

Agenda for a meeting of the Strategy & Finance Committee to be held via Audio Visual Conference on **MONDAY, 29 NOVEMBER 2021** commencing at **9.30am**.

1. **APOLOGIES AND LEAVE OF ABSENCE**
2. **CONFIRMATION OF STATUS OF AGENDA**
3. **DISCLOSURES OF INTEREST**
4. **CONFIRMATION OF MINUTES**
 Meeting held on Monday, 18 October 2021 5
5. **ACTION REGISTER** 14
6. **STRATEGY REPORTS**
 - 6.1 Blueprint Implementation Report and New Local Area Blueprints for Gordonton and Port Waikato. 17
7. **FINANCE REPORTS**
 - 7.1 2021/22 First Quarter Non-Financial Performance Results 18
 - 7.2 Financial Performance Summary for the Period Ending 31 October 2021 30
 - 7.3 Treasury Risk Management Policy – Compliance Report on 31 October 2021 38
 - 7.4 Ruawaro Tennis Court Funding Solution 44
 - 7.5 Recovery of Pokeno and Tuakau Water and Wastewater Service Connection and Authorisation Fees 49
 - 7.6 Library Agreement with Hamilton City Council 52
 - 7.7 Annual Plan 2022-23 Assumptions 54
8. **EXCLUSION OF THE PUBLIC** 59

GJ Ion
CHIEF EXECUTIVE

TERMS OF REFERENCE AND DELEGATION

| | |
|----------------------------|--|
| Reports to: | The Council |
| Chairperson: | Cr Janet Gibb |
| Deputy Chairperson: | Cr Aksel Bech |
| Membership: | The Mayor, all Councillors and Mrs Maxine Moana-Tuwhangai (Maangai Maaori) |
| Meeting frequency: | Six-weekly |
| Quorum: | Majority of members (including vacancies) |

Purpose:

The Strategy & Finance Committee is responsible for:

1. Monitoring of Council's strategy, and performance (both financial and non-financial) against the Long Term Plan and Annual Plan.
2. Setting the broad vision and direction of the District, determine specific outcomes that need to be met to deliver on that vision, and develop and monitor strategies to achieve those goals.
3. Determining financial matters within its delegations and Terms of Reference and making recommendations to Council on financial matters outside its authority.
4. Guiding and monitoring Council's interests in Council Controlled Organisations (CCOs), Council Organisations (COs) and subsidiaries.

In addition to the common delegations on page 10, the Strategy & Finance Committee is delegated the following Terms of Reference and powers:

Terms of Reference - Strategy:

1. Develop and agree strategy and plans for the purposes of consultation.
2. Recommend to Council strategy and plans for adoption, including community plans (e.g Blueprints).
3. Monitor and review adopted strategies and plans.
4. To monitor and provide advice on the development and implementation of growth and development strategies, land use, and spatial plans in line with national policy requirements.
5. To enhance the District's economic position by promoting it as a business-friendly and business-enabled location and providing direction on strategic initiatives, plans, projects and potential major developments relating to economic and business development.
6. To monitor and provide direction on engagement with the District's communities in relation to the Council's strategies and plans.

7. To monitor and make decisions on environmental management and sustainability within the District.
8. To receive and consider presentations and reports from stakeholders, government departments, organisations and interest groups on development and wellbeing issues and opportunities within the District.

Terms of Reference – Finance:

9. To monitor Council's financial strategy, and performance against that strategy.
10. To provide clear direction to Council's CCOs and COs on Council's expectations, including feedback on draft statements of intent.
11. To receive six-monthly reports of Council's CCOs and COs, including on board performance.
12. To undertake any reviews of CCOs and agree CCO-proposed changes to their governance arrangements, except where reserved for full Council's approval.
13. To monitor Council's investments and Local Government Funding requirements in accordance with Council policy and applicable legislation.

The Committee is delegated the following powers to act:

- Approval of:
 - a. appointments to, and removals from, CCO and CO boards; and
 - b. a mandate on Council's position in respect of remuneration proposals for CCO and CO board members to be presented at Annual General Meetings.
- Approval of letters of expectation for each CCO and CO.
- Approval of statements of intent for each CCO and CO.
- Approval of proposed major transactions of CCOs and COs.
- Approval or otherwise of any proposal to establish, wind-up or dispose of any holding in, a CCO or CO.
- Monitor work on Future Proof, Waikato Plan, Growth & Economic Development Strategy and cross-boundary issues.
- Approval of any process for making decisions where additional opex or capex funding, or deferred capex, is required.
- Review and make recommendations to Council in relation to Fees & Charges (after consultation with relevant community boards or committees).
- Review and recommend to Council the adoption of the Annual Report.
- Review and recommend to Council the approval of Development Agreements.
- Approval of transactions in relation to investments in accordance with Council policy.
- Approval of contractual and other arrangements for supply and services, and revenue generating contracts, which exceed the Chief Executive's delegations, but exclude contracts or arrangements

that are reserved for the Council or another committee's approval.

- Approval of rating issues where these exceed the delegated authority of officers, or are an appeal against officer decisions. For clarity, this excludes decisions that are required, by law, to be made by the Council.
- Approval to write-off outstanding accounts that exceed officer delegations.
- Approval of funding applications for the Heritage Assistance Fund and Conservation Fund as recommended to the committee by officers or relevant assessment bodies.

Open Meeting

| | |
|---------------------------------|-------------------------------------|
| To | Strategy & Finance Committee |
| From | Gavin Ion Chief Executive |
| Date | 16 November 2021 |
| Prepared by | Matt Horsfield Democracy Advisor |
| Chief Executive Approved | Y |
| Reference # | GOV1301 |
| Report Title | Confirmation of Minutes |

1. EXECUTIVE SUMMARY

To confirm the minutes of the Strategy & Finance Committee meeting held on Monday 18 October 2021.

