

Notice of Meeting:

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

Date: Tuesday 28 April 2020

Time: 10.00am

Meeting: Audio Visual Link

Richard Briggs
Chief Executive

Finance Committee *Komiti Tahua* OPEN AGENDA

Membership

Chairperson	Cr R Pascoe
<i>Heamana</i>	
Deputy Chairperson	Cr Maxine van Oosten
<i>Heamana Tuarua</i>	
Members	Mayor P Southgate Deputy Mayor G Taylor Cr M Bunting Cr M Forsyth Cr M Gallagher Cr R Hamilton Cr D Macpherson Cr K Naidoo-Rauf Cr A O'Leary Cr S Thomson Cr E Wilson

Quorum: A majority of members (including vacancies)

Meeting Frequency: Six weekly

Becca Brooke
Governance Manager
Menetia Mana Whakahaere

20 April 2020
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Purpose:

The Finance Committee is responsible for:

1. Monitoring Council's financial strategy, and financial performance against the Long Term Plan and Annual Plan.
2. Determining financial matters within its delegations and Terms of Reference and making recommendations to Council on financial matters outside its authority.

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

Terms of Reference:

1. To provide direction on Council's financial strategy and monitor performance against that strategy.
2. To monitor Council's financial performance against the Council's 10 Year Plan and the impact of the financial performance on services levels and rate payers' value.
3. To monitor deferred capital expenditure.
4. To develop and monitor policy related to the following matters:
 - a) financial management;
 - b) revenue generation; and
 - c) procurement and tendering.
5. To monitor the probity of processes relating to policies developed by the Finance Committee.

The Committee is delegated the following powers to act:

- Approval of operating expenditure within the Long Term Plan or Annual Plan that exceeds the Chief Executive's delegation, excluding expenditure which:
 - contravenes the Council's Financial Strategy; or
 - significantly alters any level of service outlined in the applicable Long Term Plan or Annual Plan; or
 - impacts Council policy or practice, in which case the delegation is recommendatory only and the Committee may make a recommendation to the Council for approval.
- Approval of contractual and other arrangements for supply and services, and revenue generating contracts, which:
 - exceed the Chief Executive's delegations, but
 - exclude contracts or arrangements that are reserved for the Council or another Committee's approval.
- Approval to write-off outstanding accounts greater than \$10,000 (in accordance with the Debtor Management Policy).

The Committee is delegated the following recommendatory powers:

- To set the direction of Council's Financial Strategy.
- The Committee may make recommendations to Council.
- The Committee may make recommendations to other Committees.

Recommendatory Oversight of Policies and Bylaws:

- *Funding Needs Analysis Policy*
- *Investment and Liability Management Policy*
- *Rates Remissions and Postponements Policy*
- *Rating Policy*
- *Revenue and Financing Policy*

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1 Apologies - *Tono aroha*

2 Confirmation of Agenda - *Whakatau raarangi take*

The Committee to confirm the agenda.

3 Declaration of Interest - *Tauaakii whaipaaanga*

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 - *AAtea koorero*

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 five 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 Governance 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 Governance by telephoning 07 838 6727.

Council Report

Committee: Finance Committee

Date: 28 April 2020

Author: Rebecca Watson

Authoriser: Amy Viggers

Position: Governance Advisor

Position: Governance Team Leader

Report Name: Confirmation of the Open Finance Committee Minutes - 11 February 2020

Report Status	<i>Open</i>
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Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Committee confirm the open Minutes of the Finance Committee meeting held on 11 February 2020 as a true and correct record.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Finance Committee Open Minutes - 11 February 2020

Finance Committee

OPEN MINUTES

Minutes of a meeting of the Finance Committee held in Council Chamber, Municipal Building, Garden Place, Hamilton on Tuesday 11 February 2020 at 9.30am.

PRESENT

Chairperson:	Cr R Pascoe
Deputy Chairperson:	Cr Maxine van Oosten
Members:	Mayor P Southgate
	Deputy Mayor G Taylor
	Cr M Bunting
	Cr M Forsyth
	Cr M Gallagher
	Cr R Hamilton
	Cr D Macpherson
	Cr K Naidoo-Rauf
	Cr S Thomson
	Cr E Wilson

In Attendance:	David Bryant – General Manager Corporate
	Lance Vervoort – General Manager Community
	Sean Hickey – General Manager Strategy and Communication
	Chris Allen - General Manager Development
	Sean Murray - General Manager Venues Tourism and Major Events
	Jen Baird – General Manager City Growth
	Eeva-Liisa Wright – General Manager Infrastructure Operations
	Tracey Musty – Financial Controller
	Iain Anderson – Capital Financial Lead
	Christie Harger - Corporate Business Manager
	Mark Moonsamy - Programme Manager, Transport Improvement
	Jason Harrison – Unit Manager, City Transport
	Lance Haycock – Programme Manager, Capital Projects
	Paul Gower – Programme Manager, Assets Strategy
	Julie Clausen - Unit Manager Strategy and Corporate Planning

Governance Staff:	Amy Viggers – Governance Team Leader
	Rebecca Watson – Governance Advisor

-
1. **Apologies**
Resolved: (Cr van Oosten/Cr Bunting)

That the apologies from Cr O’Leary and Maangai Takiari-Brame for absence, from Cr Naidoo-Rauf for partial attendance, and from Mayor Southgate, Crs Wilson and Macpherson for early departure are accepted.

2. Confirmation of Agenda

Resolved: (Cr Pascoe/Cr van Oosten)

That the agenda is confirmed.

3. Declarations of Interest

No members of the Committee declared a Conflict of Interest.

Cr Gallagher joined the meeting (9.34am) during the discussion of the above item.

4. Public Forum

No members of the public wished to speak.

5. Finance Committee Draft Schedule of reports 2020

The Governance Team Leader introduced the report noting that the Schedule of Reports was a working document and would be available for all Members on Diligent. Staff responded to questions from Committee Members concerning the reporting dates of specific reports.

Resolved: (Cr Pascoe/Cr van Oosten)

That the Finance Committee:

- a) receives the draft 2020 Schedule of Reports; and
- b) notes that the Schedule of Reports is intended to be a living document that will be updated as necessary and will be made available to Elected Members and Maangai Maaori on Diligent.

6. Capital Portfolio Monitoring Report

The Capital Financial Lead outlined the report. Staff responded to questions from Committee Members concerning:

- deferred projects,
- review of the procurement process,
- inclusion of recognition of social benefits in policies,
- the city wide community programme capital report,
- capital savings,
- risks to Council, and
- the renewals policy.

Staff Action: *Staff undertook to provide further information to Committee Members concerning river path stability and the timeline for the repair of the closed river walkway near London street .*

Staff Action: *Staff undertook to provide further information to Committee Members concerning the renewal policy.*

Resolved: (Cr Pascoe/Cr Macpherson)

That the Finance Committee receives the report.

The meeting adjourned 11.12am to 11.28am.

Cr Forsyth left the meeting during the above adjournment.

7. Annual Monitoring Report to 31 December 2019

The Financial Controller outline the report and responded to questions from Committee Members concerning Council's net debt, vested assets, and Councils accounting result.

Staff Action: *Staff undertook to provide an annual maintenance column for vested assets in future reports.*

Resolved: (Cr Wilson/Cr van Oosten)

That the Finance Committee receives the report.

Mayor Southgate left the meeting (11.33am) during the discussion of the above item. She was not present when the matter was voted on.

Cr Forsyth re-joined the meeting (11.34am) during the discussion of the above item. She was present when the matter was voted on.

8. Financial Strategy Monitoring Report (Recommendation to Council)

The Corporate Business Manager introduced the report and responded to questions from Committee Members concerning the repayment of debt policy.

Resolved: (Cr Pascoe/Cr Macpherson)

That the Finance Committee receives the report.

That the Finance Committee recommends that the Council:

- a) approves the rephrasing and delay deferrals of an additional \$92.7M capital projects from 2019/20 to future years and savings of \$4.8M as identified in the December 2019 (11 February 2020 meeting) Capital Portfolio Monitoring Report;
- b) approves the significant forecast adjustments as set out in paragraphs 17 to 20 of this report; and
- c) approves the revised forecast Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 21 to 28 of this report.

Cr Forsyth left the meeting (11.48am) during the discussion of the above item. She was not present when the matter was voted on.

Item 6

9. Quarter one - Service Performance Measure 2019-20

The Unit Manager Strategy and Corporate Planning introduced the report and responded to questions from Committee Members concerning how data is received, the review of the performance measures, and how Council was performing based on the KPI's set.

Staff Action: Staff undertook to provide the metadata concerning the travel time for vehicles to travel key routes to Members.

Resolved: (Cr Pascoe/Cr van Oosten)

That the Finance Committee receives the report.

Cr Forsyth re-joined the meeting (12.00pm) during the discussion of the above item. She was present when the matter was voted on.

10. Resolution to Exclude the Public

Resolved: (Cr Pascoe/Cr Bunting)

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 31 December 2019 & Debt write-offs 2019/20	<ul style="list-style-type: none">) Good reason to withhold information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987 	Section 48(1)(a)

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)
	to maintain the effective conduct of public affairs through protecting persons from improper pressure or harassment	Section 7 (2) (f) (ii)

The meeting went into a Public Excluded session at 12.12pm.

The meeting was declared closed at 12.38pm.

Council Report

Committee: Finance Committee

Date: 28 April 2020

Author: Amy Viggers

Authoriser: Becca Brooke

Position: Governance Team Leader

Position: Governance Manger

Report Name: Chair's Report

Report Status	<i>Open</i>
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Recommendation - *Tuutohu-aa-kaimahi*

That the Finance Committee recieves the report.

Attachments - *Ngaa taapirihanga*

Attachment 1 – Chair's Report

Item 6



Chair's Report

We now face unprecedented financial challenges in the months (maybe years) ahead. Decisions will require care from thoroughly researched proposals to help deliver the best outcomes to our city residents.

It may not be prudent to continue with agendas and associated spending that will ultimately bring significant costs back to residents in future, as was an outcome in this city following the Global Finance Crisis and decisions made from 2008.

Deputy Maxine and I have asked David Bryant and his team to continue with work on a presentation to reaffirm or otherwise Council's current Financial Strategy. Our hope here is that an agreed financial strategy will mean this Council will signal to our city we are all on the same page and committed to wise and appropriate financial decisions.

A workshop is scheduled for 13 May 2020 for this work to begin.

Recommendation

That the Finance Committee receives this report.

Rob Pascoe
Chair – Finance Committee

Council Report

Item 7

Committee: Finance Committee

Date: 28 April 2020

Author: Iain Anderson

Authoriser: Chris Allen

Position: Capital Financial Lead

Position: General Manager
Development

Report Name: Capital Monitoring Report

Report Status	Open
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Purpose - *Take*

1. To inform the Finance Committee on the progress of the capital portfolio delivery against the 2019/20 Annual Plan for the eight months ending 29 February 2020.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Finance Committee receives the report.

Executive Summary - *Whakaraapopototanga matua*

3. This report is to be read in conjunction with the Annual Monitoring Report and Financial Strategy Monitoring Report.
4. This report reflects the capital portfolio delivery results for the 8 months ended 29 February 2020. Apart from emerging deferral information as a result of Covid-19 Level 4, the report is not intended to include any Covid-19 response to the capital programme. This will be detailed in the draft 2020/21 Annual Plan report scheduled for the 7 May 2020 Council meeting.
5. At this point in time staff are continuing planning and design of projects but no significant project will proceed to a construction commitment unless it has been approved by either the Senior Leadership Team or Council or Council Committee, whichever is appropriate as per delegations. Asset renewals will continue as programmed for the time being.
6. At the end of February 2020, the Capital Expenditure progress result is \$122.7M. The comparative from February 2019 was \$78.5M, an increase of \$44.2M.
7. This report forecasts an annual revised capital programme spend of \$193.3M. This reflects removing \$141.7M of estimated deferrals and adding \$11.5M of other changes. This forecast is based on the information available for the period as at 29 February 2020.
8. The estimated deferrals (including Renewals and Compliance) increased by \$38.7M since the report to the February 2020 Finance Committee meeting. This increase is largely due to emerging information related to the COVID-19 Alert Level 4 lockdown resulting in the suspension of many physical works for at least 4 weeks. The new deferrals include;
 - \$18.3M - Delay deferrals.
 - \$6.1M - Re-phasing deferrals.
 - \$14.3M – Renewals and Compliance deferrals.

9. Deferrals associated with the Renewals and Compliance Programme are identified separately as these are managed under the 3-year programme approach that Council approved at the 23 May 2019 Finance Committee meeting. As at 29 February 2020, a further \$14.3M in renewal and compliance work has been identified to be undertaken next year.
10. Staff consider the matters in this report to be of the low significance and that the recommendations comply with the Council's legal requirements.

Programme Summary and Significant Highlights

11. Programme summaries have not been prepared for this report due to staff workload and the changing nature of the capital programme due to COVID-19. These will be available again for the June 2020 Finance Committee.
12. Significant highlights since the last report to the Finance Committee include:
 - I. Surrealist Garden was opened in February 2020.
 - II. Korikori Park (formally Rototuna Sports Park) was opened in February 2020.
 - III. Bryce Street/Anglesea Street intersection safety upgrade complete in February 2020.
 - IV. Borman Road West – Connection to Kay Road in opened February 2020.
 - V. Eel Exhibit and Aviary projects at the Zoo complete in February 2020.

Capital Expenditure Forecast

13. At the end of February 2020, the actual capital expenditure result was \$122.7M.
14. Approved capital expenditure movements up to 31 January 2020 show the 2019/20 approved capital expenditure budget as follows:

2019/20 Annual Plan Capital Expenditure Budget	\$323.6M
Less previously Reported Deferral	(\$103.0M)
Plus previously Approved Changes	\$4.4M
2019/20 Approved Capital Expenditure Budget	\$225.0M

15. The revised forecasted capital expenditure to 30 June 2020 based on data as at 29 February is:

2019/20 Approved Capital Expenditure Budget	\$225.0M
Plus, bring forward	\$0.6M
Less, deferrals (including Renewals and Compliance)	(\$38.7M)
Plus, other approved changes	\$6.5M
2019/20 Total Forecast Capital Expenditure	\$193.3M

Revenue Forecast

16. At the end of February 2020, the actual capital revenue result was \$26.0M

17. Approved capital revenue movements up to 31 January 2020 show the 2019/20 approved capital revenue budget as follows:

2019/20 Annual Plan Capital Revenue Budget	\$69.7M
Less, previously approved changes	(\$8.2)M
2019/20 Approved Capital Revenue Budget	\$61.5M

18. The revised forecasted capital revenue to 30 June 2020 based on data as at 29 February is:

2019/20 Approved Capital Revenue Budget	\$61.5M
Plus, bring forward	\$0.0M
Less, deferrals (including Renewals and Compliance)	(\$7.9)M
Plus, other approved changes	\$1.6M
2019/20 Total Forecast Capital Revenue	\$55.2M

Deferrals, changes and review of the 2019-20 Capital Programme

19. Deferrals have increased by \$38.7m since the previous report to the Finance Committee. Included with these deferrals is \$14.3m in renewals and compliance deferrals but these are managed under the 3-year programme approach. This results in total deferrals for the 2019-20 year of \$141.7M.
20. A breakdown of the additional \$38.7m deferrals
- Delay \$18.3M
 - Timing \$ 6.1M
 - Renewals and Compliance \$14.3M
21. Significant changes to the capital programme are:
- Minogue Park Court Resurfacing; fully funded by Trust Waikato
 - Reduction in Revenue for Zoo & Waiwhakareke Entrance; reported as part of the 2020-21 Annual Plan proposals
22. **Attachment 1** contains a full list of the re-phasing and delay deferrals, expenditure brought forward and emerging savings by project.

COVID-19

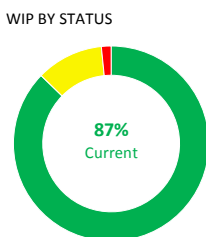
23. The impact of the COVID-19 virus and subsequent Level 4 lockdown is having a significant impact on the way we do business. Since the start of the level 4 lockdown all physical works sites were closed except for one which was deemed to be essential work.
24. This essential work relates to the construction of the Chimpanzee Fence at Hamilton Zoo. Continuing this work required due to animal welfare and safety concerns. This site met the government definition of essential service and was approved by the Hamilton City Council Incident Management Team on the 25th March 2020.

25. At the time of preparing this report New Zealand is at COVID -19 Alert Level 4. No firm date is known on when New Zealand will move to Alert Level 3. It is becoming clear that even at Level 3 there are likely to be significant barriers to progressing capital works. This situation will continue to affect productivity, and therefore cost to Council.
26. Given the commercial sensitivity of contracts and contract costs, a further public excluded report to Committee is being provided. This report details the likely financial impacts on the Capital Programme as a result of Covid-19.
27. The immediate effect of the current situation on Capital works monitoring and reporting has seen deferrals increase \$38.7M including the Renewals and Compliance programme, based on a simple assumption of a 1-month Level 4 delay to projects. The number of deferrals is likely to increase by the end of this financial year.
28. Staff are currently reviewing the 2020-21 Annual Plan capital programme for engagement with Elected Members, in the context of meeting the current Financial Strategy or any changes to the strategy that Council might adopt as well as advancing the 4 wellbeings. The review will consider
- impact of existing contracts in progress (deferrals, contract delays, cost increases)
 - impact of starting new contracts in moving Covid-19 environment
 - projects not yet started that could be delayed or stopped
 - bringing forward some projects from future years if they give a better wellbeing outcome for Hamilton
 - alignment with any government stimulus funding
29. This work was underway at the time this report was prepared. The outcome will be reported through the Annual Plan briefings for elected member consideration.

Work in Progress (WIP)

30. The balance of WIP as at 29 February 2020 is \$237.5m.
31. The breakdown by status is:
- \$207.3M – Current, this is legitimate WIP and reflects the assets cannot be capitalised until they are in use.
 - \$26.4M - In use and being processed
 - \$3.8M - Projects completed and in service but not yet capitalised.

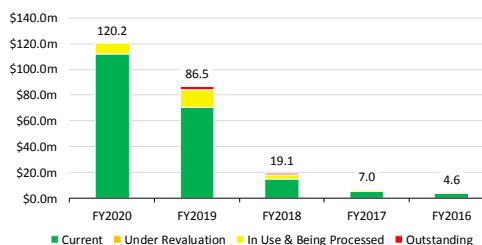
WIP BY STATUS



BREAKDOWN BY STATUS



WIP BY STATUS & AGE



32. As reported previously capitalisations had been delayed as the new Authority asset system was implemented. This has now been done successfully, in February staff were able to complete the capitalisations of 163 assets at value of \$39.5m.

Emerging Issues

Te Awa Cycleway Remediation

33. Covid-19 delays have led to a re-consideration of the start date for the Te Awa Cycleway remediation. There are risks in undertaking this work and winter and if this is a project that Council wishes to proceed with, it will be programmed to commence later in the year.
34. Prior to Covid-19, staff were in the process of bringing a report to Council to seek approval to undergo direct negotiation with a contractor to complete the work. Since then, Council has altered the delegation to give the Chief Executive delegation to approve work without going to competitive tender up to his contract delegation of \$3m. This project will be under \$2M.
35. Prior the exercising this delegation, including the requirement to work with nominated elected members, staff will have time to consider the best procurement method and the best funding model in the developing Covid-19 environment

Wairere/ Cobham Drive Interchange

36. Council has previously approved an increase to the Contract sum on this project due largely to unforeseen circumstances.
37. The costs of these circumstances and the cost of resulting contract time extensions has been under estimated and this together with other emerging issues mean that additional funding will be required.
38. These issues are being exacerbated by Covid-19 issues and a full report on the combined impacts will be brought to the next Finance Committee meeting. Any financial modelling undertaken in the meantime will allow for potential cost increases.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

39. Staff confirm that matters and recommendations within this report comply with the Council's legal and policy requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

40. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 well-beings').
41. The subject matter of this report has been evaluated in terms of the 4 well-beings during the process of developing this report as outlined below.
42. The recommendations set out in this report are consistent with that purpose.

Social

43. Work is currently underway to understand social procurement opportunities across our portfolio, which involves enhanced recognition and valuing of social benefits through particularly our selection of contractors.

Economic

44. Delivery of our capital works portfolio is required for the city to continue to grow and generate employment and wealth.

Environmental

45. Across the capital portfolio environmental consideration is integrated throughout the project life cycle, including through design, procurement and construction.

46. In the procurement phase all physical works contracts include a component to incorporate environmental and sustainability considerations into tender evaluation, where contractor initiatives such as materials reuse, energy requirements, electric vehicle utilisation, carbon offsets etc can be valued.
47. Across the portfolio a number of our works projects and programmes are specifically focussed on enhancing our natural environment or ensuring effects of city development are not at the detriment of our natural environment. A couple of recent examples are:
 - The new lighting that is going to be installed at the jetty has been designed with consideration of both pedestrian safety and the impact of lighting on our native long-tailed bats. Bats suffer in areas with a lot of artificial light, but pedestrians lighting is needed for safety reasons. The jetty lighting was designed with these competing interests in mind.
 - Improving the quality of the stormwater water from Hamilton Zoo site that discharges into the Lake Rotokauri catchment. This catchment has prescribed water quality goals in which the Zoo is currently underperforming. Options being introduced include, establish a formal stormwater network include grassed and wetland swales along tracks and pathways, sediment forebays at the inlet to each pond, stock exclusion from all waterways, floating wetlands that can be retrofitted in existing ponds, as well as the possibility of constructing a final water quality wetland.

Cultural

48. Across the portfolio engagement and partnership with iwi are continuing at a project level, and work is underway to further align and partner at programme and portfolio levels to identify opportunities for enhanced partnership and shared outcomes – particularly in regard to alignment with objectives of the Waikato Tainui Environmental Plan – Tai Tumu Tai Pari Tai Ao.

Risks - *Tuuraru*

49. There are no known risks associated with the decisions required for this matter.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Significance

50. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed the matters and recommendations in this report have a low level of significance.

