number of Events	Hire Days	Attendance	Event Type	Number of Events	Hire Days	Attendance
Business Events	38	63	12,943	Business Events	168	277	35,849
Exhibition	4	30	14,900	Exhibition	14	126	83,550
Performance	10	39	26,047	Performance	14	50	31,913
Sport	3	9	4,363	Sport	9	32	18,722
<b>Total</b>	<b>55</b>	<b>141</b>	<b>58,253</b>	<b>Total</b>	<b>205</b>	<b>486</b>	<b>170,034</b>

### 3. 2015-16 Year to Date: Profit and Loss Summary

#### 3.1 For the period 1 July 2015 – 30 June 2016

Prior YTD Actual 2014/15 \$000	Year to Date		Variance Favourable/ (Unfavourable) \$000	Annual Budget \$000
	Actual \$000	Budget \$000		
<b>Revenue</b>				
(3) Rates, excluding Water	(6)	0	(6)	0
0 Water Rates	0	0	0	0
3,113 Revenue from Activities	2,996	3,631	(635)	3,631
96 Subsidies and Grants	6	0	6	0
0 Development Levies & Financial Contributions	0	0	0	0
463 Other Revenue	357	323	34	323
<b>3,669 Total Revenue</b>	<b>3,353</b>	<b>3,954</b>	<b>(601)</b>	<b>3,954</b>
<b>Expenses</b>				
1,151 Personnel Costs	1,153	1,299	146	1,299
Other Expenses				
5,140 - Operating & Maintenance Costs	2,781	3,022	241	3,022
198 - Professional & IT Costs	11	99	88	99
795 - Administrative Costs	1,006	836	(170)	836
626 - Property Costs	663	883	220	883
922 Depreciation and Amortisation	3,226	4,051	825	4,051
4,433 Finance Costs	3,042	3,160	118	3,160
<b>13,265 Total Expenses</b>	<b>11,881</b>	<b>13,349</b>	<b>1,468</b>	<b>13,349</b>
<b>(9,596) Operating Surplus/(Deficit)</b>	<b>(8,528)</b>	<b>(9,395)</b>	<b>867</b>	<b>(9,395)</b>
0 Gains and Losses	(58)	0	(58)	0
<b>(9,596) Surplus/(Deficit)</b>	<b>(8,586)</b>	<b>(9,395)</b>	<b>810</b>	<b>(9,395)</b>

#### 3.2 Personnel

\$146k favourable. This variance is predominantly due to cost containments with less than budgeted activity.

#### 3.3 Depreciation and Amortisation

\$825k favourable. As reported previously, the variance is due to the useful life of the asset being independently reassessed and extended as a part of the latest revaluation carried out during the 2015 financial year, resulting in the reduction of the depreciation expense. This favourable variance continued to increase through to year end. The revaluation was completed after budgets were set. The budget for 2016/17 will reflect the extended useful life.

#### 3.4 Other Expenses

\$378k favourable. The unfavourable variance in revenue from activities has consequently impacted positively on operating costs resulting in this increasing variance.

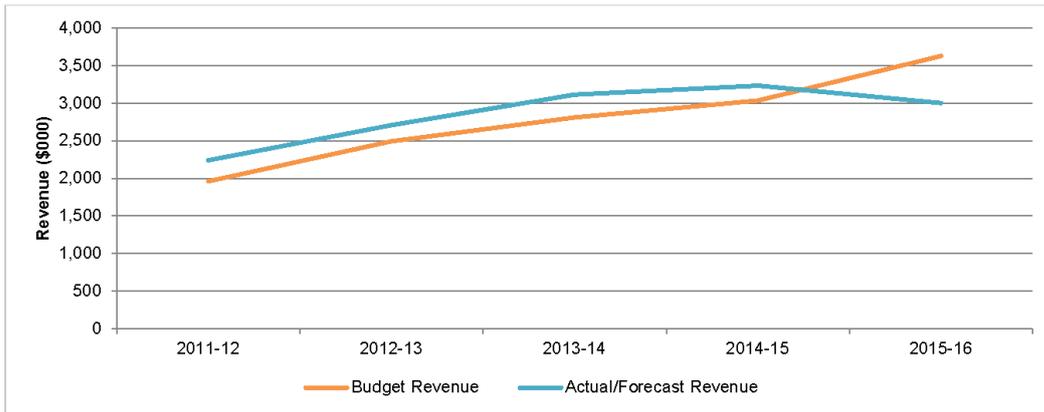
**3.5 Gains and Losses**

\$58k unfavourable. Improvements to outbuildings at Claudelands resulted in the write off of minor building components.

**4. Year End Revenue Variance 1 July 2015 – 30 June 2016**

**4.1** At year end the revenue variance was \$635k unfavourable. The budgeted revenue increase of 12% was not met. This has been offset by operational cost savings.

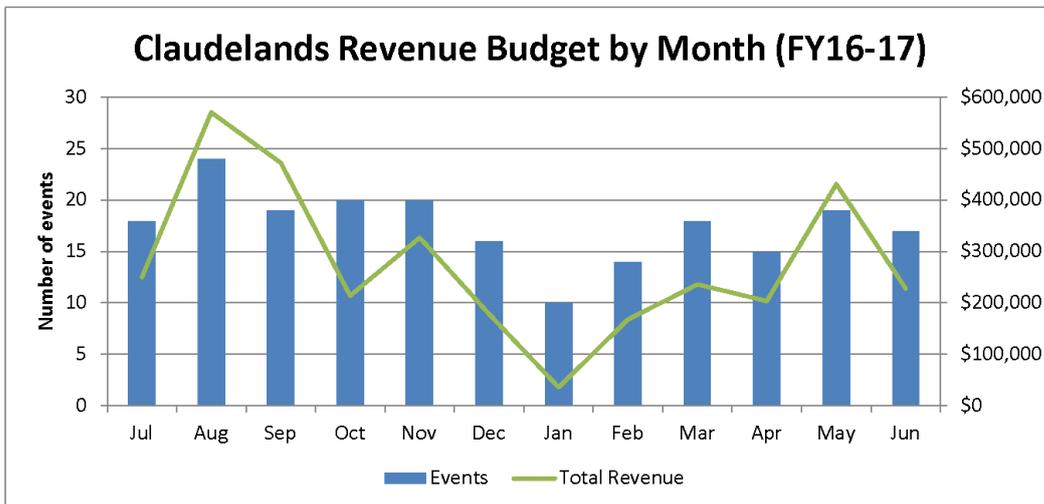
**4.2** 2015/16 net revenue in was down 7% on 2014/15 results.



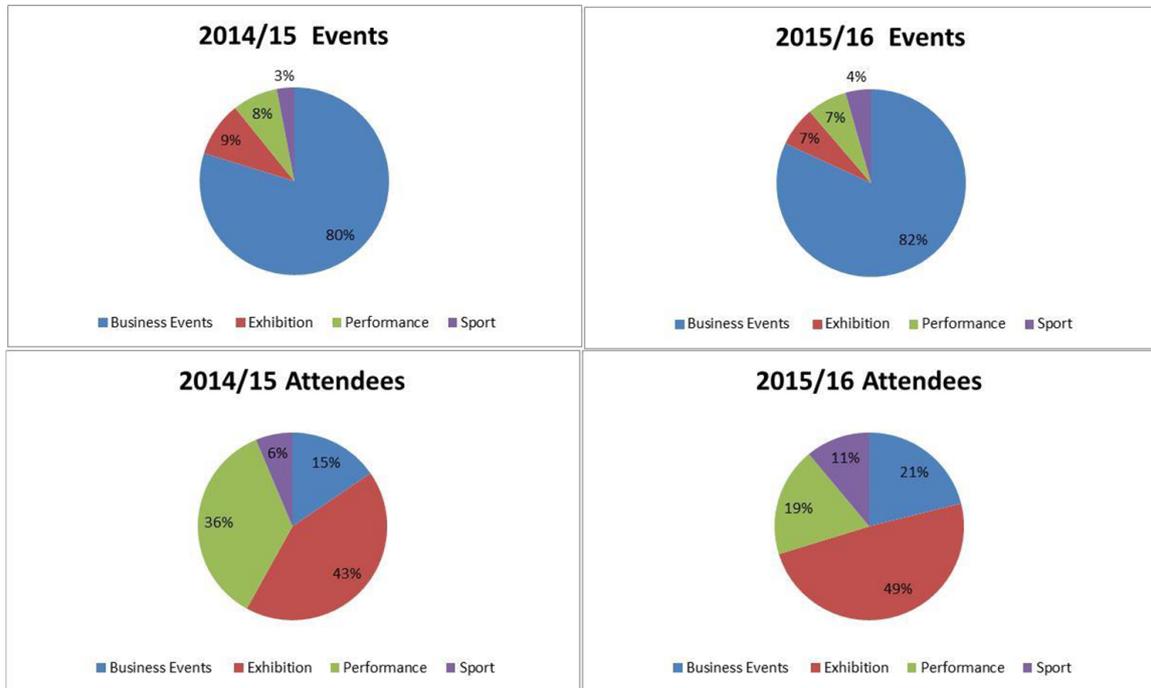
**5. Revenue Budget 2016-17**

**5.1** The FY16/17 Total Revenue budget is \$3,315,285.

**5.2** Our event volume target is forecasted at 210 events across the year.



**6. Comparison of Year End Activity – 2014/15 vs. 2015/16**



\* 2014/15 results included Disney on Ice patronage (Performance Event) of 30,435 not repeated in the 2015/16 year.

