



AGENDA

**Ordinary meeting of the
Nelson City Council**

Audit, Risk and Finance Committee

**Tuesday 16 April 2013
Commencing at 9.00am
Council Chamber
Civic House
110 Trafalgar Street, Nelson**

Membership:

Councillor Ian Barker (Chair), His Worship the Mayor Aldo Miccio, Councillors Gail Collingwood, Ruth Copeland and Paul Matheson, and Mr Graeme Thomas

16 April 2013

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Page No.

Apologies

1. Interests

- 1.1 Updates to the Interests Register
- 1.2 Identify any conflicts of interest in the agenda

2. Confirmation of Order of Business

3. Confirmation of Minutes – 19 March 2013

3-6

Document number 1477687

Recommendation

THAT the minutes of the meeting of the Nelson City Council – Audit, Risk and Finance Committee, held on 19 March 2013, be confirmed as a true and correct record.

4. Status Report – Audit, Risk and Finance Committee

7

Document number 1374515 v5

Recommendation

THAT the Status Report – Audit, Risk and Finance Committee (1374515 v5) be received.

5. Finance Report for the Period Ending 28 February 2013

8-27

Document number 1481418

Recommendation

THAT the Finance Report for the Period Ending 28 February 2013 (1481418) be received and the variations noted.

Minutes of a meeting of the Audit, Risk and Finance Committee
Held in the Council Chamber, Civic House, Trafalgar Street, Nelson
On Tuesday 19 March 2013, commencing at 9.02am

- Present: Councillors I Barker (Chairperson), G Collingwood and P Matheson
- In Attendance: Councillor R Reese, Chief Executive (C Hadley), Chief Financial Officer (N Harrison), Executive Manager Support Services (H Kettlewell), Management Accountant (A Bishop) and Administration Adviser (L Laird)
- Apologies: His Worship the Mayor Aldo Miccio, Councillor R Copeland and Mr Graeme Thomas

1. Apologies

Resolved

THAT apologies be received and accepted from His Worship the Mayor Aldo Miccio, Councillor Ruth Copeland and Mr Graeme Thomas.

Barker/Matheson

Carried

2. Interests

There were no updates to the Interests register and no conflicts of interest were noted.

3. Confirmation of Minutes – 26 February 2013

Document number 1463795, agenda pages 5-8 refer.

Resolved

THAT the minutes of the meeting of the Nelson City Council - Audit, Risk and Finance Committee, held on 26 February 2013, be confirmed as a true and correct record.

Matheson/Collingwood

Carried

4. Status Report – Audit, Risk and Finance Committee

Document number 1374515 v4, agenda page 9 refers.

Resolved

THAT the Status Report – Audit, Risk and Finance Committee (1374515 v4) be received.

Barker/Collingwood

Carried

5. Finance Report for the Period Ending 31 January 2013

Document number 1464090, agenda pages 10-26 refer.

Chief Financial Officer, Nikki Harrison, presented the report.

The Committee discussed the variance as noted in 4.1 of the report (1464090) and were advised this was largely due to the expenditure associated with the Cable Bay Road project, which had not yet commenced.

Attendance: Councillor Reese joined the meeting at 9.10am.

5.1 Transport (agenda pages 10-11 refer)

In response to a question, the Chief Executive advised that a report on public transport patronage would be presented to Council shortly.

5.2 Water (agenda pages 11-12 refer)

Councillor Reese questioned current water supply levels. The Committee then discussed this issue and agreed that the community was generally unaware of Nelson's current water supply levels.

5.3 Corporate (agenda pages 16-17 refer)

The Committee asked staff to report back on why access issues were causing the hold on the Maitai Forest harvest, and how much revenue was expected from this harvest.

5.4 Capital expenditure

The Committee discussed attachments 3 and 4 to the report. It was mentioned that most of the latest projections for the listed major projects were not within 5% of their budget.

The Committee expressed concern with these projections and agreed that there had been consistent under-performing with regards to completing projects within their specified budgets according to the Annual Plan.

The Chief Executive acknowledged the Committee's concern and recognised the issue. She said staff were reviewing capital expenditure projections in line with what could realistically be delivered and this will be further reported on.

Resolved

THAT the Finance Report for the Period Ending 31 January 2013 (1464090) be received and the variations noted.

Collingwood/Matheson

Carried

6. Review of Financial Reserves

Document number 1452691, agenda pages 27-32 refer.

Management Accountant, Andrew Bishop, joined the meeting and presented the report. He noted the historic nature of some of the reserves and the difficulties associated with obtaining background information.

The Committee discussed the importance of acknowledging bequests. In response to a question, Mr Bishop said bequests were now mostly managed through the Civic Trust.

Recommendation to Council

THAT the funds held in the following reserves or on behalf of the following trusts be transferred to the activity that they relate to as set out in document 1452534:

- ***New Book Reserve***
- ***City Library Donations Reserve***
- ***Children's Library Donations Reserve***
- ***Stoke Library Donations Reserve***
- ***Nightingale Donations Reserve***
- ***Marsden Valley Cemetery Maintenance Trust***
- ***Wakapuaka Cemetery Maintenance Trust***
- ***Cafe Asset/Civic House Reserve***
- ***Festival Reserve***
- ***Loan Repayment Reserve***
- ***Tahunanui Dunes Restoration***
- ***Aldinga Park Donation Fund***
- ***Maitai Valley Trust***
- ***Kain Bequest***

- ***RB Jackson Bequest***
- ***FM Knight Bequest***
- ***Millar Bequest***
- ***Good Driving Incentive Reserve***
- ***Marsden Recreation Trust;***

AND THAT the Plunket Land Sale Fund be used to fund the new toilet development on the 1903 site;

AND THAT the balance of the Hamilton and Jean Rudman bequests be transferred to the City of Nelson Civic Trust on trust and the income to be used for beautifying the city;

AND THAT the Walker bequest be used to fund outdoor seating at the Stoke Community housing complexes with the balance being transferred to the Play Facilities activity;

AND THAT the Bartell Bequest and the Tui Endowment Trust be combined as the Nelson Institute Fund Reserve with the income to be transferred to the Library activity.

Collingwood/Matheson

Carried

There being no further business the meeting ended at 9.48am.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

AUDIT, RISK AND FINANCE COMMITTEE STATUS REPORT – 16 April 2013

No	Meeting Date	Document Number	Report Title/Item Title	Officer	Resolution or Action	Status
1	26/2/2013	1431189	Events Resource Consents Update	Roger Ball/ Kath Inwood	THAT staff consider the direction from the Audit, Risk and Finance Committee, as discussed at the 26 February 2013 meeting, and report back to the Council with options on how to best cover the actual overspend for the events resource consent application including via user pays options and/or savings from other areas (report 1431189).	16/04/13 A further report will be brought back once appeal costs are known. The appeal mediation has been set for 23 April 2013.

Finance Report for the Period Ending 28 February 2013

1. Purpose of Report

- 1.1 To inform the members of the Audit, Risk and Finance Committee on the financial results of activities for the eight months ending 28 February 2013 compared to budget and to highlight and explain any material variations.

2. Recommendation

THAT the report be received and the variations noted.

3. Background

- 3.1 The commentary is prepared comparing actual amounts with year to date budgets. Budgets are phased evenly throughout the year for operating revenue and expenses, and weighted in the second half of the year for capital. Timing variances against budget are caused when seasonality is a factor (for instance with some classes of maintenance), and when total budgeted income or expenditure occurs within a very short space of time (for example, grants). Projections have been updated in preparation for the Draft Annual Plan 2013/14.