Engagement

51. Community views and preferences are already known to the Council through the 2018-28 10-Year Plan and 2019-20 Annual Plan.
52. Given the low level of significance determined, the engagement level is low, and no further engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Deferrals and Other Changes

Schedule of Capital Deferrals and Other Changes
As at 29 February 2020

2019/20 Capital Expenditure Deferrals

Programme	Project	Expenditure 19/20	Expenditure 20/21	Expenditure 21/22	Expenditure 22/23 - 27/28	Reasons	Delay/ Rephase	Revenue 19/20	Revenue 20/21	Revenue 21/22	Revenue 22/23 - 27/28
City Wide Community	Hamilton Gardens - Development & Trust	\$ (806,000)	\$ 806,000	\$ -	\$ -	There is a delay in construction works due to Covid-19 Alert Level 4 lockdown.	Delay	\$ -	\$ -	\$ -	\$ -
City Wide Community	Riverplan	\$ (934,811)	\$ 934,811	\$ -	\$ -	There is a delay in construction works due to Covid-19 Alert Level 4 lockdown. Water levels will likely be too high to build the revetment wall over winter. Therefore, construction will need to be pushed out to the next financial year to construct over summer.	Delay	\$ -	\$ -	\$ -	\$ -
City Wide Community	VOTR Boardwalk	\$ (377,000)	\$ 377,000	\$ -	\$ -	The design for the VOTR to Embassy Park Path is on hold. Funds being held until appropriate point in Central City Plan development, as per Council decision on 16 August 2018.	delay	\$ -	\$ -	\$ -	\$ -
City Wide Community	Zoo & Waiwhakareke Entrance Precinct	\$ (1,311,000)	\$ 1,311,000	\$ -	\$ -	The programme has been re-prioritised and staged. The proposal is to go to Annual Plan discussions.	delay	\$ -	\$ -	\$ -	\$ -
City Wide Waters Programme	Erosion control	\$ (527,500)	\$ (1,500,000)	\$ (2,772,500)	\$ 4,800,000	Works undertaken under the permitted activities rule, with a maximum permissible length for erosion control being 50 m per km, resulting in slow progress. Other consent options being explored to overcome this. There is also a delay in construction works due to Covid-19 Alert Level 4 lockdown.	delay	\$ 102,075	\$ -	\$ -	\$ (102,075)
City Wide Waters Programme	Hillsborough PS Upgrade	\$ (1,065,000)	\$ 1,065,000	\$ -	\$ -	There is a delay in construction works due to Covid-19 Alert Level 4 lockdown.	Delay	\$ -	\$ -	\$ -	\$ -
City Wide Waters Programme	Pukete WWTP Upgrade	\$ (3,336,229)	\$ 3,336,229	\$ -	\$ -	Contractual commitments have caused delays. There is also a delay in construction works due to Covid-19 Alert Level 4 lockdown.	Delay	\$ -	\$ -	\$ -	\$ -
City Wide Waters Programme	Waioira 2 WTP Upgrade	\$ (220,000)	\$ (4,180,000)	\$ 4,400,000	\$ -	It is expected that 50% of the detailed design stage is completed this financial year. A large portion of the construction works will be deferred.	delay	\$ -	\$ -	\$ -	\$ -
City Wide Waters Programme	Water Network Strategic Improvements	\$ -	\$ (3,900,000)	\$ 3,900,000	\$ -	Newcastle reservoir zone implementation has been deferred to allow time for the design and to phase works.	delay	\$ -	\$ -	\$ -	\$ -
City Wide Waters Programme	Western Interceptor Duplication	\$ (1,122,734)	\$ 1,122,734		\$ -	Delay in construction works due to Covid-19 Alert Level 4 lockdown.	Delay	\$ -	\$ -	\$ -	\$ -
Rotokauri Programme	Rotokauri Arterial Designations	\$ (400,000)	\$ (2,265,000)	\$ 2,665,000	\$ -	To align with consultants progress	Delay	\$ 178,500	\$ 55,500	\$ (234,000)	\$ -
Rotokauri Programme	Rotokauri Central Swale	\$ -	\$ (1,275,000)	\$ 1,275,000	\$ -	Deferral to align the swale land purchase to the expected purchase timing.	delay	\$ -	\$ -	\$ -	\$ -
Rototuna Programme	North Ridge Road Urban Upgrade	\$ (1,172,351)	\$ 1,172,351	\$ -	\$ -	Delay in construction works due to Covid-19 Alert Level 4 lockdown.	delay	\$ -	\$ -	\$ -	\$ -
Ruakura Programme	Ruakura Far Eastern Interceptor (large waste water pipe)	\$ (262,000)		\$ 262,000	\$ -	Stage 1 is complete. Stage 2 has been moved to 2021/22 to align with expected developer timing.	delay	\$ -	\$ -	\$ -	\$ -
Ruakura Programme	Ruakura Reservoir & Bulkheads	\$ (400,000)	\$ 400,000		\$ -	Delay in construction works due to Covid-19 Alert Level 4 lockdown.	Delay	\$ -	\$ -	\$ -	\$ -
Ruakura Programme	Ruakura Transport Network Upgrades	\$ -	\$ (650,000)	\$ 650,000		Deferral to align with the NZTA business case processes.	delay	\$ -	\$ 332,000	\$ (332,000)	\$ -
Transport Improvement Programme	Biking Connectivity Projects	\$ (762,000)	\$ 762,000	\$ -	\$ -	Delay in construction works due to Covid-19 Alert Level 4 lockdown.	Delay	\$ 370,191	\$ (370,191)	\$ -	\$ -
Transport Improvement Programme	Eastern Pathways	\$ (214,366)	\$ 214,366	\$ -	\$ -	Delay in construction works due to Covid-19 Alert Level 4 lockdown. Revenue deferred to align with updated NZTA subsidy expectations.	Delay	\$ 3,831,876	\$ (3,831,876)	\$ -	\$ -
Transport Improvement Programme	Rotokauri Park and Ride	\$ (3,869,952)	\$ 3,869,952	\$ -	\$ -	Delay in construction works due to Covid-19 Alert Level 4 lockdown.	Delay	\$ 2,150,000	\$ (2,150,000)	\$ -	\$ -
Transport Improvement Programme	Te Awa Cycle Way Remediation	\$ (800,350)	\$ 800,350	\$ -	\$ -	Delay in construction works due to Covid-19 Alert Level 4 lockdown.	Delay	\$ -	\$ -	\$ -	\$ -

Transport Improvement Programme	Te Awa Path	\$ (494,813)	\$ 494,813	\$ -	\$ -	Delay in construction works due to Covid-19 Alert Level 4 lockdown.	Delay	\$ -	\$ -	\$ -	\$ -
Transport Improvement Programme	Transport Centre Driver Facility	\$ (200,000)	\$ 200,000	\$ -	\$ -	Delay in construction works due to Covid-19 Alert Level 4 lockdown.	Delay	\$ 108,477	\$ (108,477)	\$ -	\$ -
City Wide Community	Playground Development Programme	\$ (612,000)	\$ (1,899,000)	\$ 1,551,000	\$ 960,000	Alignment with rephased programme as approved by Community, Services and Environment Committee on the 30 October 2018.	rephase	\$ 391,000	\$ 766,000	\$ (1,157,000)	\$ -
City Wide Waters Programme	Wastewater Network Strategic Capacity Upgrades	\$ -	\$ (9,000,000)	\$ 9,000,000	\$ -	Contractually committed deferral required for completion of the Western Wastewater Interceptor (large wastewater pipe) upgrade in accordance with the updated construction programme (\$9.3M). Forecast deferral required for Dinsdale Pump Station upgrade (\$2.8M). Snell Pump Station rising main diversion (\$1.65M) due to work programme optimisation and re-prioritisation. Programme on track to deliver the outcomes of enabling growth and reducing network capacity issues.	rephase	\$ -	\$ -	\$ -	\$ -
Rotokauri Programme	Baverstock Road Upgrade	\$ (715,423)	\$ 715,423	\$ -	\$ -	To align with contract phasing	Rephase	\$ -	\$ -	\$ -	\$ -
Rotokauri Programme	Southern Arterials - Te Wetini & Central	\$ (215,682)	\$ 215,682	\$ -	\$ -	To align with developer timing.	rephase	\$ -	\$ -	\$ -	\$ -
Rototuna	Rototuna Village (Roading Upgrades and Community Facilities)	\$ -	\$ (10,593,000)	\$ 10,593,000	\$ -	To align with updated project phasing. Design is planned for 2020/21 and construction 2021/22.	rephase	\$ -	\$ -	\$ -	\$ -
Rototuna Programme	Hare Puke and Mangaiti sports park	\$ (603,800)	\$ 603,800	\$ -	\$ -	The work has been bundled to get more favourable outcome with contractors.	rephase	\$ -	\$ -	\$ -	\$ -
Rototuna Programme	Rototuna Network - Neighbourhood Park	\$ (91,013)	\$ 91,013	\$ -	\$ -	To align with developer timing.	rephase	\$ -	\$ -	\$ -	\$ -
Rototuna Programme	Trunk Watermain Installation Programme	\$ (39,782)	\$ 39,782	\$ -	\$ -	Delay in construction works due to Covid-19 Alert Level 4 lockdown.	rephase	\$ -	\$ -	\$ -	\$ -
Rototuna Village Sub-Programme	North City Road Corridor Borman to Kay	\$ (364,765)	\$ 364,765	\$ -	\$ -	To align with developer timing.	rephase	\$ -	\$ -	\$ -	\$ -
Transport Improvement Programme	Gordonton Road Corridor	\$ (2,660,839)	\$ 2,660,839	\$ -	\$ -	Land purchase to futureproof the project	rephase	\$ -	\$ -	\$ -	\$ -
Transport Improvement Programme	Hamilton Transport model	\$ (546,284)	\$ 546,284	\$ -	\$ -	NZTA Business case is now required which is in progress.	rephase	\$ -	\$ -	\$ -	\$ -
Transport Improvement Programme	Integrated Transport Modes	\$ -	\$ -	\$ -	\$ -	Revenue deferred to align with updated NZTA subsidy expectations.	rephase	\$ 478,711	\$ (478,711)	\$ -	\$ -
Transport Improvement Programme	Intersection Safety and Capacity Upgrades	\$ -	\$ -	\$ -	\$ -	Revenue deferred to align with updated NZTA subsidy expectations.	rephase	\$ 182,473	\$ (182,473)	\$ -	\$ -
Transport Improvement Programme	Transport Centre Rejuvenation	\$ (300,000)	\$ 300,000	\$ -	\$ -	The business case is in progress. Design and construction cannot be started yet.	rephase	\$ -	\$ -	\$ -	\$ -
Total		\$ (24,425,694)	\$ (12,857,806)	\$ 31,523,500	\$ 5,760,000			\$ 7,793,304	\$ (5,968,229)	\$ (1,723,000)	\$ (102,075)
Renewals and Compliance Deferrals	Various Projects	\$ (14,302,582)	\$ 16,965,582	\$ (2,663,000)	\$ -	Renewals and Compliance deferrals are managed as a 3 year rolling programme.		\$ 137,280	\$ (137,280)	\$ -	

Other Changes

2019/20 Capital Expenditure Bring Forwards

Programme	Project	Expenditure 19/20	Expenditure 20/21	Expenditure 21/22	Expenditure 22/23 - 27/28	Reasons
Rotokauri Programme	Brymer Road Upgrade	\$ -	\$ 700,000	\$ (700,000)	\$ -	Bring forward for the design of Bymer Road Upgrade to align with development.
Rotokauri Programme	Rotokauri Central Swale	\$ 514,493	\$ (406,935)	\$ (107,558)	\$ -	Bring forward to facilitate land purchase discussions and keep aligned with project progress.
Rototuna Programme	Borman West/Kay Intersection	\$ 75,164	\$ (75,164)	\$ -	\$ -	Bring forward to align with construction on the project.
Total		\$ 589,657	\$ 217,901	\$ (807,558)	\$ -	

Other Changes Continued.

NZTA alignment

Programme	Project	Expenditure 2019/20	Revenue 2019/20			Reasons
Transport Improvement Programme	Biking Connectivity Projects		\$409,139			Revenue deferred to align with updated NZTA subsidy expectations.
Transport Improvement Programme	Discretionary Transport Sub-Programme	\$ -	\$147,139			Revenue deferred to align with updated NZTA subsidy expectations.
Transport Improvement Programme	Integrated Transport Modes		\$ (422,307)			Revenue deferred to align with updated NZTA subsidy expectations.
Transport Improvement Programme	Rotokauri Park and Ride	\$ 5,102,000	\$ (3,868,365)			It was unclear at the start of the project what the NZTA subsidy would be. Now that we have an agreement in place staff have calculated what the subsidy is.
Transport Improvement Programme	Transport Centre Driver Facility	\$ -	475,317.95			Revenue deferred to align with updated NZTA subsidy expectations.
Total		\$ 5,102,000	\$ (3,259,076)			

Projects with a reduction in revenue

Programme	Project	Expenditure 2019/20	Revenue 2019/20			Reasons
City Wide Community	Zoo & Waiwhakareke Entrance Precinct	\$ -	\$1,561,000			Third part funding will no longer be received. Alternative funding options will be looked at through the Annual Plan process.
Renewals & Compliance Programme	Erosion Control	\$ -	\$893,200			Waikato Regional Council contribution is not expected to materialise.
Renewals & Compliance Programme	Transport Renewals & Compliance Programme	\$ (60,000)	\$66,300			The project was completed in 2018/19.
Transport Improvement Programme	Te Awa Cycleway Remediation	\$ -	\$510,000			
Total		\$ (60,000)	\$ 3,030,500			

New or existing projects funded by new external revenue

Programme	Project	Expenditure 2019/20	Revenue 2019/20			Reasons
Renewals & Compliance Programme	Tuatara Exhibit	\$ 120,000	\$ (120,000)			Money was bequeathed for the exhibit
Renewals & Compliance Programme	Minogue Park Court Resurfacing	\$ 1,300,000	\$ (1,300,000)			Money has come from Trust Waikato for improvements in the Netball courts playing surface.
Total		\$ 1,420,000	\$ (1,420,000)			

Council Report

Item 8

Committee: Finance Committee

Date: 28 April 2020

Author: Tracey Musty

Authoriser: David Bryant

Position: Financial Controller

Position: General Manager Corporate

Report Name: Annual Monitoring Report to 29 February 2020

Report Status

Open

Purpose - *Take*

1. To inform the Finance Committee on Council's Year to Date (YTD) financial performance as at 29 February 2020.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Finance Committee receives the report.

Executive Summary - *Whakaraapopototanga matua*

3. This report is to be read in conjunction with the:
 - 29 February 2020 (28 April 2020 meeting) Capital Portfolio Monitoring report; and
 - 29 February 2020 (28 April 2020 meeting) Financial Strategy Monitoring report
4. The 29 February 2020 financial results show positive variances on both the accounting result and balancing the books result.
5. Staff consider the matters in this report have low significance and that the recommendations comply with the Council's legal requirements.

Discussion - *Matapaki*

Operating results

The accounting results

6. The Statement of Comprehensive Revenue and Expense discloses the accounting result in accordance with accounting standards.
7. The accounting result YTD ended 29 February 2020 is a surplus of \$63.7M. This is \$11.4M favourable against a forecast surplus of \$52.3M. This is primarily due to an increase in capital revenue and timing of spend.

Accounting Result		
YTD Actual	YTD Forecast	Variance
\$63.7M	\$52.3M	\$11.4M

8. The Annual Forecast has been adjusted to reflect the forecasting adjustments that are explained in the “understanding material variances” section of this report.

Annual Accounting Result		
Annual Forecast	Annual Budget	Variance
\$90M	\$110M	(\$20M)

Balancing the books result

9. The balancing the books result for the month ended 29 February 2020 is \$2.6M. This is \$7.8M favourable against the 29 February 2020 forecast of (\$5.2M).

Balancing the Books		
YTD Actual	YTD Forecast	Variance
\$2.6M	(\$5.2M)	\$7.8M

Understanding material variances

10. The Statement of Comprehensive Revenue and Expense, Statement of Financial Position, and accompanying notes are contained in **Attachment 1**.
11. Individual Everyday Revenue and Expense statements for each of the Council’s 12 activities, overheads and general expenses are contained in **Attachment 2**.
12. The Annual Forecast evaluation is on track and all potential adjustments are being assessed.
13. A reconciliation of the accounting result to the balancing the books result is provided after the Statement of Comprehensive Revenue and Expense.

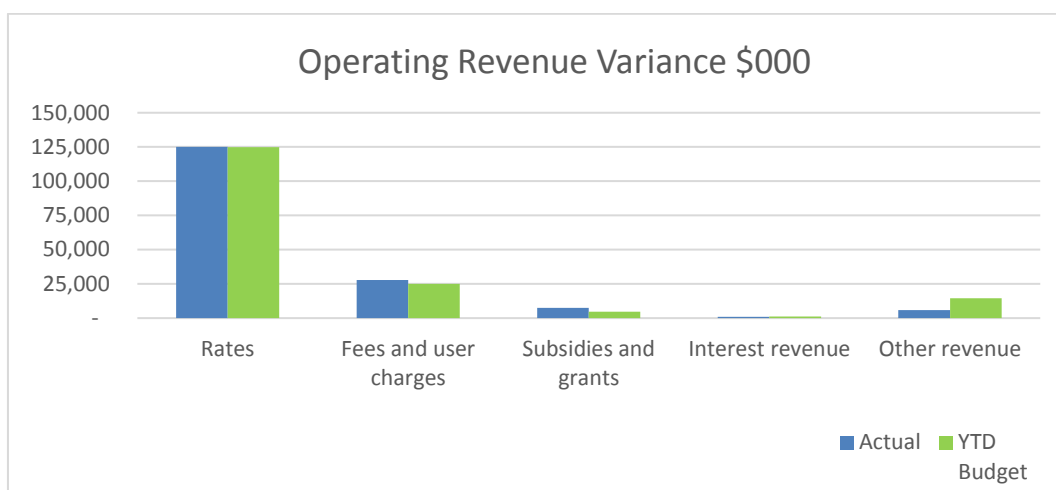
Operating revenue

14. Total Operating revenue is \$3.1M lower than budgeted. This is attributable to the non-cash benefit associated with the HIF (Housing Infrastructure Fund) draw down that has yet to occur.

Other offsetting variances worth noting:

- Fees and user charges are in a favourable position as a result of the mix and volume of events in Venues, Tourism and Major Events (VTME), as well as a higher than expected level of building and resource consent activity in Planning & Development.
- Subsidies and grants have risen due to an operational subsidy received from NZTA (New Zealand Transport Agency), towards the painting of Victoria Bridge project completed earlier in the financial year, as well as the Rotokauri Park & Ride project being managed by Council on behalf of KiwiRail with a 100% NZTA subsidy received on expenditure.

Please refer to the activity statements for material variance explanations.



Operating Revenue	YTD Variance \$'000 – favourable/(unfavourable)
Rates	319
Fees and user charges	2,864
Subsidies and grants	2,606
Interest revenue	(227)
Other revenue	(8,680)
Total YTD variance	(3,118)

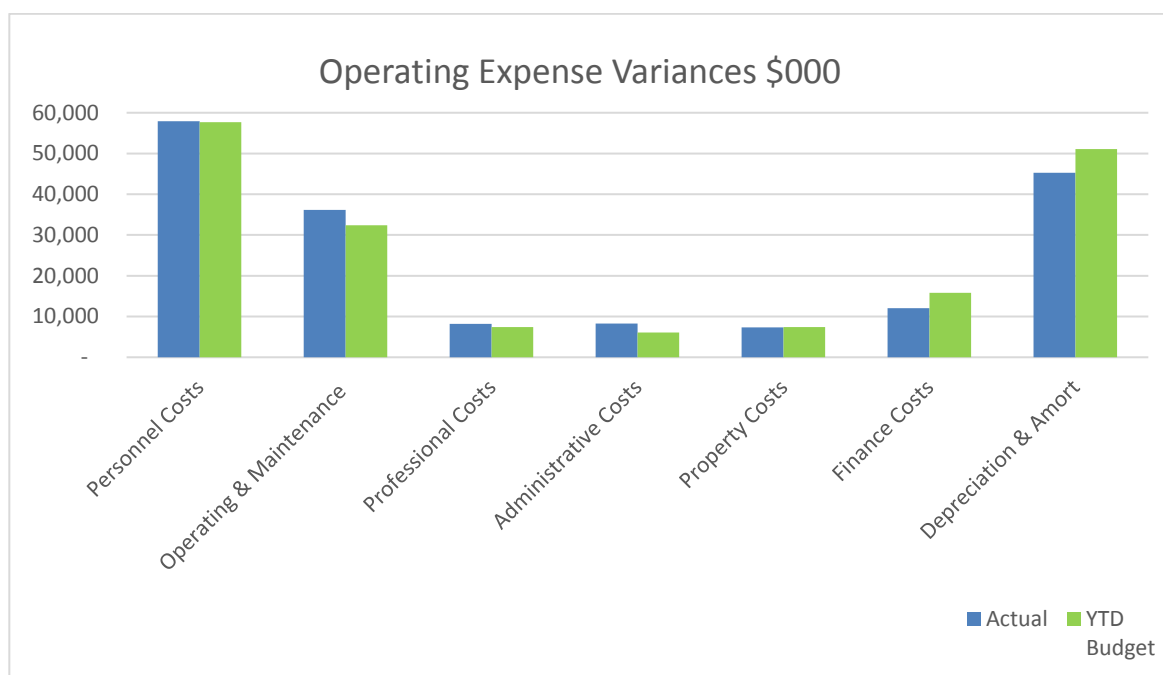
Operating expenditure

15. Total Expenditure is \$2.6M lower than budgeted.

An increase in Operating, Maintenance and Administrative costs were offset as a result of decreased expenditure in:

- Finance costs are lower as overall debt for the Council is lower than budgeted.
- The Depreciation & amortisation expense is lower as capital projects within various Council activities have not been completed within expected timeframes. Currently being reassessed to identify correct phasing and/or savings. The increase in vested assets has not offset the reduction in depreciation.

Please refer to the activity statements for material variance explanations.



Expenditure	YTD Variance \$'000 – favourable/(unfavourable)
Personnel costs	(214)
Operating & maintenance	(3,807)
Professional costs	(797)
Administration expenses	(2,239)
Property costs	54
Finance costs	3,809
Depreciation & amort	5,776
Total YTD variance	2,582

Assets/Loss on sale

16. Loss on sale of assets consist of asset residual values that have been written off as these assets have been replaced. This includes the disposal of streetlights that have consequently been replaced with LED lighting, as outlined in the Transport activity contained in Attachment 2.
17. Loss on sale also includes the 29 February 2020 adjustment on non-cash revaluation of Council's Financial borrowing instruments.

Capital Revenue

18. Capital Revenue contributed predominantly to the overall favourable accounting position, as reflected:
 - Development contributions are ahead of YTD budget by \$8.2M. Council continues to experience high growth activity.
 - New connections to the water infrastructure resulted in increased capital revenue and offsets capital installation costs. The effect of projects progressing faster than anticipated has had the same outcome and NZTA subsidies are tracking above budget.

- Council have more vested assets than predicted. The effect is a revenue of \$26.8M which is \$6M higher than the YTD budget. This budget is broken down by class of asset on page 99 of the 10-Year Plan. Vested Assets are outlined in the table that follows:

Asset class	YTD Actual \$000	Annual Budget \$000	Life Range (Years)	Estimated Annual Depreciation \$000
Wastewater	3,336	3,160	15-100	42
Stormwater	1,988	5,297	30-100	25
Water Supply	1,325	1,846	50-80	17
Roading	8,004	8,320	12-140	160
Land		12,607		
Land – Under Roads	9,946	-		-
Land – Local Purpose Reserves*	2,241	-		-
Total	26,840	31,230		244

* Local Purpose Reserves is a legal description defined by the Reserves Act 1977. This type of land is invariably land that is used for drainage purposes.

- The addition of vested assets increases the operating and maintenance costs for Council, as well as depreciation. An estimate of operating and maintenance costs and depreciation expense has been made in the 10-Year Plan to support the annual vested assets budget.
- Through the 2018-28 10-Year Plan, increased funding was made available for maintenance on new vested assets for three waters and transportation activities. The nature of many of these vested infrastructure assets are that they have a long useful life and generally do not require significant direct maintenance in the first 10 years of operation.
- Examples of the types of assets that are vested and the nature of expenditure on these assets is outlined in the table below:

Activity	Example of vested asset types	Nature of maintenance and operational activities undertaken on new assets
Wastewater	Pipes, pump stations, connections	<ul style="list-style-type: none"> • Pipes don't need much maintenance in the first few years. Reactive maintenance only. • Pump stations have electricity costs, washing (2 or 4 weekly) and annual inspections (operating costs)
Water	Pipes, hydrants, valves, meters (bulk), connections	<ul style="list-style-type: none"> • Valve and hydrant testing – bulk of the assets are tested over 5-10 years for the city • Pipes, reactive maintenance only
Stormwater	Pipes, SW devices (ponds, wetlands)	<ul style="list-style-type: none"> • Devices (ponds) get annual inspections • Pipes, no maintenance in the early years. Reactive maintenance only
Transport	Roads, subdivision street lights	<ul style="list-style-type: none"> • Line marking, potholes - reactive maintenance • Resealing and repairs not need in early years • Streetlight repairs from crashes
Land	Parks, drainage reserve	<ul style="list-style-type: none"> • Mowing, replacing plants as needed

Treasury Management

22. Council is fully compliant with all treasury policy measures as at 29 February 2020.

Counterparty credit risk	max	\$75m per bank	Achieved	✓
Liquidity ratio	min	110%	123%	✓
Funding maturity	0 - 3 years	15% - 60%	27%	✓
	3 - 5 years	15% - 60%	28%	✓
	5 years +	10% - 60%	45%	✓
Fixed rate debt maturity	All years	Within annual parameters	Achieved	✓

Debt and Cash Investments

23. External Debt was increased at 29 February 2020 by additional funding from the LGFA. This was invested to match Council's forecast cash flow requirements with financial investment maturities. Please refer to Attachment 3 for further details.
24. The Debt Forecast and the Debt to Revenue ratio form part of our Financial Strategy and is addressed within the Financial Strategy Monitoring Report.

Treasury Performance			
	YTD Actual	Annual Budget	Variance
Cash Investments	\$122M	\$55M	\$67M
Total External Debt	\$504M	\$642.5M	(\$138.5M)
Finance Costs	\$12M	\$22.5M	(\$10.5M)

Interest Rate Risk Management

25. The movement on interest rate swaps relates to valuations completed at a point in time. These are based on Council's total external debt and the difference between current market interest rates and the fixed rates that Council has locked in. They are unrealised because on maturity of each interest rate swap contract no interest gain or loss eventuates.
26. As at 29 February 2020 our fixed rate hedging is 68%.

Emerging Issues

27. An emerging issue has been identified in the payroll area affecting some employee leave. This was highlighted as part of a national compliance review via MBIE (Ministry of Business, Innovation and Employment). Due to non-compliance we are required to make a payment of \$0.6M to past and present employees.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

28. Staff confirm that the matters in this report complies with the Council's legal and policy requirements.

Risks - *Tuuraru*

29. There are no known risks associated with this matter.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

30. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
31. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below. The recommendations set out in this report are consistent with that purpose.