2. RECOMMENDATION

THAT the minutes for the meeting of the Strategy & Finance Committee held on Monday 18 October 2021 be confirmed as a true and correct record.

3. ATTACHMENTS

S&F Committee Open Minutes – 18 October 2021

Minutes for a meeting of the Strategy & Finance Committee of the Waikato District Council held via Audio Visual Conference on **MONDAY, 18 OCTOBER 2021** commencing at **9:30am**

Present:

Cr JM Gibb (Chairperson)
Cr AD Bech
Cr JA Church
Cr CA Eyre
Cr SL Henderson
Cr SD Lynch
Cr FM McNally
Cr RC McGuire
Ms M Moana-Tuwhangai
Cr EM Patterson
Cr NMD Smith
Cr LR Thomson
Cr CT Woolerton

Attending:

Mr G Ion (Chief Executive)
Ms A Diaz (Chief Financial Officer)
Mr R MacCulloch (General Manager Service Delivery)
Mrs S O’Gorman (General Manager Customer Support)
Mr C Bailey (Finance Manager)
Mr J Ebenhoh (Planning & Policy Manager)
Ms S Bourke (Community Safety Manager)
Ms J Dolan (Economic & Community Development Manager)
Mr N Johnson (Funding & Partnership Manager)
Mr B Cathro (Customer Delivery Manager)
Mr S Toka (Iwi and Community Partnerships Manager)
Ms M Russo (Corporate Planning Team Leader)
Ms G Kanawa (Democracy Team Leader)
Mr M Horsfield (Democracy Advisor)

APOLOGIES AND LEAVE OF ABSENCE

Resolved: (Crs Thomson/Eyre)

THAT the Strategy & Finance Committee accepts the apologies for non-attendance from His Worship the Mayor and Cr Sedgwick.

CARRIED

S&F2110/01

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (Crs Thomson/Patterson)

THAT:

- a) the agenda for a meeting of the Strategy & Finance Committee held on Monday, 18 October 2021 be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 7 and 6.5 which shall be considered with the public excluded;
- b) all reports be received;
- c) in accordance with Standing Order 9.4 the order of business be changed with agenda item 7 Exclusion of the Public being considered the first item and that other items be considered as appropriate during the course of the meeting; and
- d) in accordance with Standing Order 9.4 the order of business be changed with agenda item 6.4 [*Transfer of funds received from Hakarimata Restoration Trust to Waikato Environmental Protection Charitable Trust*] being considered after agenda item 4.

CARRIED

S&F2110/02

DISCLOSURES OF INTEREST

Cr Church noted that she had an interest in the Wellbeing Trust, which is referenced in Item 6.1 [*Presentation of the Annual Report and Summary 2020/21*].

CONFIRMATION OF MINUTES

Resolved: (Crs Bech/Woolerton)

THAT the minutes for the meeting of the Strategy & Finance Committee held on Monday, 6 September 2021 be confirmed as a true and correct record.

CARRIED

S&F2110/03

REPORTS

Action Register – October 2021

Agenda Item 5

The report was received [*S&F21 10/02 refers*] and the following discussion was held:

- Treasury Risk Management – Workshop would be held today, Monday 18 October 2021.
- LED Lights – All street lighting in the district had been installed with LED lighting but had not been installed in decorative lights. There was no Waka Kotahi subsidy available for decorative lighting, and no funding allocated in the Long-Term Plan.

Questions raised whether the savings for the running costs for LED lighting could be reinvested Council's other lighting assets.

ACTION: Net costs for LED lighting to be provided to the next Strategy & Finance meeting scheduled for Monday, 29 November 2021.

ACTION: Staff to look at the district wide lighting strategy moving forward to assess areas without lighting coverage and to retrofit decorative lighting, and how it can be funded.

Presentation of the Annual Report and Summary 2020/21

Agenda Item 6.1

The report was received [*S&F21 10/02 refers*] and the following discussion was held:

- Of the non-financial performance measures, 55 were achieved, five (5) measures were within 5% of their target and 19 measures did not meet their target.
- Copies of the report would be available in the Council offices, libraries and electronically online.
- Performance measures were agreed during the Long Term Plan process. The performance measures had changed with the adoption of the 2021-2031 Long Term Plan. The next annual report would include the new performance measures.
- There were mandatory measures for roading and Three Waters. Other measures were only included to enhance community understanding of the performance for key Council targets.

Resolved: (Crs Bech/Church)

THAT Waikato District Council adopts the audited Annual Report and Summary 2020/21 as attached to the staff report.

CARRIED

S&F2110/04

Local Government Funding Agency Annual Report 2021
Agenda Item 6.2

The report was received [*S&F2110/02 refers*] and no discussion was held.

Civic Financial Services Limited Half Yearly Accounts
Agenda Item 6.3

The report was received [*S&F2110/02 refers*] and no discussion was held.

Discretionary Funding Review
Agenda Item 6.4

The report was received [*S&F2110/02 refers*] and the following discussion was held:

- Funding Review Steering Group had worked with staff to find a more equitable discretionary funding process.
- The new process aims to reduce administration costs.
- Council had obligations for conservation and there was concern regarding how funding would be allocated for conservation. Council would continue working with communities through the blueprint and community aspirations budget for conservation projects. Further work would be undertaken to bring in more funds for broader conservation efforts.
- Concern noted that the rural ward fund may be used improperly as the criteria was broad. Staff noted that had not occurred before and every application was assessed on a case-by-case basis.
- Criteria for tier 2 and 3 Community Committees should be identified and included for equitable funding. The criteria had not been finalised and was progressing. For the remainder of the current 2021-22 financial year, Community Committees could draw from the existing Community Committee fund. Concern noted for disparities with inequitable funding between Community Committees.
- Having fair and equitable principles were key drivers for the review, and the current system had a number of funds that were not fully utilised.