**7. 2015-16 KPI Results**

- 7.1 There are two 2015-2025 10-Year Plan performance measures that relate to Claudelands business. We measure the number of days a venue is hired instead of the number of events to get a more accurate picture of how much Claudelands is being used. The venue has multiple spaces available for hire and can host a number of different events on any particular day.
- 7.2 KPI results are also reported in the 10-Year Plan Monitoring Report to Finance Committee and are summarised below:

Measure	Target	Q1	Q2	Q3	Q4	Overall Status	Comment
The total number of hire days across the Claudelands facilities each year	At least 500 days	145	106	94	141	486 target not achieved	97% of target achieved.
The number of people attending events at Claudelands each year	At least 180,000 people	52,400	25,854	33,527	58,253	170,034 target not achieved	95% of target achieved. Renewed strong seasonal growth in 4 <sup>th</sup> quarter. A reduction in Australasian exhibition activity has seen a decline in patronage.

**8. Conversion rates – Business Events**

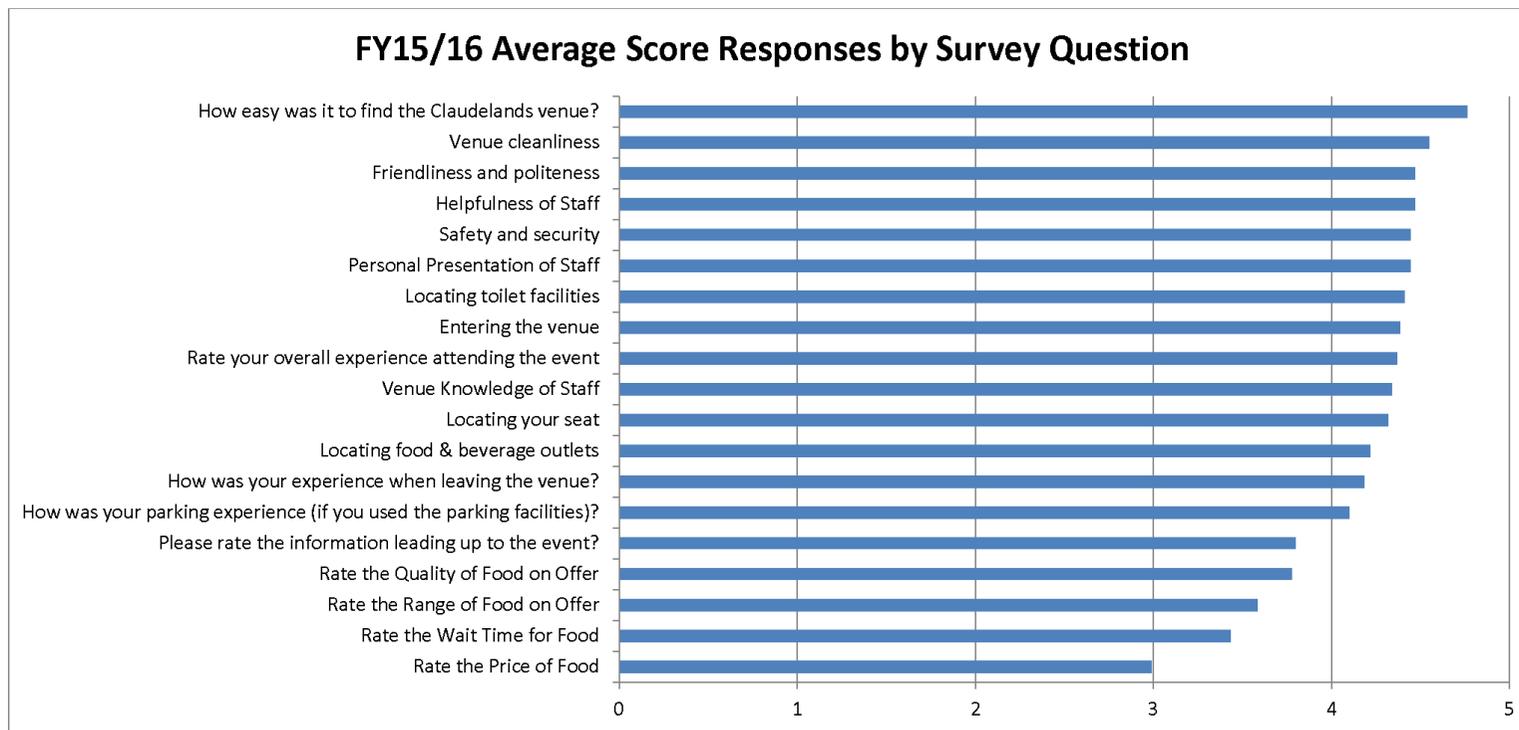
- 8.1 In 2015/16 year, 73% of quotation enquiries resulted in a contracted booking as compared to 68% in 2014/15. This is shown in the table below:

	Q1	Q2	Q3	Q4	Year End
2014/15	59%	75%	71%	73%	68%
2015/16	76%	72%	73%	69%	73%

**9. Customer Satisfaction Surveys**

**9.1** Staff compiled all the results from the 2015-16 surveys and the overall score was 83% (or 4.1 out of 5). This was calculated by taking an average of the event score per question.

**9.2 FY15/16 Average Score Responses by Survey Question**



Venue Report – Claudelands Events Centre – Q4 and Year End, 2016

## 10. Forward Bookings – Quarter 1 2016-17

### 10.1 Current bookings (Enquiry to Closed Status) for 2016-17 vs. bookings at same time 2015-16 (as at 1/08/16 and 1/08/15)

Event Type	Events				Hire Days			
	15-16	16-17	Variance	%	15-16	16-17	Variance	%
Business Events	133	126	-7	-5%	228	303	75	33%
Exhibition	17	67	50	294%	138	237	99	72%
Performance	10	31	21	210%	40	99	59	148%
Sport	18	13	-5	-28%	76	67	-9	-12%
<b>Total</b>	<b>178</b>	<b>237</b>	<b>59</b>	<b>33%</b>	<b>481</b>	<b>705</b>	<b>224</b>	<b>47%</b>

### 10.2 Upcoming notable Q1 events (with actual or estimated attendance) at Claudelands include:

- Magic vs. Thunderbirds ( 2,288 act)
- ANZ Championship elimination semi finals and finals (4,642 act)
- Waikato Baby Expo 2016 (5,500 act)
- The Wiggles Town Tour (1,857 act)
- Waikato Home & Garden Show (35,000 est)
- Brick Man LEGO® Experience (10,000 est)
- Disney on Ice Presents Magical Ice Festival (25,000 – 29,000 est)
- Hamilton and Waikato Farmers Market
- Ultimate Bowie Concert (1,000 est)
- Dr Libby 'From Surviving to Thriving' (600 est)
- NZSO: Swing into Spring (800 est)
- Farmers 'What a Woman Wants' (500 est)
- Warehouse Conference 2016 (500 est)
- Menopause the Musical (700 est)
- SANZEA Quad Series Netball Silver Ferns vs. SPAR Proteas (South Africa) (4,000 estimated)

**Committee:** Finance Committee

**Date:** 18 August 2016

**Report Name:** External Funding  
Subcommittee Triennial  
Report

**Author:** Deanne McManus-Emery

<b>Report Status</b>	<i>Open</i>
<b>Strategy, Policy or Plan context</b>	<i>External Funding Applications Policy</i>
<b>Financial status</b>	<i>There is not budget allocated</i>
<b>Assessment of significance</b>	<i>Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

## 1. Purpose of the Report

- To update Council on the progress and successes of the External Funding Subcommittee during the Triennium.

## Recommendation from Management

That the report be received

## 3. Attachments

- Attachment 1 - External Funding Trend Data 2013-16

## 5. Key Issues

### 6. Background

- The External Funding Subcommittee was established as part of the 2013/16 Governance Structure. The terms of Reference for the Subcommittee included the following elements:
  - To determine the priority of Hamilton City Council projects suitable for contestable and philanthropic funding, excluding NZTA funding.
  - Approve applications for Hamilton City Council projects suitable for contestable and philanthropic funding including applications to Vibrant Hamilton Trust and Government funding.
  - Support efforts for sponsorship and other funding.
  - Develop and recommend an External Funding Policy to Strategy and Policy Committee by 30 March 2014.
- The [External Funding Applications Policy](#) was adopted by Council in June 2014, setting out the process around gaining external funding for Council projects.

**Item 8**

9. The Subcommittee has prioritised the key projects for each financial year, and met quarterly to approve funding applications to a range of funders.

**10. Key Successes**

11. Over the 3-years of this triennium \$9,478,674 has been sourced through external funding opportunities.

12. The following four key funding successes have occurred during this triennium:

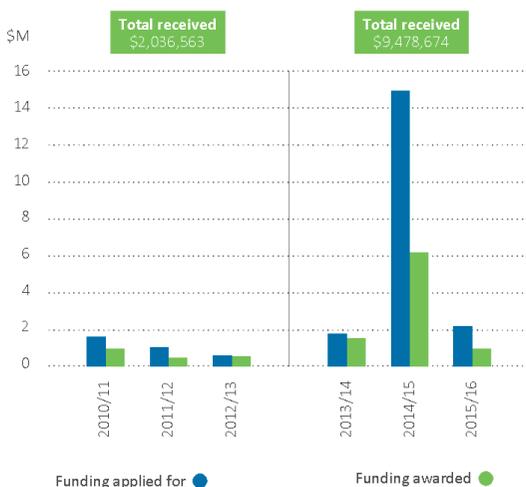
- As part of the Biking Plan, the Western Rail Trail secured the required \$4 million to develop the trail, including \$3 million from the Urban Cycleway Fund.
- Both Dominion Park and Minogue Park Destination Playgrounds secured the required 1/3<sup>rd</sup> external contributions needed for development, \$350,000 in total.
- Seddon Park changing rooms and umpire area upgrades were funded and completed prior to the 2015 Cricket World Cup.
- The Hamilton Gardens has secured \$4,241,252 over the triennium. This includes \$4,155,252 in external funding towards stage 2 of the Hamilton Gardens Development project.
- The stage 2 total of Hamilton Gardens Development Project budget had been estimated at \$7,033,000. As a result of the playgrounds contract being higher than budgeted, this total has increased to \$7,239,306 with the variance of \$206,306 to be added to the current outstanding fundraising target. A total of \$646,842.