4. Discussion

- 4.1 For the eight months ending 28 February 2013, there is an operating surplus of \$42,000, compared with the budgeted deficit of \$3.452 million, a \$3.494 million favourable variance.
- 4.2 Operating income and expenditure are discussed by activity.
- 4.3 Staff expenditure shows overspends in some activities, and underspends in others. This is a reflection of how staff are spending their time against where it was budgeted to be spent. Overall, staff expenditure is under budget year to date.

5. Transport

- 5.1 The transport activity reports a \$1.072 million deficit year to date February, \$1.253 million better than the budgeted deficit.

Transport activity performance for the period ending 28 February 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	(4,933,355)	(672,964)	(672,964)	(5,383,715)	(5,383,715)	0	(8,075,572)	(7,824,588)	
Operating Income	(3,499,632)	(513,976)	(651,825)	(4,549,049)	(5,214,596)	(665,547)	(7,821,894)	(5,984,467)	5.2
Total Income	(8,432,987)	(1,186,940)	(1,324,789)	(9,932,763)	(10,598,311)	(665,547)	(15,897,466)	(13,809,055)	
Expenses									
Staff	1,195,671	152,324	166,791	1,327,606	1,334,329	6,724	2,001,494	1,854,025	
Base Service Provision	3,306,782	546,772	576,640	4,721,607	4,613,117	(108,491)	6,919,675	6,627,510	5.3
Unprogrammed Maintenance	775,402	88,567	343,875	1,078,993	2,751,000	1,672,007	4,126,500	856,500	5.4
Programmed Maintenance	102,603	30,250	33,583	71,505	268,667	197,161	403,000	353,000	5.5
Financial Charges	680,964	83,665	95,054	669,802	760,435	90,634	1,140,653	1,072,347	
Depreciation	3,002,885	391,930	399,436	3,135,440	3,195,484	60,044	4,793,226	4,735,723	
Total Expenses	9,064,307	1,293,507	1,615,379	11,004,953	12,923,032	1,918,079	19,384,548	15,499,105	
Net Surplus/Deficit	631,320	106,567	290,590	1,072,190	2,324,721	1,252,531	3,487,082	1,690,050	5.1

5.2 New Zealand Transport Agency grants are under budget by \$882,000 mainly due to the timing and reclassification of the Cable Bay Road project. These changes are reflected in the projections. Parking income is \$294,000 (23%) under budget. This is mainly in off-street meters and is a similar variance to the same time last year. Parking is subject to seasonality however this is an area that will be investigated further as part of the work around parking strategy scheduled for April/May. Offsetting this, Public Transport revenue is \$199,000 above budget from ticket revenue, and unsubsidised roading recoveries is \$171,000 above budget also.

5.3 Public Transport costs are \$127,000 over budget which is offset by above budget revenue (see 5.2 above).

5.4 The Cable Bay Road reinstatement is under budget by \$1.63 million at this time. Work is now expected to start April 2013 with the bulk of the work being completed in the next financial year. Please note that this work has been reclassified as capital expenditure in the projections.

5.5 Programmed Maintenance is \$197,000 under budget mainly in the Studies and Strategies budgets.

6. Water

6.1 The water activity reports a \$310,000 surplus year to date February, \$552,000 better than budgeted.

Water supply activity performance for the period ending 28 February 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	0	0	0	0	0	0	0	0	
Operating Income	(7,291,331)	(711,541)	(920,580)	(7,053,258)	(7,364,639)	(311,381)	(11,046,958)	(11,072,066)	6.2
Total Income	(7,291,331)	(711,541)	(920,580)	(7,053,258)	(7,364,639)	(311,381)	(11,046,958)	(11,072,066)	
Expenses									
Staff	635,325	51,850	55,210	405,729	441,683	35,955	662,525	614,971	
Base Service Provision	1,407,541	264,007	232,759	1,740,150	1,862,071	121,920	2,793,106	2,733,312	6.3
Unprogrammed Maintenance	1,129,869	142,983	209,974	1,125,134	1,679,795	554,661	2,519,693	2,106,693	6.4
Programmed Maintenance	17,653	851	9,876	9,214	79,009	69,795	118,513	38,513	
Financial Charges	1,014,528	108,705	114,577	857,259	916,619	59,360	1,374,929	1,424,777	
Depreciation	2,536,039	325,720	328,433	2,605,762	2,627,461	21,699	3,941,192	3,915,636	
Total Expenses	6,740,956	894,116	950,830	6,743,248	7,606,639	863,390	11,409,958	10,833,902	
Net Surplus/Deficit	(550,375)	182,574	30,250	(310,010)	242,000	552,010	363,000	(238,164)	6.1

6.2 Water revenue is under budget by \$311,000 to February, however given the dry summer it is expected revenue will be higher in the second half of the year and should meet budget. The six monthly residential meter readings start in April.

6.3 Maintenance is under budget by \$247,000. Headworks maintenance accounts for \$178,000 of this and this budget is anticipated to be largely spent in quarter four.

6.4 \$203,000 of the underspend in un-programmed maintenance is due to there being only \$32,000 spent year to date on the emergency recovery in this activity. Reactive maintenance for water reticulation is currently under budget by \$324,000. Expenditure for both these items has been projected down, by \$313,000 and \$100,000 respectively. Urgent maintenance is undertaken as needed, with less urgent maintenance such as pump station overhauls completed in quarter four.

7. Wastewater

7.1 The wastewater activity reports a \$164,000 deficit year to date February, \$14,000 worse than budgeted.

Wastewater activity performance for the period ending 28 February 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	(4,161,623)	(536,352)	(536,352)	(4,290,817)	(4,290,817)	()	(6,436,225)	(6,457,000)	
Operating Income	(1,367,366)	(250,068)	(304,813)	(2,219,357)	(2,438,500)	(219,143)	(3,657,750)	(3,470,750)	7.2
Total Income	(5,528,988)	(786,420)	(841,165)	(6,510,174)	(6,729,317)	(219,143)	(10,093,975)	(9,927,750)	
Expenses									
Staff	420,220	46,505	43,746	362,070	349,964	(12,106)	524,946	505,538	
Base Service Provision	4,062,914	641,976	513,560	3,969,114	4,108,477	139,363	6,162,716	6,490,897	7.3
Unprogrammed Maintenance	11,236	43,424	60,792	379,282	486,333	107,052	729,500	659,500	
Programmed Maintenance	1,412	6,311	16,917	33,503	135,333	101,830	203,000	173,000	
Financial Charges	0	0	0	0	0	0	0	0	
Depreciation	1,731,311	241,293	224,901	1,930,352	1,799,209	(131,143)	2,698,813	2,912,356	
Total Expenses	6,227,093	979,510	859,915	6,674,321	6,879,317	204,995	10,318,975	10,741,291	
Net Surplus/Deficit	698,105	193,090	18,750	164,148	150,000	(14,148)	225,000	813,541	7.1

7.2 For the purposes of this report, the Nelson Regional Sewerage Business Unit (NRSBU) investment return, year to date \$657,000 against \$596,000 budgeted, has been accrued. Trade waste income is \$76,000 under budget as a result of a prior year rebate adjustment, and the closing down of the Sealord shellfish facility earlier than anticipated. The remainder of this variance relates to the NRSBU consolidation.