Significance and Engagement Policy - *Kaupapa here whakahira/anganui*

Significance

32. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have a low significance.

Engagement

33. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Statement of Comprehensive Revenue and Expense February 2020

Attachment 2 - Council Activities February 2020

Attachment 3 - Treasury Position February 2020

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Attachment 1

FOR THE MONTH ENDED 29 FEBRUARY 2020

\$000		\$000		\$000		\$000		\$000		\$000	
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent		Annual Forecast	Annual Variance Fav/(Unfav)		
Operating Revenue											
118,885	Rates	125,159	124,840	319	191,658	65%		191,142	(516)		
27,368	Fees & Charges	27,773	24,909	2,864	38,180	73%		35,344	(2,836)		
4,473	Subsidies & Grants	7,390	4,785	2,606	6,958	106%		9,858	2,900		
2,957	Interest Revenue	874	1,100	(226)	1,650	53%		1,650			
4,862	Other Revenue	5,782	14,462	(8,680)	19,972	29%		8,447	(11,525)		
158,544	TOTAL OPERATING REVENUE	166,978	170,095	(3,118)	258,419	65%		246,442	(11,977)		
Capital Revenue											
16,031	Development Contributions	25,105	16,926	8,180	25,387	99%		28,952	3,565		
17,835	Capital Revenue	27,418	22,307	5,110	69,690	39%		55,247	(14,443)		
18,184	Vested Assets	26,839	20,820	6,019	31,230	86%		34,686	3,456		
52,049	TOTAL CAPITAL REVENUE	79,361	60,053	19,309	126,307	63%		118,885	(7,422)		
210,593	TOTAL REVENUE	246,339	230,148	16,191	384,726	64%		365,326	(19,399)		
Expenditure											
51,569	Personnel Costs	57,910	57,697	(214)	86,425	67%		86,287	139		
29,850	Operating & Maintenance Costs	36,180	32,373	(3,807)	50,413	72%		53,566	(3,153)		
3,829	Professional Costs	8,182	7,385	(797)	12,236	67%		13,190	(954)		
8,168	Administration Expenses	8,290	6,051	(2,239)	13,566	61%		14,031	(465)		
6,171	Property Costs	7,359	7,413	54	10,816	68%		10,548	268		
12,959	Finance Costs	12,026	15,834	3,808	24,862	48%		21,497	3,366		
47,027	Depreciation & Amortisation Expense	45,281	51,058	5,776	76,564	59%		69,208	7,356		
159,572	TOTAL EXPENDITURE	175,229	177,811	2,582	274,882	64%		268,325	6,557		
51,021	OPERATING SURPLUS/(DEFICIT)	71,110	52,337	18,772	109,843	65%		97,001	(12,842)		
Gains and Losses											
(5,735)	Net gain/(loss) on revaluation of interest rate swaps	(4,569)		(4,569)				(4,569)	(4,569)		
	Gain on fair value of investment properties				579	0%		579			
(1,474)	Property, plant and equipment net gain/(loss)	(2,814)		(2,814)				(2,877)	(2,877)		
(7,209)	TOTAL GAINS AND LOSSES	(7,383)		(7,383)	579	-1275%		(6,867)	(7,446)		
43,812	TOTAL SURPLUS/(DEFICIT)	63,726	52,337	11,389	110,422	58%		90,134	(20,288)		

Refer to Activity Statements for variances against budget.

BALANCING THE BOOKS RESULT

FOR THE MONTH ENDED 29 FEBRUARY 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast
43,812	Surplus/(Deficit)	63,726	52,337	11,389	110,422	58%	90,134
	Remove capital revenue						
(18,184)	Vested assets	(26,839)	(20,820)	(6,019)	(31,230)	86%	(34,686)
(11,076)	Part of Development and Financial contributions	(19,310)	(11,130)	(8,180)	(16,694)	116%	(20,259)
(7,952)	Capital Subsidy (excluding subsidy on transport renewals)	(17,436)	(13,745)	(3,691)	(49,358)	35%	(39,225)
(4,096)	Other Capital Contributions	(4,480)	(2,533)	(1,947)	(11,146)	40%	(8,840)
(115)	Other items not considered everyday operating revenue	(471)	(10,059)	9,587	(13,412)	4%	(2,412)
	Remove (gains)/losses						
7,209	All Gains/(Losses)	7,383		7,383	(579)	-1275%	6,867
	Remove other expenses						
7	Other items not considered everyday operating expenses	79	773	(695)	1,160	7%	145
9,605	EVERYDAY SURPLUS/(DEFICIT)	2,651	(5,177)	7,828	(10,836)	-24%	(8,276)

LOCAL GOVERNMENT BALANCING THE BOOKS MEASURE

FOR THE MONTH ENDED 29 FEBRUARY 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast
43,812	Surplus/(deficit)	63,726	52,337	11,389	110,422	58%	90,134
	Adjustments for the Local Government Regulations measure						
	Gains excluding gains on investment properties				(579)	0%	(579)
5,735	Net (Gain)/Loss on derivative financial instruments	4,569		4,569	0		4,569
(16,031)	Development and Financial contributions	(25,105)	(16,926)	(8,180)	(25,387)	99%	(28,952)
(18,184)	Vested assets	(26,839)	(20,820)	(6,019)	(31,230)	86%	(34,686)
(28,480)	Total adjustments	(47,375)	(37,746)	(9,629)	(57,196)		(59,648)
15,332	LG Regulations balancing the books surplus/(deficit)	16,352	14,592	1,760	53,226	31%	30,486

Attachment 2

COUNCIL

FOR THE MONTH ENDED 29 FEBRUARY 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
118,885	Rates	125,159	124,840	319	191,658	65%	191,142	(516)
27,368	Fees & Charges	27,773	24,909	2,864	38,180	73%	35,344	(2,836)
4,473	Subsidies & Grants	7,390	4,785	2,606	6,958	106%	9,858	2,900
2,957	Interest Revenue	874	1,100	(226)	1,650	53%	1,650	
4,401	Other Revenue	5,906	14,462	(8,556)	20,551	29%	9,026	(11,525)
158,083	Total Everyday Revenue	167,101	170,095	(2,994)	258,998	65%	247,021	(11,977)
Everyday Expenditure								
51,569	Personnel Costs	57,910	57,697	(214)	86,425	67%	86,287	138
29,850	Operating & Maintenance Costs	36,180	32,373	(3,807)	50,413	72%	53,566	(3,153)
3,829	Professional Costs	8,182	7,385	(797)	12,236	67%	13,190	(954)
11,957	Administration Expenses	13,182	10,916	(2,266)	21,446	61%	21,911	(465)
6,171	Property Costs	7,359	7,413	54	10,816	68%	10,548	268
12,959	Finance Costs	12,026	15,834	3,808	24,862	48%	21,497	3,365
47,027	Depreciation & Amortisation Expense	45,281	51,058	5,776	76,564	59%	69,208	7,356
6,748	Gains & Losses	7,507		(7,507)			7,446	(7,446)
(3,789)	Internal Capital Recoveries	(4,892)	(4,865)	27	(7,880)	62%	(7,880)	
166,320	Total Everyday Expenditure	182,736	177,811	(4,925)	274,882	66%	275,771	(889)
(8,237)	Everyday Surplus/(Deficit)*	(15,635)	(7,716)	(7,919)	(15,884)	98%	(28,751)	(12,866)
Capital Revenue								
16,031	Development Contributions	25,105	16,926	8,180	25,387	99%	28,952	3,565
17,835	Capital Revenue	27,418	22,307	5,110	69,690	39%	55,247	(14,443)
18,184	Vested Assets	26,839	20,820	6,019	31,230	86%	34,686	3,456
52,049	Total Capital Revenue	79,361	60,053	19,309	126,307	63%	118,885	(7,422)
43,812	Operating Surplus/(Deficit)	63,726	52,337	11,389	110,422	58%	90,134	(20,288)

Material variances as explained below:**Finance Costs - \$3,808k favourable.**

Overall finance costs (interest expense) for Council are favourable. This is due to the overall debt being lower than budget.

Depreciation & Amortisation Expense - \$5,776k favourable.

The favourable result relates to capital projects still to be fully capitalised. The budgeted timeframe is currently being reassessed to identify correct phasing and/or savings.

Development Contributions - \$8,180k favourable.

Council is experiencing high growth activity.

Vested Assets - \$6,019k favourable.

More vested assets have been received than budgeted.

The comments below explain the material variance between annual approved budget and annual forecast.**Finance Costs.**

Finance costs have been tracking lower than anticipated due to the fact that overall debt has been lower than budgeted.

Vested Assets.

More vested assets have been received than budgeted.

Depreciation

The decrease in depreciation can be attributed mainly to deferrals. However, capital projects that still need to be fully capitalised have also contributed to a further reduction in the forecast figure.

VENUES, TOURISM AND MAJOR EVENTS

Claudelands | FMG Stadium Waikato | Seddon Park | i-SITE | Tourism and Events Funding

FOR THE MONTH ENDED 29 FEBRUARY 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
96	Rates	9,746	9,762	(15)	14,972	65%	14,972	
4,410	Fees & Charges	4,845	3,392	1,452	5,189	93%	5,369	180
	Subsidies & Grants	4		4				
286	Interest Revenue	86	83	3	124	69%	124	
446	Other Revenue	546	516	30	800	68%	800	
5,238	Total Everyday Revenue	15,226	13,752	1,474	21,084	72%	21,264	180
Everyday Expenditure								
3,718	Personnel Costs	3,974	4,029	55	6,049	66%	6,049	
3,373	Operating & Maintenance Costs	3,780	2,664	(1,115)	4,370	86%	4,843	(473)
109	Professional Costs	104	172	68	263	40%	263	
1,182	Administration Expenses	1,384	1,554	170	1,889	73%	1,889	
688	Property Costs	716	664	(51)	1,019	70%	1,019	
1,273	Finance Costs**	1,167	1,095	(71)	1,643	71%	1,643	
3,459	Depreciation & Amortisation Expense**	3,561	3,665	105	5,498	65%	5,498	
42	Gains & Losses	4		(4)				
	Internal Capital Recoveries	15		(15)				
13,844	Total Everyday Expenditure	14,704	13,845	(859)	20,732	71%	21,205	(473)
(8,606)	Everyday Surplus/(Deficit)*	523	(92)	615	352	149%	59	(293)
Capital Revenue								
2	Capital Revenue		67	(67)	100	0%	100	
2	Total Capital Revenue		67	(67)	100	0%	100	
(8,603)	Operating Surplus/(Deficit)	523	(26)	548	452	116%	159	(293)

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Finance Costs, Depreciation & Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:**Fees & Charges - \$1,452k favourable.**

The favourable variance is due to increased event volumes, with associated revenue higher than budgeted.

Operating & Maintenance Costs - \$1,115k unfavourable.

The unfavourable variance is made up of additional costs relating to ongoing uplift in revenue and increasing compliance costs (from budgeted), along with additional costs to maintain facilities.

Administration Expenses - \$170k favourable.

The Administration Expense variance is due to the timing of event sponsorship, along with advertising and promotional costs. Forecasted to spend budget.

The comments below explain the material variance between annual approved budget and annual forecast.**Fees & Charges - \$180k favourable.**

Fees & Charges are forecast favourable to budget by \$180k, however this represents a significant decrease from the YTD position at February 2020 due to impact of Covid-19.

Operating & Maintenance Costs - \$473k unfavourable.

Cost of Sales is forecast unfavourable to budget by \$410k due to operating costs to deliver events. The remaining variance is due to additional costs to maintain facilities.

Attachment 2

DEMOCRACY

Governance and Public Affairs | Partnership with Maaor

FOR THE MONTH ENDED 29 FEBRUARY 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
	Rates	1,878	1,884	(6)	2,893	65%	2,893	
14	Fees & Charges	162	8	154	12	1366%	12	
	Subsidies & Grants							
	Interest Revenue							
	Other Revenue	5		5				
14	Total Everyday Revenue	2,045	1,892	153	2,905	70%	2,905	
Everyday Expenditure								
176	Personnel Costs	231	480	249	711	33%	561	150
14	Operating & Maintenance Costs	69	45	(24)	62	110%	62	
220	Professional Costs	787	736	(51)	992	79%	992	
948	Administration Expenses	984	1,069	85	1,593	62%	1,743	(150)
	Property Costs							
	Finance Costs**							
	Depreciation & Amortisation Expense**							
	Gains & Losses							
1,357	Total Everyday Expenditure	2,070	2,329	259	3,358	62%	3,358	
(1,344)	Everyday Surplus/(Deficit)*	(25)	(437)	412	(454)	6%	(454)	
Capital Revenue								
	Capital Revenue							
	Total Capital Revenue							
(1,344)	Operating Surplus/(Deficit)	(25)	(437)	412	(454)	6%	(454)	

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Finance Costs, Depreciation & Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:

Fees & Charges - \$154k favourable.

The favourable variance is due to external contributions received for the 2019 Triennial Elections.

Personnel Costs - \$249k favourable.

The favourable variance is due to a budget increase for Councillor remuneration that was incorrectly applied to Personnel Costs instead of Administration Costs. This has been adjusted through the forecasting process.

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
428	Rates	8,519	8,510	9	15,058	57%	15,058	
1,832	Fees & Charges	1,957	1,784	173	3,348	58%	2,348	(1,000)
51	Subsidies & Grants	50	49	2	85	59%	85	
21	Interest Revenue	7	7		11	62%	11	
29	Other Revenue	33	49	(16)	84	39%	84	
2,360	Total Everyday Revenue	10,565	10,398	167	18,585	57%	17,585	(1,000)
Everyday Expenditure								
4,621	Personnel Costs	4,975	4,802	(173)	7,998	62%	7,998	
1,401	Operating & Maintenance Costs	1,601	1,512	(88)	2,872	56%	2,872	
221	Professional Costs	186	154	(33)	259	72%	259	
297	Administration Expenses	325	314	(11)	599	54%	349	250
250	Property Costs	279	317	38	543	51%	493	50
103	Finance Costs**	93	89	(4)	150	62%	150	
1,148	Depreciation & Amortisation Expense**	1,203	1,542	339	2,616	46%	1,817	800
2	Gains & Losses	9		(9)				
(1)	Internal Capital Recoveries							
8,042	Total Everyday Expenditure	8,670	8,730	60	15,037	58%	13,937	1,100
(5,682)	Everyday Surplus/(Deficit)*	1,895	1,668	227	3,549	53%	3,649	100
Capital Revenue								
	Capital Revenue				1,862		421	(1,441)
	Total Capital Revenue				1,862	0%	421	(1,441)
(5,682)	Operating Surplus/(Deficit)	1,895	1,668	227	5,410	35%	4,069	(1,341)

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Finance Costs, Depreciation & Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:

Fees & Charges - \$173k favourable.

Strong visitor numbers at all venues in February 2020. Hamilton Gardens cafe commission has been received in full but the budget has been flat phased resulting in a positive variance. This is a once off commission based on annual sales. Third party contributions have also been received to fund the Regional Collection advisor role and are offset by salary related costs.

Personnel Costs - \$173k unfavourable.

There has been a full staffing requirement in order to support high visitation numbers.

The comments below explain the material variance between annual approved budget and annual forecast.

Fees & Charges - \$1m unfavourable.

\$485k unfavourable - revenue budgets were based on the assumption the Hamilton Gardens Shop expansion would be completed this year. The shop expansion has not been completed meaning revenue from shop sales and donations is well below the amount budgeted.

\$515k is due to the closure of Council Facilities as part of Councils COVID-19 response. Estimates are based on a two and a half month closure period to be reviewed as new information becomes available.

Administration Expenses - \$250k favourable.

Shop stock associated with Hamilton Gardens Shop expansion that wasn't completed this year.

Covid-19 cost offsets - \$50k favourable.

Cleaning, energy and paint works that have been identified as being unable to be completed due to the Covid-19 Lock Down. Additional cost offsets will be reported as they are identified.

Capital revenue - \$1.441m unfavourable.

Third party Zoo Waiwhakareke Entrance Precinct funding not received as the project scope is under review. The project is likely to be deferred to next year with council to be advised of scope changes during the 2020/21 Annual Plan process.

Attachment 2

ARTS AND COMMUNITY

Libraries | Community Development | Arts Promotion | Theatre

FOR THE MONTH ENDED 29 FEBRUARY 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
(7)	Rates	10,835	10,856	(21)	16,667	65%	16,667	
335	Fees & Charges	318	197	120	294	108%	364	70
	Subsidies & Grants	1	1	1	2	72%	2	
	Interest Revenue		19	(19)	28	0%	28	
	Other Revenue							
	328 Total Everyday Revenue	11,154	11,072	81	16,991	66%	17,061	70
Everyday Expenditure								
3,464	Personnel Costs	3,718	3,689	(29)	5,522	67%	5,522	
491	Operating & Maintenance Costs	512	618	106	909	56%	859	50
213	Professional Costs	302	264	(38)	389	78%	557	(168)
1,354	Administration Expenses	1,398	1,493	95	8,181	17%	9,181	(1,000)
190	Property Costs	206	204	(2)	305	67%	187	118
3	Finance Costs**	2	271	268	406	1%		406
1,764	Depreciation & Amortisation Expense**	1,856	1,720	(137)	2,575	72%	2,575	
37	Gains & Losses	3		(3)				
	7,515 Total Everyday Expenditure	7,997	8,258	261	18,286	44%	18,880	(594)
	7,188 Everyday Surplus/(Deficit)*	3,157	2,815	342	1,295	244%	1,819	(524)
	7,188 Operating Surplus/(Deficit)	3,157	2,815	342	1,295	244%	1,819	(524)

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Finance Costs, Depreciation & Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:**Fees & Charges - \$120k favourable.**

Unbudgeted income received from Waikato District Council for ratepayer use of Hamilton Libraries.

Operating & Maintenance Costs - \$106k favourable.

The majority of this variance is due to the Community Hall building maintenance work programme that is starting later than planned. This is expected to be on track at the end of the year.

The comments below explain the material variance between annual approved budget and annual forecast.**Fees and User charges are expected to be \$70k favourable.**

\$200k received from Waikato District Council for ratepayer use of Hamilton Libraries.

\$130k unfavourable offset due to the closure of Council Facilities as part of Councils COVID-19 response. Estimates are based on a two and a half closure period to be reviewed as new information becomes available.

Professional and Property costs are expected to be \$50k unfavourable.

Budget correction as professional costs were incorrectly included in property costs in the budget upload process. Nil bottom line impact.

\$50k Council approval 17 September 2019 to work with Hamilton Christian School to identify available options for the Area Q land that enable the school roll to expand, while retaining positive outcomes for the village and sports park. Staff are to report back to Council before June 2020.

Covid-19 cost offsets - \$50k favourable.

Cleaning, energy and paint works that have been identified as being unable to be completed due to the Covid-19 lock down. Additional cost offsets will be reported as they are identified.

Social Service Funding Initiative. \$1m unfavourable.

Council approved at 27 March 2020 meeting to provided operating funding for the Social Service Funding Initiative as part of Phase 1 of Council's Covid-19 Response Package.

FOR THE MONTH ENDED 29 FEBRUARY 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
(85)	Rates	18,287	18,307	(20)	28,109	65%	28,109	
4,429	Fees & Charges	4,700	4,755	(55)	7,139	66%	5,739	(1,400)
8	Subsidies & Grants	2	7	(5)	7	27%	7	
337	Interest Revenue	99	114	(15)	171	58%	171	
131	Other Revenue	133	131	2	196	68%	196	
4,819	Total Everyday Revenue	23,221	23,314	(93)	35,623	65%	34,223	(1,400)
Everyday Expenditure								
7,609	Personnel Costs	8,187	7,990	(197)	11,948	69%	11,948	
3,979	Operating & Maintenance Costs	4,851	4,799	(51)	8,180	59%	7,290	890
333	Professional Costs	634	455	(179)	682	93%	682	
501	Administration Expenses	470	481	11	787	60%	787	
565	Property Costs	673	730	57	1,095	61%	995	100
1,498	Finance Costs**	1,370	1,540	170	2,305	59%	2,305	
3,922	Depreciation & Amortisation Expense**	3,725	4,919	1,194	7,364	51%	5,964	1,400
100	Gains & Losses	101		(101)			101	(101)
(40)	Internal Capital Recoveries	(16)		16				
18,467	Total Everyday Expenditure	19,995	20,914	919	32,361	62%	30,072	2,285
(13,648)	Everyday Surplus/(Deficit)*	3,226	2,401	826	3,262	99%	4,151	885
Capital Revenue								
	Development Contributions**	950	897	53	1,345	71%	994	(351)
9	Capital Revenue	14		14	271	5%	271	
	Vested Assets**							
9	Total Capital Revenue	964	897	68	1,616	60%	1,265	
(13,638)	Operating Surplus/(Deficit)	4,191	3,297	893	4,878	86%	5,416	885

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Finance Costs, Depreciation & Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:

Personnel Costs - \$197k unfavourable.

There has been a full staffing requirement in order to support high visitation numbers.

Professional Costs - \$179k unfavourable.

This relates to the consultant costs associated with the Municipal Pool demolition project. The budget for this work was included in Operating and Maintenance budget line in error.

Gains & Losses - \$101k unfavourable.

Unfavourable variance is due to the disposal of various assets.

The comments below explain the material variance between annual approved budget and annual forecast.

Fees & Charges - \$1.4m unfavourable.

Cemetery income is expected to be \$250k below budget due to the increased competition.

\$1.15m is due to the closure of Council Facilities as part of Councils COVID-19 response. Estimates are based on a two and a half closure period to be reviewed as new information becomes available.

Operating and Maintenance costs are \$890k favourable.

Project to demolish the municipal pool and reinstate to greenspace awaiting outcome of appeals process (10 February 2020) and a report to the April 2020 Community Committee seeking approval to proceed with demolition. Project is delayed and unlikely to be completed this financial year and deferral of expenditure required. Savings of the same value will be made this year.

Work to develop an updated 20 Year Vision for the central city will not be completed this financial year. This work is required to provide sufficient detail on public projects to inform the 2021-31 10-Year Plan. Remaining funding will be required 2020-21 where it will be administered by the Planning Development Group.

Gains & Losses - \$101k unfavourable.

Gains and Losses associated with the disposal of various assets.

Covid-19 cost offsets - \$100k favourable.

Cleaning, energy and paint works that are unable to be completed due to the Covid-19 Lock Down. Additional cost offsets will be reported as they are identified.

Capital revenue.

The playground development programme has been revised and work will be completed in later years. The budget for 2019/20 will be deferred and third party funding will be received in later years. The overall spend however remains the same as included in the ten year plan.

FOR THE MONTH ENDED 29 FEBRUARY 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
(1)	Rates	2,515	2,537	(23)	3,895	65%	3,895	
1,652	Fees & Charges	1,832	1,662	170	2,045	90%	2,045	
34	Subsidies & Grants	33	34	(2)	51	64%	51	
	Interest Revenue							
13	Other Revenue	24	20	4	31	78%	31	
1,699	Total Everyday Revenue	4,403	4,254	149	6,022	73%	6,022	
Everyday Expenditure								
2,323	Personnel Costs	2,656	2,526	(130)	3,785	70%	3,785	
650	Operating & Maintenance Costs	742	794	52	1,212	61%	1,412	(200)
92	Professional Costs	73	116	42	173	42%	173	
102	Administration Expenses	253	185	(69)	238	106%	238	
18	Property Costs	23	18	(5)	27	85%	27	
	Finance Costs**							
100	Depreciation & Amortisation Expense**	42	63	21	94	45%	94	
	Gains & Losses							
(4)	Internal Capital Recoveries							
3,281	Total Everyday Expenditure	3,790	3,701	(89)	5,529	69%	5,729	(200)
		4,403	4,254					
(1,582)	Everyday Surplus/(Deficit)*	613	553	60	493	124%	293	(200)
Capital Revenue								
	Capital Revenue							
	Total Capital Revenue							
(1,582)	Operating Surplus/(Deficit)	613	553	60	493	124%	293	(200)

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Finance Costs, Depreciation & Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:

Fees & Charges - \$170k favourable.

Fees & charges are higher than budget due to funding received for personal mobility devices and higher than budgeted revenue for Environmental Health Control.

Personnel Costs - \$130k unfavourable.

This is largely due to staff receiving higher duties allowance and the integration of education around personal mobility devices into the work of City Safe.

The comments below explain the material variance between annual approved budget and annual forecast.

Operating and Maintenance Costs - \$200k unfavourable

The unfavourable variance represents the operating funding approved for the Emergency Response Initiative as part of Phase 1 of Council's Covid-19 Response Package.