**Signatory**

Authoriser	Lance Vervoort, General Manager Community
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# External Funding - Triennium Data 2013 - 16

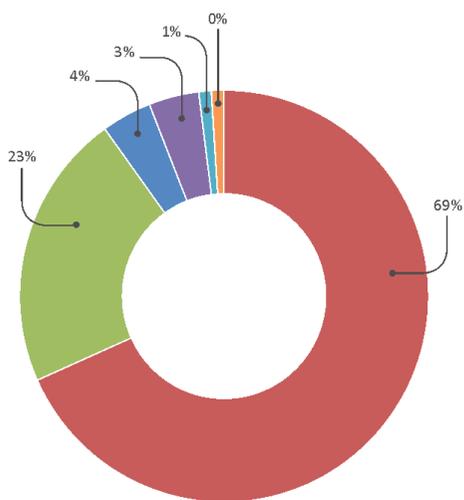
EXTERNAL FUNDING APPLIED FOR VS. AWARDED



Year	Applied	Awarded
2010/11	\$1,664,465	\$962,005
2011/12	\$1,064,286	\$482,036
2012/13	\$627,522	\$592,522
*2013/14	\$1,811,478	\$1,548,000
*2014/15	\$14,902,659	\$6,195,421
2015/16	\$2,290,417	\$1,732,252

\* WW1 Lotteries Board WW1 commemorations \$706,000 received  
 \* EOI \$6,275,500 declined  
 \* Urban Cycleways 3,000,000 received  
 \* Lotteries significant fund 3,500,000 applied 2,500,000 received

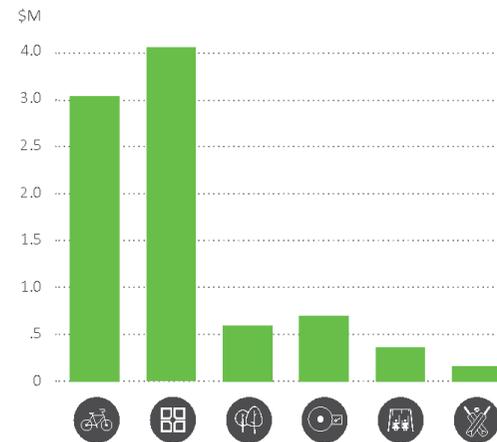
SOURCES OF SUCCESSFUL FUNDING 2013-16



Central Government (\$6,477,869)	Donations (\$450,252)
Local Funding Trusts (\$2,145,266)	Sponsorship (\$63,500)
Gaming Societies (\$345,222)	Waikato Regional Council (\$1,567)

\*Excludes H3 and NZTA Funding

KEY PROJECTS BEING FUNDED 2013-16



Project	Funding
Cycleways	\$3,050,000
Hamilton Gardens	\$4,241,252
Waiwhakareke and Gullies	\$652,264
Museum	\$728,567
Playgrounds	\$350,000
Seddon Park Upgrade	\$150,000



**Committee:** Finance Committee

**Date:** 18 August 2016

**Report Name:** Hamilton Gardens  
Development Project Progress  
Report

**Author:** Helen Paki

<b>Report Status</b>	<i>Open</i>
<b>Strategy, Policy or Plan context</b>	<i>Hamilton Plan Hamilton Gardens Reserve Management Plan</i>
<b>Financial status</b>	<i>Total original project budget \$7.033m - \$2.437m budgeted in targeted rates and the balance of \$4.596m is funded from external sources. An additional \$206,306 is required to complete the playground.</i>
<b>Assessment of significance</b>	<i>Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

## 1. Purpose of the Report

2. To provide an update on the progress of the Hamilton Gardens Development Project and approve an additional \$206,306 to be fund raised through external sources for the completion of the playground.

## 3. Recommendations from Management

That:

- a) the report be received; and
- b) an additional \$206,306 be raised through external sources for the completion of the Hamilton Gardens destination playground and that the total budget for the Hamilton Gardens Development Project be increased to \$7,239,306

## 4. Attachments

5. Attachment 1 - Hamilton Gardens Development Project - Visitor and Social media statistics

## 6. Key Issues

### 7. Background

- Phase 1 of the Project included the completion of the Tudor Garden which opened in February 2015. Funding for this garden was allocated in the 2012-22 10-Year Plan.
- Phase 2 of the project is budgeted for \$7.033m and is underway, with completion planned for June 2018.
- The Hamilton Gardens Development Project (the Project) was approved at the Council meeting on 4 March 2014 and includes the completion of five themed gardens, a destination playground and improved infrastructure across four years, from 2014/15.
- The project is overseen by a project management group and is tracking successfully.
- Councillors can view the project on the Council website: [Hamilton Gardens Development Project](#)

### 8. Key Issues

- Following detailed design and tender process, the contract for the playground is \$1,056,306. The original budget for the playground was estimated at \$850,000 - a difference of \$206,306.
- The proposed playground is a critical part of the Hamilton Gardens development and an exciting attraction for families.
- It is proposed that the amount of \$206,306 be added to the funding targeting raising the total project cost to \$7,239,306 and an external funding contribution of \$4,802,306.
- There is no increase to the targeted rate amount.

### 9. Milestones Achieved

- All earthworks are completed and development of all gardens and courts are being progressed.
- The Mansfield House is being constructed by Foster Construction and is in the final stages of development. Over 14 Companies have contributed to the build.
- Work has started on the giant Surrealist gate.
- The carpark has been constructed and is in use.
- The Huddleston structure, sponsored by the Braithwaite family, is completed.
- The jetty build is scheduled for construction 2017/18 and will provide greater access to the river and links to the ferrybank.

### 10. Engagement and Promotion

- Visitor numbers continue to be higher than previous years on average with the highest increases over the summer months (attachment 1).
- Hamilton Gardens is consistently rated #1 on Trip Advisor of the 46 things to do in Hamilton with a satisfaction rating of 98%. Engagement across online channels continues to be high with a 61% increase in website views since June 2014 and significant increases in Facebook and Instagram views (attachment 1).

**11. Financial and Resourcing Implications**

- 12. Council is funding one-third of the total project costs of \$7,033,000 with a targeted rates contribution of \$10 (GST exclusive) per ratable Separately Used or Inhabited part of a Property (SUIP) over four years from 2014/15 – an estimated total of \$2,437,000.
- 13. The one-third funding commitment from Council is required for leveraging external funding, specifically the Lottery Significant Projects Fund. Council has secured a \$2.5m grant from the Lottery Significant Project Fund.
- 14. To date, \$4,155,252 has been confirmed in external funding from the following funders, donors and sponsors as follows:

Friends of the Hamilton Gardens (Fundraising commitment - includes donations from donation boxes at HG)	150,000
WEL Energy Trust	40,000
Lottery Significant Projects Fund	2,500,000
Vibrant Hamilton Trust (2015)	200,000
Trust Waikato	215,000
WEL Energy Transformational Major Projects Fund EOI	160,000
Screech Family Donation	20,000
Braithwaite Family Donation	100,000
Foster Construction (in-kind sponsorship)	100,000
Legacy Campaign (Hamilton Gardens Development Trust and Momentum)	80,000
Vibrant Hamilton Trust (2016)	350,000
Grassroots	80,000
Freemasons	50,000
Brian Perry Charitable Trust	110,000
Other	252
<b>Total</b>	<b>4,155,252</b>

- 15. Previous reporting to the Finance Committee in April 2016 showed a total of \$1,110,788 to be raised. A further \$670,252 has been raised with funds received from Vibrant Hamilton Trust (\$350,000); Grassroots Trust (\$80,000); Legacy Campaign (\$80,000), Freemasons (\$50,000) and the Brian Perry Charitable Trust (\$110,000); and other small donations (\$252).
- 16. With the additional funding required for the Playground, the total funds left to raise is a total of \$646,842.