- Pokeno Community Committee had \$5000 earmarked for a community website but the funds have not been accessed yet.

ACTION: Funding Review Steering Group to review any business case that is to be presented to Council for the allocation of \$5000 for the development of a community website from the Pokeno Community Committee.

- The proposed recommendation would significantly increase the levels of funds available to the community. The recommendation was focused on the general and targeted rate funding for the discretionary fund and less so on the administration costs for Community Committees.

Resolved: (Crs Bech/Smith)

THAT the Strategy & Finance Committee confirms that:

- a) the community board targeted-rate discretionary funding, community committee general-rate discretionary funding, and Rural Ward general-rate discretionary funding continue in its current state for 2021/22;
- b) the Mayoral Fund be increased to \$15,000 per annum;
- c) an ANZAC Day budget be established, with \$25,000 per annum from the overall discretionary funding budget to support ANZAC Day commemorations;
- d) no new funding be allocated to the Event Fund;
- e) no new funding be allocated to the Heritage Project Fund, the Heritage Assistance Fund, and the Conservation Fund, with the current carry-forward total being distributed as sinking-lid funds;
- f) multi-year funding grants to museums continue in 2021/22, with a review of multi-year funding grants to be completed by 31 March 2022;
- g) the balance of all remaining discretionary funding be realigned to the Community Aspirations and Blueprints budget,
- h) the amended Discretionary Funding Guidelines be adopted, and
- i) that tier 2 and 3 community committees have an equitable funding pool for administration purposes.

CARRIED

S&F2110/05

Transfer of funds received from Hakarimata Restoration Trust to Waikato Environmental Protection Charitable Trust

Agenda Item 6.5

The report was received [S&F2110/02 refers] and the following discussion was held:

- The transfer had been through the Ngaruawahia Community Board and the board was supportive of the proposal.

Resolved: (Crs Patterson/Gibb)

THAT the Strategy & Finance Committee recommends to Council that the \$18,000.00 held by Council on trust from the Hakarimata Restoration Trust be transferred to the Waikato Environmental Protection Charitable Trust.

CARRIED

S&F2110/06

EXCLUSION OF THE PUBLIC

Agenda Item 7

The report was received [S&F2110/02 refers] and no discussion was held.

Resolved: (Crs Church/Lynch)

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:

| General subject of each matter to be considered | Reason for passing this resolution in relation to each matter | Ground(s) under section 48(1) for the passing of this resolution |
|---|--|--|
| Item number 1 – Confirmation of Public Excluded Minutes | Good reason to withhold exists under Section 7 Local Government Official Information and Meetings Act 1987 | Section 48(1)(a) |

| | | |
|--|--|------------------|
| Item 3.1 Board Appointments – Waikato Regional Airport Limited (WRAL) | Good reason to withhold exists under Section 7 Local Government Official Information and Meetings Act 1987 | Section 48(1)(a) |
| Item 3.2 2004-2021- Uncollected overdue library fees - write-off | Good reason to withhold exists under Section 7 Local Government Official Information and Meetings Act 1987 | Section 48(1)(a) |
| Item 3.3 Mana Whenua Forums | Good reason to withhold exists under Section 7 Local Government Official Information and Meetings Act 1987 | Section 48(1)(a) |

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

| Item No. | Section | Interest |
|---|----------------|---|
| Item 1 Confirmation of Minutes | | Refer to the previous Public Excluded reason in the agenda for this meeting. |
| Item 3.1 Board Appointments – Waikato Regional Airport Limited (WRAL) | 7 (2) (a) | Protect the privacy of natural persons, including that of deceased natural persons. |
| Item 3.2 2004- 2021- Uncollected overdue library fees - write-off | 7 (2) (g) | Maintain legal professional privilege. |
| Item 3.3 Mana Whenua Forums | 7 (2) (b) | Protect information where the making available of the information: |
| | 7 (2) (b) (i) | Would disclose a trade secret, or; |
| | 7 (2) (b) (ii) | |

Open Meeting

| | |
|---------------------------------|---|
| To | Strategy and Finance Committee |
| From | Clive Morgan General Manager Community Growth |
| Date | 15 November 2021 |
| Prepared by | Sandy Mason Personal Assistant to Clive Morgan |
| Chief Executive Approved | Y |
| Reference # | GOV1318 / 3289783 |
| Report Title | Action Register – November 2021 |

1. EXECUTIVE SUMMARY

Purpose of this report is to provide the Strategy and Finance Committee with an update on Actions arising the previous meeting.

2. RECOMMENDATION

THAT the report, Action Register - November 2021, be noted.