Attachment 2

PLANNING AND DEVELOPMENT

City Planning | Planning Guidance | Building Control

FOR THE MONTH ENDED 29 FEBRUARY 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
	Rates	3,746	3,751	(5)	5,751	65%	5,751	
7,568	Fees & Charges	7,675	7,001	674	10,588	72%	10,128	(460)
	Subsidies & Grants							
108	Interest Revenue	32	31	1	46	69%	46	
1	Other Revenue	8		8				
7,676	Total Everyday Revenue	11,460	10,783	677	16,386	70%	15,926	(460)
Everyday Expenditure								
5,235	Personnel Costs	5,772	6,099	327	9,140	63%	8,971	169
142	Operating & Maintenance Costs	322	311	(11)	466	69%	466	
977	Professional Costs	2,146	1,295	(850)	1,942	110%	1,899	43
768	Administration Expenses	714	724	10	2,386	30%	1,386	1,000
26	Property Costs	47	21	(25)	32	146%	32	
479	Finance Costs**	438	407	(31)	610	72%	610	
2	Depreciation & Amortisation Expense**		1	1	2	0%	2	
3	Gains & Losses							
(60)	Internal Capital Recoveries	(14)		14				
7,572	Total Everyday Expenditure	9,423	8,858	(565)	14,578	65%	13,366	1,212
105	Everyday Surplus/(Deficit)*	2,037	1,925	113	1,807	113%	2,559	752
Capital Revenue								
	Capital Revenue							
	Total Capital Revenue							
105	Operating Surplus/(Deficit)	2,037	1,925	113	1,807	113%	2,559	752

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Finance Costs, Depreciation & Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:**Fees & Charges - \$674k favourable.**

Resource Consent and City Planning revenue and external contributions is higher than budget due to increased activity and demand for services.

Personnel Costs - \$327k favourable.

Personnel costs are less than budget due to unfilled vacancies in the Planning Guidance and City Planning business units.

Professional Costs - \$850k unfavourable.

Professional costs are unfavourable due to consultancy expenditure incurred to offset vacant positions. There is also an overspend in legal expenditure due to increased limited notified consents which add complexity. Increased legal and consultancy costs have also been incurred in plan changes.

The comments below explain the material variance between annual approved budget and annual forecast.**Fees & Charges - \$460k favourable.**

The unfavourable variance reflects the Consent Relief and Refunds Initiative as part of Phase 1 of Council's Covid-19 Response Package.

Personnel Costs - \$169k favourable.

This is due to internal movements of budget between City Growth and Strategy and Communications

Administration Expenses - \$1,000k favourable.

A \$1m grant relating to the Social Housing Fund budgeted to be paid to the Waikato Community Lands Trust in 2019/20 has been delayed due to the signing of the Trust Deed.

FOR THE MONTH ENDED 29 FEBRUARY 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
5,818	Rates	18,562	18,074	488	27,638	67%	27,638	
104	Fees & Charges	124	(112)	235	(167)	-74%	(167)	
	Subsidies & Grants							
584	Interest Revenue	179	199	(20)	298	60%	298	
	Other Revenue							
6,506	Total Everyday Revenue	18,864	18,161	703	27,770	68%	27,770	
Everyday Expenditure								
2,559	Personnel Costs	2,887	2,881	(6)	4,327	67%	4,327	
1,960	Operating & Maintenance Costs	2,308	2,075	(233)	3,475	66%	3,475	
88	Professional Costs	186	200	13	833	22%	833	
46	Administration Expenses	22	8	(14)	11	210%	11	
1,104	Property Costs	1,347	1,461	114	2,076	65%	2,076	
2,599	Finance Costs**	2,377	2,690	313	4,036	59%	3,936	100
8,234	Depreciation & Amortisation Expense**	6,215	6,445	230	9,668	64%	9,168	500
61	Gains & Losses	372		(372)			372	(372)
(1,153)	Internal Capital Recoveries	(1,219)	(1,209)	10	(1,867)	65%	(1,867)	
15,498	Total Everyday Expenditure	14,495	14,551	56	22,558	64%	22,330	228
(8,992)	Everyday Surplus/(Deficit)*	4,369	3,610	759	5,212	84%	5,440	228
Capital Revenue								
	Development Contributions**	5,512	3,361	2,151	5,041	109%	6,638	1,597
601	Capital Revenue	463	33	430	52	889%	52	
	Vested Assets**	799		799			1,224	1,224
601	Total Capital Revenue	6,773	3,394	3,379	5,093	133%	7,914	2,821
(8,391)	Operating Surplus/(Deficit)	11,142	7,004	4,138	10,305	108%	13,354	3,049

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Finance Costs, Depreciation & Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:

Rates - \$488k favourable.

Water by meter revenue is favourable due to a higher than anticipated level of water use year to date.

Fees & Charges - \$235k favourable.

Favourable variance due to higher than anticipated revenue from water take points due to increasing volumes of tankered water.

Property Costs - \$114k favourable.

Electricity costs are below budget due to process stability, however it is expected for budget to be spent due to higher use over summer high water demand period and the increase in electricity charges that came into effect in October 2019. External rates charged by the Waikato Regional Council was also below budget.

Gains & Losses - \$372k unfavourable.

Unfavourable variance is due to the disposal of various assets.

Capital Revenue - \$430k favourable.

Contributions towards new water connections exceed budget due to higher than budgeted applications. This revenue will offset capital installation costs.

Attachment 2

WASTEWATER

Wastewater Collection | Wastewater Treatment | Wastewater Disposal

FOR THE MONTH ENDED 29 FEBRUARY 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
(29)	Rates	19,105	19,147	(41)	29,370	65%	29,370	
3,230	Fees & Charges	2,895	2,834	61	4,992	58%	4,892	(100)
	Subsidies & Grants							
658	Interest Revenue	194	268	(74)	402	48%	402	
	Other Revenue							
3,860	Total Everyday Revenue	22,195	22,249	(54)	34,764	64%	34,664	(100)
Everyday Expenditure								
2,856	Personnel Costs	3,282	3,459	177	5,184	63%	5,184	
3,996	Operating & Maintenance Costs	4,019	3,939	(80)	6,580	61%	6,580	
286	Professional Costs	321	208	(113)	792	40%	792	
109	Administration Expenses	54	63	9	76	71%	76	
1,212	Property Costs	1,440	1,669	229	2,346	61%	2,346	
2,927	Finance Costs**	2,677	3,684	1,007	5,526	48%	4,526	1,000
5,235	Depreciation & Amortisation Expense**	7,457	8,823	1,366	13,235	56%	11,735	1,500
675	Gains & Losses	634		(634)			634	(634)
(111)	Internal Capital Recoveries	(117)	(342)	(225)	(637)	18%	(637)	
17,185	Total Everyday Expenditure	19,767	21,503	1,736	33,103	60%	31,237	1,866
(13,325)	Everyday Surplus/(Deficit)*	2,428	746	1,683	1,662	146%	3,428	1,766
Capital Revenue								
	Development Contributions**	9,853	5,605	4,247	8,408	117%	11,317	2,909
766	Capital Revenue	781	35	746	52	1501%	52	
	Vested Assets**	2,590		2,590			3,106	3,106
766	Total Capital Revenue	13,224	5,641	7,583	8,460	156%	14,475	6,015
(12,559)	Operating Surplus/(Deficit)	15,652	6,386	9,266	10,122	155%	17,903	7,781

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Finance Costs, Depreciation & Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:**Personnel Costs - \$177k favourable.**

The favourable variance is mainly due to short term staff vacancies across strategic development and operational teams.

Professional Costs - \$113k unfavourable.

Some consultancy projects have progressed faster than anticipated. Only 40% of the Annual budget has been spent to date.

Property Costs - \$229k favourable.

Electricity and Gas costs are below budget due to underspend in the early part of the year due to process stability and efficiencies however it is expected that the budget will be spent by year-end due to increase in electricity charges that came into effect in October 2019.

Gains & Losses - \$634k unfavourable.

Unfavourable variance is due to the disposal of various assets.

Internal Capital Recoveries - \$225k unfavourable.

Timecost recoveries are down on expectations, largely due to short term staff vacancies.

Capital Revenue - \$746k favourable.

Contributions towards new wastewater connections exceed budget due to higher than budgeted applications. This revenue will offset capital installation costs.

The comments below explain the material variance between annual approved budget and annual forecast.**Fees & Charges - \$100k unfavourable**

Due to COVID19 a decrease of \$100k is forecasted in Trade waste revenue for the April to June timeframe.

FOR THE MONTH ENDED 29 FEBRUARY 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
	Rates	4,287	4,298	(11)	6,598	65%	6,598	
217	Fees & Charges	162	137	26	241	67%	241	
	Subsidies & Grants							
180	Interest Revenue	53	87	(33)	130	41%	130	
	Other Revenue							
	398 Total Everyday Revenue	4,503	4,522	(19)	6,969	65%	6,969	
Everyday Expenditure								
1,820	Personnel Costs	2,024	2,120	96	3,186	64%	3,186	
596	Operating & Maintenance Costs	754	698	(55)	1,008	75%	1,008	
(64)	Professional Costs	162	220	58	351	46%	351	
30	Administration Expenses	8	7	(2)	9	92%	9	
266	Property Costs	417	364	(52)	446	93%	446	
800	Finance Costs**	732	1,210	478	1,815	40%	1,615	200
6,361	Depreciation & Amortisation Expense**	6,389	6,857	468	10,285	62%	9,835	450
1	Gains & Losses	267		(267)			267	(267)
(933)	Internal Capital Recoveries	(951)	(1,132)	(181)	(1,828)	52%	(1,828)	
	8,879 Total Everyday Expenditure	9,801	10,344	543	15,271	64%	14,888	383
	(8,481) Everyday Surplus/(Deficit)*	(5,298)	(5,822)	524	(8,302)	64%	(7,919)	383
Capital Revenue								
	Development Contributions**	1,125	2,022	(897)	3,033	37%	2,195	(838)
381	Capital Revenue	176	175	2	1,279	14%	386	(893)
	Vested Assets**	577		577			1,790	1,790
	381 Total Capital Revenue	1,878	2,196	(319)	4,312	44%	4,371	559
	(8,100) Operating Surplus/(Deficit)	(3,421)	(3,625)	205	(3,990)	86%	(3,548)	442

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Finance Costs, Depreciation & Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:

Gains & Losses - \$267k unfavourable.

Unfavourable variance is due to the disposal of various low value assets.

Internal Capital Recoveries - \$181k unfavourable.

Timecost recoveries are down on expectations, largely due to short term staff vacancies.

The comments below explain the material variance between annual approved budget and annual forecast.

Capital Revenue - \$893k unfavourable

Deferrals have resulted in a revised forecast. Refer to the Capital Monitoring Report.

Attachment 2

TRANSPORT

Transport Network | Transport Centre | Parking Management

FOR THE MONTH ENDED 29 FEBRUARY 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
13	Rates	22,142	22,199	(57)	34,095	65%	34,160	65
2,801	Fees & Charges	2,348	2,223	125	3,346	70%	3,346	
3,868	Subsidies & Grants	6,742	4,255	2,487	6,238	108%	9,138	2,900
762	Interest Revenue	225	289	(64)	434	52%	434	
1,855	Other Revenue	2,062	1,631	431	2,473	83%	2,473	
9,300	Total Everyday Revenue	33,518	30,597	2,922	46,586	72%	49,551	2,965
Everyday Expenditure								
3,463	Personnel Costs	4,460	4,601	141	6,891	65%	6,891	
8,269	Operating & Maintenance Costs	11,021	8,655	(2,366)	11,928	92%	15,348	(3,420)
262	Professional Costs	647	1,075	428	1,655	39%	1,655	
828	Administration Expenses	1,054	626	(428)	951	111%	1,351	(400)
1,349	Property Costs	1,507	1,360	(147)	2,100	72%	2,100	
3,390	Finance Costs**	3,101	3,961	860	5,941	52%	5,441	500
12,296	Depreciation & Amortisation Expense**	11,413	12,063	650	18,095	63%	17,395	700
650	Gains & Losses	1,503		(1,503)			1,503	(1,503)
(905)	Internal Capital Recoveries	(1,725)	(1,781)	(56)	(2,951)	58%	(2,951)	
29,604	Total Everyday Expenditure	32,981	30,560	(2,421)	44,610	74%	48,733	(4,123)
(20,304)	Everyday Surplus/(Deficit)*	537	36	501	1,976	27%	818	(1,158)
Capital Revenue								
	Development Contributions**	7,666	5,040	2,625	7,560	101%	7,902	342
16,076	Capital Revenue	25,983	21,998	3,985	66,074	39%	53,965	(12,109)
	Vested Assets**	10,115		10,115			15,807	15,807
16,076	Total Capital Revenue	43,763	27,038	16,725	73,634	59%	77,674	4,040
(4,229)	Operating Surplus/(Deficit)	44,300	27,074	17,226	75,610	59%	78,492	2,882

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Finance Costs, Depreciation & Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:**Fees & Charges - \$125k favourable.**

The favourable variance is due to additional revenue received for Corridor Access Requests, recoveries for State Highway works as well as higher than budgeted income from Bus Shelter advertising. It also includes higher than budgeted revenue for parking of which a portion has been used to fund the free youth bus service.

Subsidies & Grants - \$2,487k favourable.

Operational subsidies received from NZTA is favourable due to large operational project (Victoria Bridge Painting) being completed in the early part of the financial year and the Rotokauri Park & Ride project being managed by Council on behalf of Kiwirail with a 100% NZTA subsidy received or expenditure.

Other Revenue - \$431k favourable.

The favourable variance is due to Petrol Tax being higher than budget and a higher than budgeted recovery of parking infringements and fines.

Personnel Costs - \$141k favourable.

The favourable variance is mainly due to short term staff vacancies.

Operating & Maintenance Costs - \$2,366k unfavourable.

Planned Major Bridge Maintenance work on Victoria Bridge (ANZAC Parade) was budgeted in the 2018/19 financial year but, due to ensuring compliance requirements and discovered maintenance, the project was delayed and not completed until the early part of this financial year. The Rotokauri Park and Ride project is managed by Council on behalf of Kiwirail as mentioned above.

Professional Costs - \$428k favourable.

The underspend is due to the re-prioritising of projects as a result of staff resourcing shortage and the expiry of the Professional Services Panel (PSP) in December 2019. Work is underway to reinstate this Panel and to get projects started.

Administration Expenses - \$428k unfavourable.

Debt Collection Fees and Bad Debts for the Parking activity are higher than budget. This is offset by Other Revenue.

Property Costs - \$147k unfavourable.

Electricity costs are above budget due to an increase in electricity contract rates. Due to the change to LED lighting in 2018/19 the cost of the increase is less than what it would have been if Council had not changed to LED lighting.

Gains & Losses - \$1,503k unfavourable.

The variance is due to the disposal of streetlights replaced with LED lighting.

Capital Revenue - \$3,985k favourable.

Revenue from NZTA subsidies are tracking above budget due to projects progressing faster than anticipated.

The comments below explain the material variance between annual approved budget and annual forecast.

Net effect between Subsidies and Operating and Maintenance costs - \$520k unfavourable

Operating and Maintenance costs is partly offset by optional subsidies and is forecasted to have a net decrease of \$520k with the assumption that Council will assume its transportation maintenance contracts in mid May.

The forecast has been adjusted to reflect the Kiwirail work being done and the work completed on the Bridge Street bridge this year as mentioned in above comments.

Administration costs - \$400k unfavourable

The adjustment is for bad debts from parking infringements. This would have been offset by higher than budgeted Infringement revenue, but due to the COVID19 situation infringement revenue will achieve budget, but not exceed budget.

Capital Revenue - \$12,109k unfavourable

Deferrals have resulted in a revised forecast. Refer to the Capital Monitoring Report.

Attachment 2

RUBBISH AND RECYCLING

Refuse Collection | Waste Minimisation | Landfill Site Management

FOR THE MONTH ENDED 29 FEBRUARY 2020

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
	Rates	4,477	4,491	(14)	6,894	65%	6,894	
(57)	Fees & Charges	(106)	(44)	(62)	(66)	161%	(66)	
474	Subsidies & Grants	483	431	52	575	84%	575	
14	Interest Revenue	4	4		6	70%	6	
330	Other Revenue	330	326	5	444	74%	444	
	760 Total Everyday Revenue	5,189	5,208	(19)	7,853	66%	7,853	
Everyday Expenditure								
974	Personnel Costs	1,056	1,028	(28)	1,621	65%	1,621	
3,493	Operating & Maintenance Costs	3,410	4,152	741	6,243	55%	6,243	
130	Professional Costs	232	173	(58)	252	92%	252	
47	Administration Expenses	19	65	45	(1,769)	-1%	(1,769)	
32	Property Costs	40	61	21	80	51%	80	
63	Finance Costs**	58	56	(2)	1,200	5%	1,200	
378	Depreciation & Amortisation Expense**	370	438	68	657	56%	657	
	Gains & Losses							
(311)	Internal Capital Recoveries	(317)	(173)	145	(256)	124%	(256)	
	4,806 Total Everyday Expenditure	4,867	5,799	932	8,028	61%	8,028	
	(4,045) Everyday Surplus/(Deficit)*	322	(592)	913	(175)	-184%	(175)	
Capital Revenue								
	Capital Revenue							
	Total Capital Revenue							
	(4,045) Operating Surplus/(Deficit)	322	(592)	913	(175)	-184%	(175)	

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Finance Costs, Depreciation & Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:

Operating & Maintenance Costs - \$741k favourable.

Operational costs are below budget due to the re-phasing of Waste Minimisation Education and Engagement activities to support and align with the rollout of the new collection service. The cost of collecting waste and recycling is also below budget due to the timing of contract invoicing. It is expected that the budget will be fully spent by year end. Illegal dumping costs are tracking well below budget this year due to improved clarity in the definition of illegal dumping and associated charging with the contractor. The spend on refuse and recycling bins is below budget as stock currently held is sufficient and there has been no need to purchase additional bins at this time.

Internal Capital Recoveries - \$145k favourable.

Timecost recoveries are above budget largely due to staff engaged in capital projects.

\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000
YTD 2018/19		YTD Actual	YTD Budget (Approved)	YTD Variance Fav/(Unfav)	Annual Approved Budget	% Annual Budget Spent	Annual Forecast	Annual Variance Fav/(Unfav)
Everyday Revenue								
(194)	Rates	(209)	(210)	1	(283)	74%	(283)	
618	Fees & Charges	686	838	(152)	1,218	56%	1,092	(126)
38	Subsidies & Grants	76		76				
	Interest Revenue							
1,974	Other Revenue	1,883	1,620	264	3,009	63%	2,484	(525)
2,436	Total Everyday Revenue	2,436	2,248	188	3,944	62%	3,293	(651)
Everyday Expenditure								
12,142	Personnel Costs	14,050	13,383	(667)	20,064	70%	20,244	(180)
1,250	Operating & Maintenance Costs	2,516	1,909	(607)	3,108	81%	3,108	
991	Professional Costs	2,378	2,308	(70)	3,652	65%	4,481	(829)
5,921	Administration Expenses	6,426	5,995	(431)	9,120	70%	9,285	(165)
439	Property Costs	640	504	(136)	747	86%	747	
39	Finance Costs**	30	47	17	70	42%	70	
3,880	Depreciation & Amortisation Expense**	2,889	4,317	1,428	6,475	45%	4,469	2,006
150	Gains & Losses	45		(45)				
(272)	Internal Capital Recoveries	(547)	(228)	319	(341)	160%	(341)	
24,541	Total Everyday Expenditure	28,427	28,235	(192)	42,896	66%	42,064	832
(22,105)	Everyday Surplus/(Deficit)*	(25,991)	(25,987)	(4)	(38,952)	67%	(38,771)	181
Capital Revenue								
	Capital Revenue							
	Total Capital Revenue							
(22,105)	Operating Surplus/(Deficit)	(25,991)	(25,987)	(4)	(38,952)	67%	(38,771)	181

* Everyday surplus/(deficit) excludes overhead allocation. Refer to Overheads activity statement for overhead results and variance explanations

** Finance Costs, Depreciation & Amortisation Expenses, Development Contribution and Vested Assets variances are explained in the Council activity statements

Material variances as explained below:

Fees & Charges - \$152k unfavourable.

The unfavourable variance is due to a misallocation of external contributions including rates and other operating expenses in the Strategic Property business unit. \$150k has been transferred from Other Revenue to Fees & Charges in March's accounts.

Other Revenue - \$264k favourable.

As per the explanation above under Fees & Charges, the YTD Other Revenue balance is overstated by \$150k due to a misallocation of external contributions which will be corrected in March's account. The remainder of the variance is due to gains on the sale of assets.

Personnel Costs - \$667k unfavourable.

Personnel costs are over budget due to increased expenditure on externally contracted staff to cover vacancies and deliver organisational wide projects. The increase in personnel costs is partially offset by the increase in internal capital recoveries.

Operating & Maintenance Costs - \$607k unfavourable.

Operating & Maintenance costs are unfavourable to budget due to a number of factors, including IS system upgrades, condition assessment surveys for Council facilities and increased expenditure on contractors.

Administration Expenses - \$431k unfavourable.

Administration Expenses are unfavourable to budget due to increased software licences arising from the implementation of new software programmes across the organisation. Software is a service and is partially offset by depreciation.

Property Costs - \$136k unfavourable.

Insurance expenditure is over budget due to an unbudgeted payment to Civic Insurance Ltd.

The comments below explain the material variance between annual approved budget and annual forecast.

Fees & Charges - \$126k unfavourable

Fees & Charges are unfavourable due the forecast decrease in requests for LIMs as a result of the Covid-19 lockdown.

Other Revenue - \$525k unfavourable

Other Revenue is unfavourable due to the Rent Relief Initiative approved as part of Phase 1 of Council's Covid-19 Response Package.

Personnel costs - \$180k unfavourable.

This is due to internal movements of budget between CE office, City Growth and Strategy and Communications. Additionally there has been a redistribution of the Infrastructure and Financing (IFF) budget from personnel to consultants.

The internal movements are offset by \$561k of remediation payments as part of a compliance programme conducted by MBIE in respect of the Holidays Act 2003.

Professional costs - \$829k unfavourable.

This is due to internal movements of budget between CE office, City Growth and Strategy and Communications. Additionally there has been a redistribution of the Infrastructure and Financing (IFF) budget from personnel to consultants.

The unfavourable variance also includes \$165k of operating funding for the Business Response Centre Initiative as part of Phase 1 of Council's Covid-19 Response Package.

Administration Expenses - \$165k unfavourable

The unfavourable variance represents \$165k of funding for the Business Response Centre Initiative as part of Phase 1 of Council's Covid-19 Response Package.

TREASURY REPORT

for the eight months ended 29th February 2020

Attachment 3

Item 8

Investment and Cash Position

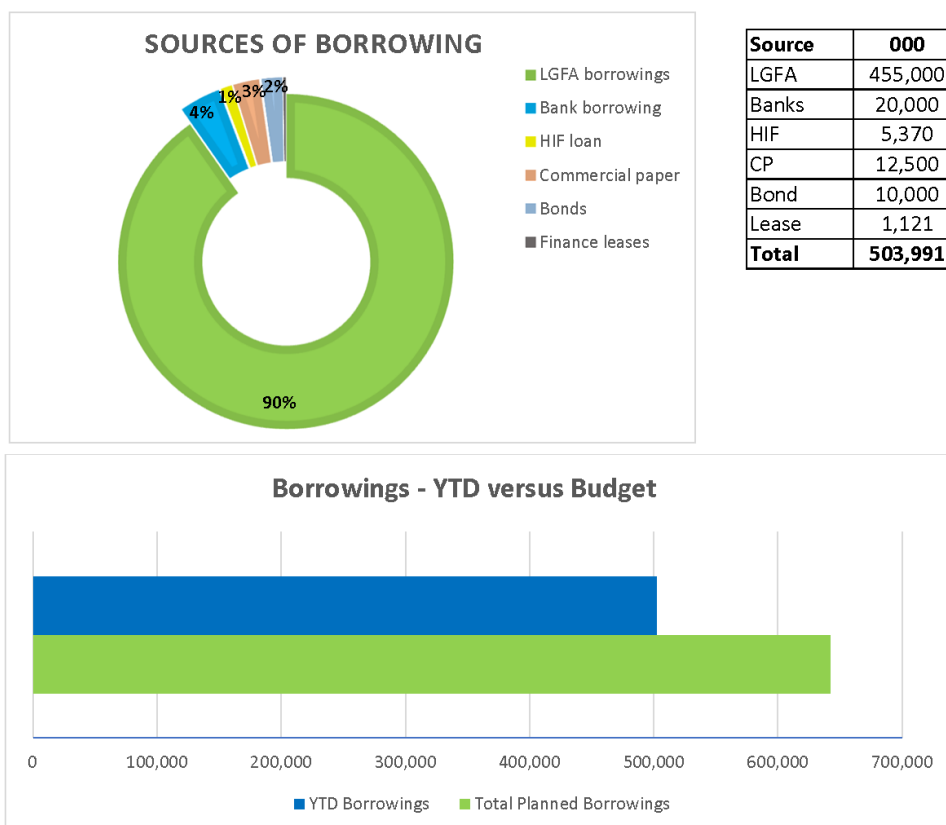
Treasury cash investments consist of:

Cash Investments	Actual Feb-20	Budget Jun-20	Variance Fav/ (Unfav)
Cash on call	38,220	not apportioned	not apportioned
Term deposit	70,000	not apportioned	not apportioned
Closing bank balances	6,541	not apportioned	not apportioned
LGFA borrower notes	7,280	not apportioned	not apportioned
Total cash investments	122,041	55,000	67,041

The Council's investments are managed on a regular basis, with sufficient minimum immediate cash reserves maintained. To best manage funding gaps, Council's financial investment maturities are matched with Council's forecast cash flow requirements.