Targeted rates	2,437,212
Confirmed External funding	4,155,252
<b>Total confirmed Income</b>	<b>6,592,464</b>
Total project cost	7,239,306
<b>Total funds to raise</b>	<b>646,842</b>

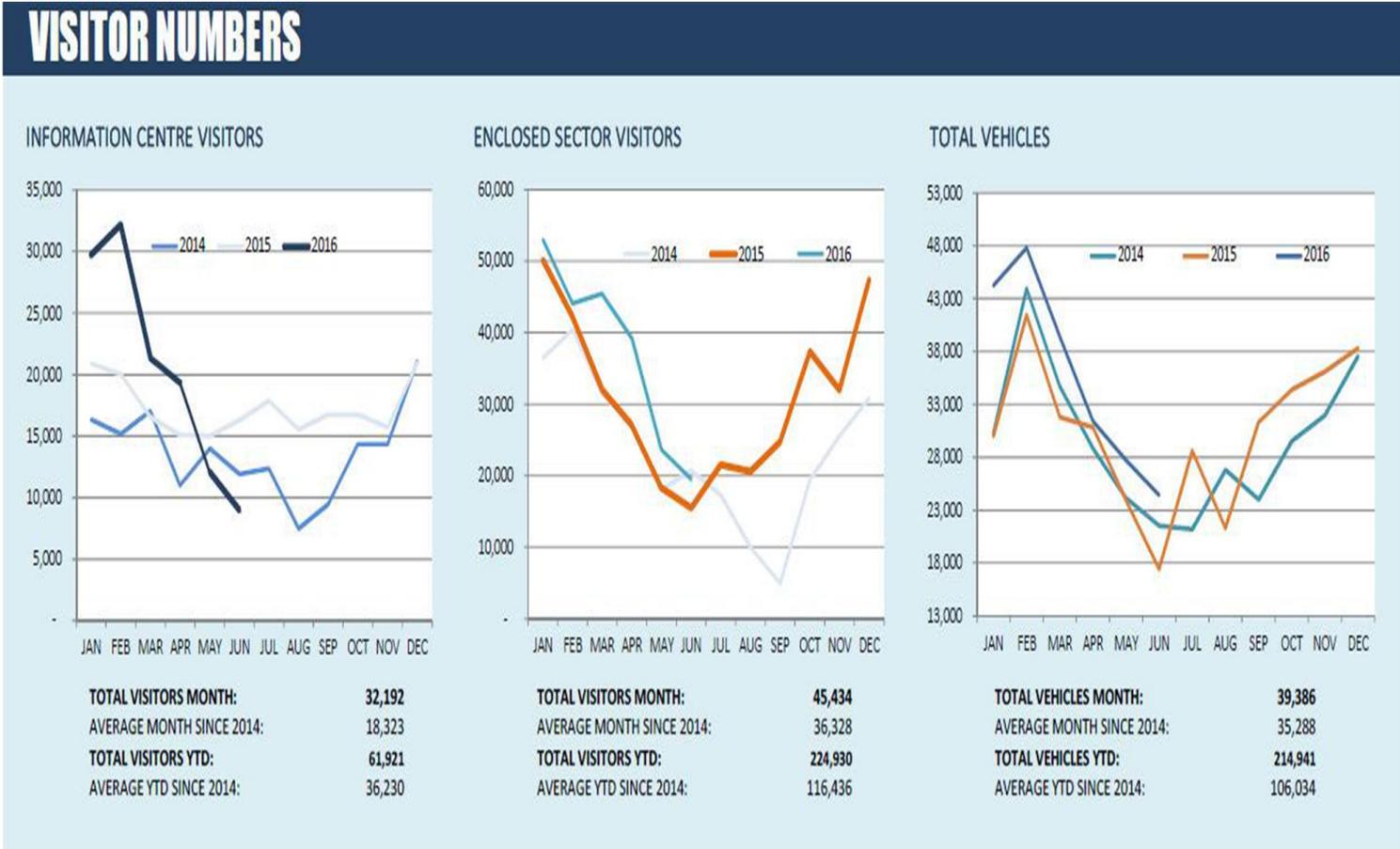
- 17. A number of sponsorship, donation and funding applications are in progress (with further applications planned dependent on success of current applications). It is anticipated that the remaining funding target will be reached within the remaining project timeframe.
- 18. Actual expenditure for 2015/16 was \$2,351,663 against budget of \$1,828,000. This variance is due to the 10-Year Plan budget being set prior to detailed project planning and early receipt of external funding. The targeted rate contribution to project expenditure to date is \$563,031 (\$426,411 in 2015/16 and \$136,620 in 2014/15).

Figures represented in \$000s	2014/15	2015/16	2016/17	2017/18	Total Years Budget
<b>LTP Budget</b>	0	1,828	2,560	2,645	7,033
<b>Actual</b>	137	2,352	-	-	2,489
<b>Projected</b>	-	-	3,245	1,505	4,750

19. Budget is allocated to the project as funds are raised and the physical works programme adjusted accordingly.

### Signatory

Authoriser	Lance Vervoort, General Manager Community
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# SOCIAL MEDIA



**348,094**

FACEBOOK POST REACH  
I.E. WHO SAW THE POSTS



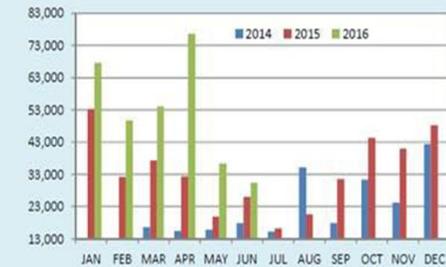
**30,345**

FACEBOOK POST ENGAGEMENT  
I.E. WHO ENGAGED WITH POSTS

FACEBOOK - POST REACH



FACEBOOK - PEOPLE ENGAGED



SOCIAL MEDIA - YTD COMMUNICATION

**OPERATIONS:** Sustainable business model (Events / products/staff)

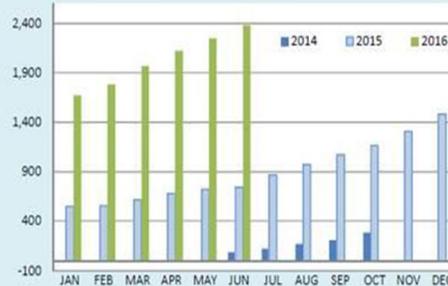
**STORY:** Unique theme understood (education)

**INSPIRATION:** Must-see destination (photos/encouraging visitation)

**ACTION:** Value to local community (support / sponsorship)+



INSTAGRAM - FOLLOWERS



INSTAGRAM - HASHTAGS



**Committee:** Finance Committee

**Date:** 18 August 2016

**Report Name:** Proposed Easements over  
Recreation Reserve

**Author:** Sean Stirling

<b>Report Status</b>	<i>Open</i>
<b>Strategy, Policy or Plan context</b>	<i>Jansen Park and Ferrybank are covered by the Operative Sports Park Management Plan 2009, and the Riverside Management Plan respectively.</i>
<b>Financial status</b>	<i>Approximately \$3,000 is required from Parks and Open Spaces operating budget to cover costs for the easement at Embassy Park.</i>
<b>Assessment of significance</b>	<i>Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

## 1. Purpose of the Report

2. The Finance Committee considers recommending to Council that it grants the proposed easements over Jansen Park entrance and an area of Ferrybank informally known as, and referred to in this report as Embassy Park.
3. Council resolution is required to grant an easement on recreation reserve as it cannot delegate this decision, pursuant to schedule 7 clause 32(1)(c) of the Local Government Act 2002.

## Recommendations from Management – Recommendation to Council

That:

- a) the report be received;
- b) Council grant an easement pursuant to section 48(1)(f) of the Reserves Act 1977 in favour of the owner of 34 and 34A Morris Road, for the purposes of vehicle access, over that part of the land classified as Recreation Reserve and legally described as Lot 85 DPS 7196 (part of Jansen Park) subject to:
  - (i) Ministerial consent being obtained from an authorised council officer under delegation from the Minister of Conservation;
  - (ii) Dennis Wheatley, being the current owner of 34 and 34A Morris Road meeting all costs of the preparation and registration of the easement against appropriate certificates of title, and the reasonable legal costs of Council and any other costs agreed to within the easement instrument;

- c) Council grant an easement pursuant to section 48(1)(d) of the Reserves Act 1977 in favour of WEL Networks Ltd, for the right to convey electricity in, through and below that part of the land vested in Council as Recreation Reserve and legally described as Lot 1 DP 9845 (“Embassy Park”), subject to:
  - (i) Ministerial consent being obtained from an authorised council officer under delegation from the Minister of Conservation; and
- d) The Chief Executive be delegated the power to negotiate the terms of the easement with Dennis Wheatley, and WEL Networks Ltd; and to sign all documents and do all things necessary to enable the easement to be granted and registered.

#### **4. Attachments**

- 5. Attachment 1 - Jansen Park - Proposed Easement Area
- 6. Attachment 2 - Embassy Park - Proposed Easement Area

#### **7. Key Issues**

- 8. Jansen Park Background
- 9. Jansen Park is located on Morrinsville Road, with the vehicle entranceway to the park and the changing rooms located on Morris Road. Jansen Park is classified as recreation reserve under the Reserves Act 1977 (Act). Refer to Attachment 1.
- 10. Mr. Wheatley, owner of 34 & 34A Morris Road has approached Council requesting that an existing encroachment over the vehicle entranceway to Jansen Park be resolved. The encroachment involves the unapproved use of the entranceway for vehicle access to both 34 and 34A Morris Road (Attachment 1).
- 11. 34 and 34A Morris Road have used this area for vehicle access since residential properties were established in the 1960’s, prior to the park being established.
- 12. The encroachment is a result of a Council-initiated reclassification of former road reserve (Lot 85 DPS 7196) to recreation reserve, approved by Council in 2003. Prior to the reclassification, Lot 85 DPS 7196 provided legal road access to 34 and 34A Morris Road.
- 13. Embassy Park Background
- 14. Located at 218 Victoria Street, the area of Ferrybank informally known as Embassy Park is classified as recreation reserve under the Act and managed under the Riverside Reserves Management Plan. Refer to Attachment 2.
- 15. WEL Networks Ltd requires a retrospective easement in gross for Electricity, Telecommunications and Computer Media purposes in, through and below a section of the western corner of Lot 1 DP 9845 (Attachment 2).
- 16. These works were urgently undertaken as part of the Embassy Park Development project, necessary for providing electricity to the park and operation of parks facilities.