3. ATTACHMENT

Strategy and Finance Committee's Action Register – November 2021

Strategy and Finance Committee's Action Register – November 2021

| Meeting Date | Item and Action | Person / Team Responsible | Status Update |
|-----------------|--|---------------------------|---|
| 18 October 2021 | <p>Agenda Item 5 Action Register - October 2021</p> <p>LED Lights – All street lighting in the district had been installed with LED lighting but had not been installed in decorative lighting and no funding allocated in the Long Term Plan.</p> <p>Questions raised whether the savings for the running costs for LED lighting could be reinvested Council's other lighting assets.</p> <p>Action</p> <ol style="list-style-type: none"> 1. Net costs for LED lighting to be provided to the next Strategy and Finance meeting schedule for Monday 29 November 2021. 2. Staff to look at the District-wide lighting strategy moving forward to assess areas without lighting coverage and to retrofit decorative lighting and how it can be funded. | Ross Service Delivery | <p>This is a major piece of work which will require an external consultant.</p> <p>The Roading Team Leader estimates that this may cost \$25,000 and will take around 3-4 months to complete.</p> |

| | | | |
|--|--|---|--|
| | <p>Agenda Item 6.4 Discretionary Funding Review</p> <p>Pokeno Community Committee had \$5000 earmarked for a community website but the funds have not been accessed yet.</p> <p>Action Funding Review Steering group to review any business case that is to be presented to Council for allocation of \$5000 for the development of a community website from the Pokeno Community Committee.</p> | <p>Funding Review Steering Group</p> <p>Nick Johnston / Cr Gibb</p> | <p>Pokeno Community Committee acknowledge that Council has allocated \$5000 towards the development of their community website.</p> <p>Pokeno Community Committee are in the early stages of engaging with a web designer and will access these funds in due course.</p> |
|--|--|---|--|

Open Meeting

| | |
|---------------------------------|---|
| To | Strategy and Finance Committee |
| From | Clive Morgan General Manager Community Growth |
| Date | 15 November 2021 |
| Prepared by | Jim Ebenhoh Planning and Policy Manager |
| Chief Executive Approved | Y |
| Reference # | GOV1318 / 3293292 |
| Report Title | Blueprint implementation reporting and new Local Area Blueprints for Gordonton and Port Waikato |

1. EXECUTIVE SUMMARY

The Planning and Policy Manager will be in attendance to provide a verbal update to the Strategy and Finance Committee on progress in terms of Blueprint implementation reporting, and the process of developing new Local Area Blueprints for Gordonton and Port Waikato.

2. RECOMMENDATION

THAT the report, Blueprint implementation report and new Local Area Blueprints for Gordonton and Port Waikato, be noted.

3. ATTACHMENT

Nil

Open Meeting

| | |
|---------------------------------|---|
| To | Strategy and Finance Committee |
| From | Clive Morgan General Manager Community Growth |
| Date | 10 November 2021 |
| Prepared by | Leisa Hood Corporate Planner |
| Chief Executive Approved | Y |
| Reference # | GOV1318 / 3288609 |
| Report Title | 2021/22 First Quarter Non-Financial Performance Results |

I. EXECUTIVE SUMMARY

The purpose of this report is to provide the Committee with the 2021/22 non-financial performance results for the first quarter to 30 September 2021. These results will be used to inform the Annual Report.

Of the quarterly Key Performance Indicators (KPIs), currently, 61% are achieved, 4% are on track and 35% have not been achieved. Staff note in a number of the comments that COVID-19 lockdown restrictions have meant that on-site work (site visits and education) have not been able to occur and therefore have impacted negatively on the KPI results.

2. RECOMMENDATION

THAT the report, 2021/22 First Quarter Non-Financial Performance Results, be noted.

3. DISCUSSION

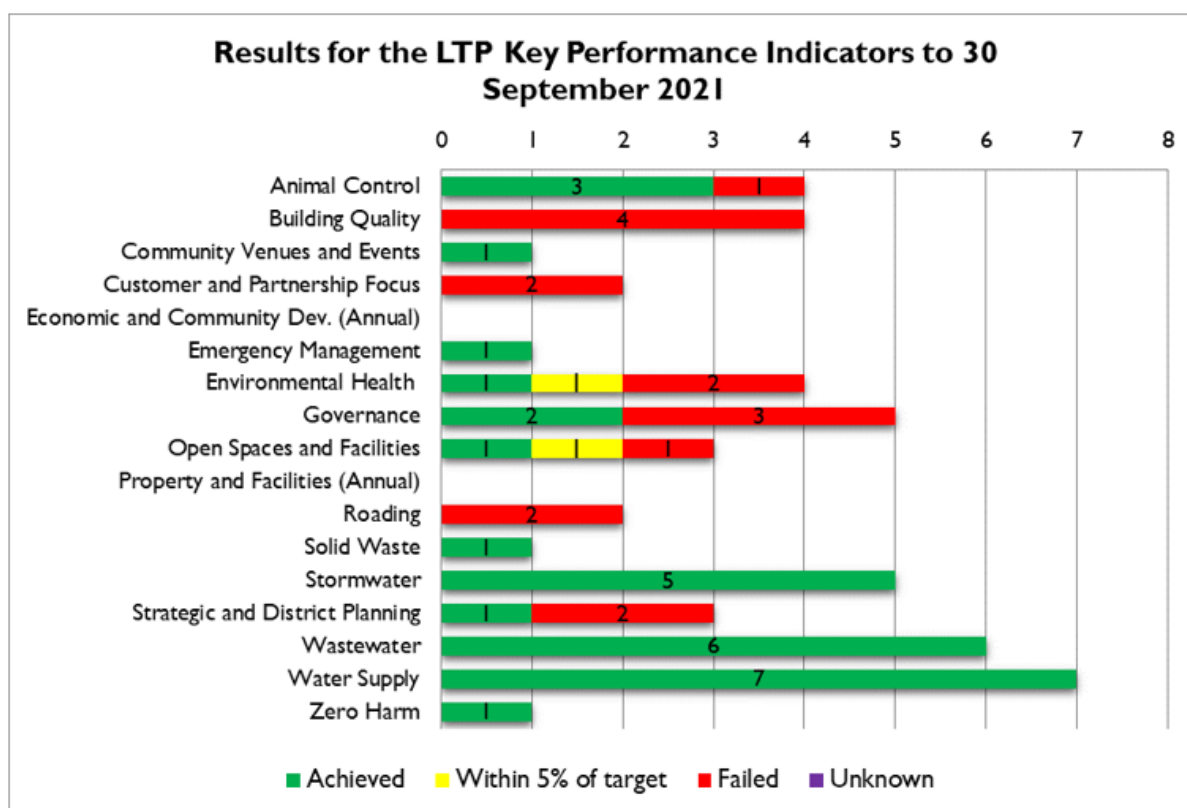
There are 63 Key Performance Indicators (KPIs) that are reported in the Annual Report:

- 17 are measured monthly
- 32 are measured quarterly
- 5 are measured half-yearly, and
- 9 are measured annually.