7.3 Base service provision expenses are \$139,000 less than budget. Savings in NRSBU interest and depreciation expenses, along with year to date savings in electricity and maintenance expenditure in the core activity have been offset to some extent by \$207,000 of unbudgeted legal and consultancy expenditure related to the Nelson North Wastewater Treatment Plant (NNWWTP) issues. The NNWWTP expenditure has been included in the projections, reclassified from capital expenditure.

8. Stormwater

8.1 The stormwater activity reports a \$853,000 deficit year to date February, \$786,000 worse than budgeted.

Stormwater activity performance for the period ending 28 February 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	(2,771,554)	(317,823)	(317,823)	(2,542,587)	(2,542,587)	()	(3,813,880)	(3,661,522)	
Operating Income	(820)	0	0	(23,489)	0	23,489	0	0	
Total Income	(2,772,374)	(317,823)	(317,823)	(2,566,076)	(2,542,587)	23,489	(3,813,880)	(3,661,522)	
Expenses									
Staff	363,797	44,582	39,342	373,839	314,737	(59,103)	472,105	556,200	
Base Service Provision	321,308	23,309	25,035	178,642	200,280	21,638	300,420	275,155	
Unprogrammed Maintenance	44,589	136,942	25,583	1,155,058	204,667	(950,392)	307,000	1,159,000	8.2
Programmed Maintenance	0	0	0	0	0	0	0	0	
Financial Charges	791,720	72,948	76,470	604,972	611,761	6,789	917,641	907,501	
Depreciation	1,229,392	138,305	159,726	1,106,444	1,277,809	171,366	1,916,714	1,668,334	8.3
Total Expenses	2,750,807	416,087	326,157	3,418,955	2,609,253	(809,702)	3,913,880	4,566,190	
Net Surplus/Deficit	(21,567)	98,264	8,333	852,879	66,667	(786,212)	100,000	904,668	8.1

8.2 There is a \$937,000 overspend in emergency response. The major projects report to the 21 February 2013 Council meeting agreed reallocations from water, wastewater and roading for the emergency event to cover this, which has been reflected in the projections.

8.3 Depreciation on Flood Protection assets was incorrectly budgeted in this activity. This has been corrected in the projections.

9. Flood Protection

9.1 The flood protection activity reports an \$92,000 deficit year to date February, \$92,000 worse than budgeted.

Flood protection activity performance for the period ending 28 February 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	0	(10,179)	(10,179)	(81,431)	(81,431)	()	(122,146)	(285,078)	
Operating Income	0	0	0	0	0	0	0	0	
Total Income	0	(10,179)	(10,179)	(81,431)	(81,431)	()	(122,146)	(285,078)	
Expenses									
Staff	0	754	0	982	0	(982)	0	0	
Base Service Provision	4,550	1,677	750	3,843	6,000	2,157	9,000	9,000	
Unprogrammed Maintenance	0	125	8,583	83,297	68,667	(14,630)	103,000	103,000	
Programmed Maintenance	0	0	0	0	0	0	0	0	
Financial Charges	0	542	846	2,149	6,764	4,615	10,146	43,689	
Depreciation	0	10,354	0	82,829	0	(82,829)	0	129,389	9.2
Total Expenses	4,550	13,451	10,179	173,100	81,431	(91,669)	122,146	285,078	
Net Surplus/Deficit	4,550	3,272	0	91,669	0	(91,669)	0	0	9.1

9.2 Depreciation on flood protection assets was incorrectly budgeted in the Stormwater activity. This has been corrected in the projections.

10. Environment

10.1 The environment activity reports a \$1.301 million surplus year to date February, \$1.3 million better than budgeted.

Environment activity performance for the period ending 28 February 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	(3,438,375)	(529,923)	(515,534)	(4,146,282)	(4,124,273)	22,009	(6,186,410)	(6,031,662)	
Operating Income	(3,812,428)	(728,349)	(799,153)	(5,762,295)	(6,393,227)	(630,933)	(9,589,841)	(9,194,612)	10.2
Total Income	(7,250,803)	(1,258,272)	(1,314,688)	(9,908,577)	(10,517,501)	(608,924)	(15,776,251)	(15,226,274)	
Expenses									
Staff	2,802,320	393,688	520,900	3,443,955	4,167,202	723,247	6,250,803	6,373,633	10.3
Base Service Provision	3,752,699	616,670	659,892	4,318,894	5,279,139	960,245	7,918,708	7,518,800	10.4
Unprogrammed Maintenance	56,359	54,536	17,417	106,876	139,333	32,458	209,000	163,853	
Programmed Maintenance	220,469	43,203	66,483	293,727	531,867	238,140	797,800	650,069	10.5
Financial Charges	387,163	20,985	20,272	173,699	162,177	(11,522)	243,265	257,582	
Depreciation	194,791	33,858	28,825	269,826	230,597	(39,228)	345,896	408,032	
Total Expenses	7,413,800	1,162,939	1,313,789	8,606,976	10,510,315	1,903,339	15,765,472	15,371,969	
Net Surplus/Deficit	162,997	(95,333)	(898)	(1,301,601)	(7,186)	1,294,415	(10,779)	145,695	10.1

10.2 Building consent fees are \$273,000 under budget, offset partially in lower staff costs (\$155,000). Solid waste fees and levies total \$494,000 less than budget – in particular, Landfill fees by \$317,000 and Waste Minimisation by \$73,000. Offsetting this Resource consent fees are \$76,000 better than budget year to date.

10.3 There has been less staff time spent than budgeted particularly in Resource Consents, Environmental Advocacy, Building Services, and Resource management planning. There is some reflection in revenue particularly in the Building unit.

10.4 Resource management planning development expenditure is \$305,000 less than budget year to date. There is projected to be a full year underspend of \$120,000 and indications are that this saving will increase in the second round of projections. \$110,000 of this saving has been earmarked to cover the Festivals noise consent overspend (see 11.3 below). Monitoring the Environment is under budget by \$111,000 as most of the invoices are due later in the year once projects are completed. The Emissions Trading Scheme levy for Landfill is under budget by \$242,000 as this liability only commenced in January 2013. It is projected that this liability will be less than \$50,000 for the year due to the depressed price of carbon and this has been factored into the projection. Toe Embankment Maintenance with a year to date budget of \$167,000 is currently being designed with works commencing late March. The remaining variance in Solid waste reflects lower volumes. The Riskpool claim provision is \$114,000 under budget and it is now unlikely another claim will be made this year as reflected in the projections.

10.5 The capital grant for the Emergency Operations Centre has not yet been issued, resulting in an underspend year to date of \$100,000. The Emergency Operations Centre will be finished in December 2013. Waste Minimisation programmed expenditure is under budget by \$67,000, due largely to expenditure occurring late in the year when TDC pass on our share of costs. There are savings across all of the expenditure lines in the Environmental Advocacy/Advice sub-activity, totalling \$44,000 at this time.