Borrowing Position

Council borrowings is the external portion of debt held with the Local Government Funding Agency, banks, Ministry of Business, Innovation and Employment and finance lease liabilities.

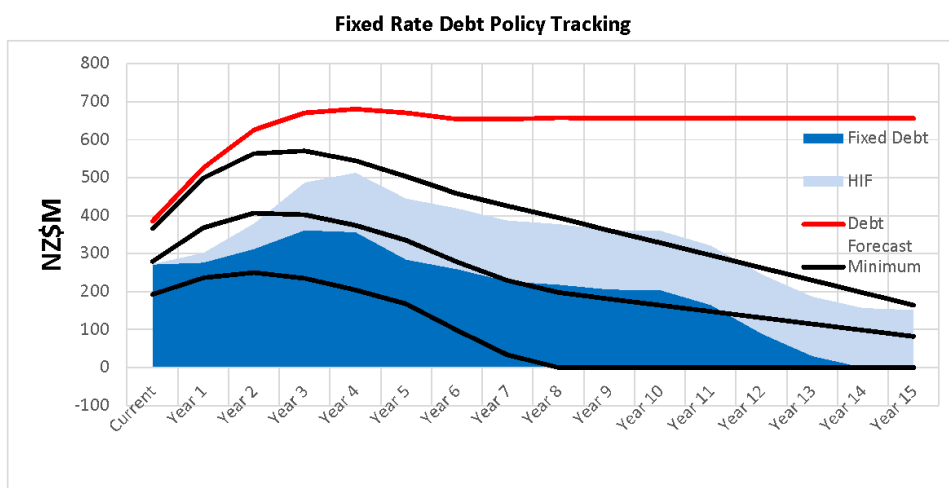


Attachment 3

Borrowing debt increased in February 2020. No HIF drawdowns or other borrowings occurred during the period. Due to the timing of Capital Expenditure and an increase in Development Contributions, borrowing has been tracking slower for the year to date. Prior trends indicate that we should see increased Capital Expenditure during the second half of our year, detailed in the Capital Report. We have three loans maturing in April 2020. As indicated in the Source of Borrowing graph, the LGFA remains our most favoured and low cost source of funding.

Interest Rates

The Council ensures interest rate risk management to reduce uncertainty relating to interest rate fluctuations through fixing/ hedging of interest costs. The exposure to interest rate risk is managed and mitigated through the risk control limits as set out in the Investment and Liability Management Policy.



Our fixed rate debt is compared to the fixed rate policy over 15 years. This includes HIF as it is fixed at 0%. Our fixed debt is currently 68% and compliant with policy.

Council Report

Item 9

Committee: Finance Committee

Date: 28 April 2020

Author: Christie Harger

Authoriser: David Bryant

Position: Corporate Business Manager

Position: General Manager Corporate

Report Name: Financial Strategy Monitoring Report

Report Status	<i>Open</i>
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Purpose - *Take*

1. To inform the Finance Committee of the status of the 2018-28 10-Year Plan Financial Strategy as at 29 February 2020.

Staff Recommendation - *Tuutohu-aa-kaimahi* (Recommendation to Council)

2. That the Finance Committee receives the report.
3. That the Finance Committee recommends the Council:
 - a) approves capital movement of \$17.4M from the 2019/20 Financial Year to future years as identified in the 28 April 2020 Capital Portfolio Monitoring Report;
 - b) approves the significant forecast adjustments as set out in paragraphs 19 to 25 of this report; and
 - c) approves the revised forecast Financial Strategy position for Debt to Revenue, Net Debt and Balancing the Books as set out in paragraphs 26 to 33 of this report.

Executive Summary

4. This report is to be read in conjunction with the:
 - February 2020 (28 April 2020 meeting) Annual Monitoring Report; and
 - February 2020 (28 April 2020 meeting) Capital Portfolio Monitoring Report.
5. This report provides a forecast update of the key 10-Year Plan Financial Strategy metrics.
6. One key goal of the 10-Year Plan Financial Strategy is to maintain or better the balancing the books result so that the need to borrow to fund everyday expenses is eliminated.
7. Not borrowing to fund everyday expenses maintains Council's borrowing capacity to fund investment in community and infrastructure initiatives.
8. If there are negative variances from either the operating and/or capital budgets Council may need to consider increasing revenue and/or reducing expenditure in other budgets.
9. Staff consider the matters in this report have low significance and that the recommendations comply with the Council's legal requirements.

Background - *Kooreo whaimaarama*

10. Financial Strategy

11. The Financial Strategy (pages 67-71, 2018-28 10-Year Plan) is designed to:

- a) fund everyday expenses from everyday revenues,
- b) maintain service levels and assets,
- c) create surpluses to repay debt
- d) support investment in community, infrastructure and growth initiatives,
- e) fund investments from debt.

12. The key outcomes are:

- a) balancing the books after four years (2023/24). This was updated in the 2019/20 Annual Plan.
- b) maintaining a Debt to Revenue Ratio of less than 230%.
- c) setting rates increases for existing ratepayers at 9.7% (2018/19) and 3.8% per annum thereafter for existing ratepayers.

13. The approved 10-Year Plan budgeted Financial Strategy provided for \$3M unused debt capacity for the first three years. Changes to the actual and forecast operating and capital budgets affects this capacity. If there are negative variances from either the operating and/or capital budgets the Council will need to consider increasing revenue and/or reducing expenditure in other budgets.

14. Forecasting changes made since the adoption of the 10-Year Plan show an improvement in the Financial Strategy measures.

15. Significant Forecasting assumptions

16. Any changes in significant forecasting assumptions (pages 72-81, 2018-28 10-Year Plan) will result in changes to the Financial Strategy outcomes.

17. The following forecasting assumptions directly impact the Financial Strategy. An adverse change would have a material impact.

- Growth
 - i. Revenue budgets for rates, development contributions, building and resource consents are linked to growth assumptions based on the National Institute of Demographic and Economic Analysis (NIDEA) Low projections.
- Interest on borrowing
- Inflation
 - ii. Inflation was forecast by Business and Economic Research Ltd (BERL) under contract to SOLGM, with a modification for the Waikato. Waikato is experiencing higher inflation on capital projects than is being experienced across the rest of New Zealand.

18. These assumptions will be considered and if necessary adjusted in each Annual Plan.

Financial Strategy Significant Forecast Adjustments

19. This report forecasts the debt to revenue measure and balancing the books measure compared with the 10-Year Plan budget.

20. The forecast takes account of changes:
- to capital budgets approved by the Capital Investment Board, under delegation.
 - to operating expenditure approved by staff under delegation.
 - by Council decision.
 - recommended to Council (but not yet approved) by other Council Committees.
21. All significant changes made since the 10-Year Plan and up to the last Finance Committee Meeting on 11 February 2020 are listed in Attachment 1.
22. **Significant forecasting adjustments since the 11 February 2020 Council meeting:**
- Capital adjustment
 - Annual Monitoring Report Forecast adjustment
 - Rates adjustment
23. **Capital adjustment**

Discussion										
Capital revenue, capital savings, re-phasing, and delay deferrals of from 2019/20 to future years as detailed in the as identified in the 28 April 2020 Capital Portfolio Monitoring Report.										
Financial Strategy Impact										
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Balancing the Books \$(000)	-	1,212	1,019	(83)	171	(45)	(261)	(462)	(684)	(928)
Net Debt \$(000)	-	25,796	21,687	(1,759)	3,633	(957)	(5,663)	(10,037)	(14,861)	(20,179)

Numbers in brackets represent an adverse outcome.

24. **Annual Monitoring Report Forecast adjustment**

Discussion										
The 28 April 2020 Annual Monitoring Report includes forecast adjustments in 2019/20. These changes have been made within the activity statements to provide more accurate forecasts.										
Financial Strategy Impact										
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Balancing the Books \$(000)	-	(4,121)	(566)	(594)	(623)	(654)	(671)	(703)	(737)	(773)
Net Debt \$(000)	-	(11,477)	(12,043)	(12,637)	(13,260)	(13,914)	(14,585)	(15,288)	(16,025)	(16,798)

Numbers in brackets represent an adverse outcome.

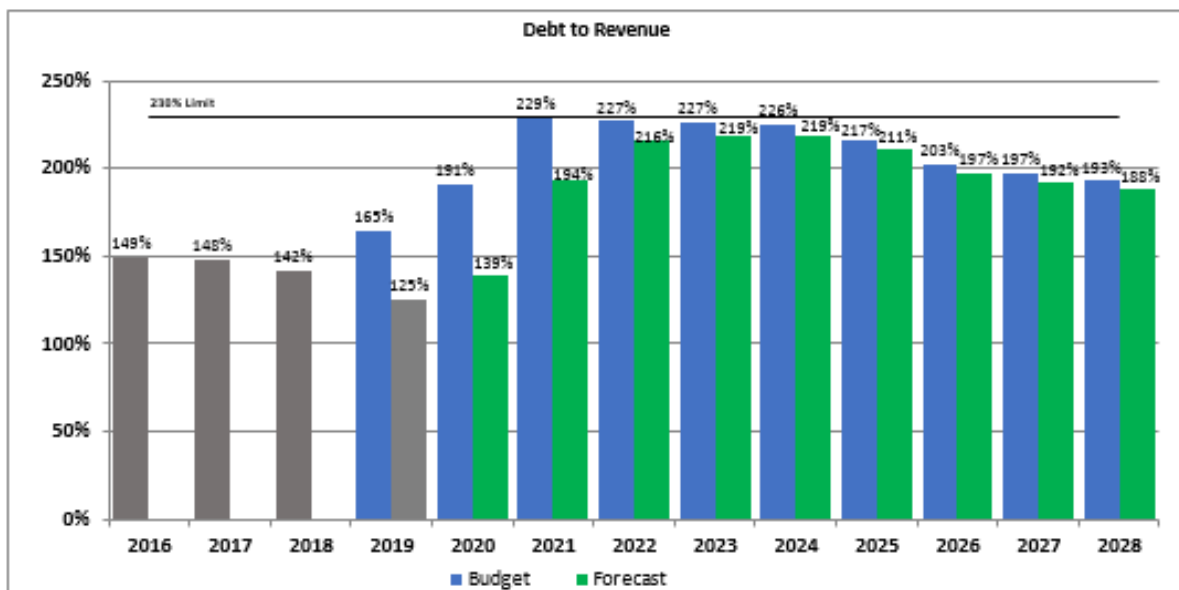
25. Rates adjustment

Discussion										
Rates were increased for the first time since the 2018-28 10-Year Plan at 16 October 2018 Finance Committee Meeting. This adjustment is to reduce 2019/20 – 2027/28 back to the 10-Year Plan base numbers based on current forecasted rates revenue projections.										
Rates Adjustment										
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	-	(581)	(593)	(605)	(617)	(629)	(642)	(655)	(668)	(681)
Financial Strategy Impact										
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Balancing the Books \$(000)	-	(633)	(702)	(776)	(856)	(942)	(1,030)	(1,129)	(1,236)	(1,351)
Net Debt \$(000)	-	(633)	(1,335)	(2,111)	(2,966)	(3,908)	(4,938)	(6,068)	(7,304)	(8,655)

Numbers in brackets represent an adverse outcome.

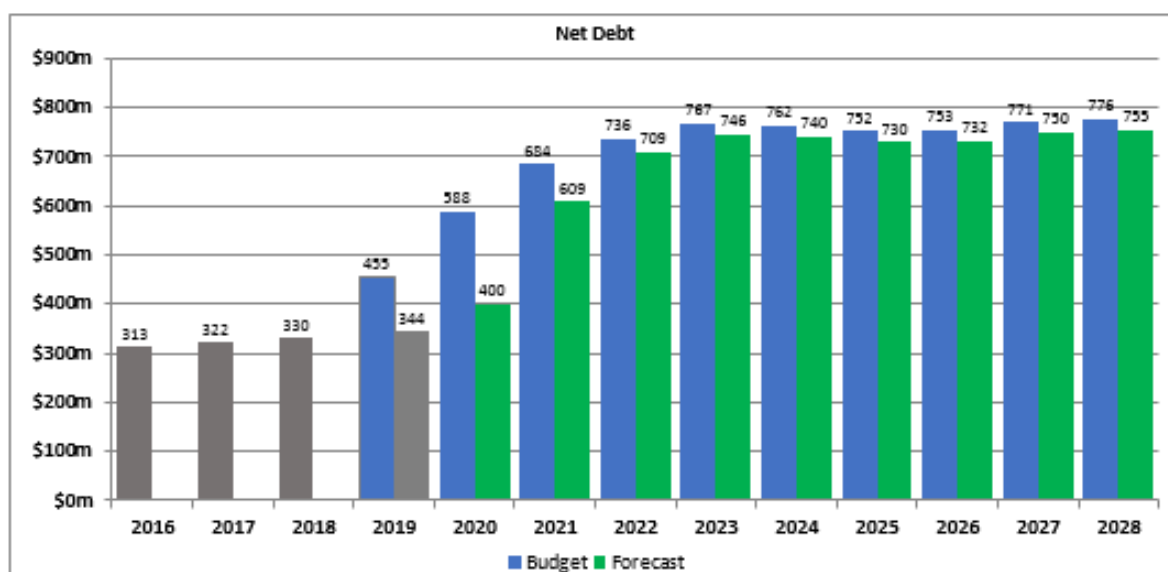
Financial Strategy Graphs

26. The following graphs show the 10-Year Plan budgets (in blue) and the total of all Council approved changes listed in Attachment 1 as well as the significant forecast adjustments as set out in paragraph 19 above (in green).
27. Forecast changes include matters contained in this agenda and subject to decision by the:
- Finance Committee; or
 - Council.
28. **Debt to Revenue**



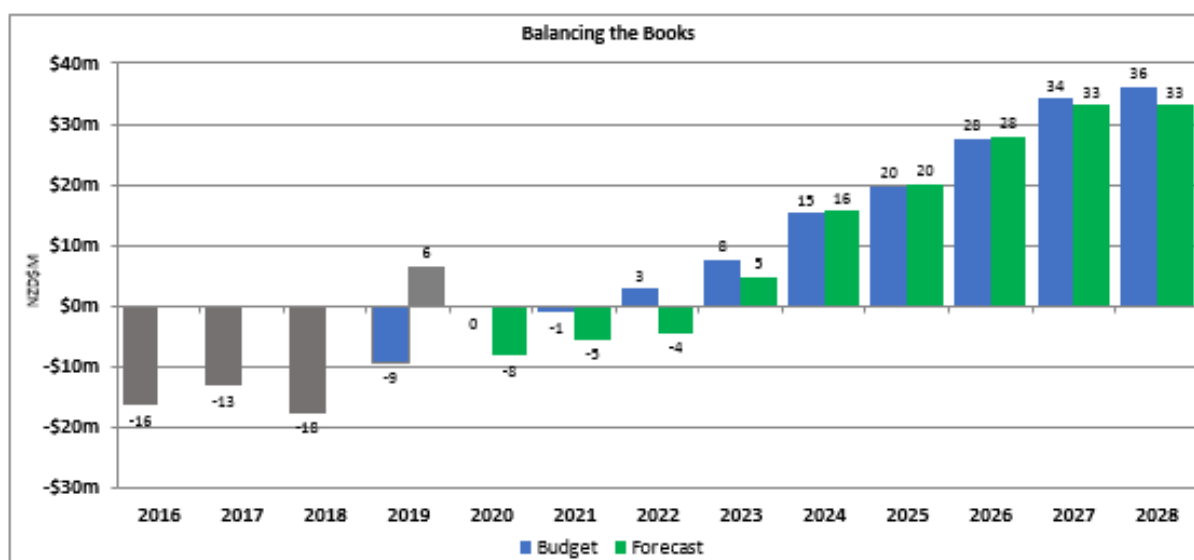
29. The Debt to Revenue graph includes all adjustments identified in this report and shows that the forecast debt to revenue is favourable against the 10-Year Plan budget. In 2022/23, the forecast is to reach 219% debt to revenue ratio. The financial strategy limit is currently 230%.

30. Net Debt



31. The Net Debt graph shows a decrease in net debt against the 10-Year Plan. With the indication of capital deferrals, net debt forecast for 2019/20 has reduced to \$400M.

32. Balancing the Books



33. The 2019/20 budget was planned to balance the books. Current 2019/20 forecast is for \$8.3M unfavourable result. Forecast remains on track to balance the books again in 2022/23.

Risks to the Financial Strategy

34. The forecast adjustments above lead to improved Financial Strategy metrics. However emerging issues reported in the February 2020 (28 April 2020 meeting) Annual and Capital Portfolio Monitoring Reports indicate unfavourable movements could put these improvements at risk.
35. The debt to revenue margin on debt capacity of \$36M in three years' time (2022/23) provides some resilience. This is an improvement from the 10-Year plan budget but should be considered in the context of the extent of change that has occurred already since the plan was adopted and the amount of spending budgeted to occur before the end of 2022/23.

Emerging Issues

36. The February 2020 (28 April 2020 meeting) Annual Monitoring Report has no new emerging issues. Previously listed and future emerging issues could impact the balancing the books result and consequentially debt across the 10-Year Plan.
37. The February 2020 (28 April 2020 meeting) Capital Portfolio Monitoring Report lists emerging issues that could impact the capital portfolio and consequently debt and the balancing the books result across the remainder of the 10-Year Plan.
38. There are no new emerging issues additional to and not included in the above reports.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

39. Staff confirm that the staff recommendations in this report comply with the Council's legal and policy requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

40. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 well-beings').
41. The subject matter of this report has been evaluated in terms of the 4 well-beings during the process of developing this report as outlined below.
42. The recommendations set out in this report are consistent with that purpose.
43. This report addresses matter of financial sustainability. No other considerations have been identified relevant to the matters in this report.

Risks - *Tuuraru*

44. This report is based on decisions that have been made in the context of assumptions that may change.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Significance

45. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the matter(s) in this report has/have a low level of significance.

Engagement

46. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Register of Significant Forecast Changes April 2020

Register of Significant Forecast Changes

The follow significant forecasting changes have previously been approved.

\$000's

BB=Balancing the books impact

ND = Net Debt impact

Numbers in brackets have an adverse impact.

Date	Change		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
16-Oct-18	Additional Rates revenue from Growth	BB	599	663	733	808	890	978	1,067	1,168	1,276	1,393
		ND	599	1,262	1,935	2,803	3,693	4,670	5,737	6,905	8,181	9,575
	Deferred Capital 2017/18 to 2018/19	BB	257	-	-	-	-	-	-	-	-	-
		ND	-	-	-	-	-	-	-	-	-	-
Date	Change		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
4-Dec-18	Library revenue adjustment 2018/19	BB	(163)	(8)	(8)	(9)	(9)	(10)	(10)	(10)	(11)	(12)
		ND	(163)	(171)	(179)	(188)	(197)	(207)	(217)	(228)	(239)	(250)
	Footpath new revenue 2018 - 2028	BB	542	655	829	1,040	1,238	1,452	1,599	1,813	2,042	2,252
		ND	2,858	5,355	9,362	12,927	16,786	20,961	24,906	29,159	33,744	38,646
	Thomas - Gordonton Road Project additional revenue - enhanced subsidy	BB	40	41	43	45	47	49	50	53	55	58
		ND	822	863	906	950	997	1,046	1,097	1,150	1,205	1,263
	Capital rephasing and delay deferrals from 2018/19 to future years	BB	1,147	11	12	12	13	13	14	14	15	16
		ND	23,647	235	247	259	272	285	299	314	329	345
	Increase capacity WW West Network (Western Interceptor Duplication)	BB	41	357	375	465	485	505	516	538	560	584
		ND	841	7,598	7,973	8,366	8,778	9,211	9,655	10,121	10,609	11,121
	Te Awa Cycleway Remediation (new project)	BB	(19)	(43)	(80)	(83)	(85)	(87)	(89)	(91)	(94)	(97)
		ND	(399)	(920)	(965)	(1,013)	(1,063)	(1,116)	(1,169)	(1,226)	(1,285)	(1,347)
Date	Change		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
21-Feb-19	Housekeeping adjustments	BB	-	-	-	-	-	-	-	-	-	-
		ND	-	-	-	-	-	-	-	-	-	-
	Capital rephasing and delay deferrals from 2018/19 to future years	BB	168	2	2	2	2	2	2	2	2	2
		ND	3,468	35	36	38	40	42	44	46	48	51
	Capital savings	BB	160	163	171	179	188	198	203	212	223	233
		ND	3,303	3,466	3,637	3,816	4,005	4,202	4,405	4,617	4,840	5,073
	Adjustment to WW West Network (Western Interceptor Duplication)	BB	10	(305)	(320)	(397)	(414)	(431)	(441)	(459)	(478)	(498)
		ND	210	(6,495)	(6,815)	(7,152)	(7,504)	(7,874)	(8,254)	(8,652)	(9,069)	(9,506)
Date	Change		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
26-Feb-19	Capital and NZTA capital subsidy deferred from 2018/19 to 2019/20	BB	-	-	-	-	-	-	-	-	-	-
		ND	(36)	-	-	-	-	-	-	-	-	-
	Reduction in libraries revenue due to Waikato DC contract ceased	BB	-	(322)	(16)	(17)	(17)	(18)	(19)	(20)	(21)	(22)
		ND	-	(322)	(338)	(354)	(372)	(390)	(409)	(429)	(449)	(471)
	Cleaning contract increase to be advised at Finance Committee on 21 February 2019	BB	-	(578)	(29)	(30)	(31)	(33)	(34)	(35)	(37)	(39)
		ND	-	(578)	(607)	(636)	(668)	(701)	(735)	(770)	(807)	(846)
	Insurance premiums 30% increase from November 2018 plus another 20% unbudgeted increase	BB	-	(912)	(45)	(47)	(49)	(52)	(53)	(56)	(59)	(61)
		ND	-	(912)	(956)	(1,004)	(1,053)	(1,105)	(1,158)	(1,214)	(1,273)	(1,334)
	Increased Corporate personnel budget (Maangai Maaori)	BB	-	(77)	(4)	(4)	(4)	(4)	(4)	(5)	(5)	(5)
		ND	-	(77)	(80)	(84)	(88)	(93)	(97)	(102)	(107)	(112)
	Demolition of Founders Theatre costs transferred from 2018/19 to 2019/20	BB	850	(826)	-	-	-	-	-	-	-	-
		ND	850	25	26	27	28	30	31	33	34	36
	Operating costs to maintain Founders Theatre until demolition	BB	-	(48)	-	-	-	-	-	-	-	-
		ND	-	(48)	(51)	(53)	(56)	(59)	(61)	(64)	(67)	(71)
	Reduced WRC revenue at Transport Centre (G&I Committee resolution 6 December 2018)	BB	-	(59)	-	-	-	-	-	-	-	-
		ND	-	(59)	(62)	(65)	(68)	(72)	(75)	(79)	(82)	(86)
	Chief Executive budget items - net zero impact, resolving within existing budgets	BB	-	-	-	-	-	-	-	-	-	-
		ND	-	-	-	-	-	-	-	-	-	-
	GM budget items - net 'zero' impact, resolving within existing budgets	BB	-	(24)	-	-	-	-	-	-	-	-
		ND	-	(252)	(264)	(277)	(291)	(305)	(320)	(335)	(351)	(368)
Date	Change		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
9-Apr-19	Electricity savings 2020/21 and 2021/22	BB	-	-	344	662	50	52	53	56	59	62
		ND	-	-	344	1,006	1,056	1,108	1,161	1,217	1,276	1,338
	Elected Members Remuneration Increase	BB	-	(161)	(172)	(184)	(197)	(211)	(225)	(240)	(256)	(273)
		ND	-	(161)	(333)	(518)	(715)	(926)	(1,151)	(1,391)	(1,647)	(1,920)
	Insurance 20% increase from Y3-10	BB	-	-	(566)	(721)	(915)	(1,154)	(1,445)	(1,810)	(2,260)	(2,818)
		ND	-	-	(566)	(1,287)	(2,202)	(3,356)	(4,801)	(6,610)	(8,870)	(11,688)
	Capital Deferrals and NZTA capital subsidy deferred	BB	927	1,355	(57)	(59)	26	27	28	29	31	32
		ND	19,117	41,586	(1,205)	(1,264)	551	578	606	635	665	698
	Capital savings	BB	33	34	36	37	39	41	42	44	47	49
		ND	690	724	760	797	837	878	920	965	1,011	1,060
	Depreciation Y1 Update	BB	(2,206)	-	-	-	-	-	-	-	-	-
		ND	-	-	-	-	-	-	-	-	-	-
	Founders Theatre Demolition	BB	-	868	(844)	-	-	-	-	-	-	-
		ND	-	868	24	25	26	27	29	30	32	33
	Municipal Pools Demolition deferral from 2018/19 to 2019/20	BB	788	(765)	-	-	-	-	-	-	-	-
		ND	788	23	24	25	26	28	29	30	32	33
	Chief Executive budget items	BB	4,689	231	243	255	267	280	288	302	316	331
		ND	4,689	4,921	5,163	5,418	5,685	5,966	6,253	6,555	6,871	7,202