The full results are attached to this report.

3.1 2021/22 First quarter results to 30 September 2021

The graph below shows the number of KPIs that were achieved, within 5% of target or were not achieved, grouped by Activity.



| Achieved | Within 5% of target | Not achieved | Unknown |
|------------|---------------------|--------------|-----------|
| 61% | 4% | 35% | 0% |

Comparative year-to-date results

| | 2015/2016 | 2016/2017 | 2017/2018 | 2018/2019 | 2019/2020 | 2020/2021 | 2021/2022 to 30 September 2021 |
|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------------------|
| Achieved | 67 (68%) | 65 (66%) | 57 (58%) | 62 (78%) | 53 (67%) | 54 (67%) | 30 (61%) |
| On track | 8 (8%) | 4 (4%) | 6 (6%) | 5 (6%) | 10 (13%) | 11 (13%) | 2 (4%) |
| Not achieved | 23 (24%) | 29 (30%) | 35 (36%) | 11 (14%) | 16 (20%) | 17 (20%) | 17 (35%) |
| Unknown | | | | 1 (1%) | | | |
| TOTAL MEASURES | 98 | 98 | 98 | 79 | 79 | 79 | 49 |

Where we have not met the target:

Animal control: We are tracking slightly behind with engagement and education visits due to COVID-19 lockdowns in the Waikato region.

Building: Inspection rates have been impacted by COVID-19 restrictions, loss of staff and the need to prioritise Building Consent Authority work. New staff have since started so we anticipate we will meet this KPI soon.

Customer and Partnership: These are measured from the resident satisfaction survey. The score is lower than expected; it is showing that only 15% of Tuakau customers were satisfied with the service they received and that our northern areas (Tuakau and Onewhero) and Tamahere find it is taking more effort to conduct business with Council.

It is important to note that our northern customers were in COVID-19 lockdown, level 4 and/or level 3, when this survey was conducted.

Environmental Health: COVID-19 alert level 3 lockdown impacted the ability to conduct food operations verification, but we can now verify businesses remotely so we anticipate this KPI will improve. We have also allocated deadlines for any overdue verifications to ensure they are completed.

Governance: It is felt that the recent decision to discontinue the inorganic collection and feedback received on the representation review proposal, combined with lockdown restrictions may have impacted the overall perception of Council.

Roading: Customer service request results are primarily due to the system closing off and the team is looking into resolving this and expect performance to improve.

Strategic and District Planning: The consent monitoring and parking patrol activities have also been impacted by COVID-19 lockdowns and loss of staff. With new staff and a revisit of the work programme we anticipate performance to improve.

Attached to this report is Appendix I – 2021/22 First Quarter LTP KPI Report which includes the specific results and comments against each KPI.

4. CONCLUSION

This is an indication of how we are progressing in the first quarter of our first year of the 2021-2031 LTP.

Performance Measures are being monitored monthly by the Executive Leadership Team.

5. ATTACHMENT

I. 2021/22 First Quarter Non-Financial Performance Results



Waikato District Council

Scorecard Report

Period: Jul-21 - Sep-21

Scorecard Name

2021-24 LTP KPI reporting by Activity - All KPIs

Date From

01-Jul-2021

Date To

30-Sep-2021

LINKED ITEMS

UNIT

TARGET

ACTUAL

INDICATOR

2021-24 LTP KPI reporting by Activity - Animal Control

LTP - The percentage of aggressive dog behaviour complaints, where immediate risk to public safety is present, that has council personnel on site within 1 hour

%

95.00

95.56



COMMENTS: Animal Control continues to prioritise attacks when responding.

LTP - The percentage of complaints regarding stray stock that have council personnel on site within 1 hour

%

95.00

98.04



COMMENTS: Animal Control continues to prioritise stock on roads when responding.

LTP - Complete Engagement and Education Visits throughout the district

#

30.00

18.00



COMMENTS: Animal Control is unable to complete education visits to schools and libraries in any Alert Level other than 1 due to social distancing requirements. The two recorded were at an out doors pet day. With the ongoing lockdowns, it is unlikely Animal Control will achieve this KPI.

LTP - The Percentage of Known Dogs currently Registered

%

70.00

78.00



COMMENTS: There are currently 15627 recorded known dogs. 12134 of these dogs are compliant with registration. Animal Control are contacting the non compliant owners currently as part of the unreg process.

2021-24 LTP KPI reporting by Activity - Building Quality

LTP - The percentage of existing buildings with building WOFs that are monitored and audited for compliance annually - YTD

%

8.25

2.00



COMMENTS: No Audits competed in September due to Covid alert levels and resource. We've hired two new Pool/Compliance officers so the expectation is that we will pull back the numbers to be on target to meet this KPI.

LTP - The percentage of buildings that provide sleeping care or paid accommodation which are audited for compliance annually - YTD

%

25.00

14.00



COMMENTS: No Audits competed in September due to Covid alert levels and resource. We've hired two new Pool/Compliance officers so the expectation is that we will pull back the numbers to be on target to meet this KPI.

