



Nelson City Council
te kaunihera o whakatū

AGENDA

Ordinary meeting of the

Governance Committee

**Thursday 14 August 2014
Commencing at 9.00am
Council Chamber
Civic House
110 Trafalgar Street, Nelson**

Membership: Councillor Ian Barker (Chairperson), Her Worship the Mayor Rachel Reese, Councillors Luke Acland (Deputy Chairperson), Eric Davy, Kate Fulton, Brian McGurk, Paul Matheson, Gaile Noonan and Pete Rainey, Mr John Peters and Mr John Murray

Guidelines for councillors attending the meeting, who are not members of the Committee, as set out in Standing Orders:

- All councillors, whether or not they are members of the Committee, may attend Committee meetings (SO 2.12.2)
- At the discretion of the Chair, councillors who are not Committee members may speak, or ask questions about a matter.
- Only Committee members may vote on any matter before the Committee (SO 3.14.1)
- It is good practice for both Committee members and non-Committee members to declare any interests in items on the agenda. They should withdraw from the table for discussion and voting on any of these items.

Apologies

1. Confirmation of Order of Business

2. Interests

2.1 Updates to the Interests Register

2.2 Identify any conflicts of interest in the agenda

3. Public Forum

3.1 Murchison Information Centre

Simon Blakemore will speak about the Murchison Information Centre.

4. Confirmation of Minutes – 3 July 2014

7-11

Document number A1214808

Recommendation

THAT the minutes of the meeting of the Nelson City Council – Governance Committee, held on 3 July 2014, be confirmed as a true and correct record.

5. Status Report – Governance 14 August 2014

12

Document number A1160658

Recommendation

THAT the Status Report – Governance 14 August 2014 (A1160658) be received.

6. Chairperson's Report

FINANCE

7. Finance Report for the Period Ending 30 June 2014 13-30

Document number A1223627

Recommendation

THAT the Finance Report for the Period ending 30 June 2014 (A1223627) and its attachments (A1223338, A1226654, A1213020, A793514, and A1173746) be received and the variations noted.

Recommendation to Council

THAT Council approves continuing work on 2013/14 capital projects within the 2013/14 approved budgets, noting a report on carry forwards will come to the Governance Committee's meeting on 25 September 2014;

AND THAT Council note the June 2014 rain event incurred unbudgeted operating expenditure of approximately \$260,000, and that \$155,000 of unspent contingency budget in 2013/14 be carried forward to fund this, with remaining operating costs from that event being met within 2014/15 operating budgets;

AND THAT Council approve an additional \$50,000 capital expenditure for a new retaining wall in Citrus Lane relating to damage from the June 2014 rain event.

8. Bad Debt Write-Off Year Ending 30 June 2014 31

Document number A1209224

Recommendation

THAT the report Bad Debt write-off year ending 30 June 2014 (A1209224) be received;

AND THAT the balance of \$230,875 plus GST owing by Everyman Records Limited be written off as at 30 June 2014.

GOVERNANCE

9. Regional Community Outcomes

33-40

Document number A1217368

Recommendation

THAT the report Regional Community Outcomes (A1217368) and its attachments (A1218438 and A1204554) be received.

Recommendation to Council

THAT Council adopt the regional community outcomes (A1218438).

PUBLIC EXCLUDED BUSINESS

10. Exclusion of the Public

Recommendation

THAT the public be excluded from the following parts of the proceedings of this meeting.

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 are as follows:

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Governance Committee Minutes – Public Excluded – 3 July 2014	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for	The withholding of the information is necessary: <ul style="list-style-type: none">• Section 7(2)(i) To carry out negotiations

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
	These minutes confirm the minutes of the Governance Committee of 22 May 2014, and contains information relating to the Ridgeways Joint Venture Statement of Intent and Half-Yearly Report 2014.	which good reason exists under section 7	

11. Re-admittance of the public

Recommendation

THAT the public be re-admitted to the meeting.

Note:

- **This meeting will be followed by two workshops:**
 - **Risk Management**
 - **Wakapuaka Sandflats and biodiversity on the region**
- **Lunch will be provided at 12.30pm.**

Minutes of a meeting of the Governance Committee

Held in the Council Chamber, Civic House, Trafalgar Street,
Nelson

On Thursday 3 July 2014, commencing at 9.00am

Present: Councillors I Barker (Chairperson), L Acland (Deputy Chairperson), K Fulton, B McGurk, P Matheson, G Noonan, P Rainey, and J Murray and J Peters (external appointees)

In Attendance: Councillor T Skinner, Chief Executive (C Hadley), Group Manager Corporate Services (N Harrison), Group Manager Infrastructure (A Louverdis), Group Manager Community Services (C Ward), Acting Group Manager Strategy (N McDonald), Manager Administration (P Langley), and Administration Adviser (G Brown)

Apologies: Her Worship the Mayor, R Reese, and Councillor E Davy

1. Apologies

Resolved

THAT apologies be received and accepted from Her Worship the Mayor and Councillor Davy.

Noonan/McGurk

Carried

2. Interests

There were no updates to the Interests Register and no conflicts of interest with items on the agenda were declared.

3. Confirmation of Order of Business

The Chairperson introduced the new external appointees to the Committee, John Peters and John Murray. He said that Council looked forward to their participation at the Governance Committee meetings.

4. Public Forum

There was no public forum.

5. Confirmation of Minutes – 22 May 2014

Document number A1190855, agenda pages 6-14 refer.

Resolved

THAT the minutes of a meeting of the Nelson City Council – Governance Committee, held on 22 May 2014, be confirmed as a true and correct record.

Acland/Matheson

Carried

Attendance: Councillor Fulton joined the meeting at 9.07am

6. Status Report – Governance 3 July 2014

Document number A1160658

Resolved

THAT the Status Report – Governance 3 July 2014 (A1160658) be received.

Peters/Murray

Carried

7. Chairperson's Report

The Chairperson once again welcomed the new external appointees.

FINANCE

8. Finance Report for the Period Ending 30 April 2014

Document number A1192537, agenda pages 16-31 refer.

Group Manager, Corporate Services, Nikki Harrison presented the report. She said that at the Governance Committee in August, the Finance report would provide the year-end position to 30 June 2014.

She said that, since the report was written, the projections for recovery from storm events had changed due to the June 2014 weather event, and that there was a further expenditure of \$180,000 which needed to be included. She informed the committee that there was a contingency fund of \$150,000 available which would negate some of this cost.

Group Manager Infrastructure, Alec Louverdis clarified that the intent was that storm events were in the first instance absorbed under the operations budget, however if these costs affected Councils' daily activities then the costs would be discussed at Council. He confirmed that recent events had not affected the work programme going forward (2014/15).

In response to a question, Mr Louverdis advised that the Velodrome project was being conducted primarily by Tasman District Council, with Nelson City Council taking a secondary role, but that progress was delayed.

It was discussed that the Brook Sanctuary Grant for capital expenditure had been paid in June and that the remaining funds would be paid on completion of the required conditions.

In response to questions, Ms Harrison explained that the outstanding rates for the end of June were 0.09% of the total rates levied, 0.01% higher than last year, and that this was not an issue. She explained that the peak in the debtors' graph on page 31, last April/May was likely due to the timing of the administration of water invoices.

In response to further questions, Mr Louverdis said that potential tenants could approach Council in relation to buildings owned by Council, however he expressed that consideration needed to be taken for those buildings with earthquake prone status, and any decision for leases relating to earthquake prone buildings would come to Council. He explained that the Hunting and Fishing and Mediterranean Food Warehouse buildings were currently being used for storage, and that the Four Seasons building was being used by the Festivals team.

In response to a question, the Chief Executive explained that the under- spend for Environmental Management was that there was a discontinuation of work streams so that a review could be conducted of the Nelson Resource Management Plan.

Resolved

THAT the Finance Report for the Period ending 30 April 2014 (A1192537) and its attachments (A1191122, A1204110, A1203888 and A793514) be received and the variations noted;

AND THAT changes to the property insurance schedule cover for the 2014/15 financial year be noted by the Committee.

Rainey/Noonan

Carried

GOVERNANCE

9. Officer Support for Sister City Trip to Miyazu

Document number A1211496, agenda pages 32-33 refer.

Ms Hadley explained that it was best practice for the Mayor to be accompanied by a Council Officer for international visits.

Resolved

THAT the report Officer Support for Sister City Trip to Miyazu (A1211496) be received;

AND THAT Nicky McDonald travel to Miyazu with Her Worship the Mayor in October 2014.

Noonan/Fulton

Carried

10. Exclusion of the Public

Resolved

THAT the public be excluded from the following parts of the proceedings of this meeting.

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 are as follows:

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Governance Committee – Public Excluded Minutes – 22 May 2014 These minutes confirm the minutes of 3 April 2014 and also contain information regarding:	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary:
	Ridgeways Joint Venture Statement of Intent and half Yearly Report 2014		<ul style="list-style-type: none"> Section 7(2)(b) To protect information that may disclose a trade secret or the commercial position of a person

Matheson/Fulton

Carried

Governance Committee
3 July 2014

The meeting went into public excluded session at 9.37am and resumed in public session at 9.46am.