11. Social

11.1 The social activity reports a \$773,000 deficit year to date February, \$444,000 worse than budgeted.

Social activity performance for the period ending 28 February 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	(6,035,899)	(832,818)	(832,818)	(6,662,544)	(6,662,544)	0	(9,993,816)	(10,314,180)	
Operating Income	(1,841,580)	(242,124)	(233,628)	(1,924,579)	(1,869,025)	55,554	(2,803,538)	(2,931,987)	
Total Income	(7,877,478)	(1,074,943)	(1,066,446)	(8,587,123)	(8,531,569)	55,554	(12,797,354)	(13,246,167)	
Expenses									
Staff	2,915,568	377,239	396,748	3,256,827	3,173,980	(82,847)	4,760,970	4,733,473	
Base Service Provision	2,152,883	301,839	321,976	2,438,737	2,575,808	137,071	3,863,712	3,990,085	11.2
Unprogrammed Maintenance	191,908	12,239	21,191	184,474	169,527	(14,947)	254,290	349,640	
Programmed Maintenance	2,109,393	567,999	239,618	2,548,503	1,916,942	(631,561)	2,875,413	3,354,826	11.3
Financial Charges	197,951	23,519	31,747	182,626	253,975	71,350	380,963	323,235	
Depreciation	682,480	88,344	96,304	748,758	770,432	21,674	1,155,648	1,195,179	
Total Expenses	8,250,183	1,371,179	1,107,583	9,359,924	8,860,664	(499,260)	13,290,996	13,946,438	
Net Surplus/Deficit	372,704	296,237	41,137	772,801	329,095	(443,706)	493,642	700,271	11.1

11.2 Maintenance, water, and insurance costs for the Theatre Royal and the School of Music are not yet the responsibility of Nelson City Council, generating a \$128,000 saving year to date. The overspend of the Noise Consent fees \$145,000 is to be covered from these savings and also from savings in the Environmental activity (see 10.4 above). There are contract savings of \$98,000 at Marsden Valley Cemetery and Public Toilets \$56,000.

There is a timing variance of \$134,000 overspend relating to The Suter capital grant and \$56,000 underspend in Community Housing maintenance. Programmed expenditure in Festivals currently shows an overspend of \$474,000. The projection indicates that by June 2013 this will not be an issue due to a combination of higher than budgeted income, transfers of budget within the sub-activity, and the budget phasing 'catching up' with expenditure already incurred. Community Assistance grants are over budget by \$95,000 due to phasing of budgets.

12. Parks and Active Recreation

12.1 The parks and active recreation activity reports a \$1.081 million surplus year to date February, \$1.837 million better than budgeted.

Parks and active recreation activity performance for the period ending 28 February 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	(7,365,927)	(1,017,218)	(1,017,218)	(8,137,742)	(8,137,742)	(-)	(12,206,613)	(11,411,212)	
Operating Income	(1,802,125)	(217,783)	(231,439)	(1,792,088)	(1,851,511)	(59,423)	(2,777,266)	(2,788,655)	
Total Income	(9,168,052)	(1,235,001)	(1,248,657)	(9,929,830)	(9,989,253)	(59,423)	(14,983,879)	(14,199,867)	
Expenses									
Staff	668,751	82,872	116,123	615,197	928,986	313,789	1,393,479	1,168,488	
Base Service Provision	2,774,693	383,626	411,103	2,859,055	3,288,823	429,767	4,933,234	5,000,043	12.2
Unprogrammed Maintenance	242,007	72,321	79,634	873,586	637,069	(236,517)	955,604	973,329	12.3
Programmed Maintenance	1,064,266	199,703	243,328	1,199,559	1,946,624	747,065	2,919,936	2,963,261	12.4
Financial Charges	2,012,128	198,109	220,475	1,584,956	1,763,802	178,846	2,645,703	2,495,310	12.5
Depreciation	1,590,630	214,375	272,492	1,716,608	2,179,933	463,325	3,269,899	2,684,816	12.6
Total Expenses	8,352,476	1,151,006	1,343,155	8,848,961	10,745,237	1,896,276	16,117,855	15,285,247	
Net Surplus/Deficit	(815,576)	(83,995)	94,498	(1,080,869)	755,984	1,836,853	1,133,976	1,085,380	12.1

- 12.2 Seasonality is a major factor in respect of Parks, with maintenance contracts and water by meter showing underspends of \$265,000 and \$119,000. Water readings are being taken in March.
- 12.3 The emergency event recovery has resulted in a \$249,000 overspend year to date.
- 12.4 Saxton Cycle Track grant not yet paid, resulting in \$570,000 year to date underspend. No expenditure has yet been recorded against either the Brook Sanctuary maintenance grant or the Saxton Field marketing plan and implementation, resulting in a further saving of \$76,000. Both of these items are projected to be spent by the end of the financial year.
- 12.5 Financial charges are under budget to February due to the phasing of the interest charges and to lack of spend in this activity year to date (mainly Marina hardstand and Saxton capital works).
- 12.6 Depreciation \$333,000 year to date was double counted (in both Sports Parks and Saxton Capital works) in the budget with the remaining variance due to revaluations and timing of the capital programme.

13. Economic

- 13.1 The economic activity reports a \$213,000 surplus year to date December, \$213,000 better than budgeted.

Economic activity performance for the period ending 28 February 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	(1,872,343)	(121,048)	(121,048)	(968,381)	(968,381)	()	(1,452,572)	(1,350,561)	
Operating Income	(809,421)	0	0	0	0	0	0	0	
Total Income	(2,681,764)	(121,048)	(121,048)	(968,381)	(968,381)	()	(1,452,572)	(1,350,561)	
Expenses									
Staff	351,374	3,651	2,152	18,604	17,213	(1,391)	25,820	25,810	
Base Service Provision	2,438,896	53,795	58,045	468,613	464,363	(4,250)	696,544	696,544	
Unprogrammed Maintenance	2,714	94	0	94	0	(94)	0	0	
Programmed Maintenance	297,261	1,257	59,843	260,458	478,745	218,288	718,118	616,117	13.2
Financial Charges	7,139	1,012	1,008	8,092	8,060	(32)	12,090	12,090	
Depreciation	0	0	0	0	0	0	0	0	
Total Expenses	3,097,384	59,809	121,048	755,861	968,381	212,521	1,452,572	1,350,561	
Net Surplus/Deficit	415,619	(61,239)	0	(212,521)	0	212,521	0	0	13.1

13.2 There has been no spending on Economic Impact Assessment (a tool for assessing economic impacts of events), Facilities Marketing, or Economic Development fund to the end of February, and negligible spend against Special Economic Projects and FIFA Under 20 World cup.

14. Corporate

14.1 The corporate activity reports a \$91,000 surplus year to date February, \$732,000 worse than budgeted.

Corporate activity performance for the period ending 28 February 2013

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Full year Projection	Ref:
Income									
Rates	636,297	(18,334)	(18,334)	(143,895)	(146,672)	(2,777)	(220,008)	209,954	
Operating Income	(8,415,762)	(1,074,994)	(1,096,836)	(8,171,664)	(8,774,689)	(603,025)	(13,162,033)	(13,658,587)	14.2
Total Income	(7,779,466)	(1,093,328)	(1,115,170)	(8,315,559)	(8,921,361)	(605,801)	(13,382,041)	(13,448,633)	
Expenses									
Staff	3,276,178	382,224	357,883	3,627,138	2,863,061	(764,077)	4,294,591	4,360,055	
Base Service Provision	676,054	127,991	156,900	926,770	1,255,199	328,429	1,882,799	1,885,741	14.3
Unprogrammed Maintenance	919,185	9,820	6,156	38,129	49,249	11,121	73,874	73,974	
Programmed Maintenance	68,949	17,281	43,729	58,637	349,828	291,191	524,742	530,242	14.4
Financial Charges	2,690,529	319,943	361,480	2,721,646	2,891,840	170,194	4,337,760	3,865,233	14.5
Depreciation	700,853	106,736	86,119	852,110	688,955	(163,155)	1,033,432	1,116,595	14.6
Total Expenses	8,331,748	963,994	1,012,267	8,224,430	8,098,132	(126,298)	12,147,198	11,831,840	
Net Surplus/Deficit	552,282	(129,333)	(102,904)	(91,129)	(823,229)	(732,099)	(1,234,843)	(1,616,793)	14.1

14.2 Internal interest income worse than budget \$474,000, reflecting prior year capital delays and underspends. There is also a \$288,000 variance in forestry revenue which is partly a timing issue and partly related to inaccurate forecasting in the LTP. Also, the Maitai Forest harvest is on hold due to access issues. The full year projection for Forestry income has been decreased by \$200,000. This is offset by Rental properties income being \$44,000 over budget to February.