LTP - The percentage of swimming pools that are inspected for compliance annually - YTD

%

8.25

2.39



COMMENTS: We've not been able to meet this KPI due to the unexpected increase in inspection workloads, the loss of staff, COVID-19 lockdown and the need to prioritize the BCA work. The 2 Pool / Compliance Officers have started with us this month. We expect with the new staff, we'll be able to meet this KPI. 29 first initial inspections were carried out in September. YTD there has been 52 pool inspections carried out. Target per calendar year is 660 and to date we have done 158.

| | | | | |
|--|---|-------|-------|--|
| LTP - The percentage of building consent applications which are processed within 20 working days - YTD | % | 98.00 | 36.70 | |
|--|---|-------|-------|--|

COMMENTS: YTD - Currently we are processing 38.02% of building consents within the statutory timeframe.
For September, Dwellings were processed at 39.05% having 64 dwellings go over the 20-day timeframe. Consents in general (including dwellings) were processed at 36.70% with a total of 138 going over the 20-day timeframe. Amendments were processed at 30.30% with 23 going over the 20-day timeframe. This is due to staff shortages and Contractors going over timeframes also. We are still having to use our existing 4 contractors for a while yet to try and meet the current workload needs. We are currently advertising for more processing staff.

2021-24 LTP KPI reporting by Activity - Community Venues and Events

| | | | | |
|---|---|------|------|--|
| LTP - The number of events workshops held each year to support event organisers | # | 0.00 | 0.00 | |
|---|---|------|------|--|

COMMENTS: No workshops have been able to be held due to Alert Level restrictions. I do not anticipate that we will be able to host any during 2021.

2021-24 LTP KPI reporting by Activity - Customer and Partnership Focus

| | | | | |
|---|---|-------|-------|--|
| LTP - The % of customers satisfied with the overall service received when contacting the council. | % | 70.00 | 63.00 | |
|---|---|-------|-------|--|

COMMENTS: Overall our customer satisfaction score is lower than expected. Only 15% of Tuakau customers were satisfied with the service they received. It is important to note that our Northern customer was in a L4/L3 lockdown when this survey was conducted.

| | | | | |
|--|---|------|------|--|
| LTP - Average level of effort to conduct business with council. (On a scale of 1 - 5 (5 being high effort) how much effort did it take to conduct your business with council?) | # | 2.60 | 2.80 | |
|--|---|------|------|--|

COMMENTS: The survey results for this quarter indicate that our residents in the centre of the district are experiencing very low levels of effort when dealing with council. Our northern areas (Tuakau and Onewhero) and Tamahere have indicated that they are finding it takes more effort to conduct business with council.

| | | | |
|---|---|--|-------------|
| LTP - Net Promoter Score (level of likelihood that library users will recommend to friends and family their library as a place to go) | % | | Half Yearly |
|---|---|--|-------------|

| | | | |
|--|---|--|-------------|
| LTP - Level of customer satisfaction that the quality of libraries resources meets their needs | % | | Half Yearly |
|--|---|--|-------------|

2021-24 LTP KPI reporting by Activity - Economic and Community Development

| | | | |
|---|---|--|----------|
| LTP - Business perception Survey average rating is above target | # | | Annually |
|---|---|--|----------|

2021-24 LTP KPI reporting by Activity - Emergency Management

LTP - The evaluation of annual exercise as a measure of effectiveness of training delivery % Annually

LTP - Council maintains a minimum number of trained staff to Intermediate level, to fulfil core Emergency Operations Centre roles. # 50.00 78.00

COMMENTS: Intermediate training has not been available to staff for the duration of the lockdown period. However we do have sufficient trained staff to meet requirements in the event that an EOC activation is needed.

2021-24 LTP KPI reporting by Activity - Environmental Health

LTP - The percentage of food operations that are required to be verified annually that are verified. % 95.00 48.00

COMMENTS: Lock down under Alert level 3 has impacted the ability to verify businesses. This KPI, will improve now that we are able to remotely verify businesses. Verifications have been allocated with deadlines to complete overdue verifications.

LTP - The percentage of medium or higher risk category licensed premises inspected annually. % 95.00 0.00

COMMENTS: These premises are inspected annually. No premises were inspected in this quarter.

LTP - Percentage of excessive noise complaints responded to within agreed timeframes. (Due to geographical characteristics of the district response times will vary in different parts of the district) % 85.00 84.00

COMMENTS: Covid has impacted the noise contractors performance for September, 2021 which has affected the overall KPI figure. Feed back will be provided to the contractors to improve this KPI.

LTP - The percentage of hazardous land use information (Hail) reports that will be completed within 10 working days. % 90.00 100.00

COMMENTS: All reports were completed within the required timeframe and target achieved.

2021-24 LTP KPI reporting by Activity - Governance

LTP - Percentage of customers satisfied with the availability of their Councillor. % 80.00 48.00

COMMENTS: The target is high compared to other Councils. If you add the neutral portion of 25% you would achieve a 70% measure as most of the neutral participants don't try and contact their councillors. It is recommended this target be reviewed for future years.

LTP - Percentage of customers satisfied that council consults with the community regarding the right issues % 50.00 18.00

COMMENTS: The recent decision to discontinue the inorganic collection and the feedback received on the representation review proposal may be impacting the overall perception of Council.