Item 9

Attachment 1

Date	Change		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
23-May-19	Chief Executive budget items - Annual Plan net zero impact, resolving within existing budgets	BB	-	-	-	-	-	-	-	-	-	-
		ND	-	-	-	-	-	-	-	-	-	-
	GM budget items - Annual Plan net 'zero' impact, resolving within existing budgets	BB	19	(397)	-	-	-	-	-	-	-	-
		ND	395	-	-	-	-	-	-	-	-	-
	Chief Executive budget items - forecast changes from Annual Monitoring report 23/5/19	BB	858	60	62	66	69	72	74	78	81	85
		ND	1,208	1,267	1,330	1,385	1,464	1,536	1,610	1,688	1,769	1,855
	Capital Deferrals	BB	937	(148)	8	8	9	9	10	10	10	11
		ND	19,314	(3,153)	171	179	188	197	207	217	227	238
	Capital NZTA capital subsidy deferred	BB	1,265	1,063	279	292	307	322	330	346	363	380
		ND	26,079	22,618	5,928	6,220	6,527	6,849	7,179	7,526	7,888	8,269
	Capital savings	BB	(668)	(615)	186	195	204	214	220	231	242	253
		ND	(13,783)	(13,092)	3,947	4,142	4,346	4,561	4,781	5,011	5,253	5,506
	Capital Consequential Opex adjustment	BB	1,027	51	53	56	59	61	63	66	69	73
		ND	1,027	1,077	1,131	1,186	1,245	1,306	1,369	1,435	1,504	1,577
	Cemeteries Software System (new capex project, switched from existing opex 10YP budget)	BB	250	-	-	-	-	-	-	-	-	-
		ND	-	-	-	-	-	-	-	-	-	-
	Depreciation Y2-10	BB	-	(4,260)	(6,051)	(8,744)	(3,692)	(621)	363	807	(518)	(2,393)
		ND	-	-	-	-	-	-	-	-	-	-
	Alternate Infrastructure Financing Project (SPV) Support Costs	BB	-	(820)	(40)	(42)	(45)	(47)	(48)	(50)	(53)	(55)
		ND	-	(820)	(861)	(903)	(948)	(995)	(1,043)	(1,093)	(1,146)	(1,201)
	Corporate Resources: LGOIMA and Risk Security	BB	-	(273)	(13)	(14)	(15)	(16)	(16)	(17)	(18)	(18)
		ND	-	(273)	(287)	(301)	(316)	(332)	(348)	(364)	(382)	(400)
	Corporate Governance elections cost increase	BB	-	(107)	(5)	(6)	(6)	(6)	(6)	(7)	(7)	(7)
		ND	-	(107)	(113)	(118)	(124)	(130)	(136)	(143)	(150)	(157)
	Seismic strengthening work	BB	-	(51)	(54)	(57)	(59)	(62)	(64)	(67)	(70)	(74)
		ND	-	(1,092)	(1,146)	(1,203)	(1,262)	(1,324)	(1,388)	(1,455)	(1,525)	(1,599)
	Alternative platform for river swimmers near Hamilton Gardens Jetty	BB	-	(8)	(8)	(8)	(9)	(9)	(10)	(10)	(11)	(11)
		ND	-	(164)	(172)	(180)	(189)	(199)	(208)	(218)	(229)	(240)
	Citysafe extension to suburbs	BB	-	(252)	(12)	(13)	(14)	(14)	(15)	(15)	(16)	(17)
		ND	-	(252)	(264)	(277)	(291)	(305)	(320)	(335)	(351)	(368)
	Greenwood Street/Kahikatea Road roundabout option	BB	-	(161)	(8)	(8)	(9)	(9)	(9)	(10)	(10)	(11)
		ND	-	(161)	(169)	(177)	(186)	(195)	(204)	(214)	(225)	(235)
	Social Housing funding provision change	BB	-	(643)	(689)	382	411	442	(5)	(5)	(5)	(5)
		ND	-	(643)	(1,333)	(950)	(539)	(97)	(101)	(106)	(111)	(117)
	DC Revenue projection - Both Additional CAPEX & CBD Remission for 2020 Annual Plan	BB	-	1,165	1,637	1,655	1,762	1,809	2,086	2,292	2,274	2,943
		ND	-	3,062	7,118	10,896	14,652	18,229	22,286	26,565	30,459	35,809
	Central City Plan proposal	BB	-	(214)	(11)	(11)	(12)	(12)	(13)	(13)	(14)	(14)
		ND	-	(214)	(225)	(236)	(248)	(260)	(273)	(286)	(299)	(314)
	Cat desexing	BB	-	(107)	(115)	(123)	(132)	(141)	(150)	(160)	(171)	(182)
		ND	-	(107)	(222)	(345)	(477)	(617)	(767)	(927)	(1,098)	(1,280)
	Community Grant funds increase	BB	-	(107)	(115)	(123)	(132)	(141)	(150)	(160)	(171)	(182)
		ND	-	(107)	(222)	(345)	(477)	(617)	(767)	(927)	(1,098)	(1,280)

Date	Change		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
1-Aug-19	Central City Jetty additional funding	BB	-	(26)	(27)	(28)	(30)	(31)	(32)	(33)	(35)	(37)
		ND	-	(546)	(573)	(601)	(631)	(662)	(694)	(728)	(763)	(799)
	Capital Deferrals and NZTA capital subsidy deferred	BB	-	(26)	(27)	(28)	(30)	(31)	(32)	(33)	(35)	(37)
		ND	-	(546)	(573)	(601)	(631)	(662)	(694)	(728)	(763)	(799)

Date	Change		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
1-Sep-19	Capital Deferrals and NZTA capital subsidy deferred	BB	-	(123)	(420)	(578)	(766)	(804)	(825)	(864)	(906)	(950)
		ND	-	(2,612)	(8,927)	(12,302)	(16,299)	(17,103)	(17,928)	(18,792)	(19,699)	(20,648)
	Adjustment in Libraries revenue - reinstatement of rental agreement for Waikato DC ratepayers to use HCC Libraries	BB	-	214	(99)	(106)	(114)	(122)	(131)	(140)	(150)	(161)
		ND	-	214	115	9	(105)	(227)	(358)	(498)	(648)	(809)
	Forecast changes from Annual Monitoring report	BB	-	134	7	7	7	8	8	8	9	9
		ND	-	134	141	148	155	163	171	179	187	197

Date	Change		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
11-Feb-20	Capital Deferrals and NZTA capital subsidy deferred	BB	-	4,894	1,781	565	(123)	(129)	(133)	(139)	(146)	(153)
		ND	-	104,122	37,894	12,027	(2,625)	(2,754)	(2,887)	(3,026)	(3,172)	(3,325)

* (Annual Plan budget proposals approved 21st May at Council Meeting)

Council Report

Item 10

Committee: Finance Committee

Date: 28 April 2020

Author: Katy Nudd

Authoriser: Sean Hickey

Position: Business Planning Analyst

Position: General Manager Strategy and Communications

Report Name: Quarter Two - Service Performance Measures 2019-20

Report Status	<i>Open</i>
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Purpose - *Take*

1. To inform the Finance Committee of the Quarter 2 (October 2019-December 2019) Non-Financial Service Performance results from Year 2 of the 2018-28 10-Year Plan.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Finance Committee receives the report.

Executive Summary - *Whakaraapopototanga matua*

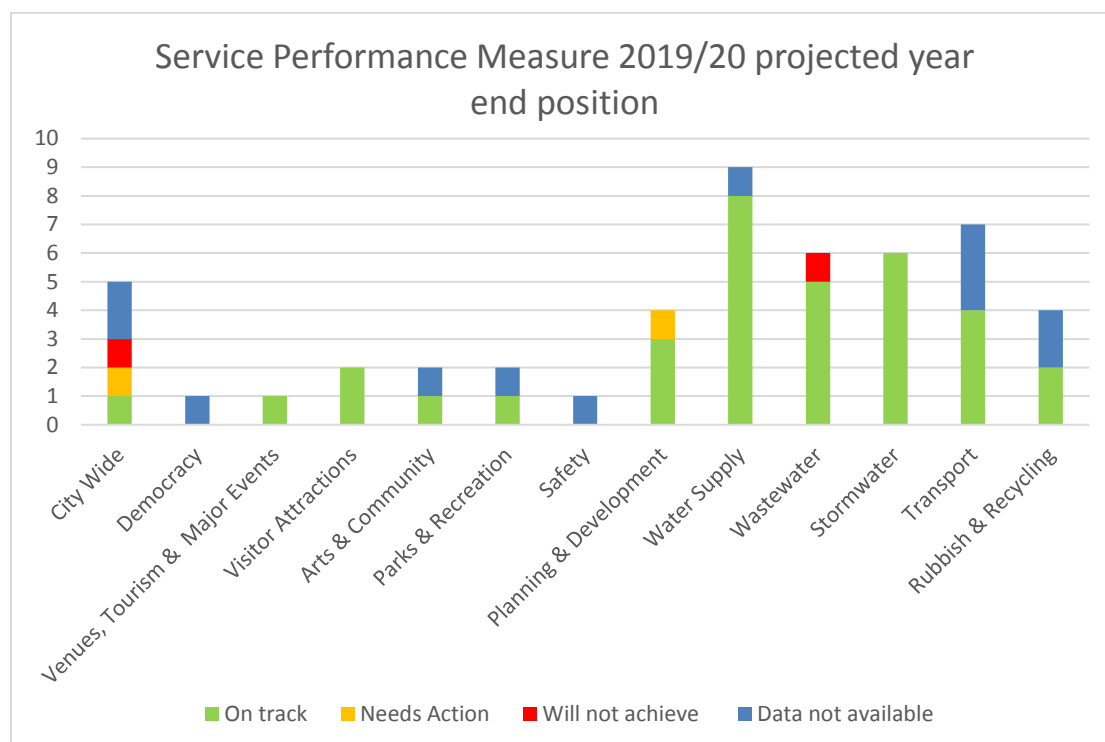
3. This report is to update the Finance Committee on the results from quarter two (October 2019 – December 2019) of the Service Performance Measures. At this point there are two performance measures that will not be achieved and two that will need corrective action to achieve their target.
4. The structure of the report has been set to provide an overview of each activity, the community focused non-financial service performance measures and key highlights for each activity.
5. The Service Performance Measures (KPIs) set in the 2018-28 10-Year Plan are reported against for three years. The process of forming the 2018-28 Performance Measures began in 2017. Extensive discussion took place surrounding the purpose of the 10-Year Plan measures and a change in approach, to move the performance measures away from operational measures to community outcome measures.
6. This report is to update the Finance Committee on the results from year two, quarter two of the Service Performance Measures. Quarter three will be presented to the 16 June 2020 Finance Committee meeting. Quarter four will be presented as the year end position in the Annual Report.
7. The quarters are:
 - Quarter one: July 2019 – September 2019
 - Quarter two: October 2019 – December 2019
 - Quarter three: January 2020 – March 2020
 - Quarter four: April 2020 – June 2020

8. Each measure is assigned a status and commentary is made for its current performance year to date and status and commentary for its expected year end position. Status options include, 'on track' (green), 'needs action' (orange), 'off track' (red), and 'data not available' (blue).
9. Staff consider the matters in this report have low significance in accordance to the Significance and Engagement Policy and that the recommendations comply with the Council's legal requirements.

Discussion - *Matapaki*

10. There are 50 KPIs contained in the 2018-28 10-Year Plan.

A summary of the projected year end position of each 10-Year Plan Activity is shown in the graph below.



Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

11. Staff confirm that this report, complies with the Council's legal and policy requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

12. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
13. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.

Risks - *Tuuraru*

14. There are no known risks associated with this matter.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

15. Having considered content of the Significance and Engagement Policy, staff have assessed that the report has a low of significance.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Long Term Plan Service Performance Measures 2019-20 Quarter Two Report

DELIVERING ON OUR COMMUNITY OUTCOMES – City Wide

All the activities we carry out contribute to the overall achievement of our community outcomes.

If we achieve all the expectations we have set for our service delivery we will be making progress on achieving all three outcomes.

OUR COMMUNITY OUTCOMES

as defined in the 2018-2028 Long Term Plan

A GREAT RIVER CITY: Our city embraces its natural environment and has green spaces, features and community facilities that make it a great place to live, work, play and visit.

A CITY THAT EMBRACES GROWTH: Our city has infrastructure that meets our current demands, supports growth and helps build a strong economy.

A COUNCIL THAT IS BEST IN BUSINESS: Our council is customer focussed, financially sustainable and has the best people delivering the best outcomes for the city.

SERVICE PERFORMANCE MEASURES

KEY: On track | Needs action | Off track | No data

We want to know what Hamiltonians think of our city. We survey our residents every two years to find out what they think.

Measure	2019/20 target	YTD result	Forecast year-end position
Percentage of residents who think Hamilton is a great place to live.	Maintain or increase from the previous rating (75%)	The next survey will take place in May 2020. The results will be available in August 2020.	
Percentage of residents who are proud of how Hamilton looks and feels.	Maintain or increase from the previous rating (53%)	The next survey will take place in May 2020. The results will be available in August 2020.	
What's behind the results			
We ask our communities these questions in our two-yearly Quality of Life Survey, a survey of metro Councils to gain an understanding of communities' perception of their quality of life. Our last survey was undertaken in June 2018, with the next one occurring in May 2020.			
People views will change within the two-year cycle and to understand, on a more frequent basis, Council has commissioned Nielsen (who undertook the last Quality of Life Survey) to			



run a series of pulse surveys. The pulse survey asks these questions on a six-monthly basis, and the results are used to inform subsequent work programmes.

Based on the December pulse survey, overall, 73% agree that Hamilton is a great place to live, this is similar to the official Quality of Life result of 75%. Agreement increases with age. Residents aged under 25 years have the lowest level of agreement (57%) while those aged 65+ are most likely to agree (82%).

50% of residents have pride in Hamilton, this is similar to the official Quality of Life result of 53%. Those aged under 25 years remain the age group with the highest level of disagreement. Beautiful scenery/street plantings (20%) and cleanliness of the city (20%) are the primary reasons residents have pride in the way Hamilton looks and feels.

The increased engagement with the community and communication of the projects and services of Council helps inform the community. We expect these measures to continue to move in a positive direction during the second half of the year.

We are putting infrastructure in place to grow as a city. The Gross Domestic Product (GDP) tells us about our city's economy.



Measure	2019/20 target	YTD result	Forecast year-end result
The annual average percentage change in the GDP growth for Hamilton.	Positive growth – 2019/19 result = 3.1%	2.50% 	
What's behind the results			
Hamilton's GDP is growing above the national rate of 2.4% but remains lower than last year's growth. New Zealand's economic growth has increased slowly over the third quarter of 2019 as global unease and uncertainty has impacted New Zealand.			
The measure stated positive growth, however as we set the target of 3.1% we have to achieve positive growth in relation to this target, rather than just positive growth.			
Note the result of 2.5% represents the annual GDP to September 2019, due to GDP being a lag indicator.			

*Measures required by the Department of Internal Affairs

We will be financially responsible.

Measure	2019/20 target	YTD result	Forecast year-end result
We will stay within the debt and rating limits, as described in the Financial Strategy.	Achieved	128.25% 	
What's behind the results			
Our 2018-28 10-Year Plan's Financial Strategy states that our annual average rates increase for 2019/2020 will be 3.8%. This was confirmed during our 2019/2020 Annual Plan.			
Our 2018-28 10-Year Plan's Financial Strategy also states that our net debt to revenue ratio will remain below 230%. Our budget net debt to revenue ratio for 2019/20 (as set in the Annual Plan) is 167%. Our net debt to revenue ratio for the second quarter is 128%. This is an increase since the last quarter from 122% but is still well within our net debt to revenue limit.			
We expect to remain within the Financial Strategy for the 2019/20 financial year.			

We aim to be best in business in our interactions with customers at our reception, call centre and facilities (excluding Claudelands and stadia). We are currently surveying, building consent customers, Animal Control, Liquor Licensing and Environmental Health (food and noise) activities, City Safe and those who have interacted with our Customers Services team.

Measure	2019/20 target	YTD result	Forecast year-end result
We are rated positively when asked how easy we are to do business with.	55%	42 % 	
What's behind the results			
Our results for December were particularly low which has lowered the average for the quarter. Based on comments received, Decembers result reflects the difference between customers' expectations and actual time-frames delivered towards the end of the year.			
The commentary in the feedback received identified a lack of consistent follow up with the customer regarding their query, leading to dissatisfaction.			
There are process improvements underway across the organisation such as online planning consenting and additional functionality to the online building consent process that will reduce customer effort. We continue to survey our customers and use their feedback to help identify where improvements can be made.			

*Measures required by the Department of Internal Affairs

DEMOCRACY SERVICES

Local democracy is about providing Hamiltonians with excellent governance and sound leadership for the city.

SERVICE PERFORMANCE MEASURES

KEY: On track | Needs action | Off track | No data

You can expect: Timely and open access to public information.

We want to engage with the community to inform our decision making. We survey our residents every two years to find out what they think.

Measure	2019/20 target	YTD result	Forecast year-end result
The percentage of residents who believe we make decisions that are in the best interests of the city.	Maintain or increase from the previous rating (25%)	The next survey will take place in May 2020. The results will be available in August 2020.	
What's behind the results			
We ask our communities these questions in our two-yearly Quality of Life Survey, a survey of metro Councils to gain an understanding of communities' perception of their quality of life. Our last survey was undertaken in June 2018, with the next one occurring in May 2020.			
People's views will change within the two-year cycle and to understand, on a more frequent basis, Council has commissioned Nielsen (who undertook the last Quality of Life Survey) to run a series of pulse surveys. The pulse survey asks these questions on a six monthly basis, and the results are used to inform subsequent work programmes.			
Based on the December pulse survey, one in four who have confidence in the Council believe that they do a great job (25%) and a similar proportion trust them to do what is best for the city.			
We expect the perception results to be consistent with our target at year end.			

QUARTERLY HIGHLIGHTS

The 2019 Elections campaign concluded in October of this year, resulting in increased diversity of Elected Members representing the community, and succeeding in reversing the downward trend of voter turnout - moving from 33.6% in 2016 to 39.8% this year - (the highest percentage of increase across all metro cities).

A comprehensive Elected Member induction plan was developed, with the aim of creating a sense of collegiality; to help Elected Members to understand key issues/opportunities for Hamilton; and for Elected Members to understand their responsibilities with respect to decision making and representing the community.

*Measures required by the Department of Internal Affairs

Following the elections, the 2019-2022 Governance Structure, Terms of Reference and Delegations which was approved by Council at the 28 November 2019 Council meeting. New triennium arrangements to support the new structure have been finalised. Two special Committees were established, the Environment Committee and the Economic Development Committee.

*Measures required by the Department of Internal Affairs



VENUES, TOURISM AND MAJOR EVENTS

Venues, Tourism and Major Events is about showcasing and leveraging Hamilton's event venues, visitor attractions and services. It includes Claudelands, FMG Stadium Waikato, Seddon Park and tourism and events funding.

SERVICE PERFORMANCE MEASURES

KEY: **On track** | **Needs action** | **Off track** | **No data**

You can expect: Our venues are place you want to visit.

Measure	2019/20 target	YTD result	Forecast year-end result
The number of people attending events at the stadia (FMG Stadium Waikato and Seddon Park) and Claudelands.	440,000	262,379 	
What's behind the results			
H3 Venues hosted a wide variety of events in quarter two. When compared to the same period last year, the number of events were less but hire days and attendance was higher. The international cricket test match hosted at Seddon Park boosted attendance			
We expect to exceed this target at year end. The new forecast of 562,000 attendees is based on bookings in the system which indicates estimated attendance of 508,000 (based on YTD actuals, forecast attendees entered and a cancellation probability factored in) and the additional attendees (54,000) forecasted on expected future bookings which have been modelled off historical data. The forecast will continue to adjust throughout the year.			

QUARTERLY HIGHLIGHTS

Through October to December 2019, H3 venues held over 200 separate events.

Claudelands hosted around 90 events including large public events such as Waikato A&P Show, Synphony, Te Mana Kuratahi (Primary School Kapa Haka), America and 1DaySale plus a large number of functions, graduations and end-of year celebrations. The venue also hosted several large conferences including the Health Informatics NZ Conference, Trafanz Annual Conference and NZ Recreation Association Conference.

The Tonga Invitational XIII vs Great Britain Rugby League Lions match held in October was the final fixture on FMG Stadium Waikato's previous turf, with the turf replacement project

*Measures required by the Department of Internal Affairs

underway in November in preparation for the HSBC NZ Sevens in January 2020. Throughout the quarter the venue also hosted a number of smaller meetings and functions (over 130).

Seddon Park hosted the Blackcaps v England test match across 5 days, plus a number of Super Smash domestic cricket matches.

Supporting the community to host events via the Events Sponsorship Fund saw five events take place in quarter two

- NZ National Bridge Congress (October)
- Filipino Fiesta (October)
- Waikato 100 (November)
- Tainui Waka Primary School Kapa Haka 2019 (November)
- Round The Bridges (November)

*Measures required by the Department of Internal Affairs





VISITOR ATTRACTIONS

Visitor Attractions are about providing our community and visitors with memorable experiences. Visitor Attractions includes the Hamilton Gardens, Waikato Museum and Hamilton Zoo.

SERVICE PERFORMANCE MEASURES

KEY: **On track** | **Needs action** | **Off track** | **No data**

You can expect: Our premium attractions (Hamilton Gardens, Waikato Museum and Hamilton Zoo) are places you want to visit.

Measure	2019/20 target	YTD result	Forecast year-end result
Maintain or increase visitation to the Hamilton Enclosed Gardens.	At least 440,000	223,118 	
What's behind the results			
Favourable weather conditions during the start of the holiday period and the opening of the Picturesque Garden saw the Hamilton Garden's enclosed gardens welcome 144,641 visitors, a 5.5% increase on the same period last year.			
With the opening of the Surrealist Garden in February and continuing warmer weather over the summer months, visitor numbers are expected to increase over the next quarter.			
Overall, Hamilton Gardens are on track to achieve their annual target.			
Measure	2019/20 target	YTD result	Forecast year-end result
Maintain or increase visitation to the Waikato Museum and Hamilton Zoo.	At least 250,000	126,893 	
What's behind the results			
Waikato Museum quarter two visitation was 26, 013, bringing the year to date to 56,825, down 8% (or 5,000) visitations from the same period last year.			
Hamilton Zoo quarter two visitation was 39,962, bringing year to date visitation to 70,068. This is 3% (or 2,300 visits) down on the same period last year. Combined visitation to the Hamilton Zoo and Waikato Museum for quarter two is 3% below the same period last year and 5.5% below on year to date.			
The way visitors are counted at the Waikato Museum has changed and a review is underway to ensure the new door counter is recording visitation accurately. Visitor numbers are expected to increase over the next quarter with public programmes			

*Measures required by the Department of Internal Affairs

for Chinese New Year, Waitangi Day, and Children's Day and the highly anticipated Dinosaur exhibition. Additionally, the Museum has recently won a contract with Te Papa to deliver a Maatauranga Maaori Digital Learning programme which should increase school visitation.