- 14.3 Contingency budget year to date of \$100,000 has not been used, Civic House maintenance savings of \$83,000, Prego remediation \$72,000 (removed from projection) and administration and meeting expenditure is \$77,000 less than budget at this stage. The Forestry expenditure is currently \$93,000 worse than budget. The increased expenditure has been accommodated in the projections.
- 14.4 The Nelson Development Strategy work is \$166,000 under budget. The second round of projections will reflect reduced scope for this work. Forestry programmed maintenance is under budget year to date by \$77,000 as well as Civic House \$52,000.
- 14.5 Internal interest is under budget by \$121,000 in Rental Properties due to interest savings on lower debt and interest rates and the deferment of strategic property purchases.

15. Capital Related Income

- 15.1 This includes Capital related grants and subsidies from external parties (New Zealand Transport Agency, Tasman District Council, sports bodies, Housing New Zealand and development contributions), and in 2012/13 gifts of property. This continues to be shown below the line this financial year as it often distorts operating results and is only treated as income for Annual Report purposes. It is tracking \$6.7 million under budget year to date, \$4.6 million due to the fact that the property transfers of the School of Music and Theatre Royal have not yet taken place.
- 15.2 New Zealand Transport Agency 'R' funding has not been claimed so far this year, against a year to date budget of \$1.123 million. New Zealand Transport Agency funding for Capital improvements is currently running \$324,000 below budget, and funding for Capital renewals is \$122,000 below budget, both reflecting the timing of Capital expenditure.
- 15.3 Development contributions are \$517,000 under budget year to date. Development contributions have historically tracked over budget. Current year performance reflects both lack of activity and the budget been set \$700,000 higher than in previous years. The full year projection has been reduced by \$400,000.

16. Capital Expenditure

- 16.1 Capital expenditure is \$17.3 million below budget year to date. Please see Attachment 2 for more information on this variance. \$10 million has been removed from the capital projections.

17. Outstanding Rates

- 17.1 The second instalment was due on 27 February 2013. Of this instalment, \$228,542 was still outstanding at 26 March 2013 (98.32% collected) and \$4,899 was still outstanding for the previous rating year.

18. Borrowings

- 18.1 A summary of the borrowings and interest rate position as at 28 February 2013 is attached (Attachment 8).

19. Conclusion

- 19.1 The net operating surplus of \$42,000 is \$3.5 million better than budget for the eight months ending 28 February 2012. Capital expenditure is below budget by \$17.3 million, largely related to the timing of the budgeted Theatre Royal and School of Music assets transfers and the timing of other land/building purchases .

Tracey Hughes
Senior Accountant

Attachments

- Attachment 1: Nelson City Council Summary Performance [1475721](#)
Attachment 2: Capital Expenditure by Activity [1475721](#)
Attachment 3: Capital Expenditure Over \$750,000 [1475721](#)
Attachment 4: Capital Expenditure Graph [1475721](#)
Attachment 5: Outstanding Rates [1475721](#)
Attachment 6: Balance Sheet [1480772](#)
Attachment 7: Council Borrowings [1475721](#)
Attachment 8: Interest Rate Position Report [1479040](#)
Attachment 9: Debtors Report [1234107](#)

No supporting information follows.

Nelson City Council summary performance for the period ending 28 February 2013

	YTD Actual Prior yr 000s	YTD Actual 000s	YTD Budget 000s	YTD Budget Var 000s	YTD Budget Var % 000s	Full year Budget 000s	Full year Proj 000s	Projection Budget Var 000s
Revenue								
Rates	29,943	32,357	32,338	(19)	-0.1%	48,507	47,126	1,381
Water supply	7,237	6,999	7,343	344	4.7%	11,015	11,015	0
Activity income								
Transport	3,500	4,549	5,215	666	12.8%	7,822	5,984	1,837
Water supply	54	54	22	(33)	-151.8%	32	57	(25)
Wastewater	1,367	2,219	2,439	219	9.0%	3,658	3,471	187
Stormwater	1	23	0	(23)	N/A	0	0	0
Flood protection	0	0	0	0	N/A	0	0	0
Environment	3,812	5,762	6,393	631	9.9%	9,590	9,195	395
Social incl arts and heritage	1,842	1,925	1,869	(56)	-3.0%	2,804	2,932	(128)
Parks and active recreation	1,802	1,792	1,852	59	3.2%	2,777	2,789	(11)
Economic	809	0	0	0	N/A	0	0	0
Corporate	8,416	8,172	8,775	603	6.9%	13,162	13,659	(497)
Total revenue	58,783	63,853	66,244	2,391	3.6%	99,367	96,227	3,140
Activity Expense								
Transport	9,064	11,005	12,923	1,918	14.8%	19,385	15,499	3,885
Water supply	6,741	6,743	7,607	863	11.4%	11,410	10,834	576
Wastewater	6,227	6,674	6,879	205	3.0%	10,319	10,741	(422)
Stormwater	2,751	3,419	3,023	(396)	-13.1%	4,535	4,566	(31)
Flood protection	5	173	81	(92)	-112.6%	122	285	(163)
Environment	7,414	8,607	10,510	1,903	18.1%	15,765	15,372	394
Social incl arts and heritage	8,250	9,360	8,861	(499)	-5.6%	13,291	13,946	(655)
Parks and active recreation	8,352	8,849	10,745	1,896	17.6%	16,118	15,285	833
Economic	3,097	756	968	213	21.9%	1,453	1,351	102
Corporate	8,332	8,224	8,098	(126)	-1.6%	12,147	11,832	315
Total expense	60,233	63,811	69,696	5,886	8.4%	104,545	99,712	4,833
Net operating (surplus)/deficit	1,450	(42)	3,452	3,494	101.2%	5,178	3,485	1,693
Capital related income	3,070	1,851	8,529	6,678	78.3%	12,793	11,507	1,286