11. Re-admittance of the Public

Resolved

THAT the public be re-admitted to the meeting.

Noonan/McGurk

Carried

There being no further business the meeting ended at 9.46am.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

Status Report – Governance 14 August 2014

Date of meeting/Item	Action Resolution	Officer	Status
17 April 2014 Council meeting	<u>AND THAT</u> prior to 30 June 2014 Council engage further with the Nelson Regional Economic Development Agency in relation to the Regional Economic Development Strategy and strategic initiatives for 2014/15.	Nikki Harrison	14 Aug 2014 Workshop held with councillors and EDA on 8 May 2014 and 10 June 2014 with followup meeting with Mayor and EDA 30 June 2014 to provide further feedback on REDs COMPLETE

Finance Report for the Period Ending 30 June 2014

1. Purpose of Report

- 1.1 To inform the members of the Governance Committee on the financial results of activities for the 12 months ending 30 June 2014 compared to projection, and to highlight and explain any material variations.
- 1.2 To seek approval for limited carry forward budgets in one operating budget and one capital expenditure budget.

2. Delegations

- 2.1 The Governance Committee makes recommendations to Council on the financial and service performance of the Council.

3. Recommendation

THAT the Finance Report for the Period ending 30 June 2014 (A1223627) and its attachments (A1223338, A1226654, A1213020, A793514, and A1173746) be received and the variations noted.

Recommendation to Council

THAT Council approves continuing work on 2013/14 capital projects within the 2013/14 approved budgets, noting a report on carry forwards will come to the Governance Committee's meeting on 25 September 2014;

AND THAT Council note the June 2014 rain event incurred unbudgeted operating expenditure of approximately \$260,000, and that \$155,000 of unspent contingency budget in 2013/14 be carried forward to fund this, with remaining operating costs from that event being met within 2014/15 operating budgets;

AND THAT Council approve an additional \$50,000 capital expenditure for a new retaining wall in Citrus Lane relating to damage from the June 2014 rain event.

4. Background

- 4.1 The report focuses on full year performance compared with the final projections which have been updated for the Annual Plan 2014/15. This is a draft report and there are numerous year end adjustments that are required to be made for the Annual Report.
- 4.2 Some definitions of terms used within this report:
- *Operating income – all income other than rates including metered water, grants, fees, rentals, and recoveries.*
 - *Rates – includes the general rate, wastewater, stormwater and flood protection rates, and targeted rates for Solar Saver.*
 - *Staff costs – salaries plus overheads such as training, super, professional fees and office accommodation expenses.*
 - *Depreciation – includes all depreciation, and any losses on asset disposal/retirement.*
 - *Interest – includes debt interest, bank fees, interest rate swap margins, treasury and rating agency fees.*

5. Discussion

- 5.1 The report focuses on performance to date compared with the final projections prepared for the Annual Plan 2014/15. More detailed financials by sub-activity are in Attachment 1.
- 5.2 For the 12 months ending 30 Jun 2014, the activity operating surplus/deficits are \$4.4 million favourable to projection (\$7.3 million favourable to budget). Some of the reasons for the large variance to budget include the NNWWTP desludging savings/movement to 2014/15 of \$2.7 million and \$855,000 movement to 2014/15 for velodrome grant for capital works (both of which are included in operating budgets but loan funded). This includes a carry forward of \$2.1 million which has reduced the 2014/15 rates requirement.

- 5.3 The Expenses – staff have not been re-projected at an activity level post the reorganisation in late 2013 as it was difficult to know the exact impact across the activities. However lower staff costs across the organisation have contributed \$1.7 million to the favourable variance to projection.

NCC variance to projection to 30 June 2014

Activity	Year to Date Variance to Projection						
	Surplus (Better)/ Worse	Revenue (Better)/ Worse	Expenses - Staff	Expenses - other	Expenses - Interest	Expenses - Depr	
Corporate	(1,996,565)	(4,118)	(1,046,770)	(424,187)	(507,031)	(14,459)	5
Economic	(37,180)	0	98,954	(136,134)	0	0	6
Environmental Mgmt	(378,392)	(53,643)	(428,016)	113,156	(7,844)	(2,044)	7
Flood Protection	27,619	0	30,352	(6,487)	7,004	(3,250)	8
Parks & Active Rec	(211,812)	900,772	(89,056)	(1,115,587)	112,139	(20,080)	9
Social	(503,166)	(101,828)	(367,954)	(61,247)	(4,613)	32,475	10
Stormwater	(33,628)	0	(6,150)	(1,309)	(21,440)	(4,729)	11
Transport	(455,272)	(291,580)	28,173	(80,007)	(50,857)	(61,000)	12
Wastewater	(435,206)	26,965	49,349	(481,179)	(17,641)	(12,699)	13
Water	(328,954)	60,222	67,585	(324,350)	(39,095)	(93,315)	14
Grand Total	(4,352,554)	536,791	(1,663,533)	(2,517,333)	(529,377)	(179,102)	4

- 5.4 Operating income and expenditure variances are discussed by activity.

Corporate

- 5.5 The corporate activity is \$2.0 million better than projected due to:

- 5.5.1 Expenses – staff - \$1 million underspent due to lower staff time than projected particularly in Strategy and Planning.
- 5.5.2 Expenses – other - \$424,000 better than projected - strategy work is \$40,000 under projection. Contingency budget has not been spent \$155,000 (pending the request to transfer budget for the cleanup of the June 2014 emergency event) and Civic House costs are under projection by \$111,000 (largely maintenance and AMP expenses). Council publicity costs are under projection by \$48,000 in website support and Live Nelson costs.
- 5.5.3 Expenses – interest - \$507,000 underspent – \$358,000 is in external interest, due to lower borrowing and interest rates than projected, with the remainder being internal interest and tax.

Economic

- 5.6 The economic activity is \$37,000 better than projection due to:

- 5.6.1 Staff costs were not budgeted in the Cricket World Cup subactivity, and are therefore overspent by \$105,000.
- 5.6.2 Expenses – other - \$136,000 better than projected – the events contestable fund is underspent for the year by \$92,000 in Economic Development, and there are underspends in Sister Cities and Cricket World Cup of \$14,000 and \$15,000 respectively.

Environmental Management

- 5.7 This activity includes civil defence and rural fire activities, consents and compliance, environmental programmes, and solid waste activities.
- 5.8 The environment activity is \$378,000 better than projection due to:
 - 5.8.1 Operating income - \$54,000 better than projected – Resource consent income is \$203,000 under projection, Building Services \$68,000 ahead of projection, and the Solid Waste group of accounts \$139,000 ahead (offset in expenditure).
 - 5.8.2 Expenses – staff - \$428,000 better than projection – lower staff costs largely in building and resource consents and Resource management planning due to staff vacancies, offset by \$157,000 more than budgeted in Environmental Monitoring which is largely driven by the hazards work.
 - 5.8.3 Expenses – other - \$113,000 overspent against projection – the Solid Waste group of accounts are overspent against projection by \$139,000 (offset in income).

Flood Protection

- 5.9 The flood protection activity is \$28,000 worse than projected due to staff costs relating to recovery from the April 2013 emergency event.

Parks and Active Recreation

- 5.10 The parks and active recreation activity is \$212,000 better than projection due to:
 - 5.10.1 Operating income - \$901,000 worse than projected - recoveries from TDC (\$67,000 for the year) for their contribution to the operational costs of Saxton Stadium are not yet invoiced (done on 30 July). Rentals and recoveries in Landscape Reserves are \$49,000 better than projected. The variance is mostly due to insurance income relating to Saxton Stadium from the April 2013 flood (\$825,000). The reduction in insurance income is matched by a reduction in remediation expenditure (see 9.3).
 - 5.10.2 Expenses – other - \$1.1 million better than projected - the \$825,000 savings in Saxton Stadium repair costs is matched by a reduction in insurance income (see 9.2). There are \$58,000 savings against projection in Golf Course maintenance, and \$62,000 savings in Marina operating expenditure.

Social

- 5.11 The social activity is \$503,000 better than projection due to:
- 5.11.1 Operating Income - \$102,000 better than projected – Festivals income is \$67,000 better than expected from donations, ticket sales, and sundry income.
 - 5.11.2 Expenses – staff - \$370,000 better than projected mainly in the libraries (\$218,000), and Community Liaison (\$108,000).
 - 5.11.3 Expenses – other - \$61,000 better than projected – Festivals expenditure is \$353,000 greater than expected, mainly due to debt write-off of \$230,000 (covered in a separate report on this agenda, A1209224) along with expenditure incurred relating to the 14/15 festivals and additional expenditure matched by operating income (see 10.2). This is offset by \$200,000 savings in maintenance costs along with a large number of smaller savings.

Stormwater

- 5.12 The stormwater activity is \$34,000 better than projected.

Transport

- 5.13 The transport activity is \$455,000 better than projected due to:
- 5.13.1 Revenue - \$292,000 better than projected with NZTA grants \$148,000 higher than projected, along with more income from parking meters (\$71,000), and recoveries of expenditure \$50,000 more than projected (UFB and corridor access, offset in expenditure) .
 - 5.13.2 Expenses – other - \$80,000 better than projected including \$88,000 savings in programmed works (mainly activity management planning and parking strategy).