The slight decrease in visitation at Hamilton Zoo correlates strongly to poor weather conditions throughout this quarter. Better weather over the summer quarter and promotions such as the annual summer Zoo photo competition, the Valentine's Day 2 for 1 deal and Children's Day are expected to increase visitor numbers, as will the resumption of school education visits in February.

Waiwhakareke Natural Heritage Park was opened by Mayor Southgate in November to the delight of our long-standing volunteers and stakeholders as well as the public. Whilst visitation for Waiwhakareke is not included in this measure, it is appropriate to record that there have been 6329 visitors over the (nearly) two months the Park has been open this quarter. Visitor numbers are expected to climb as we move into the summer months and word spreads that the Park is open to the public.

Overall the Hamilton Zoo and Waikato Museum are on track to achieve their annual visitation of over 250,000 visitors

QUARTERLY HIGHLIGHTS

The Picturesque Garden at the Hamilton Gardens opened early November to great reviews, and the second annual Friends of Hamilton Gardens Christmas Shopping Day resulted in the largest sales day ever. The civil works contract and new toilet in stage one of the development programme are almost complete.

ArtsPost experienced a 23% increase in visitor numbers compared to the same period last year, largely driven by i-SITE visitation which has been strong. i-SITE has become the lead booking agent for the Waikato Explorer departing from the Central City Jetty.

Puuhoro o mua Puuhoro ki Tua exhibition opened at the Waikato Museum in November with a moving and memorable opening day. Curated in partnership with Te Atinga, part of Toi Maaori, the exhibition brings together over 100 artworks from indigenous artists from around the Pacific Rim, who were attending the 9th Indigenous Artist's gathering at Tuurangawaewae.

The biennial award Waiclay National Ceramic Award, now in its 18th year, opened in December and showcases the best ceramic artists from the Waikato and beyond. This year's selector Kasumi Ueba, a Japanese Ceramic artist, chose a fine selection of pieces that represent the traditional and contemporary trends in the ceramic movement in New Zealand.

*Measures required by the Department of Internal Affairs

The Christmas at the Zoo event welcomed over 900 guests to Hamilton Zoo on what is traditionally a quiet Saturday in December. It was a very successful day as people enjoyed choirs, Santa, a Christmas card making station, and giveaways.

Hamilton Zoo initiated and hosted a three-day event focused on animal training led by internationally renown animal trainer Peter Giljam from Zoospensefull. The event was well received by zoo keepers from Hamilton and around the country who learned techniques to improve the animal/trainer connection, understand animal cues and gradually shape behaviour to establish routines that keep animals and staff happy, healthy and safe.

*Measures required by the Department of Internal Affairs



ARTS AND COMMUNITY

Arts and Community is about providing community facilities and development assistance. This activity includes Community Development, Libraries, Arts promotion and Theatre.

SERVICE PERFORMANCE MEASURES

KEY: **On track** | **Needs action** | **Off track** | **No data**

You can expect: To be satisfied with our libraries.

Measure	2019/20 target	YTD result	Forecast year-end result
The percentage of customers satisfied with libraries.	At least 85%	89% 	
What's behind the results			
<p>The satisfaction score has been consistent for the libraries. Themes included in the feedback were friendly and helpful staff, ease of access getting into and around the libraries, and the easy booking process which was supported by staff willing to help.</p> <p>We are tracking above target and expect to remain on track throughout the year.</p>			

You can expect: We will provide facilities and spaces that encourage the community to come together.

Measure	2019/20 target	YTD result	Forecast year-end result
The percentage of residents who feel a sense of community with others in their neighbourhood.	Maintain or increase from the previous rating (48%)	The next survey will take place in May 2020. The results will be available in August 2020.	
What's behind the results			
<p>We ask our communities these questions in our two-yearly Quality of Life Survey, a survey of metro Councils to gain an understanding of communities' perception of their quality of life. Our last survey was undertaken in June 2018, with the next one occurring in May 2020.</p> <p>People's views will change within the two-year cycle and to understand, on a more frequent basis, Council has commissioned Nielsen (who undertook the last Quality of Life Survey) to run a series of pulse surveys. The pulse survey asks these questions on six monthly bases, and the results are used to inform subsequent work programmes</p> <p>Based on the December pulse survey, 39% of residents feel a sense of community which is</p>			

*Measures required by the Department of Internal Affairs

a decrease on the Quality of Life result of 48%. Nearly two-thirds (62%) of those who don't feel a sense of community with other in their neighbourhood say that everyone keeps to themselves/they have no interaction with their neighbours or don't have much in common.

Council provides funding to community houses and agencies and supports events and activities in the city that build city pride, sense of belonging and civic participation. Over the coming months, the Community and Social Development team will be working across the city, in partnership with community and agencies to identify opportunities for strengthening sense of community particularly in areas of high deprivation.

QUARTERLY HIGHLIGHTS

This quarter saw the completion of several key strategic projects across our libraries network.

- Auaha, our new community and technology makerspace, opened at the beginning of November transforming the Central Library frontage into a collaborative workspace for making, learning, exploring and sharing using high tech and no tech tools.
- Glenview Library was closed for three weeks while it underwent a major renewal. Work included a full internal and external repaint, full recarpeting, rebranding and shelving renewal.
- Radio Frequency Identification (RFID) was launched across the libraries network at the end of November. The system is used to issue, return and better manage the lending collection using new smart technology, and now allows Customer Service Representatives to put more focus on supporting customers with loan collection choices and supporting initiatives in Auaha.

With the support of the Community Advisors, Hamilton hosted the annual National Filipino Festival welcoming between 4,000 - 5,000 Filipinos, the biggest Labour Weekend event. There were 94 basketball teams, 30 volleyball teams, 316 badminton entries and tenpin bowling, billiards, table tennis, darts and futsal entries playing in eight sports venues across the city. There was also a migrant forum, a youth event and Filipino food stalls.

Community Advisors supported the programme to increase voter turnout and engagement around the elections included running workshops, speaking at public events, getting our community houses registered to receive votes, and collecting votes from a range of community facilities and events.

To help increase the sense of community the Community and Social Development Team supported the design and implementation of "Your Neighbourhood" events with both the wider Council and our communities of place.

*Measures required by the Department of Internal Affairs

PARKS AND RECREATION

Parks and Recreation is about ensuring access to a wide range of recreational and leisure activities and attractive outdoor spaces for all Hamiltonians to enjoy. This activity includes community parks, natural areas, streetscapes, sports parks, cemeteries and crematorium, pools, and indoor recreation.



SERVICE PERFORMANCE MEASURES

KEY: **On track** | **Needs action** | **Off track** | **No data**

You can expect: Access to a park or open space in your neighbourhood.

Measure	2019/20 target	YTD result	Forecast year-end result
Percentage of households that have access to a neighbourhood park or open space within 500 metres walking distance.	At least 76%	Data is expected in June 2020	
What's behind the results			
Each year we calculate the percentage of households that have access to a neighbourhood park or open space within 500 metres walking distance by GIS spatial mapping. This includes the new households created by development and the public opening of any green space. This is a yearly calculation and will next be completed in June 2020.			

You can expect: To be satisfied with our community facilities (pools and community facilities).

Measure	2019/20 target	YTD result	Forecast year-end result
The percentage of customers satisfied with pools and community facilities.	70%	79% 	
What's behind the results			
The satisfaction score has been generally consistently, however December experienced a dip in satisfied customers to 73%. Attributed to increased numbers at Hamilton Pools impacting on customer perception. Feedback from the pools included the friendliness of staff, great swimming instructors and cleanliness of the pools.			
We are tracking above target and expect to remain on track throughout the year.			

*Measures required by the Department of Internal Affairs

QUARTERLY HIGHLIGHTS

Waiwhakareke Natural Heritage Park was opened to the public in November after 15 years of ecological restoration. The park welcomed 262 people on opening day and had 3,168 visitors between opening day and 31 December.

Upgrades to existing parks and facilities continued this quarter,

- The upgraded Innes Common playground was completed in October and features two New Zealand first play spaces – a parkour training area and Kompan exercise equipment.
- Stage 1 of the Melville Park playground and skatepark renewal and upgrade was completed and opened to the public. Work is continuing, and Stage 2 is and forecast to be open in April.
- Work at Mahoe Park continued. The Mahoe Park project will activate a previously unused sports park and includes two baseball diamonds and football fields, increasing the capacity of our playing surface network across the city.

*Measures required by the Department of Internal Affairs

SAFETY

Safety is about ensuring Hamilton is a place where people feel safe and are protected from risks to their health and wellbeing. This activity includes public safety, animal education and control, environmental health, alcohol licensing and civil defence.

SERVICE PERFORMANCE MEASURES

KEY: **On track** | **Needs action** | **Off track** | **No data**

You can expect: We work with partner organisations and the community to improve safety.

Measure	2019/20 target	YTD result	Forecast year-end result
The percentage of central city users surveyed who feel very safe or reasonably safe in the central city during daytime.	At least 80%	Survey results are expected in June 2020	
What's behind the results			
This measure indicates the community's perception of safety during the day. The survey will be undertaken in May 2020.			
The 2018/2019 Perceptions of Safety survey ran from June to July 2019, with a final result of 86% of users surveyed reporting they felt very safe or reasonably safe in the central city during daytime.			

QUARTERLY HIGHLIGHTS

In December CDEM had their first real activation in support of the victims of the White Island eruption and this extended for four days - 36 staff were involved in the response which has received national praise.

Responding to customer service requests is an important part of the activities we provide. During the quarter we;

- 100% (38/38) requests for Urgent requests for Animal Control were attended inside 60 minutes.
- 99% (650/654) of all requests for graffiti removal were achieved within 2 working days.
- 93% (1554/1668) of all requests for noise control services were responded to within 30 minutes

The continued high profile and success of the Suburban Response Team has resulted in 8,645 proactive interactions by City Safe officers with business owners and members of the public in and around our suburban shopping areas.

* Measures required by the Department of Internal Affairs





PLANNING AND DEVELOPMENT

Planning and Development is about city planning that supports the growth of the city while ensuring Hamilton's unique environment is protected. This activity includes city planning, planning guidance and building control.

SERVICE PERFORMANCE MEASURES



KEY: **On track** | **Needs action** | **Off track** | **No data**

You can expect: A sufficient supply of land for housing and business.

Measure	2019/20 target	YTD result	Forecast year-end result
There will be at least three years capacity of residential zoned land supplied with development infrastructure in the city.	Achieved	3.50 	
What's behind the results			
Council is working to ensure there is a plentiful supply of land serviced by infrastructure for residential development so that land availability is not limited by delays in coming to market. The figure of 3.5 years does not include the Peacocke development, as this work is still underway.			
To ensure availability in the future, Council needs to work in the longer term so the flow of land becoming available is steady.			
Measure	2019/20 target	YTD result	Forecast year-end result
There will be at least three years capacity of business zoned land supplied with development infrastructure in the city.	Achieved	2.40 	
What's behind the results			
By measuring business zoned land supplied with development infrastructure we have identified the capacity is below our desired level. There is land for sufficient supply of capacity for retail and commercial business. We have identified the gap is in the supply of industrial land so, staff are working on a change to the District Plan to enable further land for industrial development in the Te Rapa North area of the city. The supply of commercial and industrial land is part of the greater Hamilton Metro Spatial Plan work being completed in 2020 as part of the Hamilton – Auckland Corridor Plan.			

*Measures required by the Department of Internal Affairs

You can expect: We will support the delivery of safe, sustainable and attractive development.

Measure	2019/20 target	YTD result	Forecast year-end result
Average processing days for building consents. ¹	18 working days	17.17 	

What's behind the results

483 building consents were granted compared 570 building consents, taking on average 17.15 days to process, in the same period last year.

December typically sees a slight reduction in the number of consents granted due to a wind down period for the industry. Based on past trends, we typically see the number of consents granted in quarter three increase as the industry commence new projects and building consents are lodged. With the growth around the city we anticipate we will follow the same trend this year.

We estimate average processing times to remain consistent.

Measure	2019/20 target	YTD result	Forecast year-end result
Average processing days for non-notified land use and subdivision resource consents. ¹	18 working days	17.70 	

What's behind the results

197 resource consents were granted compared to 178 resource consents, taking on average 14.8 days to process, for the same period last year.

During the 2018/19 Annual Report audit, Audit NZ were unable to confirm the average processing days for a resource consent due to some errors found in the audit sample. A targeted programme of improvements has been put in place to address these findings.

Internal Auditing has ensured an improvement in the consenting record keeping processes. July 2019 found 43% errors in the administration recording processes and improved this to 1% errors in November 2019 – which have now been resolved. This improvement is due to processes being put in place for naming conventions and electronic recording processes. This continues with the electronic resource consent process which has eliminated hard copy documentation, ensuring tracking of consents and documentation is directed from the Authority system. These improvements will continue and be enhanced by the Online Resource Consent Lodgement in April.

¹ "Average processing days" is the average number of working days used in processing consents, which excludes all stop clock days. A working day means any day except for a weekend day, public holiday, and those days between 20 December and 10 January. The processing clock may be stopped at any point should we require further information from the applicant.

*Measures required by the Department of Internal Affairs

QUARTERLY HIGHLIGHTS

Hamilton had the third most houses consented (1,622) in New Zealand in 2019 calendar year, nearly 200 more than Wellington, Auckland (15,154) and Christchurch (2,686). This was the highest number for Hamilton in the last 20 years (since electronic records) began.

The Ambury subdivision consent in Peacocke comprising 862 sections moved from 'pipeline' to 'consented'. This consent, the largest in Hamilton's history, was approved in November 2019.

*Measures required by the Department of Internal Affairs





WATER SUPPLY

Water Supply is about providing Hamilton residents and businesses with a reliable, high quality and safe treated water supply. This activity includes water treatment and storage, and water distribution.

SERVICE PERFORMANCE MEASURES

KEY: **On track** | **Needs action** | **Off track** | **No data**

You can expect: The water we supply is safe to drink.



Measure	2019/20 target	YTD result	Forecast year-end result
Water quality complies with the drinking water standards for (a) bacteria and (b) protozoa.*	a) Achieve compliance b) Achieve compliance	On Track  On Track 	 
What's behind the results			
Based on an internal assessment of Waiora Treatment Plant data and Laboratory DWSNZ monitoring results, Hamilton City Council met quarterly requirements for drinking water standards for bacterial compliance for quarter two.			
Based on an internal assessment of Waiora Treatment Plant data, Hamilton City Council met the quarterly requirements of the drinking water standards for protozoal compliance for quarter two.			
Based on internal assessment, Hamilton City Council is on track to achieve Annual compliance with drinking water standards for the period 1 July 2019 - 30 June 2020. Annual compliance will be formally assessed by the Drinking-Water Assessor (DWA) in September/October 2020.			

You can expect: Our water network is managed in a way that minimise the loss of water.

Measure	2019/20 target	YTD result	Forecast year-end result
The percentage of real water loss from the water network infrastructure in the city.*	No more than 16%	Data is next expected in June 2020	
What's behind the results			
This measure is undertaken annually and reported in June/July. It covers the preceding April-March period and is undertaken using the standard NZ Benchloss guidelines and methodology. The percentage water loss measure estimates how much water is lost to leakage throughout the HCC network.			



*Measures required by the Department of Internal Affairs

You can expect: We will work with the community to sustainably manage the supply and use of water.

Measure	2019/20 target	YTD result	Forecast year-end result										
The average use of drinking water per Hamilton resident, per day.*	No more than 400 litres per resident, per day	332 litres per resident, per day 											
What's behind the results													
<p>We provide a sustainable water supply and this is achieved through water conservation campaigns that educate the community on sustainable water use and efficient management of the water network.</p> <p>The average daily water use in quarter two of 355 litres was slightly higher than 342 litres for the same period last year. Water Alert Level 1 (as part of the Smart Water Programme) was initiated on 11 December 2019 as a result of increasing consumption. Predictions are for a dry and warm summer period which will require the public to be vigilant with water use.</p> <p>We will continue to complete water demand management works throughout the year, including the creation of water supply areas in the Maeroa and Fairfield areas. These works allow our operational teams to better monitor water use across the city and will assist in prioritising and targeting our education, infrastructure renewals and water loss programmes.</p> <p>With a current year to date result of 332 litres per resident, the year end target is expected to be achieved.</p> <p>Quarterly result:</p> <table><tr><th>Q1</th><th>Q2</th><th>Q3</th><th>Q4</th><th>Cumulative</th></tr><tr><td>310 litres</td><td>355 litres</td><td></td><td></td><td>332 litres</td></tr></table>				Q1	Q2	Q3	Q4	Cumulative	310 litres	355 litres			332 litres
Q1	Q2	Q3	Q4	Cumulative									
310 litres	355 litres			332 litres									









*Measures required by the Department of Internal Affairs

You can expect: To be satisfied with the clarity, taste, odour, continuity and pressure of the water supply.

Measure	2019/20 target	YTD result	Forecast year-end result										
The number of complaints relating to drinking water about clarity, taste, odour, pressure, continuity of supply and complaints about our response to any of these issues.*	No more than 5 complaints per 1,000 connections	0.93 per 1,000 connections 											
What's behind the results													
<p>During quarter two a total of 28 complaints were received. This is the same as the number of complaints received in quarter one and less than the 50 complaints received during the same period last year.</p> <p>Of the 28 complaints received, 19 were related to loss of service, four related to low-pressure events, four related to discolouration and one related to the taste of the water.</p> <p>With the increased level of water use seen in quarter two, we received an increased number of complaints regarding loss of service from properties in an elevated area of Rototuna who, during peak water demand periods, experienced supply issues. In response to these complaints, pressure to the affected area was increased and additional monitoring of valve and network operations undertaken. On-going investigations and monitoring of the water supply issues affecting properties in the elevated areas of Rototuna during peak water use periods will continue in quarter three.</p> <p>Quarterly result:</p> <table><tr><th>Q1</th><th>Q2</th><th>Q3</th><th>Q4</th><th>Cumulative</th></tr><tr><td>0.47 per 1,000 connections</td><td>0.47 per 1,000 connections</td><td></td><td></td><td>0.93 per 1,000 connections</td></tr></table>				Q1	Q2	Q3	Q4	Cumulative	0.47 per 1,000 connections	0.47 per 1,000 connections			0.93 per 1,000 connections
Q1	Q2	Q3	Q4	Cumulative									
0.47 per 1,000 connections	0.47 per 1,000 connections			0.93 per 1,000 connections									

*Measures required by the Department of Internal Affairs

You can expect: A timely response and a timely resolution if there is a problem with the water supply.

Measure	2019/20 target	YTD result	Forecast year-end result
The median attendance time for urgent call-outs, from the time that we received notification to the time that our service personnel reach the site.*	No more than 60 minutes	38 minutes 	
The median resolution time of urgent call-outs, from the time that we received notification to the time that our service personnel confirm the fault or interruption has been resolved.*	No more than 5 hours	2.70 hours 	
The median attendance time, in working days, for non-urgent call-outs, from the time that we received notification to the time that our service personnel reach the site.*	No more than 5 days	5 days 	
The median resolution time, in working days, of non-urgent call-outs, from the time we received notification to the time that our service personnel confirm the fault or interruption has been resolved.*	No more than 10 days	7 days 	
What's behind the results			
Households and businesses rely heavily on water so it's important that we provide a timely response when something goes wrong. These measures indicate how quickly we respond to issues with the water supply and resolve the problem. A call-out to a household or business with no water supply is classified as urgent. Call-outs for other water supply matters, where water is still being delivered, are classified as non-urgent.			
The median attendance time for urgent call outs in quarter two was 34 minutes. This result is slightly lower than the result of 38 minutes achieved in quarter one, the year to date result is 38 minutes.			
The median resolution time for urgent call outs in quarter two was 2.65 hours. This result is slightly lower than the result of 3.0 hours achieved in quarter one and slightly above the 2.1 hours resolution time that occurred in the same period last year, the year to date result is 2.7 hours.			

*Measures required by the Department of Internal Affairs

Measure	2019/20 target	YTD result	Forecast year-end result		
<p>The median attendance time for non-urgent call outs in quarter two was 4 working days, this result is lower than the 6 days achieved in quarter one, the year to date result is 5 days.</p> <p>The median resolution time for non-urgent call outs in quarter two was 6 working days, lower than the 9 days achieved in quarter one, the year to date result is 7 days.</p> <p>There have been a high number of third party strike incidents occur this year, which has resulted in increased workload and resolution times. Staff are working with the contracting community to identify ways to reduce the frequency of third party strikes occurring.</p> <p>We will continue to focus on completion of our network operations and maintenance programmes and identify further improvements to ensure attendance and resolution times for urgent and non-urgent call-outs remain within targeted timeframes. The annual targets are expected to be achieved.</p> <p>Quarterly result:</p>					
	Q1	Q2	Q3	Q4	Cumulative
Urgent					
Attendance	38 minutes	34 minutes			38 minutes
Resolution	3 hours	2.1 hours			2.7 hours
Non-urgent					
Attendance	6 days	4 days			5 days
Resolution	9 days	6 days			7 days

QUARTERLY HIGHLIGHTS

During November and December, a significant increase in water use was experienced and in response Hamilton City Council, along with the southern parts of Waikato District Council, initiated Water Alert Level 1 on Wednesday 11 December 2019. Water Alert Levels are part of the 'Smart Water Starts With You!' summer campaign that is part of the wider Smart Water programme. The aim of the campaign is to encourage water use in a responsible and sustainable way to ensure consistent supply to the community during the summer and high demand periods.

*Measures required by the Department of Internal Affairs



WASTEWATER

Wastewater is about providing our city with reliable and sustainable wastewater services to protect both the health of our people and our waterways. This activity includes wastewater collection and wastewater treatment and disposal.

SERVICE PERFORMANCE MEASURES



KEY: On track | Needs action | Off track | No data

You can expect: Our wastewater system is designed and maintained to minimise harm to the community and environment.

Measure	2019/20 target	YTD results	Forecast year-end result	
The number of overflows in dry weather.*	No more than 5 overflows per 1,000 connections	0.39 per 1,000 connections 		
What's behind the results				
<p>The number of dry weather overflows recorded in the system for this quarter was nine (eight from the network and one from a pumping station). This is significantly less than the 25 dry weather overflow events during the same period last year.</p> <p>Of the eight network overflows that occurred, two were attributed to fat within the network, one to rags and five events were caused by other blockages. There was one dry weather overflow that occurred from a wastewater pumping station as a result of an electrical fault in December from a standby generator being utilised for planned maintenance work.</p> <p>New methods of monitoring the spatial distribution of service requests are allowing us to target areas where education, increased maintenance, asset renewal or capital investment may be needed. The reduction in the disposal of fats, oils and greases into the wastewater network is a focus of this year's wastewater education programme. These actions are expected to assist in decreasing the number of wastewater overflow and blockage events.</p>				
Quarterly result:				
Q1	Q2	Q3	Q4	Cumulative
0.20 per 1,000 connections	0.15 per 1,000 connections			0.39 per 1,000 connections

*Measures required by the Department of Internal Affairs

You can expect: We operate and maintain the wastewater system to minimise odour and blockages.

Measure	2019/20 target	YTD results	Forecast year-end result
The number of complaints about wastewater odour, system faults or blockages and complaints about our response to issues with the wastewater system.*	No more than 25 complaints per 1,000 connections	4.66 per 1,000 connections 	

What's behind the results

The number of complaints provides an indication of the quality of the service provided. This measure also provides data that highlights problems requiring attention, such as the need for maintenance, renewals, upgrades or new wastewater infrastructure.

We received a total of 122 complaints during quarter two which is equivalent to 2.06 complaints per 1,000 connections, fewer than the 245 complaints received in the same period last year.

Of the 122 complaints received, 103 were general overflows and blockages within the reticulated network due to issues such as the build-up of fat and materials. Of the remaining complaints three were odour related, two related to missing lids, and 14 were general complaints.





The reduction of overflow and blockage events is a specific area of focus for this year's wastewater education programme, which aims to increase community understanding about what can and can't be flushed or put down the drain. End of year target is expected to be achieved.

Quarterly result:

Q1	Q2	Q3	Q4	Cumulative
2.79 per 1,000 connections	2.06 per 1,000 connections			4.66 per 1,000 connections





*Measures required by the Department of Internal Affairs

You can expect: We operate and maintain the wastewater system to minimise the impact on the environment.