17. Local Government Act Considerations
18. As the administering body, Council can grant an easement over:
  - a) Jansen Park (over Lot 85 DPS 7196 only) for private vehicle access under s48(1)(f) of the Act, with the consent of the Minister of Conservation (Minister); and
  - b) Embassy Park (over Lot 1 DP 9845 only) for an electrical installation under s48(1)(d) of the Act, with the consent of the Minister.
19. Council's General Manager Community has delegated authority to consider the proposed easement and confirm or refuse on behalf of the Minister.
20. The General Manager cannot make the decision to grant an easement, this must be done by Council. Because the decision to grant an easement involves the permanent disposition of an interest in the reserve, Council cannot delegate this as per clause 32(1)(c) of schedule 7 of the Local Government Act 2002.
21. Under s48(3) of the Act, an easement can be granted with or without public notification if, a) the reserve is not likely to be materially altered or permanently damaged; and b) the rights of the public in respect of the reserve are not likely to be permanently affected by the easement. Staff consider that in this case public notice of either easement is not required for the following reasons:
  - a) The Jansen Park easement over Lot 85 DPS 7196 will be limited to accommodate legal rights for vehicle entry and egress to and from 34 and 34A Morris Road. No parking or any other use will be permitted.
  - b) The duration of the Jansen Park easement will be limited to such time that any development on 34 and 34A Morris Road is undertaken. This protects public use and enjoyment of Lot 85 DPS 7196 in case of an increase in vehicle movements driven by further development of Mr. Wheatley's Property.
  - c) The Embassy Park cable is underground and there is a low chance of frequent cable maintenance. The new pillar is discretely positioned adjacent to the boundary and does not impede on the public's use and enjoyment of the park.
22. Jansen Park Options
23. Options to resolve the encroachment have been considered by staff in consultation with Mr. Wheatley. These include requiring the applicant to construct a new vehicle crossing on Morris Road, and granting of an easement on the Jansen Park access.
24. The option of the applicant constructing a new vehicle crossing is not recommended due to still requiring an easement or disposal of part of the reserve, with the construction of a compliant vehicle crossing posing a number of challenges.
25. The recommended option proposed by staff involves granting of an easement for the purpose of access to 34 and 34A Morris Road over the park entranceway, which is a separate lot (Lot 85 DPS 7196) to the sports fields and car park area on the certificate of title.
26. Legal advice has been obtained on this matter.

- 27. Appropriate conditions can be incorporated into the easement agreement to reduce any risk to Council.
- 28. The recommended option is considered to have a negligible adverse effect on the public’s use and enjoyment of Jansen Park.
- 29. Embassy Park Options
- 30. The only practicable and recommended option is granting of an easement for electricity, telecommunications, and computer media purposes in favour of WEL Networks Ltd.
- 31. The recommended option is considered to have a negligible adverse effect on the public’s use and enjoyment of Embassy Park.

**32. Financial and Resourcing Implications**

- 33. All costs associated with the preparation and registration of the easement at Jansen Park, including Council’s legal costs will be met by the owner of 34 and 34A Morris Road.
- 34. Council will be responsible for meeting all costs for preparation and registration of the easement at Embassy Park. These costs will be met from existing operational budget at an estimate of \$1,000 for Legal Fees, and \$2,000 for surveying costs. Total estimate cost of \$3,000.

**35. Risk**

- 36. The granting of an easement at Jansen Park will resolve a longstanding encroachment issue. The easement is not considered to set a precedent as any similar matters are assessed case-by-case. The proposed easement terms will reduce any future risk to Council.
- 37. The new cable and pillar have been installed at Embassy Park. Establishing an easement secures the ability for future maintenance and reduces risk to Council.

**Signatory**

Authoriser	Lance Vervoort, General Manager Community
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- Red** – Property boundary of 34 & 34A Morris Road
- Blue** – Property boundary of Lot 85 DPS 7196 (Jansen Park)
- Green** – Approximate boundary of easement area



**Blue** – Property boundary of Lot 1 DP 9845 (Embassy Park)  
**Green** – Approximate boundary of easement area

**Committee:** Finance Committee

**Date:** 18 August 2016

**Report Name:** Municipal Endowment Lease -  
Freeholding - 92 Clyde Street

**Author:** Nicolas Wells

<b>Report Status</b>	<i>Open</i>
<b>Strategy, Policy or Plan context</b>	<i>Freeholding of Council Domain and Municipal Endowment Leases Policy</i>
<b>Financial status</b>	<i>The property returns \$12,600 annual rental. Sale proceeds of \$220,000 will be credited to the Municipal Endowment Cash Reserve. The invested proceeds will generate \$12,980 annual return.</i>
<b>Assessment of significance</b>	<i>Having regard to the decision making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is not considered to have a high degree of significance</i>

## 1. Purpose of the Report

- To recommend the sale of Council's freehold interest in Municipal Endowment land described in the schedule and physically located at 92 Clyde Street, Hamilton. The property is shown bordered in red on Attachment 2.

## 3. Executive Summary

- The lessee (a private individual) owns the Leasehold Interest in the same land and all the improvements. The lessee has requested freeholding of the land in accordance with Council's *Freeholding of Council Domain and Municipal Endowment Leases Policy* which provides for the freeholding of Endowment leases upon application from the lessee. All Council's costs (including, but not limited to, valuation and legal fees) associated with the freeholding are paid by the applicant. The policy is linked [here](#).
- The freeholding of Municipal Endowment Leases must proceed at "*the greater of 100% of the current market valuation of the land based on independent valuation OR the Lessor's Interest Value based on independent valuation.*" The value is contestable by arbitration.
- The land has been valued at \$220,000 including GST (if any).

## 7. Recommendations from Management

That:

- a) the report be received;
- b) Council sells the freehold interest in the land described in the Schedule to the lessee for a price of \$220,000 (Two hundred and Twenty Thousand Dollars) including GST (if any) plus all Council's costs associated with the sale; and
- c) Council authorises the Chief Executive Officer to (1) prepare and execute an Agreement for Sale and Purchase and (2) any other instruments required to give effect to this resolution.

### SCHEDULE

ALL THAT LAND described as an Estate in Fee Simple comprising Lot 6 Deposited Plan 35296 contained in Computer Freehold Register Identifier SA9D/1066 of 559 square meters more or less and physically located at 92 Clyde Street, Hamilton.

## 8. Attachments

9. Attachment 1 - Certificate of Title - 92 Clyde Street, Hamilton
10. Attachment 2 - Aerial - 92 Clyde Street, Hamilton

## 11. Key Issues

### 12. Municipal Endowment Fund Ground Leases

13. Hamilton City Council owns land originally acquired by endowment from the Crown to be held by Council for the purposes of the Municipal Endowment Fund - the proceeds from which are used to reduce the rates requirement of the City.
14. Council owns the Freehold Interest in the Municipal Endowment Lands. The lands are subject to perpetually renewable 21 year term leases. The leasehold Interest in 92 Clyde Street is owned by the lessee.

### 15. Freeholding Application

16. On 17 June 2016 Council received an application from the lessee to freehold the property at 92 Clyde Street. The form and content of the application complied with Council policy.

### 17. Options

18. There are two options for Council's consideration:
  - OPTION 1 Receive the report and approve the recommendation.
  - OPTION 2 Receive the report and do not approve the recommendation – noting that in doing so Council would be acting contrary to policy and could face challenge.

19. It is recommended that Option 1 be approved.

## 20. Financial and Resourcing Implications

21. In accordance with Council's policy the current market value of the land based on an unencumbered freehold title excluding all lessee improvements has been assessed by a registered valuer.
22. The valuer assessed the current market value of the land at \$220,000 including GST (if any).

**Item 11**

- 23. All proceeds from the sale of Municipal Endowment Land are credited to the Municipal Endowment Fund.
- 24. The land currently generates a 4.5% annual return of \$12,600 Net sale proceeds of \$220,000 will generate a 5.9% annual return of \$12,980.
- 25. The current balance of the Municipal Endowment Fund Cash Reserve is \$28,003,442 (as at 30 June 2016).
- 26. The current annual Hamilton City Council rates are \$1,990.86 including GST. The rates are paid by the lessee.
- 27. **Conclusion**
- 28. In accordance with Council Policy a resolution is now required to complete the freeholding and sale of the land.