Wastewater

- 5.14 The wastewater activity is \$435,000 better than projected due to:
- 5.14.1 Expenses – other - \$481,000 better than projected - Maintenance budgets are under projection (\$48,000) and programmed expenditure for desludging is under by \$60,000. The Nelson Regional Sewerage Business Unit (NRSBU) charge to Council is \$288,000 under projection as a result of lower capital charge and operational savings, together with an error in the projection.

Water

- 5.15 The water activity is \$329,000 better than projected due to:
- 5.15.1 Revenue – water by meter is \$60,000 less than projected.

5.15.2 Expenses – other - \$324,000 better than projected - \$255,000 in total maintenance (including \$116,000 relating to emergency response and recovery). Water metering costs were \$45,000 less than budget.

5.15.3 Depreciation and interest expenditure is \$132,000 less than projected.

Capital Expenditure

5.16 Capital expenditure to 30 June 2014 was \$35.5 million, \$2.6 million (7%) below projection to June. Contractors accruals are not yet completed, and a report on requested carry forwards will be on the agenda for the next meeting of this committee. As these projects were all underway at 30 June 2014 and the budget was approved for spending in 2013/14, it is proposed that work continue on these projects in the meantime.

Outstanding Rates

5.17 The fourth instalment of \$14.08 million was levied on 20 April 2014. Of this instalment, \$263,000 was still outstanding at 30 June 2014 (98% collected) and \$913 was still outstanding for the previous rating year.

5.18 Going forward, outstanding rates will be reported as at the end of each quarter due to the high number of direct debits that are paying the instalment over the quarter, as previously reported to the Committee.

Borrowings

5.19 A summary of the borrowings and interest rate position as at 30 June 2014 is attached (Attachments 4 and 5).

April 2014 Storm

5.20 Projections for recovery from this event totalled \$427,000, not including Forestry. Year to date June, \$416,000 has been spent.

June 2014 Emergency Event

5.21 The June 2014 emergency event is likely to cost \$310,000, \$260,000 operating and \$50,000 capital expenditure, mainly to be incurred in the 2014/15 financial year. This includes slip repair of \$100,000 with the remaining to be spent on stream and rock work repairs and cleanup. Given the \$155,000 contingency from 2013/14 was not spent, it is proposed to carry this amount forward to 2014/15 with the remaining \$105,000 operating costs to be absorbed within budgets. An additional \$50,000 capital is required for a new retaining wall in Citrus Lane.

Community Loans

5.22 Details on Community Loans will be brought to the Governance Committee annually for information, please see attachment 10.

6. Assessment of Significance against the Council's Significance Policy

6.1 There are no significant decisions.

7. Consultation

7.1 No consultation is required.

8. Alignment with relevant Council Policy

8.1 The finance report is prepared against the Annual Plan or updated projections.

9. Inclusion of Māori in the decision making process

9.1 No consultation is required.

10. Conclusion

10.1 For the 12 months ending 30 June 2014, the activity surplus/deficits are \$4.4 million favourable to projection (\$7.3 million favourable to budget).

Nikki Harrison

Group Manager Corporate Services

Attachments

Attachment 1: NCC variance to projection [A1223338](#)

Attachment 2: Capital Expenditure by Activity [A1223338](#)

Attachment 3: Capital Expenditure Over \$750,000 [A1223338](#)

Attachment 4: Capital Expenditure Graph [A1223338](#)

Attachment 5: Outstanding Rates [A1223338](#)

Attachment 6: Balance Sheet [A1226654](#)

Attachment 7: Council Borrowings and swaps [A1213020](#)

Attachment 8: Interest Rate Position Report [A1213020](#)

Attachment 9: Debtors Report [A793514](#)

Attachment 10: Community Loans [A1173746](#)

NCC variance to projection to 30 June 2014

Activity	Subactivity	Revenue					
		Surplus (Better)/Worse	(Better)/ Worse	Staff	Ops	Interest	Depr
Corporate	Cost of Democracy Income	9,354	4,506	0	4,848	0	0
	Admin and Meeting Support	(178,924)	3,984	(158,561)	(24,347)	0	0
	Council Publicity	23,340	()	68,706	(47,637)	484	1,787
	Members Expenses	(3,236)	(773)	30,784	(33,855)	0	607
	Election Expenses	3,535	0	3,301	234	0	0
	Civic Expenses	(5,961)	(3,845)	1,594	(3,710)	0	0
	Contingency	(154,695)	0	()	(154,695)	0	0
	Investment Management	(360,666)	(27,799)	5,167	(10,239)	(327,795)	0
	Civic House	(118,370)	(10,495)	26,622	(112,160)	(14,687)	(7,649)
	Rental Properties	(52,037)	(2,871)	1,585	(16,108)	(35,391)	748
	Forestry	(12,385)	0	1,175	2,286	(15,847)	1
	Subdivisions	(89,679)	(4,134)	(1,405)	1,877	(86,016)	0
	Strategy and Planning	(1,068,870)	(2,500)	(1,025,738)	(40,633)	0	0
	Administration	(4,667)	0	0	9,953	(4,667)	(9,953)
	Emergency Response Fund	16,696	39,808	()	0	(23,113)	0
Corporate Total		(1,996,565)	(4,118)	(1,046,770)	(424,187)	(507,031)	(14,459)
Economic	Sister City Links	(13,599)	0	0	(13,599)	0	0
	Economic Development	(113,235)	0	(6,182)	(107,054)	0	0
	Tourism Nelson	0	0	0	0	0	0
	Cricket World Cup	89,654	0	105,136	(15,481)	0	0
Economic Total		(37,180)	0	98,954	(136,134)	0	0
Environmental Mar	Civil Defence	8,801	()	(29,564)	37,600	766	()
	Rural Fire Control	(47,781)	(6,948)	(27,476)	(12,918)	128	(568)
	Monitoring the Environment	127,405	0	157,224	(29,814)	0	(4)
	Resource Management Planning	(84,289)	(380)	(118,527)	34,618	0	0
	Private Plans	11,306		11,306	0	0	0
	Environmental Advocacy	(75,382)	2,318	(66,048)	(11,652)	0	0
	Pest and Weed Control	(23,520)	(15)	(21,438)	(2,067)	0	0
	Clean Heat Warm Homes	(5,964)	0	270	1,351	(7,585)	0
	Solar Saver	(31,139)	0	(29,808)	(178)	(1,153)	0
	Dog Control	18,061	(7,655)	1,767	23,945	0	4
	Animal Control	(12)	0	0	(12)	0	0
	Liquor Licencing	(20,457)	(20,647)	2,295	(2,105)	0	0
	Food Premises	(3,368)	(2,029)	0	(1,338)	0	0
	Public Counters Land and General	16,180	1,882	10,309	3,990	0	0
	Building Services	(332,589)	(68,104)	(252,871)	(10,228)	0	(1,386)
	Harbour Safety	(30,065)	()	(414)	(29,946)	0	296
	Pollution Response/Hazardous Substances	(12,093)	(17,772)	3,225	2,454	0	0
	Resource Consents	54,200	202,647	(114,958)	(33,489)	0	0
	Enforcing Bylaws	971	1,636	1,496	(2,161)	0	0
	WHRs	(33,365)	0	(49,096)	15,731	0	0
	Waste Minimisation	()	(5,001)	27,175	(22,175)	0	0
	Transfer Station	0	(48,691)	19,436	27,855	0	1,400
	Landfill	84,706	(61,496)	19,399	128,590	0	(1,786)
	Green Waste	0	(458)	4,720	(4,263)	0	0
	Kerbside Recycling	0	(22,930)	23,561	(631)	0	0
Environmental Management Total		(378,392)	(53,643)	(428,016)	113,156	(7,844)	(2,044)
Flood Protection	Rural River Management	27,619	0	30,352	(6,487)	7,004	(3,250)
Flood Protection Total		27,619	0	30,352	(6,487)	7,004	(3,250)
Parks & Active Recr	Horticulture Parks	(24,266)	929	(13,067)	(9,238)	(1,876)	(1,014)
	Neighbourhood Parks	16,134	5,084	52,003	(33,663)	(3,233)	(4,056)
	Park Trees	(3,659)	0	9,543	(13,203)	0	0
	Conservation Reserves	6,143	5,397	(2,057)	6,007	63	(3,268)
	Landscape Reserves	(14,612)	(23,193)	(15,838)	29,296	(3,579)	(1,297)
	Esplanade & Foreshore Reserves	(4,772)	7,993	(19,193)	7,623	(1,023)	(172)
	Heritage Trees	(34,257)	0	4,514	(38,771)	0	0
	Walkways	2,277	40	542	2,648	0	(952)
	Sports Parks	139,977	(6,969)	(36,711)	35,355	149,461	(1,158)
	Recreation Planning	(55,744)	(365)	(55,690)	311	0	0
	Natureland	7,810	(10)	(2,315)	10,285	(150)	0
	Trafalgar Centre	21,051	(660)	66,861	(35,151)	(9,072)	(927)
	Saxton Field Stadium	87,818	889,859	481	(804,530)	2,008	()
	Saxton Oval Pavilion	(18,348)	(1,177)	(819)	(17,055)	210	493
	Golf Course	(53,079)	8,986	(3,951)	(58,115)	0	0
	Swimming Pools	(21,661)	12,282	(350)	(28,187)	1,270	(6,677)
	Community Programmes	(55,427)	(2,666)	(31,640)	(21,121)	0	0