**Capital Expenditure
Total Council - by Activity**

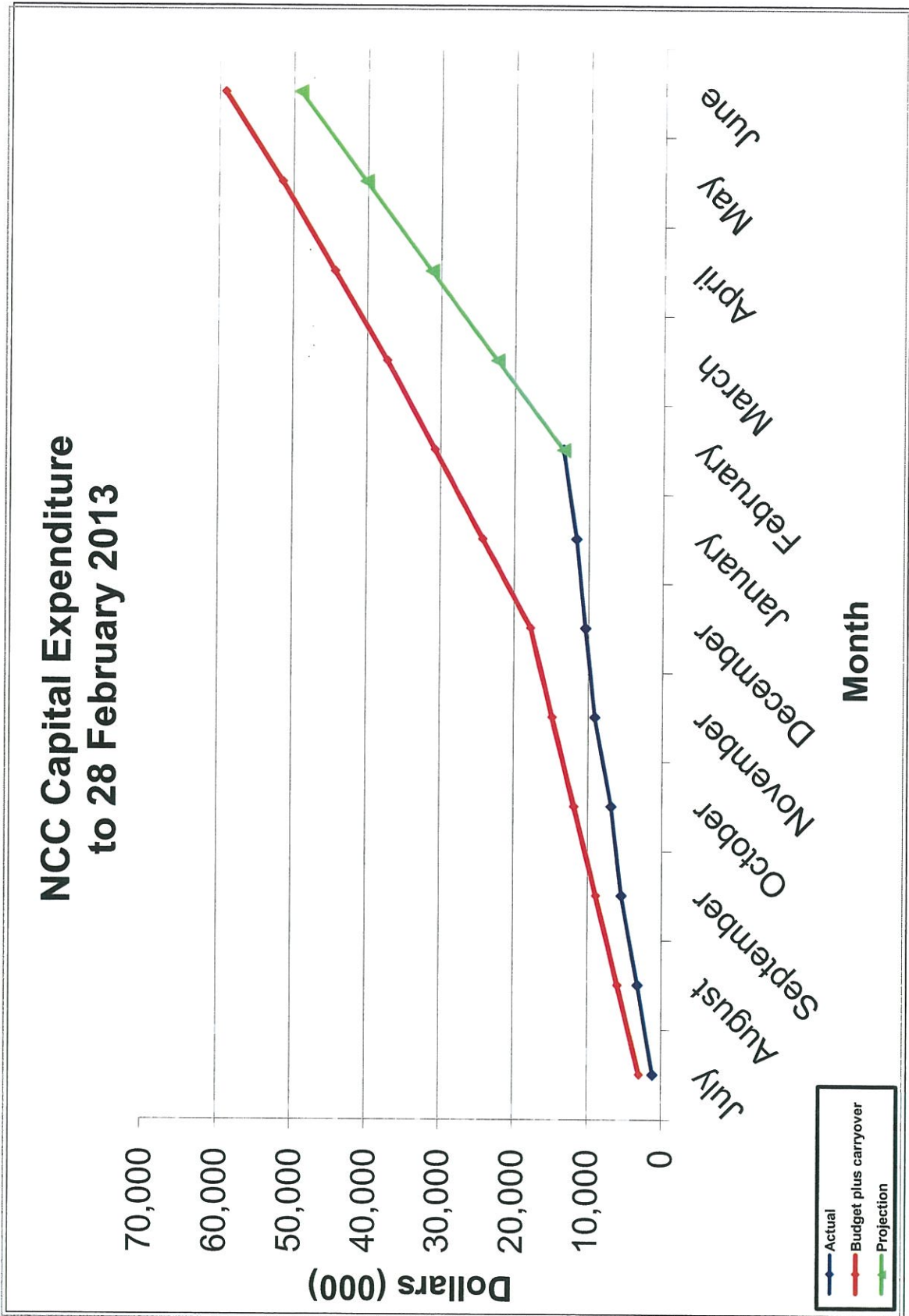
Activity	Actual YTD \$(000)	Budget YTD \$(000)	Variance YTD \$(000)	Annual Budget plus C/fwd \$(000)	Latest Forecast \$(000)	Within +or-5% Proj.	Comments
Transport	3,900	5,690	-1,790	10,943	9,952	N	Queens Rd , Tasman (Halifax-Grove), Cleveland Tce retaining walls
Water supply	4,303	4,068	235	7,823	7,844	Y	AC renewals/ The Ridgeway
Wastewater	679	2,538	-1,858	4,881	3,413	N	NNWWTP Upgrade, growth projects
Stormwater	331	1,460	-1,129	2,808	1,907	N	Queens Rd plus many various.
Flood protection	100	218	-118	419	963	N	
Environment	192	200	-7	384	356	N	
Social incl arts and heritage	652	5,753	-5,101	11,063	11,069	Y	SoM, Theatre Royal
Parks and active recreation	2,764	8,186	-5,423	15,743	11,730	N	Marina Hardstand, Wakefield Quay, Play Facilities, Land Purchase, Saxton hockey turf
Economic	0	0	0	0	0	N/A	
Corporate	529	2,627	-2,098	5,052	1,818	N	IT projects, land purchases
	<u>13,451</u>	<u>30,740</u>	<u>-17,289</u>	<u>59,115</u>	<u>49,052</u>	<u>N</u>	
Financial reserves	910	3,941	-3,031	7,578	(10,063)	N	
Nelson Regional Sewerage BU	345	577	-232	1,109	1,750	N	
	<u>14,706</u>	<u>35,257</u>	<u>-20,552</u>	<u>67,803</u>	<u>2,063</u>	<u>N</u>	
					<u>52,865</u>		

Capital Expenditure

8 Months to 28 February 2013

Total Council	Actual YTD \$(000)	Annual Budget plus C/fwd \$(000)	Contract Completion	Latest Forecast \$(000)	Comments
Major projects (over \$750,000 in any column)					
Infrastructure					
Maitai Pipeline Duplication	3,374	5,132		5,132	Y
Princes Drive	60	1,076		500	N
Queens Road	954	1,073		1,073	Y
Road: Waimea/Motueka Jct	23	1,194		94	N
Strategic Land Purchase	1	2,400		0	N
Nelson North Wastewater Treatment	111	2,251		1,000	N
Road Renewals: Friction Course	296	989		989	Y
Emergency 2011 Cable Bay Road	14	0		800	N
Emergency 2011 Response	0	0		738	N
Maitai Shared Path	261	791		915	N
Marsden Valley Trunk Main	35	578		995	N
York Stream Channel Upgrade	94	98		823	N
Community Services					
Theatre Royal	8	6,590		6,590	Y
Nelson School of Music	0	2,406		2,406	Y
Marina Hardstand	45	2,400		1,500	N
Trafalgar Center North Upgrade	338	1,438		785	N
Land Purchase: General Reserve	0	1,189		1,189	Y
Replace Hockey Turf	7	950		950	Y
Total other (under \$750,000)	7,830	28,561		22,574	N
Council Total	13,451	59,115		49,052	N
Vested Assets	910	7,578		1,750	N
Nelson Regional Sewerage business unit	345	1,109		2,063	N

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1475721

Outstanding Rates

Attachment 5

Date	Total Rates Outstanding	Latest Instalment	Previous instalments	Previous Years	incl commercial
30 June 2007	180,780	0	180,780	0	
30 June 2008	340,391	0	340,391	0	
1 September 2008	907,606	633,127	0	274,479	
1 December 2008	677,694	591,693	?	86,001	
1 March 2009	852,643	644,579	169,842	38,222	
4 June 2009	607,313	425,511	181,802	0	
30 June 2009	294,833	0	294,833	0	
1 September 2009	907,209	711,869	0	195,340	
13 October 2009	355,162	246,305	0	108,857	
31 December 2009	337,758	175,274	106,774	55,710	
1 March 2010	630,376	445,311	175,929	9,136	
1 June 2010	660,645	464,202	195,213	1,230	
30 June 2010	337,253	0	337,030	223	
1 September 2010	835,862	650,520	0	185,342	
1 November 2010	260,349	161,242	0	99,107	
1 December 2010	688,461	528,857	129,635	29,969	
31 December 2010	245,476	150,655	78,443	16,378	
1 March 2011	644,113	498,068	141,592	4,453	
1 June 2011	601,476	421,150	178,873	1,453	
30 June 2011	338,162	0	338,162	0	
October 2011	373,025	252,535	0	120,490	
November 2011	246,409	0	166,278	80,131	
1 December 2011	777,480	578,542	150,757	48,181	145,274
5 March 2012	649,187	514,491	129,140	5,556	58,517
30 May 2012	816,798	592,400	224,213	185	181,182
30 August 2012	923,938	753,415	0	170,523	187,299
3 December 2012	793,522	593,648	165,742	34,132	175,194
1 March 2013	1,117,653	704,633	406,606	6,414	198,492