Measure	2019/20 target	YTD results	Forecast year-end result
The number of abatement notices, infringement notices, enforcement orders and convictions issued for spillage from the wastewater system.*	No more than 1 abatement action	0.00 	
	0 infringement, enforcement or conviction actions	1.00 	
What's behind the results			
<p>No abatement actions or notices have been received by Council in relation to spillages from the wastewater system during quarter two.</p> <p>Waikato Regional Council filed a charging document against Hamilton City Council under Section 15(1)(a) of the Resource Management Act for a discharge of wastewater from the Bridge Street wastewater pumping station into the Waikato River that occurred in February 2018. In November 2019 we were sentenced in the Hamilton District Court in relation to the February 2018 wastewater discharge. As part of the sentencing the Judge noted that we entered a guilty plea at the first reasonable opportunity, had shown considerable remorse, and had identified several corrective actions to prevent similar discharge events recurring. We also participated in two positive and productive restorative justice meetings with representatives from Waikato-Tainui and Te Haa o Te Whenua o Kirikiriroa.</p> <p>As a result of the February 2018 event and sentencing decision in November 2019, the year end result for conviction actions will not be achieved.</p>			

*Measures required by the Department of Internal Affairs

You can expect: A timely response and resolution if there is an urgent problem with the wastewater system.

Measure	2019/20 target	YTD result	Forecast year-end result
The median attendance time for call-outs, from the time that we received notification to the time that our service personnel reach the site.*	No more than 60 minutes	28.00 	
The median resolution time of call-outs, from the time that we received notification to the time that our service personnel confirm the fault or interruption has been resolved.*	No more than 5 hours	2.70 	

What's behind the results

The median attendance time for wastewater call outs in quarter two was 26 minutes. This result is an improvement on the median of 41 minutes achieved in the same period last year and is due to an increased focus and optimisation of operational maintenance programmes.

The median resolution time for wastewater call outs in quarter two was 2.5 hours. This result is lower than the median of 2.7 hours achieved in the same period last year and reflects the increased focus on speedy resolution of wastewater issues.

New methods of monitoring the spatial distribution of service requests are allowing us to target areas where increased maintenance, asset renewal or capital investment may be needed. The reduction in the disposal of fats, oils and greases into the wastewater network is a focus of this year's wastewater education programme. These actions are expected to assist in decreasing the number of wastewater overflow and blockage events and ensure we continue to respond and resolve wastewater issues in a timely manner.

Quarterly result:

	Q1	Q2	Q3	Q4	Cumulative
Attendance	34 minutes	26 minutes			28 minutes
Resolution	3 hours	2.5 hours			2.7 hours

*Measures required by the Department of Internal Affairs

QUARTERLY HIGHLIGHTS

Members of Te Haao te Whenua o Kirikiriroa took part in a ceremony to bless the Hillsborough Wastewater Pump Station upgrade site on Grantham Street. Works to complete the \$5M renewal project started in December 2019 with completion expected by September 2020. The pump station, located next to Grantham Street, just south of Victoria Bridge, pumps wastewater from the south-eastern area of the central city across Victoria Bridge (on the underside of the bridge) to the main wastewater line on the eastern side of the Waikato River. The pump station upgrade will increase the size and capacity of the current pump station to enable it to meet the needs of a growing city.

*Measures required by the Department of Internal Affairs





STORMWATER

Stormwater is about providing our city with services that protect people and properties from flooding and manage the quality of our stormwater. This activity covers the stormwater network including collection, conveyance, treatment and discharge services.

SERVICE PERFORMANCE MEASURES

KEY: **On track** | **Needs action** | **Off track** | **No data**





You can expect: Our stormwater system is designed and maintained to minimise the likelihood of stormwater entering habitable buildings.

Measure	2019/20 target	YTD result	Forecast year-end result
The number of flooding events ² that occur within the city. *	No more than 1 flooding event	0 	
For each flooding event, the number of habitable floors ² affected.*	No more than 1 per 1,000 properties	0 per 1,000 properties 	
What's behind the results			
<p>A total of 174 reports of flooding were received in quarter two. The majority of events reported were due to flooding of roads and general areas within private property. None of these events resulted in stormwater entering a habitable building which is the same result as achieved in the same period last year.</p> <p>Continued implementation of preventative maintenance programmes and compliance with the Regional Technical Specifications for construction of new stormwater infrastructure will ensure that the stormwater system is constructed, operated and maintained to minimise flooding events. We remain on track to achieve the annual target of no more than one flooding event that results in stormwater entering a habitable building.</p>			



² A flooding event means an overflow of stormwater from our stormwater system that enters a habitable floor (meaning a building, including a basement, but does not include ancillary structures such as stand-alone garden sheds or garages)

*Measures required by the Department of Internal Affairs

You can expect: We will comply with our resource consent conditions and minimise the impact of our stormwater on the environment.



Measure	2019/20 target	YTD result	Forecast year-end result
The number of abatement notices, infringement notices, enforcement orders and convictions related to the management of the stormwater system.*	No more than 1 abatement action	0 	
	0 infringement, enforcement or conviction actions	0 	
What's behind the results			
No abatement notices have been received by Council in relation to the management of the stormwater system during quarter two.			
No infringement, enforcement or conviction actions have been taken against Council in relation to the management of the stormwater system during quarter two.			

You can expect: A timely response if there is a problem with the stormwater system or flooding of a habitable building.

Measure	2019/20 target	YTD result	Forecast year-end result	
The median response time, from the time that we received notification to the time that our service personnel reach the site of the flooding event.*	No more than 60 minutes	0 minutes 		
What's behind the results				
There were no reports of stormwater flooding of any habitable floors in quarter two. Continued implementation of preventative maintenance programmes and compliance with the Regional Infrastructure Technical Specifications (RITS) for construction of new stormwater infrastructure will ensure that the stormwater system is constructed, operated and maintained to minimise flooding events.				
Quarterly result:				
Q1	Q2	Q3	Q4	Cumulative
0 minutes	0 minutes			0 minutes

*Measures required by the Department of Internal Affairs

You can expect: We will operate and maintain the stormwater system to minimise flooding.

Measure	2019/20 target	YTD result	Forecast year-end result										
The number of complaints received about the performance of the stormwater system. *	No more than 10 complaints per 1,000 properties connected	6.49 per 1,000 properties connected 											
What's behind the results													
<p>A total of 143 complaints in relation to the performance of the stormwater system were received in quarter two which equates to 2.39 complaints per 1,000 properties connected. The number of complaints received is higher than for the same period last year due to improvements within our data collation processes to ensure a more accurate picture of the stormwater system performance within Hamilton is provided.</p> <p>Continued implementation of preventative maintenance programmes and compliance with the Regional Infrastructure Technical Specifications (RITS) for construction of new stormwater infrastructure will ensure that the stormwater system is constructed, operated and maintained to minimise flooding events.</p> <p>Quarterly result:</p> <table><tr><th>Q1</th><th>Q2</th><th>Q3</th><th>Q4</th><th>Cumulative</th></tr><tr><td>4.11 per 1,000 properties connected</td><td>2.39 per 1,000 properties connected</td><td></td><td></td><td>6.49 per 1,000 properties connected</td></tr></table>				Q1	Q2	Q3	Q4	Cumulative	4.11 per 1,000 properties connected	2.39 per 1,000 properties connected			6.49 per 1,000 properties connected
Q1	Q2	Q3	Q4	Cumulative									
4.11 per 1,000 properties connected	2.39 per 1,000 properties connected			6.49 per 1,000 properties connected									

*Measures required by the Department of Internal Affairs



TRANSPORT

Transport is about Hamilton being a city that is easy to get around. This activity includes the transport network and parking management.

SERVICE PERFORMANCE MEASURES

KEY: **On track** | **Needs action** | **Off track** | **No data**

You can expect: Predictable vehicle travel times for peak time trips.



Measure	2019/20 target	YTD result	Forecast year-end result
The percentage of extra time taken for vehicles to travel key routes in the city during peak travel times compared to non-peak.	No more than 50%	39.60% 	
What's behind the results			
<p>This measure is surveyed twice a year, in November and May. The measure shows whether we are providing consistent, reliable travel times for daily journeys that contribute to an efficient and enjoyable travel experience.</p> <p>The quarter two result of 39.6% is based on assessments of travel time undertaken in November 2019. This outcome is slightly lower than the prior result in May 2019 of 41.6%.</p> <p>The next result will be available in quarter four after the May 2020 assessment is completed.</p>			

You can expect: Alternative transport options for getting into the central city.

Measure	2019/20 target	YTD results	Forecast year-end result
The number of cyclists biking into the central city.	At least 1,500 on the day of survey	Data is expected in June 2020	
What's behind the results			
This is a measure that is undertaken once a year. The 2019/20 assessment will be completed in March 2020 and the result will be reported in quarter four.			
The count is completed at 22 checkpoints around the central city and the count is undertaken manually between the peak morning and evening hours.			

*Measures required by the Department of Internal Affairs

You can expect: Our transport network is safe to use.

Measure	2019/20 target	YTD results	Forecast year-end result
The change from the previous financial year in the number of fatalities and serious injury crashes on Hamilton's local road network.*	Decrease from previous year (57 Serious injuries and fatalities)	20 serious injury crashes on Hamilton's local 	

What's behind the results

Safety is a top priority as we create the future transport system for Hamilton. We have a safety vision (Vision Zero) that states there will be no deaths and a decreasing trend of serious injuries on our transport system by 2028/29. We aim to achieve this by delivering projects that improve the safety of pedestrian and biking facilities and intersections. The measure is an indication of the impact of safety improvements on reducing death and serious harm on Hamilton roads.



The interim result for quarter two shows there has been zero deaths and 12 serious injuries on record, for a total of 20 serious injuries and zero deaths year to date. The result for the same period last year was three fatalities and 21 serious injuries.

Numbers of fatalities and serious injuries on Hamilton's local road network:

Financial year	2019/20 YTD	2018/19	2017/18	2016/17	2015/16
Fatalities	0	5	4	1	7
Serious injuries	20	52	52	47	27
Total	20	57	56	48	34

*Measures required by the Department of Internal Affairs

You can expect: Roads to be kept in good condition.



Measure	2019/20 target	YTD result	Forecast year-end result
The average smooth travel exposure rating across the sealed road network.*	At least 86% smooth travel exposure	Data is expected in June 2020	
What's behind the results			
This is an annual measure and the data is gathered from the Smooth Travel Exposure Report that is undertaken in April each year. It includes both urban and rural sealed roads.			
The 2019/20 assessment is expected to be completed in April 2020.			
Measure	2019/20 target	YTD result	Forecast year-end result
The percentage of Hamilton's sealed local road network that is resurfaced each year.*	At least 4%	0.68% 	
What's behind the results			
During quarter two, 0.18% of the resealing was completed with some smaller resurfacing projects deferred to prioritise key projects such as Arthur Porter Drive. The chipseal season, which is the major part of our programme, will start in January 2020 and the programme of work has been phased on this basis.			

You can expect: Footpaths to be kept in good condition.

Measure	2019/20 target	YTD result	Forecast year-end result
The percentage of footpaths that fall within the service standard for the condition of footpaths as set out in the Transport Activity Management Plan.*	At least 97%	Data is expected in June 2020	
What's behind the results			
We aim to provide footpaths that are well maintained. Our target is that at least 97% of footpaths have less than five faults identified per 100m. We record faults with different priority levels for actions, ranging from monitoring-only (to check for further deterioration) to immediate repair.			
A review of footpath fault data to provide a clearer picture of faults and to ensure we have the faults accurately categorised and prioritised for repair took place in November 2019. The 2019/20 assessment will be completed by June 2020 and the result will be reported in quarter four.			

*Measures required by the Department of Internal Affairs

You can expect: A timely response to road and footpath service requests.

Measure	2019/20 target	YTD result	Forecast year-end result
The percentage of customer service requests relating to roads and footpaths responded to within five working days.* ³	At least 96%	95.87% 	
What's behind the results			
1,581 or 94.3% of the 1,680 service requests received in quarter two, had first action taken towards resolving the issue within five working days.			
We were slightly below our target of 96%. Customer processes have been reviewed and clarified to ensure the end of year targets are met.			

QUARTERLY HIGHLIGHTS

Hamilton City Council hosted the NZ Traffic Institute Conference at Claudelands Event Centre in November 2019. The annual event brings together professionals involved in all aspects of the transportation sector and provided us with an opportunity to present what we are doing with our Access Hamilton transport strategy incorporating safety, choice of travel, growth and smart technology.

The highlight of the conference was Council receiving the Road Safety Leadership Award for the upgrade to the Thomas Rd and Gordonton Rd intersection. This was a first of its kind project in New Zealand, which saw safety improvements made at a high-risk and fatal site to eliminate crashes through engineering and problem solving.

³ Working days are Monday to Friday, excluding public holidays. If notification is received on the weekend or public holiday the timeframe starts from the next working day.

*Measures required by the Department of Internal Affairs





RUBBISH AND RECYCLING

Rubbish and Recycling is about protecting the health of Hamiltonians and the environment by providing a reliable kerbside rubbish and recycling collection service, and promoting waste minimisation and resource recovery. This activity includes landfill site management, refuse and recycling collection and waste minimisation.

SERVICE PERFORMANCE MEASURES

KEY: **On track** | **Needs action** | **Off track** | **No data**

You can expect: We will promote and encourage waste reduction, reuse and recycling.

Measure	2019/20 target	YTD result	Forecast year-end result
The percentage of waste recovered for recycling through the kerbside collection.	At least 30%	34.31% 	
What's behind the results			
<p>The quarter two result is very similar to the 34.68% of waste recovered during the same period last year, and the 33.49% recovered in quarter one.</p> <p>Continued recycling volumes above the target of 30% are a result of focused education around kerbside recycling and a general increase in public awareness and enthusiasm regarding waste minimisation, as a result of national and international debate and discussion on this topic.</p> <p>Ongoing targeted educational programmes will continue over the next six months leading into the new waste contract going live on 1 July 2020, which will introduce a wider range of recycling streams and is expected to further increase the level of kerbside diversion.</p>			
Measure	2019/20 target	YTD result	Forecast year-end result
The amount of waste received at Council operated waste facilities that is diverted from landfill.	At least 16,000 tonnes per annum.	7,387 tonnes 	
What's behind the results			
<p>For quarter two there were 3,986 tonnes of waste diverted from landfill. This is lower than the reported result of 4,899 tonnes for the same period last year.</p> <p>The cumulative figure is lower than expected as the quarter one result required correction.</p>			


*Measures required by the Department of Internal Affairs

The reported figure for quarter one was 5,589 tonnes, a further review of the data provided by the contractor, has determined the correct figure for quarter one was 3,401 tonnes.


The year to date cumulative figure is still on track to exceed the annual target of 16,000 tonnes of diverted waste from landfill, with volumes expected to increase during the summer months, as has been the case historically.

Ongoing targeted educational programmes will continue throughout the year to ensure we continue to increase the level of waste diversion and exceed the annual target.

You can expect: We will collect your rubbish and recycling.

Measure	2019/20 target	YTD result	Forecast year-end result
The number of weeks where there are more than 20 complaints about uncollected kerbside rubbish and recycling.	0 weeks	No Data has been received for quarter two	
What's behind the results			
Our contractor has advised data for October and November was corrupted and recovery attempts have not been successful to date. Further recovery of the corrupted data will be attempted, and updated results will be provided in quarter three. Based on available data for December, there have been no weeks in the year to date where more than 20 complaints were received about uncollected kerbside rubbish and recycling, this is in line with quarter one result of zero weeks.			
In conjunction with our contractor we are continuing to proactively manage complaints. Due to incomplete data we cannot accurately comment on our ability to meet year end target.			

You can expect: A timely response if there is a problem with rubbish and recycling.

Measure	2019/20 target	YTD result	Forecast year-end result
The percentage of customer complaints about uncollected kerbside rubbish and recycling resolved within 24 hours.	At least 95%	No Data has been received for quarter two	
What's behind the results			
Our contractor has advised data for October and November was corrupted and recovery attempts have not been successful to date. Further recovery of the corrupted data will be attempted, and updated results will be provided in quarter three. Based on available data for December, 100% reported customer complaints about uncollected kerbside rubbish and recycling were resolved within 24 hours, this is consistent with quarter one's result of 97%.			

*Measures required by the Department of Internal Affairs

Staff will continue to work in conjunction with our contractor to proactively manage and respond to complaints in a timely manner. Due to incomplete data we cannot accurately comment on our ability to meet year end target.

QUARTERLY HIGHLIGHTS

In November 2019, Council approved the adoption of the Waste Management and Minimisation Bylaw 2019, which replaced the Solid Waste Bylaw 2012.

The purpose of the Waste Management and Minimisation Bylaw is to set controls and regulate waste material in the city. The changes to the revised bylaw included the provision of new and amended controls needed to support the new service levels for the management, collection and disposal of rubbish and recycling being implemented in July 2020. It is also to ensure the Bylaw is aligned with the 2018-2024 Waste Management and Minimisation Plan adopted by Council in September 2018.

*Measures required by the Department of Internal Affairs

Council Report

Committee: Finance Committee **Date:** 28 April 2020
Author: Emily Botje **Authoriser:** David Bryant
Position: Facilities Manager **Position:** General Manager Corporate
Report Name: Contract Extensions for Contracts 10093, 09026A, 12021A and 18340

Report Status	<i>Open</i>
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Purpose - *Take*

1. To seek approval from the Finance Committee to extend the term and/or Approved Contract Sum for corporate operational, maintenance and renewal contracts.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Finance Committee:
 - a) approves the extension of contract term for the following contracts:
 - (i) Contract 10093 Facilities Glazing Maintenance and Associated Services to 30 June 2021.
 - (ii) Contract 13126 Carpark Licence Management Agreement to 30 June 2021.
 - b) approves the extension of contract term and Approved Contract Sum for the following contracts:
 - (i) Contract 09062A Facilities Electrical Maintenance and Associated Services extension of contract term to 30 June 2021 with an Approved Contract Sum of \$5.7 million.
 - (ii) Contract 12021A Facilities Fire Security Services extension of contract term to 30 June 2021 with an Approved Contract Sum of \$3.3 million.
 - c) approves the Approved Contract Sum for Contract 18340 Facilities Renewals and New Build Programme at \$23 million.

Executive Summary - *Whakaraapopototanga matua*

3. The Corporate Group provides building operations, maintenance and asset renewal services to the organisation using specialised contractors.
4. These services are contracted for long periods, generally five years plus, enabling both Council and the contractor to develop good working relationships and efficient services delivery.
5. All of these contracts were in various stages of a procurement process to renew pre COVID-19. The shutdown period has interrupted the procurement processes.
6. Two contracts (Contract 10093 and Contract 12021A) have reached the end of their term, however due to the relationship that Council has with the incumbent contractors, work is continuing on the same terms and conditions as per the expired contracts.

7. All contractors associated with these contracts have either been assisting Council throughout the lock down period as an essential service and / or will be integral in Council returning to business as usual once the lockdown period is over.
8. It is recommended that Council extends these contracts to enable these companies, who have provided Council with excellent service over a number of years, time to recover post Covid-19.
9. Financial delegations require a mixture of Council or Chief Executive (CE) approval to extend the term of the contracts and the associated Approved Contract Sums. The recommendations in this report are for those items over and above the CE's delegation. A separate report will be presented to the CE for his approvals.
10. Previous service delivery contracts presented to Council for approval has prompted discussion regarding the minimum wage of the contractor's staff. All services delivered in this paper are carried out by skilled workers who earn more than Council's minimum wage.
11. Staff consider the matters in this report have low significance and that the recommendations comply with the Council's legal requirements.

Discussion- *Matapaki*

12. There are four contracts that require extensions. A brief outline of each is as follows:
13. Contract 10093 Facilities Glazing Maintenance and Associated Services
14. Contract 10093 is a glass maintenance contract which provides 24 hr maintenance and minor building works. City Glass have held this contract since 2011.
15. The contract has reached the end of its term. The procurement for this contract renewal commenced in February 2020 and was out to tender. Due to the lockdown, the tender process was suspended.
16. It is requested that this contract is extended to 30 June 2021.
17. The term of this contract exceeds five years, and therefore requires Council approval to extend. CE delegation will be utilised to manage any corresponding increases to the Approved Contract Sum.
18. All works associated with this contract are budgeted for in the Annual Plan.
19. Contract 12021A Facilities Fire Security Services
20. Contract 12021 is a contract to provide maintenance services on the fire systems within our buildings. Assets requiring maintenance include: auto fire suppression systems, fire alarm systems, smoke or fire curtains, hose reels and extinguishers, fire door holding devices and other devices where there is a risk of fire. Fire Security Services have held this contract since 2012.
21. The contract has reached the end of its term. A procurement process has commenced but has been interrupted due to the lockdown. The Approved Contract Sum is currently \$3 million.
22. As the Approved Contract Sum exceeds \$3 million and the term exceeds five years, Council's approval is required for the increases.
23. It is requested that this contract is extended to 30 June 2021, with an Approved Contract Sum of \$3.3 million.
24. All works associated with this contract are budgeted for in the Annual Plan.

25. Contract 09062A Facilities Electrical Maintenance and Associated Services
26. Contract 09062A is a contract for the supply of electrical maintenance and associated services. Services include inspection and maintenance for Building Warrant of Fitness purposes and or specific legislative standards, planned preventative maintenance, out of hours attendance to faults, repairs, maintenance and installation of new or replacement equipment. Feisst/Waikato Electrical have held this contract since 2010.
27. The term of this contract is set to expire on 30 June 2020 and has a current Approved Contract Sum of \$5 million.
28. It is requested that this contract is extended to 30 June 2021, with an Approved Contract Sum of \$5.7 million.
29. As the term of the contract exceeds five years and the value is greater than \$3 million, Council's approval is required for the increases.
30. All works associated with this contract are budgeted for in the Annual Plan.
31. Contract 18340 Facilities Renewals and New Build Programme
32. Contract 18340 is a measure and value contract to deliver planned building renewals.
33. Woodview construction have held this contract and previous similar contracts with Council since 2018. The current Approved Contract Sum is \$7 million.
34. The Approved Contract Sum exceeds \$3 million, and therefore requires Councils approval to increase. CE delegation will be utilised to manage any corresponding extensions to the term of the contract.
35. It is requested that the Approved Contract sum of this contract is increased to \$23 million.
36. The increased contract sum takes into consideration planned and budgeted renewals for the 2020/21 year (\$6 million) and a provision of \$10 million to cover any works that may be brought forward to assist in Hamilton's recovery. Noting that all recovery works will be approved through Council's delegations prior to works commencing.
37. Contract 13126 Carpark Licence Management Agreement
38. Contract 14126 is a service delivery contract that provides management of the Garden Place Car Park and leasing of space to customers within Council's off-street parking facilities.
39. Secure Parking New Zealand have held this contract since 2015.
40. The term of this contract is set to expire on 30 June 2020. It is requested that this contract is extended to 30 June 2021.
41. The term of this contract exceeds five years, and therefore requires Council approval to extend. CE delegation will be utilised to manage any corresponding increases to the Approved Contract Sum.
42. All works associated with this contract are budgeted for in the Annual Plan.

Financial Considerations - *Whaiwhakaaro Puutea*

43. This is a regular operating activity funded through the Long Term Plan and Annual Plan. There is sufficient funding allocated to fund the provisions of these services for the duration of the proposed extensions.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

44. Staff confirm that the staff recommendations complies with the Council's legal and policy requirements.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

45. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
46. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
47. The recommendations set out in this report are consistent with that purpose.

Social

48. There are no known social considerations identified by staff.

Economic

49. Staff recommendation to extend the contracts provides economic certainty to our existing service providers during COVID-19 recovery.

Environmental

50. Contract 18340 Facilities Renewals and New Build Programme has the most environmental impact of all contracts discussed in this report. All appropriate measures are taken to reduce carbon, waste and other materials through this contract.

Cultural

51. There are no known cultural considerations identified by staff.

Risks - *Tuuraru*

52. There are no known risks associated with the decisions required for this matter.
53. Should Council choose not to extend the contracts, the normal procurement processes will apply, and works will be tendered. In the short term, works will continue to be delivered due to the strong relationships held between Council and the incumbent contractors.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

Significance

54. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.

Engagement

55. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments

There are no attachments for this report.

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. Confirmation of the Public Excluded Finance Committee Minutes - 11 February 2020) Good reason to withhold information exists under Section 7 Local Government	Section 48(1)(a)
C2. Report on overdue debtors as at 31 March 2020 & Debt write-offs 2019/20) Official Information and Meetings Act 1987	
C3. Covid-19 Existing Contract Implications)	

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

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to protect the privacy of natural persons	Section 7 (2) (a)
	to maintain the effective conduct of public affairs through protecting persons from improper pressure or harassment	Section 7 (2) (f) (ii)
Item C3.	To enable Council to carry out commercial activities without disadvantage	Section 7(2)(h)
	To avoid the unreasonable likely prejudice to the commercial position of a person who supplied or is the subject of the information	Section 7(2)(b)(ii)