LTP - Percentage of customers satisfied with the ease of access and clarity of information regarding key community issues. % 50.00 29.00

COMMENTS: General dissatisfaction with Council may be contributing to the result however improvements in the consultation information for the Livestock Movement Bylaw have been highlighted and responded to.

| | | | | |
|--|---|-------|-------|--|
| LTP - Percentage of minutes of all open meetings that are made publicly available via the Council's website. | % | 98.00 | 98.00 | |
|--|---|-------|-------|--|

COMMENTS: There is only one set of unconfirmed minutes not online during September which is the Council meeting for 20 September - noting that this was in the middle of representation review which was our focus. They will be online by Friday 8 October.

| | | | | |
|---|---|------|------|--|
| LTP - Number of formal hui held with iwi, mana whenua and hapu groups | # | 2.00 | 8.00 | |
|---|---|------|------|--|

COMMENTS: Formal hui with: Ngaati Hauaa (WWTP / Development at Tauwhare marae area); Tainui Group Holdings (Hapuhopu development); Ngaati Mahuta (Maaori Wards); Mana Whenua Hui (Maaori, marae, hapuu) @ Tainui College (Maaori Wards); Mana Whenua Hui (iwi) @ Tuakau Marae (Maaori Wards); Waikato Iwi Forum (3 Waters Reform); Ngaati Mahanga / Te Kopua Trust (Co-Governance / Raglan Camp Grounds / Raglan Airfield).

2021-24 LTP KPI reporting by Activity - Open Spaces and Facilities

| | | | | |
|---|---|-------|-------|--|
| LTP - Percentage of customers who are satisfied with Public toilets in the residents satisfaction survey. | % | 75.00 | 59.00 | |
|---|---|-------|-------|--|

| | | | | |
|--|---|-------|-------|--|
| LTP - Percentage of Customers who are satisfied with Parks And Reserves, including sports fields and playgrounds overall | % | 85.00 | 83.00 | |
|--|---|-------|-------|--|

| | | | | |
|--|---|-------|-------|--|
| LTP - Percentage of customers who are satisfied with the presentation of WDC cemeteries. | % | 85.00 | 85.00 | |
|--|---|-------|-------|--|

COMMENTS: Customers are very satisfied with the presentation of WDC cemeteries. New fencing has been completed in three cemeteries. Planting has taken place in Raglan Cemetery. New berms are in the process of completion. Cemeteries are looking attractive and maintenance is kept up to date.

2021-24 LTP KPI reporting by Activity - Property and Facilities

| | | | |
|--|---|--|----------|
| LTP - WDC Carbon road map shows an improving trend in energy efficiency / emission reduction | % | | Annually |
|--|---|--|----------|

2021-24 LTP KPI reporting by Activity - Roading

| | | | |
|--|---|--|----------|
| LTP - The percentage of footpaths that fall within the level of service or service standard that is set out in the LTP | % | | Annually |
|--|---|--|----------|

| | | | |
|--|---|--|-------------|
| LTP - The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number. | # | | Half Yearly |
|--|---|--|-------------|

LTP - The percentage of customer service requests relating to roads to which we respond within the timeframes specified. % 95.00 83.42

COMMENTS: YTD 83.42% (549 service requests) of customer service requests were responded to within the timeframe specified in the LTP. All service requests have been reviewed, prioritized and programmed for work where required. The result is primarily due to the closing off in the system. The team is looking at resolving this in the current month and expect performance to improve.

LTP - The percentage of customer service requests relating to footpaths responded to within the timeframe specified in LTP % 95.00 75.00

COMMENTS: YTD 75.00% (24 service requests) of customer service requests were responded to within the timeframe specified in the LTP. All service requests have been reviewed, prioritized and programmed for work where required. The result is primarily due to the closing off in the system. The team is looking at resolving this in the current month and expect performance to improve.

LTP - The average quality of ride on a sealed local road network, measured by smooth travel exposure. % Annually

LTP - The percentage of the sealed local road network that is resurfaced. % Annually

2021-24 LTP KPI reporting by Activity - Solid Waste

LTP - Customer Satisfaction with Waste Collection services. % 75.00 75.00

COMMENTS: Survey provider and methodology has changed. Previous results typically around 84% satisfaction. Continue to monitor to establish baseline and trends

LTP - Meet actions set within Waste Minimisation Management Plan (WMMP) % Annually

2021-24 LTP KPI reporting by Activity - Stormwater

LTP - Stormwater - The number of flooding events that occurred throughout the district # 5.00 0.00

COMMENTS: There were no flooding events recorded this quarter.

LTP - Stormwater - The number of habitable floors affected in a stormwater flooding event expressed per 1000 properties connected to the councils stormwater system per event # 0.30 0.00

COMMENTS: There were no flooding events recorded this quarter.

LTP - Stormwater - The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site. m 120.00 0.00

COMMENTS: There were no flooding events recorded this quarter.

| | | | | |
|--|---|------|------|--|
| LTP - Stormwater - The number of complaints received by Council about the performance of its stormwater system, expressed per 1000 properties connected to the stormwater system | # | 4.00 | 0.35 | |
|--|---|------|------|--|

| | | | | |
|---|---|------|------|--|
| LTP - Stormwater - Council's level of compliance with resource consents for discharge from its stormwater system, measured by the number of abatement notices, infringement notices, enforcement orders and convictions received in relation those resource consents. | # | 0.00 | 0.00 | |
|---|---|------|------|--|

2021-24 LTP KPI reporting by Activity - Strategic and District Planning

| | | | | |
|--|---|-------|-------|--|
| LTP - Percentage of resource consent applications which are processed within the statutory time frames | % | 98.00 | 99.04 | |
|--|---|-------|-------|--|

COMMENTS: A total of 96 consents were issued for September. All but one was issued within statutory timeframes. The processing planner doubled the timeframes due to special circumstances, but the applicant was unwilling to agree to a further time extension. This means that a total of 3 consents remain out of time for this current year, with a total of 99.04% of consents issued being processed with statutory timeframes year to date.

| | | | | |
|---|---|-------|-------|--|
| LTP - The percentage of current land use consents that are older than 2 years which have been monitored in the past 2 years | % | 75.00 | 63.00 | |
|---|---|-------|-------|--|