(147572)

Nelson City Council

Abbreviated Balance Sheet

		28/02/2013	31/01/2013	30/06/2012
Current Assets				
	Cash and Bank	238,560	304,517	37,333
Bank Deposits	Investments	0	0	2,200,000
	Rates Debtors	(1,061,145)	8,207,839	(653,063)
Amounts due from customers.	Trade Debtors	7,183,273	6,761,911	12,687,563
	Debtors and Accruals	<u>1,750,875</u>	<u>2,377,749</u>	<u>984,948</u>
		<u>8,111,563</u>	<u>17,652,017</u>	<u>15,256,781</u>
Current Liabilities				
Cash Book Balance	Bank Overdraft	0	0	(409,863)
Amounts owed to suppliers.	Creditors	(9,388,664)	(8,659,826)	(14,234,354)
	Commercial paper	(39,716,978)	(39,709,898)	(39,686,764)
Term Loans to be paid in 12 months	Current Portion of Term Liabilities	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>
		<u>(49,135,642)</u>	<u>(48,399,724)</u>	<u>(54,360,980)</u>
	Net Working Capital	(41,024,079)	(30,747,707)	(39,104,199)
Non Current Assets				
Shares in Subsidiaries etc	Investments	29,304,601	29,308,872	29,290,709
Total value, net of depreciation of all	Fixed Assets	<u>1,190,204,501</u>	<u>1,189,925,103</u>	<u>1,185,646,627</u>
		<u>1,219,509,101</u>	<u>1,219,233,975</u>	<u>1,214,937,336</u>
Non Current Liabilities				
	Bank Term Loans	(14,664,190)	(20,271,690)	(21,286,690)
Money borrowed that requires payment after 12 months	Other Term Liabilities	<u>(1,038,536)</u>	<u>(1,030,075)</u>	<u>(971,824)</u>
		<u>(15,702,726)</u>	<u>(21,301,765)</u>	<u>(22,258,514)</u>
		<u>1,162,782,296</u>	<u>1,167,184,503</u>	<u>1,153,574,623</u>
Shareholder Funds				
	Ratepayers Equity	331,213,106	335,202,533	326,373,674
	Reserves	<u>831,569,190</u>	<u>831,981,970</u>	<u>827,200,949</u>
		<u>1,162,782,296</u>	<u>1,167,184,503</u>	<u>1,153,574,623</u>

Council Borrowings & Swaps

The Council borrowing as at 28 February 2013, with maturity dates are as follows:

		NCC	NRSBU	Total	Interest rate
		\$000	\$000	\$000	\$000
Mar 2013	Call	2,700		2,700	3.80%
Mar 2013	CP	9,930		9,930	2.85%
Mar 2013			4,000	4,000	3.70%
Mar 2013		3,110		3,110	3.61%
Mar 2013		2,600		2,600	3.61%
Mar 2013		2,000		2,000	3.62%
Mar 2013			2,000	2,000	3.71%
Mar 2013			2,700	2,700	3.70%
April 2013	CP	19,861		19,861	2.84%
May 2013	CP	9,930		9,930	2.84%
Total Borrowings		50,131	8,700	58,831	

The weighted average interest rate was **3.11%**

Made up of:

NCC	3.01%
NRSBU	3.70%

Council Interest rate swaps

Deal Date	Pay/Rec Fixed	Bank	Amount (\$millions)	Start Date	Maturity Date	Swap Rate	Fwd Start / Blend	
							Start Date	Maturity Date
29-Jul-10	pay	WPC	4.00	26-Oct-10	28-Apr-16	4.300%		28-Oct-14
29-Jul-10	pay	WPC	3.00	27-Aug-10	27-May-15	4.835%		
29-Jul-10	pay	WPC	3.00	27-Aug-10	27-Aug-21	4.835%	27-May-15	27-Aug-21
29-Jul-10	pay	WPC	4.00	27-Sep-10	27-Sep-18	5.250%		
29-Jul-10	pay	WPC	5.00	27-Aug-10	27-May-20	5.365%		
4-Aug-10	pay	WPC	4.00	27-Jan-11	27-Jan-17	5.080%		
3-Sep-10	pay	WPC	5.00	27-Mar-11	27-Jun-19	4.980%		
3-Sep-10	pay	WPC	6.00	27-Apr-11	27-Oct-17	4.820%		
12-Mar-12	pay	WPC	5.00	27-May-11	27-Aug-14	4.000%		27-Aug-13
3-Mar-11	pay	BNZ	3.00	27-Nov-11	27-Nov-15	4.560%		
11-May-11	pay	ANZ	5.00	27-Sep-11	27-Sep-16	4.710%		
11-May-11	pay	ANZ	4.00	27-Jan-12	27-Apr-16	4.780%		
11-May-11	pay	ANZ	3.00	27-Jan-12	27-Jan-15	4.440%		
11-May-11	pay	ANZ	3.00	27-Sep-11	27-Mar-14	3.960%	27-Mar-14	27-Mar-22
2-Aug-12	pay	ANZ	2.00	27-Mar-13	27-Jun-22	3.860%		
2-Aug-12	pay	ANZ	2.00	27-Apr-13	27-Oct-21	3.820%		
2-Aug-12	pay	ANZ	2.00	27-May-13	27-Nov-20	3.770%		
2-Aug-12	pay	ANZ	2.00	27-Jun-13	27-Sep-19	3.660%		
12-Nov-12	pay	BNZ	3.50	21-Dec-12	21-Dec-14	2.620%		
NRSBU								
16-May-12	pay	WPC	2.00	22-Dec-12	22-Mar-21	3.830%		
16-May-12	pay	WPC	2.00	22-Dec-12	22-Mar-19	3.570%		
16-May-12	pay	WPC	2.00	22-Mar-13	22-Mar-17	3.220%		
16-May-12	pay	WPC	2.00	22-Mar-13	22-Mar-15	2.770%		
			76.50					