Activity	Subactivity	Revenue (Better)/					
		Surplus (Better)/Worse	Worse	Staff	Ops	Interest	Depr
	Recreation Liaison	(29,640)	1,621	(13,707)	(17,555)	0	0
	Play Facilities	(25,058)	0	(24,187)	(429)	(12)	(430)
	Marina	(79,134)	(2,489)	(6,817)	(63,964)	(5,865)	0
	Saxton Field Capital Works	(44,246)	6,110	5,432	(45,503)	(9,662)	(623)
	Regional Community Facilities	(29,118)	0	(2,090)	(20,627)	(6,400)	0
	Parks & Active Recreation Total	(211,812)	900,772	(89,056)	(1,115,587)	112,139	(20,080)
Social	Managing Heritage and Arts	(17,980)	0	11,217	(29,652)	454	()
	Museum	(333)	0	(333)	()	0	0
	Suter Grant	16,440	0	(18,975)	35,038	377	0
	Isel House	(13,794)	0	(3,404)	(10,395)	0	5
	Melrose House	(13,748)	0	(1,694)	(14,799)	1,780	965
	Broadgreen House	(1,612)	(4,516)	6,734	(3,976)	63	83
	Founders Park	(22,807)	(27,557)	23,292	(17,590)	(503)	(450)
	Historic Cemeteries	(39,054)	(9,603)	(25,599)	(3,742)	0	(110)
	Arts and Heritage Grants (Community As	1,619	0	1,619	0	0	0
	Heritage Incentives	(24,597)	0	(12,445)	(12,152)	0	0
	Festivals	316,128	(62,588)	25,379	353,336	0	0
	Street Decorations	(15,113)	0	1,411	(16,524)	0	0
	School of Music	(173)	0	(226)	0	53	0
	Theatre Royal	5,265	0	(1,903)	6,800	367	0
	Elma Turner Library	(155,034)	22,184	(145,869)	(24,232)	(5,352)	(1,766)
	Stoke Library	(115,895)	936	(115,699)	(717)	0	(414)
	Nightingale Library	(31,577)	(415)	(29,345)	(1,545)	0	(272)
	Marsden Cemetery	20,555	(7,714)	(8,193)	1,654	(2,640)	37,449
	Crematorium	5,890	(3,267)	4,096	4,699	(135)	498
	Public Toilets - Free	(8,034)	0	(2,404)	(3,440)	1,025	(3,214)
	Public Toilets - Charge	(16,753)	129	(132)	(16,669)	(78)	(2)
	Stoke Hall	(20,571)	(2,935)	(4,513)	(13,120)	(4)	0
	Maitai Club	(40,656)	(2,352)	(9,033)	(29,167)	(105)	0
	Community Properties	(3,209)	24	(2,095)	(1,134)	(4)	()
	Wakapuaka Recreation Centre	(1,241)	4	1,413	(2,658)	0	()
	Trafalgar St Hall (Age Concern)	(4,048)	(2,782)	2,030	(3,281)	(15)	0
	Tahuna Camp	(5,395)	(9,607)	(1,960)	6,136	0	36
	Maitai Camp	(6,767)	(847)	(7,164)	972	322	(50)
	Brook Camp	(117,645)	(10,290)	21,895	(129,314)	(2)	65
	Community Housing	(23,152)	37,064	15,573	(75,440)	0	(349)
	Social Indicators	0	0	0	0	0	0
	Employment Assistance	4,603	()	15,755	(10,829)	(322)	()
	Community Liaison: Development	(150,727)	(17,697)	(116,569)	(16,462)	0	0
	Community Liaison Grants (Community	(22,092)	0	10,844	(33,043)	107	0
	Community Physical Activity Fund	(1,656)	0	(1,656)	0	0	0
	Social Total	(503,166)	(101,828)	(367,954)	(61,247)	(4,613)	32,475
Stormwater	Stormwater	(33,628)	0	(6,150)	(1,309)	(21,440)	(4,729)
	Stormwater Total	(33,628)	0	(6,150)	(1,309)	(21,440)	(4,729)
Transport	Subsidised Rooding	(84,844)	(174,519)	(10,033)	78,067	21,640	0
	Unsubsidised Rooding	(96,137)	(48,836)	149,013	(132,332)	(7,295)	(56,687)
	Rooding Properties	(10,975)	(1,499)	(5,236)	(5,145)	906	(2)
	Parking Regulation	(11,536)	(20,673)	(29,315)	38,448	0	5
	Car Parks	(156,226)	(54,683)	(22,890)	(46,941)	(27,398)	(4,313)
	Millers Acre Centre	(19,831)	21,994	6,490	(9,821)	(38,489)	(5)
	Public Transport	(39,939)	(14,692)	(30,030)	5,002	(222)	2
	Total Mobility	(35,784)	1,328	(29,826)	(7,286)	0	0
	Transport Total	(455,272)	(291,580)	28,173	(80,007)	(50,857)	(61,000)
Wastewater	Wastewater	(435,206)	26,965	49,349	(481,179)	(17,641)	(12,699)
	Wastewater Total	(435,206)	26,965	49,349	(481,179)	(17,641)	(12,699)
Water	Water	(328,954)	60,222	67,585	(324,350)	(39,095)	(93,315)
	Water Total	(328,954)	60,222	67,585	(324,350)	(39,095)	(93,315)
	Grand Total	(4,352,556)	536,790	(1,663,533)	(2,517,333)	(529,377)	(179,102)

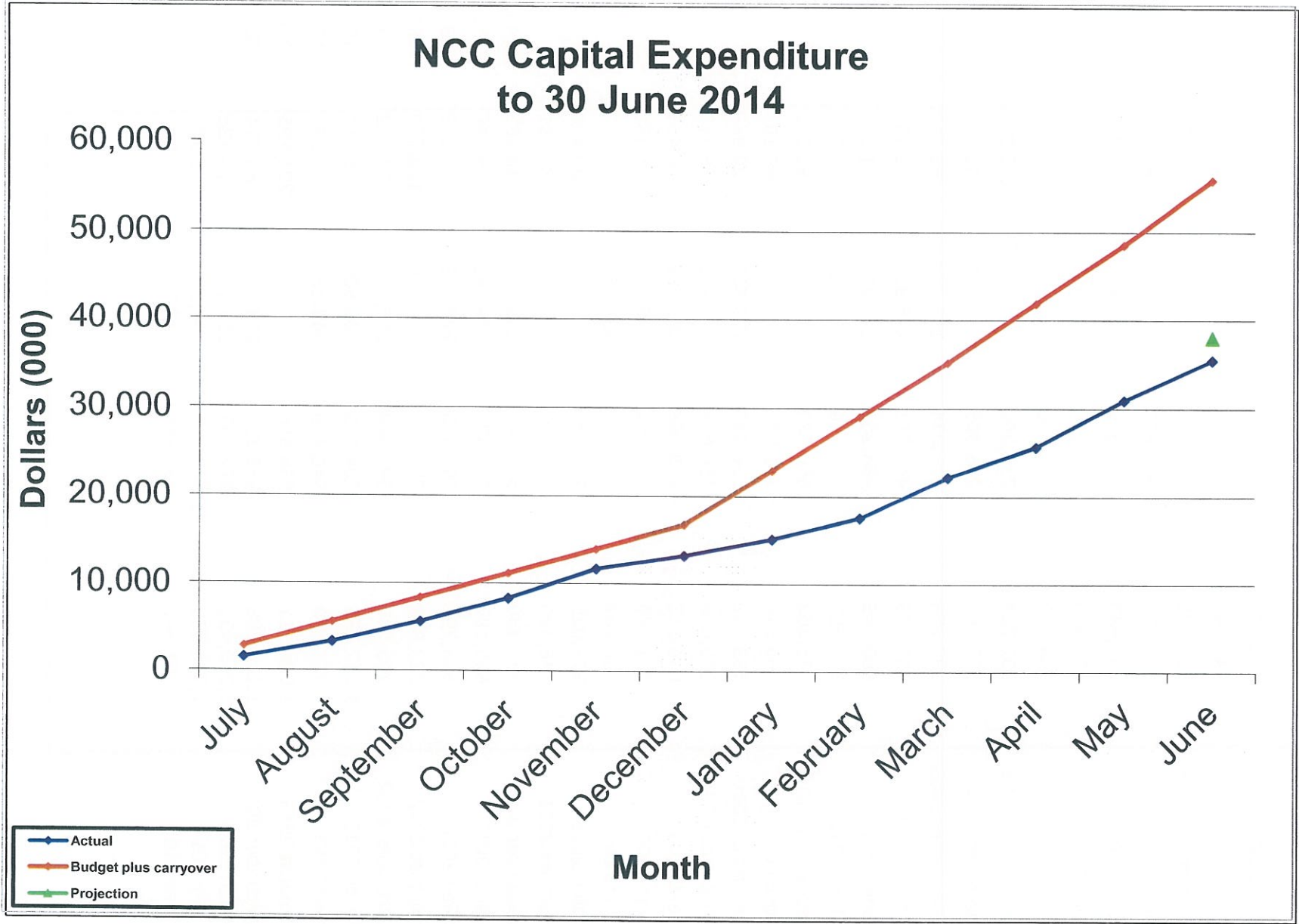
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**Capital Expenditure
Total Council - by Activity**