**Signatory**

Authoriser	Kelvyn Eglinton, General Manager City Growth
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**COMPUTER FREEHOLD REGISTER  
UNDER LAND TRANSFER ACT 1952**



Search Copy

**Identifier** SA9D/1066  
**Land Registration District** South Auckland  
**Date Issued** 25 November 1968

**Prior References**  
SA136/165

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**Estate** Fee Simple  
**Area** 559 square metres more or less  
**Legal Description** Lot 6 Deposited Plan 35296

**Proprietors**  
The Hamilton City Council

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**Interests**  
9052208.1 Lease Term 21 years commencing 8.9.2011 (Right of Renewal) CT 593313 issued - 21.8.2012 at 12:56 pm

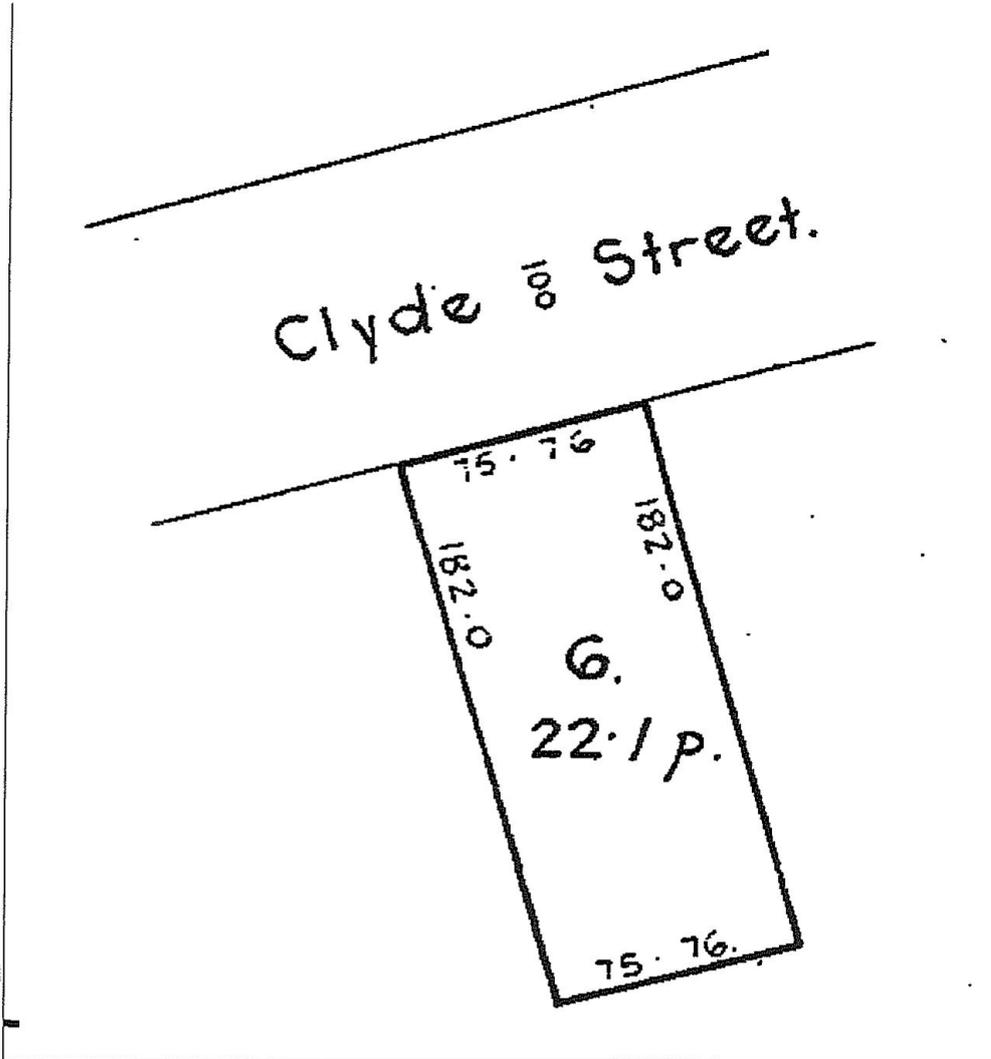
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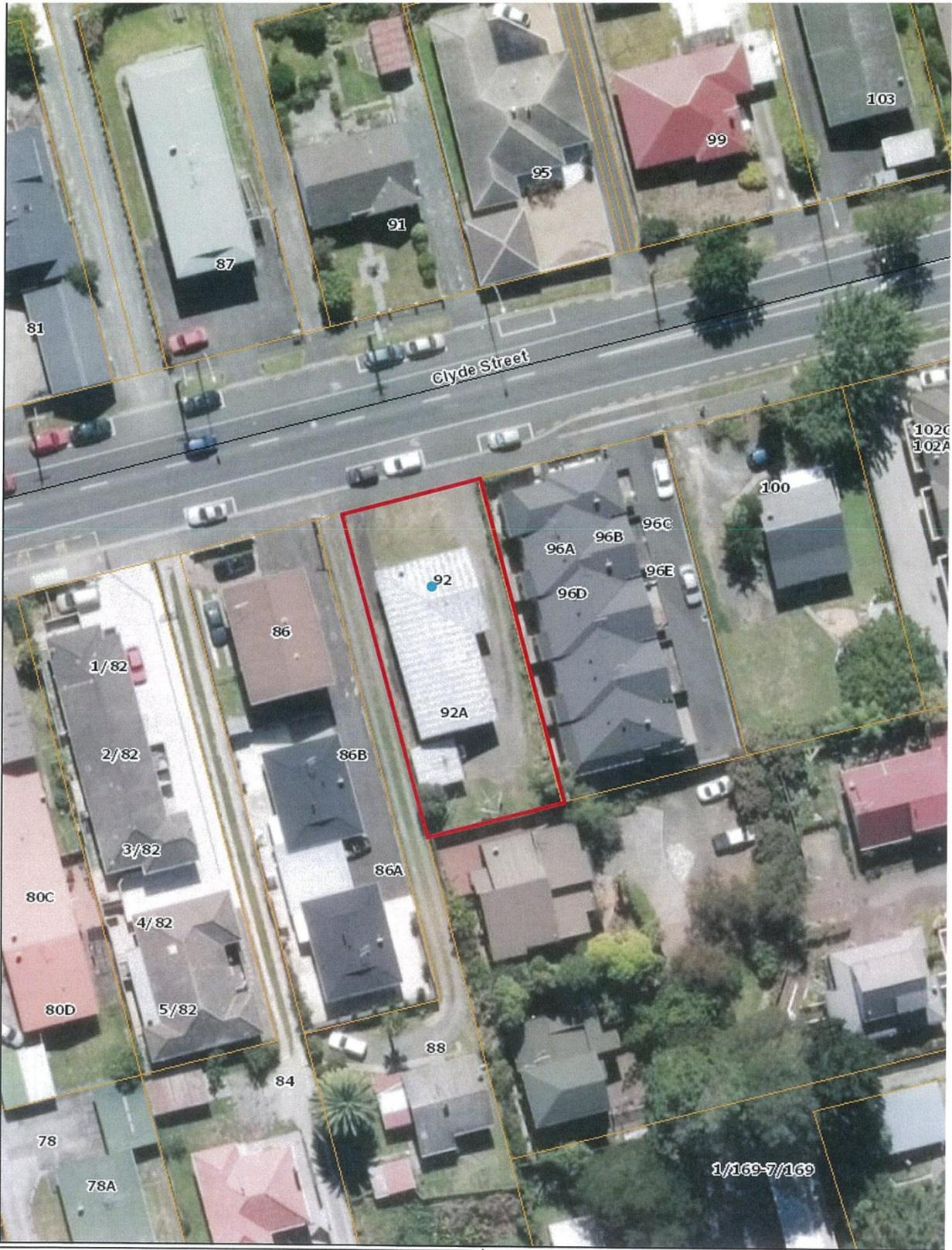
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Transaction Id  
Client Reference HCC - 348176/630 - NEF

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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.

92 Clyde Street

Scale :- 1 : 514

Date :- 07/07/2016



**Committee:** Finance Committee

**Date:** 18 August 2016

**Report Name:** Recommended dates for reports to Finance Committee

**Author:** Jessica Ashworth

<b>Status</b>	<i>Open</i>
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## Recommendation

That the Report be received.

### 1. Attachments

2. Attachment 1 - Timing of reports to Finance Committee

### 3. Purpose

4. This report provides detail of the regular reports that will be presented to this committee as well as estimated timing. Any new reports requested can be added to the attached list.

## Signatory

Authoriser	David Bryant, General Manager Corporate
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Reports to Finance Committee	Frequency/Timing 2016							Comments
	February	April	May	July	August	September	Post-Election	
<b>Standard Monitoring Reports</b>								
Minutes & Action Lists	x	x	x	x	x	x	x	Both open and PX
List of standard monitoring reports	x	x	x	x	x	x	x	
Key Projects Status Report	Q2 15/16 (Dec15)	Q3 15/16 (Mar16)	Apr-16	May-16	YE 15/16 (Jun16)		Q1 16/17 (Sep16)	
<b>Quarterly/Six Monthly/Annual Reports</b>								
10-Year Plan Monitoring Report - Quarterly	Q2 15/16 (Dec15)	Q3 15/16 (Mar16)			YE 15/16 (Jun16)		Q1 16/17 (Sep16)	Includes R&O, procurement and other quarterly content
10 Year Plan Monitoring Report - Summary			Apr-16	May-16			Oct-16	Excludes R&O and other quarterly content
Weathertight Buildings Update - financial summary		Q3 15/16 (Mar16)					Q1 16/17 (Sep16)	Audit & Risk consider risk elements
Claudelands Update	Q2 15/16 (Dec15)	Q3 15/16 (Mar16)			YE 15/16 (Jun16)		Q1 16/17 (Sep16)	Includes financial, non-financial and forward bookings
6 Monthly Subcommittee Chairperson's Reports to the Finance Committee			x				Nov-16	
One Victoria Trust Annual Report (Meteor)				x				Annual report
Gallagher Academy of Performing Arts Report			x					Annual report
Waterworld Operations Report			x		x			Quarterly report
<b>Confidential Reports</b>								
Overdue Debtors/Bad Debt Writeoffs	x	x	x	x	x		x	
Development Contributions Remissions	x	x			x		x	Aligned with quarterly reporting
<b>Offline Reports</b>								
Claudelands summary financials								Analysis in Group of Activities reports
Procurement information								To 'probity' portion of HCC website

*Post election meetings are likely in October and November*

As At 26/07/16 D-41462

**Committee:** Finance Committee

**Date:** 18 August 2016

**Report Name:** Finance Committee - Open  
Minutes - 14 July 2016

**Author:** Emily Acraman

<b>Status</b>	<i>Open</i>
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### Recommendation

That the Committee confirm and adopt as a true and correct record the Open Minutes of the Finance Committee Meeting held on 14 July 2016.