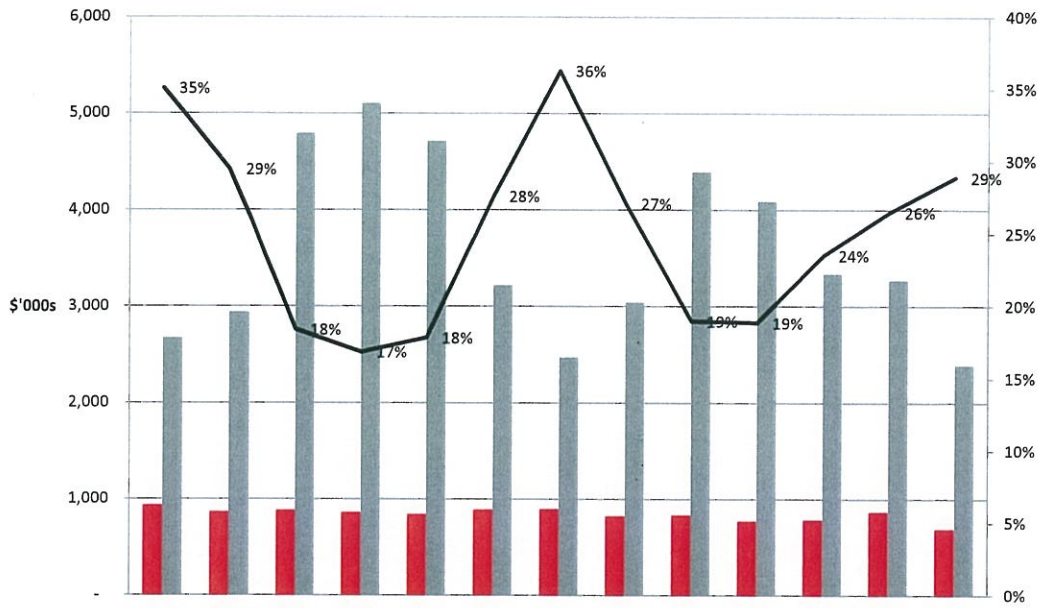
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Nelson City Council Interest Rate Position			
12 month forecast core debt:	\$96.4m	28-Feb-13	
Policy Limits	55%-90%		
Overall Fixed:Floating Mix	79%		
Policy Compliance	Y		
Liquidity Ratio:	110%		
Actual	166%		
Policy Compliance	Y		
Fixed Rate Maturity Profile:			
Years	1 - 3 years	3 - 5 years	5 years plus
Policy Limits	15%-60%	15%-60%	15%-60%
Actual Hedging	15%	43%	42%
Policy Compliance	Y	Y	Y
Funding Maturity Profile:			
Years	0 - 3 years	3 - 5 years	5 years plus
Policy Limits	15%-60%	15%-60%	10%-40%
Actual Hedging	74%	26%	0%
Policy Compliance	X	Y	X
Nelson City Council Interest Rate Performance			
Market Rates	90 Day Rate (ave of month) =	5yr Swap Rate (end of month) =	
	3.09%	4.80%	
Interest Cost (incl margin)	This Month	Last Month	
Weighted Av. Cost of Funds			
Benchmark Rate (incl margin of bp)	0.00%	0.00%	
Budget Rate			
Counterparty Credit Risk (Interest Rate Risk Mgmt Instruments)			
Policy Credit Limit (NZ\$) per NZ Registered Bank (Interest Rate Risk Management Instruments Only)			10,000,000
Minimum Credit Rating is A-1+/A+	Notional (\$m)	Credit Exposure (\$m)	
Bank			
WPC	47.0	7.1	Within Policy
ANZ	23.0	4.0	Within Policy
BNZ	6.5	0.4	Within Policy
Total (NZ\$m)	76.5	11.6	

Specific borrowing limits		
Net interest expense on external debt as a percentage of total revenue to be less than 15%	2.94%	Y
Net interest expense on external debt (secured by rates) as a percentage of rates revenue to be less than 20%	5.06%	Y
Net external debt (secured by rates) as a percentage of total revenue to be less than 150%	59%	Y
Net external debt (secured by rates) as a percentage of equity to be less than 20%	5%	Y
Explanation of Funding maturity policy breach		
This policy ensures that Council have a spread of bank facilities and bonds across the maturity profile. With the inclusion of the NRSBU facility and swaps at 30 June 2012, Council now have too much maturing in the 0-3 year band and continue to be outside of policy in the 5 year + band.		
Remedial action		
To meet the 5 year plus band, Council will wait to issue bonds through the Local Government Funding Agency (LGFA) as it is too expensive currently as an unrated Council to issue in our own name. Issuing bonds will also resolve the 0-3 year band as Council will no longer have to hold committed facilities if it has term bonds and can start cancelling unused facility limits in the 0-3 year band.		

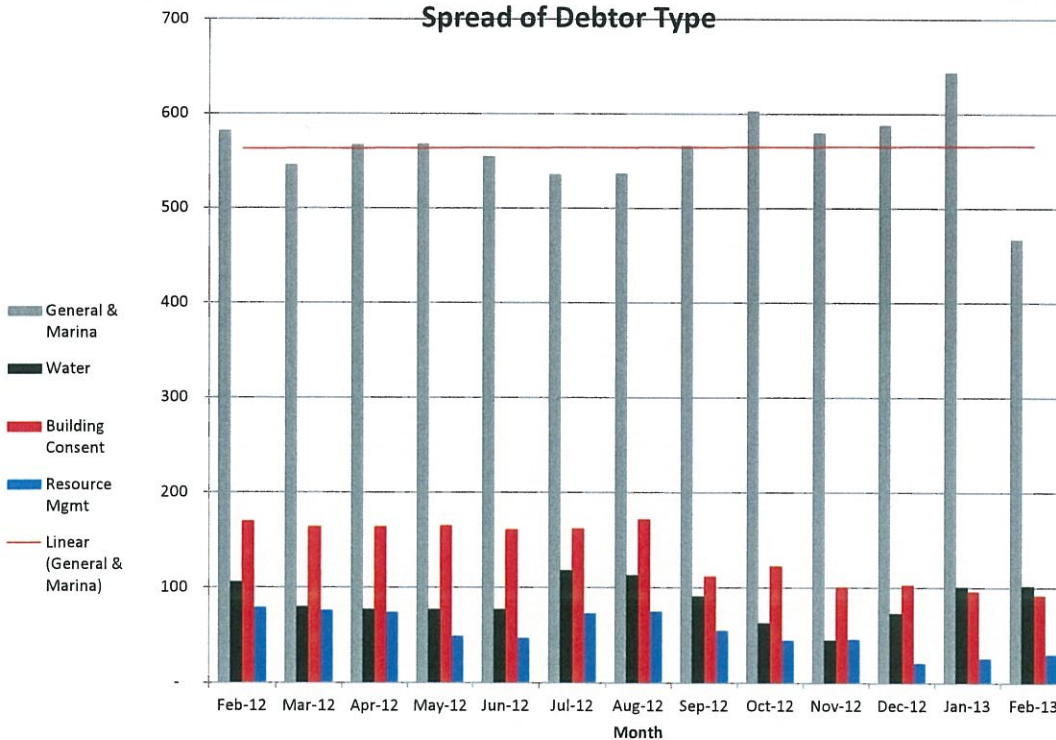
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Debtors Totals & 3 Months Overdue February 2013



	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13
Total 3 months & over	937	866	882	859	840	889	897	824	834	772	785	867	691
Total Debtors	2,671	2,938	4,793	5,103	4,712	3,219	2,473	3,041	4,393	4,091	3,338	3,272	2,390
Percent 3 mths to Total	35%	29%	18%	17%	18%	28%	36%	27%	19%	19%	24%	26%	29%

Spread of Debtor Type



February 2013 General Debtors Analysis 3 months overdue

Overdue - no arrangements	Queries	Legal action pending	Payment arrangements in place	With Creditmans	Since Paid	Marina
12,129	10,000	305,550	55,955	23,131		3,169

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