Activity	Actual YTD \$(000)	Forecast YTD \$(000)	Variance YTD \$(000)	Latest Forecast \$(000)	Significant variances against projection
Transport	13,614	14,179	-565	14,179	\$250k relating to 2011 emergency recovery; a carry forward request will be made
Water supply	6,624	6,729	-105	6,729	
Wastewater	3,660	3,883	-224	3,883	Savings against budgeted staff costs of \$138k
Stormwater	1,769	1,959	-190	1,959	
Flood protection	846	906	-60	906	
Environment	102	125	-23	125	
Social	1,315	963	352	963	\$298k earthquake prone buildings remediation - budget is in corporate activity
Parks and active recreation	4,471	5,426	-954	5,426	\$450k staff time under budget, Trafalgar Centre Upgrade \$364k
Economic	0	0	0	0	
Corporate	3,044	3,845	-801	3,845	Earthquake prone buildings, various IT projects
	<u>35,446</u>	<u>38,015</u>	<u>-2,570</u>	<u>38,015</u>	
Financial reserves	3,000	3,000	0	3,000	
Nelson Regional Sewerage BU	595	628	-33	628	
	<u>39,041</u>	<u>41,643</u>	<u>-2,602</u>	<u>41,643</u>	

Attachment 2

Capital Expenditure		12 Months to 30 June 2014			
Total Council	Annual		Contract	Latest	Comments
	Actual YTD	Budget plus C/fwd	Completion Date	Forecast	
	\$(000)	\$(000)		\$(000)	
Major projects (over \$750,000 in any column)					
Infrastructure					
Arapiki / Quarantine Trunk Main	1,538	1,568	Dec-13	1,532	
Maitai Pipeline Duplication	4,266	4,186	Jun-14	4,291	
Marsden Valley Trunk Main	534	1,503	Jun-14	463	
Maitai Walkway	2,966	2,902	Jun-14	2,991	
Princes Drive	1,120	1,046	Feb-14	1,090	
Waimea/Motueka Intersection	1,146	1,251	Nov-13	1,159	
Cable Bay Rd	2,122	1,986	Mar-15	2,133	
Observatory Hill Reservoir & Pump	960	985	May-14	985	
Community Services					
Land Purchase: General Reserve	6	1,189	Mar-14	50	
Trafalgar Centre North Upgrade	402	3,253	N/A	767	
Theatre Royal	10	6,590	N/A	0	
Nelson School of Music	0	2,404	N/A	0	
Corporate					
Strategic Land Purchases	1,504	2,397	May-14	1,500	
Total other (under \$750,000)	18,871	24,548		21,055	
Council Total	35,446	55,806		38,015	
Vested Assets	3,000	3,000		3,000	
Nelson Regional Sewerage business unit	595	815		628	



Outstanding Rates

Attachment 5

Date	Total Rates Outstanding	Latest Instalment	Previous instalments	Previous Years	Commercial included in total
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
4 June 2013	786,550	540,429	243,165	2,956	151,587
31 August 2013	1,068,111	866,816	0	201,295	220,266
3 December 2013	1,163,288	959,737	118,837	84,714	201,389
6 March 2014	1,210,431	977,109	213,594	19,728	189,606
31 May 2014	1,740,939	1,448,444	286,570	5,925	317,586
30 June 2014	491,840	263,351	227,576	913	132,318

Nelson City Council

Abbreviated Balance Sheet

	30/06/2014	31/05/2014	31/06/2013	
Current Assets				
Bank Deposits →	Cash and Bank	251,853	234,950	329,368
	Investments	0	2,100,000	0
Amounts due from customers. →	Rates Debtors	242,652	1,575,673	(660,948)
	Trade Debtors	9,804,415	9,845,068	16,391,347
	Debtors and Accruals	1,136,848	1,086,086	1,631,615
		<u>11,435,768</u>	<u>14,841,777</u>	<u>17,691,381</u>
Current Liabilities				
Cash Book Balance →	Bank Overdraft	0	0	0
Amounts owed to suppliers. →	Creditors	(14,696,080)	(12,492,365)	(15,956,066)
	Commercial paper	(29,730,802)	(29,745,477)	(39,718,002)
Term Loans to be paid in 12 months →	Current Portion of Term Liabilities	(8,960,000)	(5,710,000)	(10,265,000)
		<u>(53,386,882)</u>	<u>(47,947,843)</u>	<u>(65,939,068)</u>
	Net Working Capital	(41,951,114)	(33,106,066)	(48,247,687)
Non Current Assets				
Shares in Subsidiaries etc →	Investments	28,013,451	28,022,705	27,894,177
Total value, net of depreciation of all →	Fixed Assets	1,220,402,560	1,211,706,135	1,203,776,550
		<u>1,248,416,011</u>	<u>1,239,728,840</u>	<u>1,231,670,726</u>
Non Current Liabilities				
	Term borrowings	(24,830,890)	(26,421,372)	(11,421,372)
Money borrowed that requires payment after 12 months →	Other Term Liabilities	(1,528,710)	(1,546,651)	(1,456,894)
		<u>(26,359,600)</u>	<u>(27,968,023)</u>	<u>(12,878,266)</u>
		<u>1,180,105,297</u>	<u>1,178,654,751</u>	<u>1,170,544,773</u>
Shareholder Funds				
	Ratepayers Equity	341,240,453	339,781,618	330,964,360
	Reserves	838,864,844	838,873,133	839,580,414
		<u>1,180,105,297</u>	<u>1,178,654,751</u>	<u>1,170,544,773</u>

Council Borrowings & Swaps

The Council borrowing as at 30 June 2014, with maturity dates are as follows:

		NCC	NRSBU	Total	Interest rate
		\$000	\$000	\$000	\$000
July 2014	Call Facility	3,250		3,250	4.50%
July 2014	Bank facility		8,000	8,000	4.14%
July 2014	Bank facility		200	200	4.50%
Jul 2014	Commercial Paper	19,828		19,828	3.48%
Sept 2014	Bank facility	3,110		3,110	4.52%
Sept 2014	Bank facility	2,600		2,600	4.52%
Sept 2014	Commercial Paper	9,900		9,900	3.81%
Mar 2019	LGFA Floating rate note	5,000		5,000	4.21%
Nov 2016	FRN Private placement	10,000		10,000	3.88%
May 2021	LGFA Floating rate note	5,000		5,000	4.08%
May 2021	LGFA Floating rate note	5,000		5,000	3.99%
Total Borrowings		63,688	8,200	71,888	

The weighted average interest rate was **3.91%**

Made up of:

NCC	3.88%
NRSBU	4.15%

Council Interest rate swaps Weighted average 4.37%

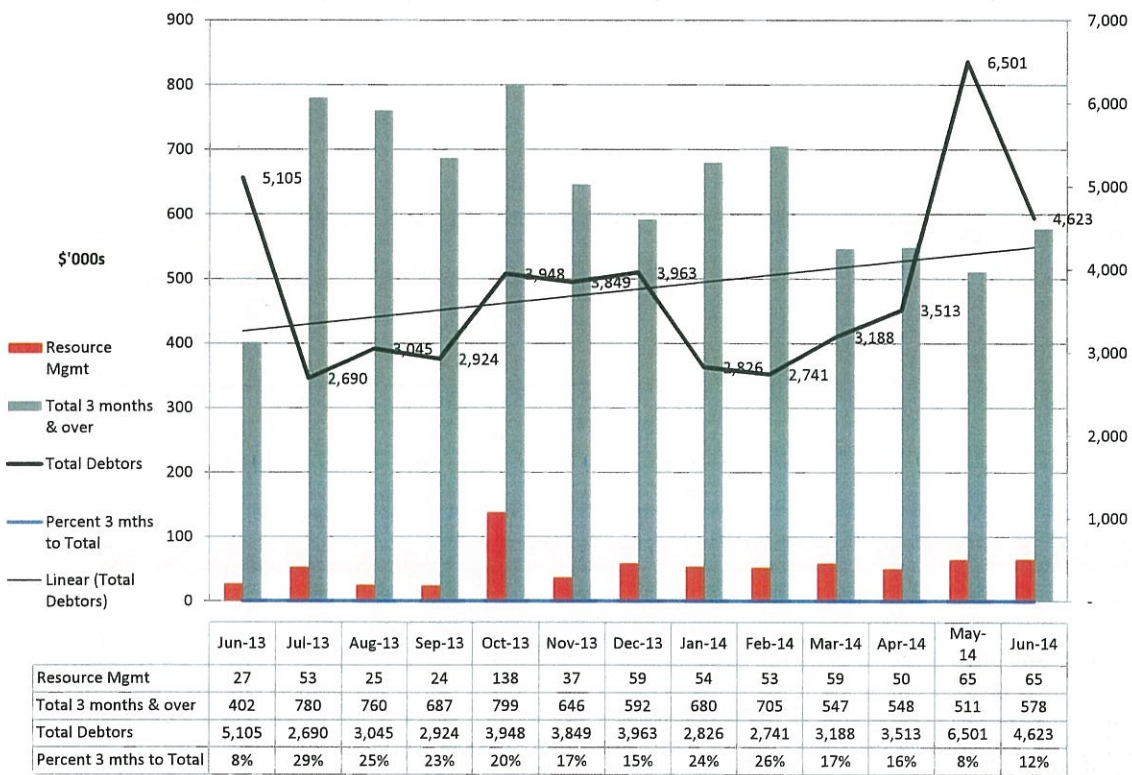
Deal Date	Pay/Rec Fixed	Bank	Amount (\$millions)	Start Date	Maturity Date	Swap Rate	extend: Actual details	
							Start Date	Maturity Date
11-May-12	pay	WPC	4.00	26-Oct-10	28-Apr-16	4.300%		28-Oct-14
29-Jul-10	pay	WPC	3.00	27-Aug-10	29-May-17	4.235%		27-May-15
29-Jul-10	pay	WPC	3.00	27-Aug-10	27-Aug-21	4.835%	27-May-15	27-Aug-21
29-Jul-10	pay	WPC	4.00	27-Sep-10	27-Sep-22	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	29-Jan-19	4.750%		27-Jan-17
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	2.50	27-May-11	29-Aug-16	3.580%		27-Aug-14
11-May-11	pay	ANZ	5.00	27-Sep-11	27-Sep-18	4.450%		27-Sep-16
11-May-11	pay	ANZ	4.00	27-Jan-12	27-Apr-18	4.485%		27-Apr-16
11-May-11	pay	ANZ	3.00	27-Jan-12	27-Jan-17	3.980%		27-Jan-15
11-May-11	pay	ANZ	3.00	27-Sep-11	27-Mar-22	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%		
11-Mar-14	pay	BNZ	3.00	27-May-14	27-May-20	4.910%	27-May-14	
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%		
14-Mar-14	pay	WPC	2.50	27-May-14	27-Aug-23	4.900%		
			73.00					