### 1. Attachments

2. Attachment 1 - Finance Committee - Open Minutes - 14 July 2016

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## Finance Committee

### OPEN MINUTES

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**Minutes of a meeting of the Finance Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton on Thursday 14 July 2016 at 1:40pm.**

#### PRESENT

Chairperson	Cr R Pascoe
Deputy Chairperson	Cr G Mallett
Members	Her Worship the Mayor J Hardaker
	Cr G Chesterman
	Cr M Gallagher
	Cr A King
	Cr D Macpherson
	Cr L Tooman
	Cr E Wilson
	Cr P Yeung

In Attendance:	Richard Briggs – Chief Executive
	David Bryant – General Manager Corporate
	Lance Vervoort – General Manager Community
	Kelvyn Eglinton – General Manager City Growth
	Chris Allen – General Manager City Infrastructure
	Sean Murray – Executive Director H3 and Events
	Blair Bowcott – Executive Director Special Projects
	Tracey Musty – Financial Controller
	John Gibson – Revenue Manager
	Matthew Bell – Rates Team Leader
	Scott Copeland – Procurement Manager
	Andrew Parsons – City Waters Manager
	Jason Harrison – City Transportation Manager
	Simon Young – City Delivery Manager
	Deanne McManus–Emery – Community Development and Leisure Manager
	Andy Mannering – Social Development Manager
	Mathew Bayliss – Swimming and Recreation Manager
	Cherie Meecham – Museum Director
	Nick Johnston – Strategic Advisor
	Ken Cunningham – Strategic Land Manager
	Jeff Neems – Communications Advisor

Nicola Walsh – Communications Advisor  
Nigel Ward – Communications Advisor

Charlotte Isaac – One Victoria Trust Board Representative  
Sarah Ward – Community Grant Allocation Committee Representative

Committee Advisors      Becca Brooke and Mary Birch.

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## 1. Apologies

**Resolved:**                      (Crs Pascoe/Yeung)

That the apologies from Crs Green, Forsyth and O'Leary be received and accepted.

## 2. Confirmation of Agenda

**Resolved:**                      (Crs Wilson/Mallett)

That the Agenda be confirmed noting that Item 13 (Sale of Art Process at Arts Post) and Item 17 (The One Victoria Trust Board 2015/16 Annual Report) were taken ahead of Item 9 (10 Year Plan Monitoring Report) to accommodate members of the public in attendance and a guest speaker.

## 3. Declarations of Interest

No members of the Council declared a Conflict of Interest.

*Deputy Mayor Gordon Chesterman welcomed and introduced visiting Deputy Mayor Gerben Van Duin of Noordwijk to the Meeting who was in Hamilton to co-host the World Championship's Lifesaving which would be attended by a number of New Zealand teams.*

## 4. Public Forum

**Stan Hodson (Humes Pipelines) and Justin Carkle (Fletcher Building) – Spoke in relation to Item 11 (Contract 15279 for Wastewater, Water Pipes and Fittings).**

Mr Hodson advised the Committee that he believed the procurement process was not followed correctly in relation to the Wastewater, Water Pipes and Fittings contract. He felt that the prices Humes Pipelines had provided were better than those quoted by Hynds Pipe Systems who had been awarded the contract.

**Elwyn Strong (Artist) – Spoke in relation to Item 13 (Sale of Art Process at ArtsPost)**

Ms Strong spoke on behalf of the Waikato Society of Arts Incorporated, asking that Council consider lowering the commission percentage that was taken from the sale of art at Artspost.

**Peter Swanepoel (Artist) - Spoke in relation to Item 13 (Sale of Art Process at ArtsPost)**

Mr Swanepoel asked that Council consider lowering the commission percentage that was taken from the sale of art at Artspost.

**5. Finance Committee - Open Minutes - 19 May 2016**

**Resolved:** (Crs Mallett/Chesterman)

That the Committee confirm and adopt as a true and correct record the Open Minutes of the Finance Committee Meeting held on 19 May 2016.

**6. Finance Committee - Open Action List - 14 July 2016**

**Resolved:** (Crs Wilson/Mallett)

That the Report be received.

**7. Recommended dates for reports to Finance Committee**

**Resolved:** (Crs Pascoe/Tooman)

That the Report be received.

**8. Key Projects Monitoring Report - May 2016**

*Action: Victoria on the River (VOTR) project to be added to the Key Projects Monitoring list.*

**Resolved:** (Crs Wilson/Chesterman)

That the Report be received.

## 9. Sale of Art Process at ArtsPost

General Manager Community and Museum Director took the report as read and responded to questions from Committee Members concerning:

- Details of any previous complaints received about the commission percentage on the sale of art from artists or complaints about prices from customers. Staff advised that artists sometimes informally raised or commented on the commission percentage but that there had only been one formal complaint in 2014. No complaints had been received from the Waikato Society of Arts at formal Meetings with Museum staff. No complaints from customers about the prices of art had been received;
- Clarification on the pricing structure. Staff advised that artists stipulated the prices they wanted for their art and the commission percentage was added on top of that price;
- Art sales trends were up almost double on what they were last year;
- Types/categories of galleries included in the benchmarking exercise. Staff advised that there were a range of categories of galleries included in the benchmarking exercise with some being private and some not. Most were similar in structure to Artspost;
- Art selection process. Staff advised that every exhibition was reviewed and assessed prior to being displayed in the gallery. Pieces displayed in the gallery had to be of a high standard.

**Motion** (Crs King/Chesterman)

That:

- a) the Report be received; and
- a) the commission rate charged to artists for art sold at ArtsPost be reduced from 40% of the sale price plus GST to 20% of the sale price plus GST from 1 August 2016 and that the resulting \$40,000 reduction in revenue be reflected in the Risks and Opportunities Schedule for the 2016/17 financial year.

**Those for the Motion:** Councillors King, Gallagher and Macpherson.

**Those against the Motion:** Her Worship the Mayor Hardaker, Councillors Pascoe, Chesterman, Yeung, Mallett and Tooman

**The Motion was declared lost.**

**Resolved:** (Crs Pascoe/Chesterman)

That the Report be received.

*Cr Wilson retired from the Meeting (2.10pm) during the above Item. He was not present when the matter was voted on.*

**10. The One Victoria Trust Board 2015/16 Annual Report**

Social Development Manager introduced Charlotte Isaac – One Victoria Trust Board Representative. The report was taken as read, noting that the Theatre had met and exceeded usage and visitor numbers set in their KPI's. Using the theatre as a creative hub was being well received and had strong community support. The Trust was currently going through the process of planning for earthquake strengthening and facilities upgrades. They were confident that the remainder of funds needed to carry out strengthening and upgrades would be raised through grants and other contributions.

Ms Isaac responded to questions concerning increased costs and timeframes on when proposed strengthening and upgrade works were to be undertaken. Works were to start in January 2016 and increased costs were in relation to the proposed facilities upgrade.

Committee Members noted that they were pleased with the results of the theatre and that the venture was a great example of what could be achieved in handing an asset over to people who had the passion and energy to make it successful.

**Resolved:** (Crs Pascoe/Chesterman)

That the Report be received.

**The Meeting adjourned 3.10pm to 3.25pm.**

**11. 10-Year Plan Monitoring Report - YTD May 2016**

Financial Controller spoke to the Report, noting the key point as outlined in the executive summary of the staff Report.

Staff responded to questions concerning:

- Claudelands financial information being misleading in the June issue of City News. Staff advised that the Claudelands information was not incorrect but was written in the wrong context. The Chief Executive was investigating the matter and would get back to Elected Members once an investigation had taken place.
- Water take consent with Waikato Regional Council. Staff advised that there was a cap on the volume of water that could be taken from the Waikato River but that it was not likely the cap would be exceeded given how the water take was currently tracking and the measures in place to monitor water take.
- Whether water by meter was considered a good option. Staff advised that there were arguments for both sides.
- Treasury Management. A question was responded to concerning whether Council should look at adjusting the policy parameters for debt funding maturity to make sure they were not put in the same predicament concerning Treasury Management. Staff advised that this was the first time the issue had occurred and did not anticipate it happening again but if it did, the policy would be reviewed to mitigate any risk.

**Action:** Chief Executive to provide further information to Elected Members concerning his findings in relation to the Claudelands article in the June issue of City News.

**Resolved:** (Crs Pascoe/Chesterman)

That the Report be received.

**12. Contract 15594 Supply of Electricity**

Procurement Manager took the report as read and responded to a questions from Committee Members concerning the procurement process followed and how the electricity prices were set.

**Resolved:** (Her Worship the Mayor Hardaker/Cr Tooman)

That:

- a) the report be received;
- b) Hamilton City Council contracts Genesis Energy Limited to provide street light electricity supply and Contact Energy Limited to provide Time of Use and Non Time of Use electricity supply;
- c) the Approved Contract Sum for Contract 15594 A for the supply of streetlight electricity by Genesis Energy Limited is set at four million eight hundred and seventy five thousand dollars (\$4,875,000), being the estimated spend over three years;
- d) the Approved Contract Sum for Contract 15594 B for the supply of Time of Use and Non Time of Use electricity by Contact Energy Limited is set at thirteen million nine hundred and seventy five thousand dollars (\$13,975,000), being the estimated spend over three years;
- e) the Approved Contract Term for both Contract 15594 A for the supply of street light electricity and Contract 15594 B for Supply of Time of Use and Non Time of Use Electricity are set at three years; and
- f) the Chief Executive is delegated to negotiate and approve the final contracts for the supply of electricity.