Nelson City Council Interest Rate Position			
12 month forecast core debt:	\$112m		30-Jun-14
Policy Limits	55%-90%		
Overall Fixed:Floating Mix	63%		
Policy Compliance	Y		
Liquidity Ratio:	110%		
Actual	127%		
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	20%	37%	43%
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	38%	46%	15%
Policy Compliance	Y	Y	Y
Nelson City Council Interest Rate Performance			
Market Rates	90 Day Rate (ave of month) =	5yr Swap Rate (end of month) =	
	0.00%	0.00%	
Interest Cost (incl margin)	This Month	Last Month	
Weighted Av. Cost of Funds			
Benchmark Rate (incl margin of bp)	0.00%	4.08%	
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	6.6	Within Policy
ANZ	23.0	3.6	Within Policy
BNZ	3.0	0.5	Within Policy
Total (NZ\$m)	73.0	10.8	

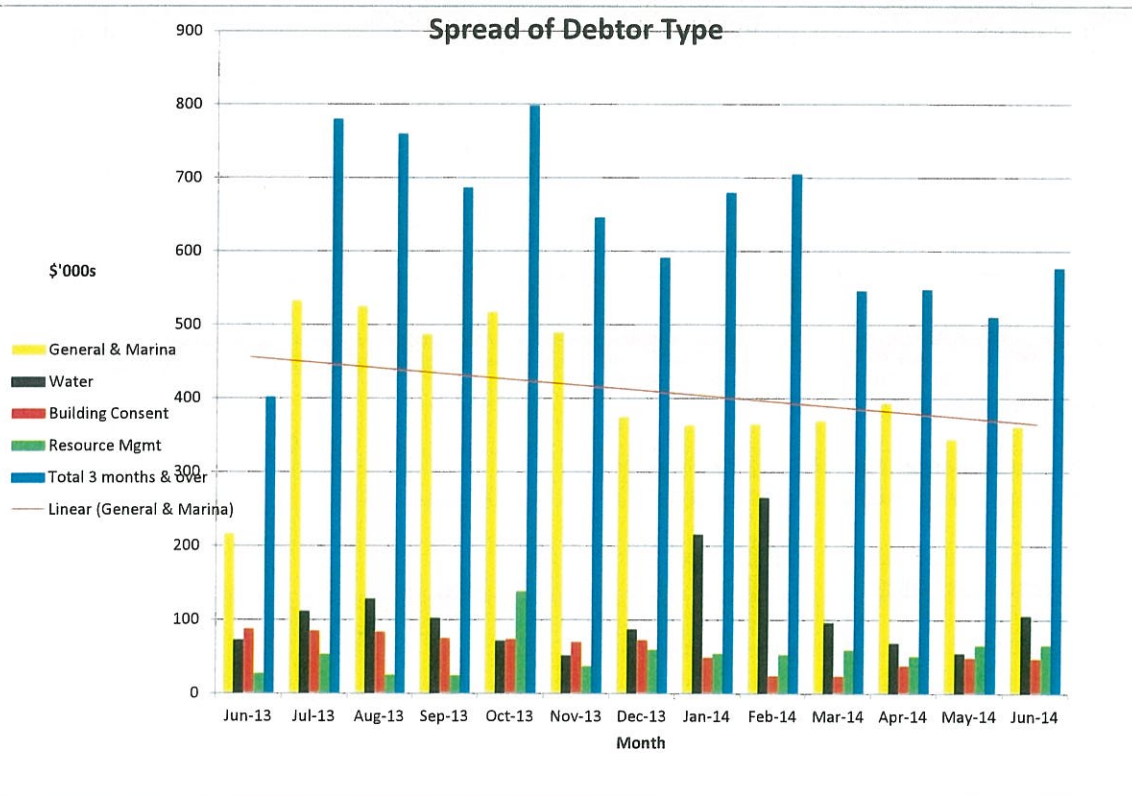
Specific borrowing limits		
Net interest expense on external debt as a percentage of total revenue to be less than 15%	3.15%	Y
Net interest expense on external debt (secured by rates) as a percentage of rates revenue to be less than 20%	5.19%	Y
Net external debt (secured by rates) as a percentage of total revenue to be less than 150%	72%	Y
Net external debt (secured by rates) as a percentage of equity to be less than 20%	6%	Y

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Debtors Totals & 3 Months Overdue June 2014



Spread of Debtor Type



June 2014 General Debtors Analysis 3 months overdue

Overdue - no arrangements	Queries	Legal action pending	Payment arrangements in place	With Creditmans/ Credit Recovery	Marina	TOTAL
\$ 27,417	\$ 11,360	\$ -	\$ 288,554	\$ 3,894	\$ 29,928	\$ 361,153

Intermediary Loans as at 30 June 2014 were:

		Less Than 1 year	1-2 year	2-5year	More Than 5 year
Gymnastics Nelson	11,500	3,000	3,000	5,500	0
Celtic Rugby Marist	3,500	2,000	1,500	0	0
United Bowling	4,500	2,250	2,250	0	0
Tahuna Camp	1,243,000	84,000	84,000	252,000	823,000
Total	1,262,500	91,250	90,750	257,500	823,000

1. Gymnastics - \$250 per month principal by automatic payment but may make lump sum payments in addition if have surplus income. Interest is charged at current interest rate we are paying on borrowed funds (3 month loans – Westpac) 4.52% invoiced up to 30/06/14.
2. Celtic Rugby- \$500 per quarter principal. Interest is charged at current interest rate we are paying on borrowed funds (3 month loans – Westpac) 4.52% invoiced up to 30/06/14.
3. United Bowling - annual principal repayment of \$2,250 invoiced December each year. Interest is charged at current interest rate we are paying on borrowed funds (3 month loans – Westpac) 4.52% invoiced up to 30/6/14.
4. Tahuna Camp - \$7,000 principal repayments per month. Interest is charged at current interest rate we are paying on borrowed funds (3 month loans – Westpac) 4.52% invoiced up to 30/6/14.

Interest is calculated on a quarterly basis on outstanding balance adjusted for any payments made during the quarter.

Interest Free Loans as at 30 June 2013 were:

Tasman Bays Heritage Trust \$1,150,000

Theatre Royal \$1,500,000

Rainbow Ski \$38,572

Nelson Enterprise Loan Trust \$25,000

Melrose House (Percy Adams Trust) \$ 10,000

5. Tasman Bays Heritage Trust- originally \$1,200,000 for 30 year term, principal repayments of \$25,000 per annum for the first 10 years then \$47,500 per annum for remainder of the term.
6. Theatre Royal – 25 year term with \$60,000 per annum repayments of principal was documented but no principal payments to date.
7. Rainbow Ski - annual grant for rainbow loan repayment. \$12,857 transferred in June each year
8. Nelson Enterprise Loan Trust – no expectation of repayments. This is rolled every 3 years.
9. Melrose House (Percy Adams Trust) – repayment of \$5,000 in December each year.

Bad Debt Write-Off Year Ending 30 June 2014

1. Purpose of Report

- 1.1 To seek approval from the Governance Committee to write off a bad debt for the year ending 30 June 2014.