**13. Contract 15279 for Wastewater and Water Pipes and Fittings**

Procurement Manager and City Delivery Manager took the report as read. They provided some background information and context around the procurement process followed and the reasoning behind why the successful supplier had been awarded the contract. The process followed had been robust and a number of factors had been considered (including non-financial factors) in making the final decision. The unsuccessful supplier had been contacted to arrange a time for a debrief as per good practice guidelines.

**Resolved:** (Her Worship the Mayor Hardaker/Cr Chesterman)

That:

- a) the report be received;
- b) the tender submitted by Hynds Pipe Systems Ltd for Contract 15279 for Wastewater and Water Pipes and Fittings is accepted by Hamilton City Council;
- c) the Chief Executive is delegated to negotiate and approve final contract terms with Hynds Pipe Systems Ltd;
- d) the Approved Contract Term is set at three years with two rights of renewal of one year at Council's sole discretion; and
- e) the Approved Contract Sum for the first three years of the contract is set at Two Million Four Hundred Thousand Dollars (\$2,400,000) being the estimated total spend over the first three years of the contract.

#### 14. Sylvester Road - Road Stopping

General Manager City Infrastructure and Strategic Land Manager took the report as read and responded to technical questions concerning the road stopping process and why the matters come before Council for decision.

**Resolved:** (Her Worship the Mayor Hardaker/Cr Yeung)

That:

- a) the report be received;
- b) the area of Sylvester Road totalling approximately 2245m<sup>2</sup> (subject to confirmation by survey), shown as section 1 on attachment 1, be stopped;
- c) section 1 is transferred to adjoining property owners (Oaklands Group Holdings Ltd & Lyndon Frederick Clements & Others and Sylvester Road Developments Ltd) in exchange for the alternative road to be constructed and vested by the property owners at no cost to Council, and subject to a survey plan being approved by Land Information NZ;
- d) the Chief Executive be delegated to sign all documentation related to the stopping of the road and transfer of section 1;
- e) the area of Sylvester Road totalling approximately 1205m<sup>2</sup> (subject to confirmation by survey), shown as section 2 on attachment 1, be stopped;
- f) section 2 is sold to the adjoining property owners (Matthew & Amanda Rountree and Michael & Sandra Powell), subject to a survey plan being approved by Land Information NZ, for \$263,945 (plus GST, if any) recognising a portion of land is being provided for access to the northern area of the Rountree property; and
- g) the Chief Executive be delegated to sign all documentation related to the stopping of the road and sale and purchase of Section 2.

**15. Low River Contingency Report Update**

City Waters Manager took the report as read.

Committee Members noted that the project had been nominated for and was one of the finalists for a Local Government NZ Award. They thanked staff for the great work that had been carried out for this project.

**Resolved:** (Her Worship the Mayors Hardaker/Mallett)

That:

- a) the report be received;
- b) the Approved Contract Sum for Contract No. 14362 for Low River Contingency Building Works be increased by \$77,209 from \$1,472,791 to \$1,550,000; and
- c) The Chief Executive be delegated to enter into a 3 year contract for a period up to 30 June 2019, for the deployment and pack down of the Water Treatment Plant pumping platform, with Brian Perry Limited for an amount not exceeding \$190,000 per deployment, comprising \$160,000, and a \$30,000 allowance for contingency in accordance with this report.

## 16. Western Rail Trail Contract Approval

General Manager City Infrastructure took the report as read, noting that staff member Kirsty Horridge had been awarded the 'Golden Foot Award' for her work in designing accessible kerbs at bus stops throughout the City. Committee Members congratulated Kirsty on her achievements and thanked her for her contribution to the City.

General Manager City Infrastructure responded to questions from Committee Members concerning:

- Pricing. It was confirmed there was no risk concerning pricing but that \$750,000 still needed to be funded. Staff were confident this would be funded through New Zealand Transport Agency.
- Access issues around the Lake and Hockey Fields.

**Resolved:** (Her Worship the Mayor Hardaker/Cr Gallagher)

That:

- a) the report be received;
- b) Contract 15363 for the Western Rail Trail Bike Path is awarded to HEB Construction for the tendered sum of \$4,188,218.52 excluding GST;
- c) the Approved Contract Sum for Contract 15363 is based on Option 2 as described in this report and is set at \$4,000,000 excluding GST comprised of the tender sum less reduced scope (\$280,000) being \$3,908,218.52 plus a contingency allowance of \$91,781.48;
- d) the Project Budget is revised from \$4,000,000 to \$5,540,000 as set out in this report; and
- e) staff be requested to pursue value engineering opportunities throughout the implementation of this project and to add back the identified scope omissions as the project budget allows;
- f) an additional sum of \$280,000 for the scope items in paragraph 36 of the Staff Report be added to the approved contract sum, from the Discretionary Transport Fund, to be used if required; and
- g) the Western Rail Trail project be added to the Key Projects Monitoring Report.

**17. Single-Year Community Grant Allocation 2015/16**

Social Development Manager and Sarah Ward of the Community Grant Allocation Committee took the report as read.

Committee Members thanked Sarah and the other members of the Community Grant Allocation Committee for their contribution to the community.

**Action:** staff to provide a comparison table comparing the amount of money available to give out and given out for grants each year.

**Resolved:** (Crs Yeung/Gallagher)

That:

- a) the report be received; and
- b) the list of successful recipients be published on Council's website.

*Her Worship the Mayor Hardaker retired from the Meeting (5.00pm) during the above Item. She was not present when the matter was voted on.*

**18. Resolution to Exclude the Public**

**Resolved:** (Crs Chesterman/Tooman)

**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 - 19 May 2016	) Good reason to withhold information exists under Section 7 Local Government	Section 48(1)(a)
C2. Finance Committee - Public Excluded Action List - 14 July 2016	) Official Information and Meetings Act 1987	
C3. Single-Year Community Grant Unsuccessful Applicants 2015/16	)	
C4. Report on overdue debtors as at 31 May 2016 & Bad Debts Writeoffs 2015/16	)	

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C5. Waterworld Report

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 prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C3.	to protect the privacy of natural persons	Section 7 (2) (a)
Item C4.	to protect the privacy of natural persons	Section 7 (2) (a)
Item C5.	to protect the privacy of natural persons	Section 7 (2) (a)
	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h)

**The Meeting went into the Public Excluded session at 5.05pm.**

**The Meeting was declared closed at 6.40pm.**

**Committee:** Finance Committee

**Date:** 18 August 2016

**Report Name:** Finance Committee Action List  
 - Open - 18 August 2016

**Author:** Becca Brooke

<b>Status</b>	<i>Open</i>
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### Recommendation

That the Report be received.

### 1. Attachments

2. Attachment 1 - Finance Committee Action List - Open - 18 August 2016





**FINANCE**

**Action List - 2015/16**

**OPEN**

Ref.	Meeting Date/Item #	GM Responsible	Action	DUE DATE for reporting back	Status (relative to due by date)	Notes
99	Finance Committee Meeting 19 May 2016 Item 18	GM Strategy & Communications	<b>Fees and Charges Report</b> Chief Executive to investigate and review the accessibility and ease of use of the fees and charges information on the Hamilton City Council Website.	14-Jul-16	In progress	Fees and charges are being reviewed as part of the website audit which began in mid-July. Expected completion date is end of August 2016.
101	Finance Committee Meeting 14 July 2016 Item 8	GM Corporate	<b>Key Projects Monitoring Report</b> VOTR project and the Western Rail Trail project to be added to the Key Projects Monitoring list.	18-Aug-16	Completed	VOTR and Western Rail Trail projects added to the Key Projects Monitoring List and included in report going to the 18 August Finance Committee.
102	Finance Committee Meeting 14 July 2016 Item 9	CE	<b>10-Year Plan Monitoring Report:</b> CE to provide further information to Elected Members concerning his findings in relation to the City News issue.	18-Aug-16	Completed	Information emailed to Elected Members on 02 August 2016.
103	Finance Committee Meeting 14 July 2016 Item 9	GM Community	<b>Single Year Community Grant Allocation 2015/16</b> staff to provide a comparison table comparing the amount of money available to give out and given out for grants each year.	18-Aug-16	Completed	This information was included in the 2 August 2016 Community Forum Subcommittee Item relating to the Community Assistance Funding Policy.

## 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. Report on overdue debtors as at 30 June 2016 & Bad Debts Writeoffs 2015/16	) Good reason to withhold information exists under Section 7 Local Government	Section 48(1)(a)
C2. Development Contributions Report	) Official Information and Meetings Act 1987	
C3. Hamilton Gardens Development Project - Procurement of Tronite Tendrils for the Surrealist Garden	)	
C4. Variation to Contract 15318 - Acting Chief Information Officer		
C5. Finance Committee - Public Excluded Minutes - 14 July 2016		
C6. Finance Committee Action List - Public Excluded - 18 August 2016		

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

Item C1.	to protect the privacy of natural persons	Section 7 (2) (a)
Item C2.	to maintain legal professional privilege	Section 7 (2) (g)
Item C3.	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h)
Item C4.	to protect the privacy of natural persons	Section 7 (2) (a)
Item C5.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C6.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)