2. Recommendation

THAT the report Bad Debt write-off year ending 30 June 2014 (A1209224) be received;

AND THAT the balance of \$230,875 plus GST owing by Everyman Records Limited be written off as at 30 June 2014.

3. Background

- 3.1 There is one debt over \$2,500 to be written off for the year ending 30 June 2014. This is an amount owing by Everyman Records Limited for festivals ticket revenue. Everyman Records went into liquidation on 30 June 2014 and as Council is an unsecured creditor, it is prudent to write off this amount now.
- 3.2 A number of accounts under \$2,500 per debtor have been written off by the Group Manager Corporate Services under Delegation F31. These totalled \$8,176. \$1,546 was for two marina debts, \$1,522 for six separate debtors for dog impounding fees and \$3,847 was for resource consent fees.
- 3.3 A summary of this year's write-off compared to last year's provision is as follows:

	Write-off 2014	Write-off 2013
	\$	\$
Over \$2,500	230,875	-
Under \$2,500	8,176	2,486
Cost for year	239,051	2,486

4. Discussion

- 4.1 The decision is an administrative one and although the debts are written off from an accounting point of view, a record is still kept and if an opportunity to recover the debt arises, action will be taken. \$5,111 of this balance is with Creditmens which we will continue to try to recover.
- 4.2 Every possible effort has been made to locate and obtain payment from these debtors.

5. Assessment of Significance against the Council's Significance Policy

- 5.1 The decision is not affected by Council's Significance Policy.

6. Alignment with relevant Council Policy

- 6.1 The Governance Committee has the delegated authority to write off bad debts greater than \$2,500.

7. Inclusion of Māori in the decision making process

- 7.1 There is no requirement to include Māori in the decision making process in this situation.

8. Conclusion

- 8.1 It is recommended that the committee receive the report on the bad debt write-offs for the year ending 30 June 2014 and write off the debt from Everyman Records.

Nikki Harrison
Group Manager Corporate Services

Attachments

None

Regional Community Outcomes

1. Purpose of Report

- 1.1 To adopt the regional community outcomes which have been developed jointly with Tasman District Council.

2. Delegations

- 2.1 Council's Governance Committee has the delegated power to consider these community outcomes in its role of co-ordination and development of all policies specified in the Local Government Act 2002 for Annual Plan and Long Term Plan development.

3. Recommendation

THAT the report Regional Community Outcomes (A1217368) and its attachments (A1218438 and A1204554) be received.

Recommendation to Council

THAT Council adopt the regional community outcomes (A1218438).

4. Background

- 4.1 Councils are required by the Local Government Act to have community outcomes, which are defined as "the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions".
- 4.2 Prior to the 2010 amendments to the Local Government Act 2002, outcomes were community-driven, now they describe outcomes the Council will achieve.
- 4.3 In 2006 Nelson City Council and Tasman District Council each undertook community consultation to develop their respective community outcomes. Nelson City Council defined a set of six outcomes whereas Tasman District Council defined a set of eight. However, in essence, both sets of outcomes included a similar set of values and goals.

4.4 In June 2014, two Councillors from both Nelson City Council and Tasman District Council were involved in a process to develop a set of shared regional outcomes. Councillors Noonan and Ward represented Nelson City Council and Councillors Edger and Bouillir represented Tasman District Council.

4.5 Appended to this report are the newly defined outcomes (Attachment 1 A1218438). Attachment 2 (A1204554) outlines the original outcomes from both Nelson City Council and Tasman District Council.

5. Discussion

5.1 While it is proposed that Councils share joint outcomes, the descriptions that accompany them will be individual to each Council to reflect their community's different needs and aspirations. The text accompanying each outcome in Attachment 1 is based on the wording from Nelson City Council's previous outcomes.

5.2 Once adopted, these outcomes will be included in the Long Term Plan 2015-2025.

6. Options

6.1 These proposed joint regional outcomes fit with the purpose of local government to guide delivery of services in a way that is efficient, effective and appropriate to present and anticipated future circumstances. Adopting joint outcomes with Tasman District Council demonstrates an understanding that we are one region and need to collaborate to provide the best and most efficient service to our communities.

6.2 If the joint outcomes are not adopted, this decision will be communicated to Tasman District Council.

7. Assessment of Significance against the Council's Significance Policy

7.1 This decision is not considered significant under the Council's Significance Policy.

8. Consultation

8.1 The new regional outcomes will be consulted on as part of the Long Term Plan 2015-2025.

9. Alignment with relevant Council Policy

9.1 The Local Government Act 2002 requires Council to have community outcomes. It also encourages local authorities to work together to achieve shared goals and shared services. Shared community outcomes between Nelson City and Tasman District Councils are consistent with this legislative direction.

- 9.2 There are no costs associated with this recommendation.
- 9.3 This recommendation contains outcomes which also reflect each of the goals of Nelson 2060.

10. Inclusion of Māori in the decision making process

- 10.1 Consultation with Maori will occur as part of the Long Term Plan 2015-2025.

11. Conclusion

- 11.1 It is recommended that the set of eight community outcomes in Attachment 1 be adopted.

Susan Moore-Lavo
Policy Advisor

Attachments

Attachment 1: Joint Community Outcomes [A1218438](#)

Attachment 2: Comparison of Community Outcomes [A1204554](#)

APPENDIX ONE: JOINT COMMUNITY OUTCOMES

Our unique natural environment is healthy and protected.

- We treasure, protect and restore the special places, landscapes, native species and natural ecosystems of Nelson.
- Natural biodiversity is widely understood and valued.
- Introduced species have a place, and pests are controlled.
- Open spaces are linked and productive land is protected.
- The kaitiakitanga of tangata whenua iwi is recognised and the whole community is well informed and involved in caring for the environment, ngā taonga tuku iho.
- Nelson is a place where everyone can enjoy the natural environment while it is protected for the future.
- We recognise the importance of a healthy environment for tourism, and minimise the impacts of human activities on the environment.

Our urban and rural environments are people-friendly, well-planned and sustainably managed.

- Urban and rural areas are designed to be child, family, and people-friendly.
- We think and plan regionally and act locally within that context.
- Attractive, safe, accessible and walkable 'city villages' provide for people of all ages and abilities through good urban design.
- There is a full range of affordable, healthy, attractive and energy-efficient housing and community facilities with more intensification in urban areas and a clear urban/rural boundary.

Our infrastructure is efficient, cost effective and meets current and future needs.

- We have good quality, sustainable, integrated, affordable and effective public transport, infrastructure, energy-use and transport networks.
- Waste and pollution are minimised so we have clean water, clean seas, clean air, and healthy flora, fauna and soils.
- Growth is well managed and there is little waste or pollution.
- We are proud of our growing cycleway and walkway network.

Our communities are healthy, safe, inclusive and resilient.

- We are a tolerant, supportive and diverse community.
- We respect each other and what each contributes, including Māori culture, traditions and people.
- We take pride in the warm welcome we give to visitors and new arrivals.
- Everyone is included and involved, can participate in decision-making and is able to enjoy a good quality of life, wherever they come from and whatever their age, abilities or income.
- We nurture our young people so Nelson is a safe and healthy place for everyone to grow up and live.
- We have well-designed public spaces providing a feeling of safety and security in our homes and communities.
- We are a resilient community, able to cope with disasters or emergencies.

A1218438

Our communities have opportunities to celebrate and explore their heritage, identity and creativity.

- We are proud of our region, our communities and our diverse heritage.
- We have a strong sense of community, enhanced by activities, festivals, events and celebrations that reflect our distinct environment and people.
- We understand that our heritage contributes to our distinctive identity, so we value, protect, interpret and celebrate our human heritage and historic places - Māori and more recent.
- We value and support those things that make Nelson special and unique - our people, art and crafts, the café culture, the outdoors, local food and wines, boutique shops and the relaxed atmosphere.
- There is a wide range of opportunities to be creative and everyone can take part.

Our communities have access to a range of social, educational and recreational facilities and activities.

- We have a good range of sports and recreation facilities for all ages, including youth and older residents.
- We protect, enhance and interpret Nelson's human heritage and historic sites.
- There is a wide range of recreation, educational and leisure opportunities for everyone to take part in.
- We have high quality and accessible recreation, education, health and community facilities.

Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement.

- We work together as a region, think of the generations that will follow and listen to the full range of views.
- Everyone has the opportunity to participate in the community's major decisions and information is easy to obtain.
- Leaders consult with and understand their communities and work for the good of all, including the wider region.
- Our leaders inspire respect, take responsibility for their decisions and act to improve the big issues facing our community.
- All sectors of the community and region work effectively together.
- We support and mentor our youth to become the leaders of the future.

Our region is supported by an innovative and sustainable economy.

- We all participate in the regional economy and it meets people's needs.
- We are a business-friendly region, and economic activity is sensitive to the environment, heritage and people of Nelson.
- We are skilled and adaptable and we see the benefits of a wide range of high-value industries and businesses.
- We enjoy high quality employment, education and training opportunities.
- Small, locally-owned businesses are an essential part of the community and central city.
- Our youth can live, learn and work in Nelson.
- We invest in skills development and our people so we can enjoy balanced and healthy lives.
- We recognise, support and celebrate innovation and achievement.

Comparison of Community Outcomes

Attachment 2

<p style="text-align: center;">TASMAN DISTRICT COUNCIL <i>Community Outcomes last updated in 2012</i></p>	<p style="text-align: center;">NELSON CITY COUNCIL <i>Community Outcomes last updated in 2006</i></p>
<p>NATURAL ENVIRONMENT</p>	
<p>Our unique natural environment is healthy and protected. Tasman’s environment is important. Council’s main objective for this Outcome is to ensure that our District’s environment is maintained for the future and protected through mitigating the impacts of human activity on the environment. Almost all our activities impact on this Outcome. Our progress towards this Outcome includes protecting the District’s biodiversity, and managing air quality, freshwater and coastal waters, pests and waste. To determine whether we are progressing towards this Outcome we undertake an extensive monitoring programme of the environment, including air, water and soil health. Council also has a role in providing and monitoring resource consents and if necessary prosecuting any breaches. Council also recognises the important role that Tangata Whenua has in guardianship (kaitiakitanga) of the environment and of Tasman District.</p>	<p>Healthy land, sea, air and water We protect the natural environment We treasure, protect and restore the special places, landscapes, native species and natural ecosystems of Nelson. Natural biodiversity is widely understood and valued. Introduced species have a place, and pests are controlled. Open spaces are linked and productive land is protected. Waste and pollution are minimised so we have clean water, clean seas, clean air, and healthy flora, fauna and soils. The kaitiakitanga of tangata whenua iwi is recognised and the whole community is well informed and involved in caring for the environment, ngā taonga tuku iho. Nelson is a place where everyone can enjoy the natural environment while it is protected for the future. We recognise the importance of a healthy environment for tourism, and minimise the impacts of human activities on the environment.</p>
<p>HUMAN ENVIRONMENT</p>	
<p>Our urban and rural environments are pleasant, safe and sustainably managed. This Outcome is important to ensure that our current and future urban and rural living environments provide the important features that we need to enjoy Tasman District. Our progress towards this Outcome includes having a built environment that is well planned, and includes; affordable roading services that meet the needs of our communities and providing parks and reserves for urban residents to use. We also achieve this Outcome through good urban planning processes.</p>	<p>People-friendly places We build healthy, accessible and attractive places and live in a sustainable region Urban and rural areas are designed to be child-, family- and people-friendly. We think and plan regionally and act locally within that context. We have good quality, sustainable, integrated, affordable and effective public transport, infrastructure, energy-use and transport networks. We are proud of our developing cycleway network. Growth is well managed and there is little waste or pollution. Attractive, safe, accessible and walkable ‘city villages’ provide for people of all ages and abilities through good urban design. There is a full range of affordable, healthy, attractive and energy-efficient housing and community facilities with more intensification in urban areas and a clear urban/rural boundary. We have a good range of sports and recreation facilities for all ages, including youth and older residents. We protect, enhance and interpret Nelson’s human heritage and historic sites.</p>
<p>INFRASTRUCTURE</p>	
<p>Our infrastructure is safe, efficient and sustainably managed. Tasman District is widespread and covers 9654 km² of land, therefore it is important that our infrastructure of roads, cycleways, footpaths, water, wastewater and stormwater services are well managed and as efficient as practicable. Our objectives include providing these services in ways that do not significantly impact on the environment and that meet public health needs. Providing infrastructure services are expensive and this means that we cannot provide all services that residents would like (e.g. cycleways) to everyone. One important priority for Council in this Plan is the upgrading of water supply services to new Government drinking water standards.</p>	<p><i>Note: Nelson City Council comments on infrastructure in the People-Friendly Places outcome and supporting statement</i></p>

A1204554

<p style="text-align: center;">TASMAN DISTRICT COUNCIL</p> <p style="text-align: center;"><i>Community Outcomes last updated in 2012</i></p>	<p style="text-align: center;">NELSON CITY COUNCIL</p> <p style="text-align: center;"><i>Community Outcomes last updated in 2006</i></p>
<p>COMMUNITY</p>	
<p>Our communities are healthy, resilient and enjoy their quality of life. This Outcome reflects the importance of the 17 settlements and that Council's objective is to support the opportunities for residents to enjoy a good quality of life. Council contributes to this Outcome through the provision of a wide range of services, including environmental, infrastructure and community facilities. By the end of the 10 year term of this Plan Council aims to provide additional recreation facilities, upgraded drinking water services in many of our settlements and will continue to provide a Civil Defence service that supports residents and businesses being resilient in the event of an emergency.</p>	<p>Kind, healthy people We are part of a welcoming, safe, inclusive and healthy community We are a tolerant, supportive and diverse community. We respect each other and what each contributes, including Māori culture, traditions and people. We take pride in the warm welcome we give to visitors and new arrivals. Everyone is included and involved, can participate in decision-making and is able to enjoy a good quality of life, wherever they come from and whatever their age, abilities or income. We nurture our young people so Nelson is a safe and healthy place for everyone to grow up and live. We have adequate policing and well-designed public spaces providing a feeling of safety and security in our homes and communities. We have high quality and accessible recreation, education, health and community facilities. There is more attention to health promotion with quality primary and secondary health care accessible to all. We are a resilient community, able to cope with disasters or emergencies.</p>
<p>CULTURE</p>	
<p>Our communities respect regional history, heritage and culture. The Tasman District has a unique history, heritage and culture. This Outcome is one where some residents would like Council to spend additional funds, but in the medium term this is not affordable. Our objective for this Outcome is that important heritage items, sites and stories of our District are protected for future generations. Achieving this objective includes providing residents and visitors with the opportunities to celebrate our heritage, support cultural diversity and create a strong cultural identity in our District.</p>	<p>A fun, creative culture We are proud of our creative local culture and regional identity We are proud of our region, our communities and our diverse heritage. There is a wide range of recreation, arts and leisure opportunities for everyone to take part in. We have a strong sense of community, enhanced by activities, festivals, events and celebrations that reflect our distinct environment and people. We understand that our heritage contributes to our distinctive identity, so we value, protect, interpret and celebrate our human heritage and historic places - Māori and more recent. We value and support those things that make Nelson special and unique - our people, art and crafts, the café culture, the outdoors, local food and wines, boutique shops and the relaxed atmosphere.</p>
<p>RECREATION</p>	
<p>Our communities have access to a range of cultural, social, educational and recreational services. Council provides facilities such as halls, parks, sport grounds and libraries throughout the District. Our objective is to provide residents and visitors access to a range of opportunities to be active and also to learn. Examples of how this Outcome might be different in the future is that there is likely to be more online information available from our libraries to enable everyone access to up-to-date information. Council also encourages the many festivals and events that are held throughout the year in Tasman. The two marae in Tasman are an important part of our District's cultural services and these are essential to our community identity.</p>	<p><i>Note: Nelson City Council comments on recreation and culture in the Fun, Creative Culture outcome.</i></p>

<p style="text-align: center;">TASMAN DISTRICT COUNCIL</p> <p style="text-align: center;"><i>Community Outcomes last updated in 2012</i></p>	<p style="text-align: center;">NELSON CITY COUNCIL</p> <p style="text-align: center;"><i>Community Outcomes last updated in 2006</i></p>
DEMOCRACY	
<p>Our communities engage with Council's decision-making processes. Community engagement in decisions is crucial to ensuring that Council provides the services that meet residents and businesses needs. Our objective is to provide opportunities to the public for input into decision making processes. Online tools for the public to contribute to the decision-making process are changing all the time and Council will continue to implement new systems so that there are new and easy ways for you to have your say. Face to face discussions will, however, remain very important and even at the end of the term of this Plan in 2022.</p>	<p>Good leadership Our leaders are proactive, innovative, and inclusive We work together as a region, think of the generations that will follow and listen to the full range of views. Everyone has the opportunity to participate in the community's major decisions and information is easy to obtain. Leaders consult with and understand their communities and work for the good of all, including the wider region. Our leaders inspire respect, take responsibility for their decisions and act to improve the big issues facing our community. All sectors of the community and region work effectively together. We support and mentor our youth to become the leaders of the future.</p>
ECONOMIC	
<p>Our developing and sustainable economy provides opportunities for us all. The population of Tasman District is continuing to increase, but is also changing in other ways, for example overall the population is ageing and is becoming more diverse. Our objective for this Outcome is to enable businesses to be established that complement the clean, green character of our District. By the end of the 10 year period we expect that the Lee Valley Dam will be completed and that the water from this dam will support businesses located on the Waimea Plains. The Richmond West area would have continued to develop and this should provide more jobs to people living and working in the District.</p>	<p>A strong economy We all benefit from a sustainable, innovative and diversified economy We all participate in the regional economy and it meets people's needs. We are a business-friendly region, and economic activity is sensitive to the environment, heritage and people of Nelson. We are skilled and adaptable and we see the benefits of a wide range of high-value industries and businesses. We enjoy high quality employment, education and training opportunities. Small, locally-owned businesses are an essential part of the community and central city. Our youth can live, learn and work in Nelson. We invest in skills development and our people so we can enjoy balanced and healthy lives. We recognise, support and celebrate innovation and achievement.</p>