COMMENTS: As this data set measures monitoring conducted over the last two years, COVID, resourcing and reduced staff hours continue to impact results. It is hoped that our current recruitment and revisit of our work program will assist in getting the workload seen to in a timely manner. This month has also been specifically affected by staff not able to carry out routine work while in L4 and L3.

| | | | | |
|--|---|-------|-------|--|
| LTP - The number parking patrols that are carried out in communities that have parking controls under the bylaw. | # | 42.00 | 30.00 | |
|--|---|-------|-------|--|

COMMENTS: During September Waikato moved from Alert level 3 down to Alert level 2 which did enable us to get limited parking patrols done, however with the catchup in other areas required (such as illegal dumping) we did not achieve as many patrols as we would have liked.

| | | | | |
|---|---|--|--|-------------|
| LTP - The percentage of bylaws and policies, that are required by legislation, are reviewed within their statutory timeframes | % | | | Half Yearly |
|---|---|--|--|-------------|

| | | | | |
|--|---|--|--|----------|
| LTP - Adequate land supply (right type in right location) exists to cater for the growth and development of the District. Sufficient development capacity (as required by the National Policy Statement - Urban Development) is provided to meet expected short and medium term demand | % | | | Annually |
|--|---|--|--|----------|

2021-24 LTP KPI reporting by Activity - Wastewater

| | | | | |
|---|---|------|------|--|
| LTP - Wastewater - The number of dry weather sewerage overflows from Council's sewerage system, expressed per 1000 sewerage connections to that sewerage system | # | 3.00 | 0.09 | |
|---|---|------|------|--|

| | | | | |
|---|---|--------|--------|--|
| LTP - Wastewater - The total number of complaints received by Council about odour, system faults, blockages, response to issues with its sewerage system.(expressed per 1000 connections to the sewerage system): | # | 10.00 | 1.75 | |
| LTP - Wastewater - The median resolution time where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, from the time Council receives notification to the time personnel confirm resolution of the blockage or other fault. | m | 240.00 | 139.00 | |
| LTP - Wastewater - The median attendance time where Council attends to sewage overflows resulting from a blockage or other fault in its sewerage system, from the time that Council receives notification to the time that service personnel reach the site. | m | 60.00 | 44.00 | |
| LTP - Wastewater - Council's level of Compliance with resource consents for discharge from its wastewater system, measured by the number of abatement notices, infringement notices and enforcement orders | # | 2.00 | 0.00 | |
| LTP - Wastewater - Council's level of Compliance with resource consents, measured by the number of Convictions for discharge from its wastewater system, | # | 0.00 | 0.00 | |

2021-24 LTP KPI reporting by Activity - Water Supply

| | | | | |
|---|------|--------|--------|--|
| LTP - Water Supply - The extent to which Councils drinking water supply (zones) complies with part 4 of the drinking water standards (bacteria compliance criteria) | # | 18.00 | 18.00 | |
| LTP - Water Supply - The extent to which Councils drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria) | # | 15.00 | 15.00 | |
| LTP - Water Supply - The median on site attendance time for a non-urgent call out, where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system | Days | 5.00 | 1.00 | |
| LTP - Water Supply - The median on site attendance time for an urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system | m | 60.00 | 39.00 | |
| LTP - Water Supply - The median resolution time for a non-urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system | Days | 5.00 | 1.00 | |
| LTP - Water Supply - The median resolution time for an urgent call out where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system | m | 240.00 | 113.00 | |
| LTP - Water Supply - The total number of complaints received by Council about drinking water clarity, taste, odour, water pressure or flow, continuity of supply and response to any of these issues (expressed per 1000 connections to the water system) | # | 25.00 | 3.92 | |

LTP - Water Supply - The average consumption of drinking water per day per resident within the Waikato district

L

Annually

LTP - Water Supply - The percentage of real water loss from Council's networked reticulation system

%

Annually

2021-24 LTP KPI reporting by Activity - Zero Harm

LTP - The number of total recordable injuries (TRI) at WDC.

#

2.00

1.00



COMMENTS: One LTP occurred in August.
No TRIs have been recorded during the month of September

Overall Performance

%

0.00

0.00



Open Meeting

| | |
|---------------------------------|--|
| To | Waikato District Council |
| From | Alison Diaz Chief Financial Officer |
| Date | 21 November 2021 |
| Prepared by | Colin Bailey Finance Manager |
| Chief Executive Approved | Y |
| Reference # | GOV1318 |
| Report Title | Financial performance summary for the period ending 31 October 2021 |

I. EXECUTIVE SUMMARY

This report presents the year-to-date financial performance against the 2021/22 Annual Plan and those budgets carried forward from the 2020/21 financial year.

The report provides a summary of revenue and expenses, capital expenditure and key reserves balances and covers the four months to 31 October 2021.

Appended to the report is the Statement of Comprehensive Revenue and Expense (Profit & Loss), Statement of Financial Position (Balance Sheet) with Notes and the Financial Performance Summary all as at 31 October 2021. The financial statements, rather than comparing actuals to budget, show actuals against the prior year's actuals. Key items to note are:

- **Statement of Comprehensive Revenue and Expense:**
 - Revenue is higher than the prior year across all significant areas of income apart from Development and Financial Contributions which have been delayed because developers have been unable to progress infrastructure in the northern part of our district due to covid alert level restrictions in the first quarter of 2021/22.
 - Depreciation and amortisation expense is higher than the prior year due to higher asset values following the 2020/21 year end revaluations.
 - Personnel costs are higher than prior year due to the higher headcount and market movement increases.
 - Finance expenses are running above last year due to marginally higher borrowing costs and interest paid to the IRD in respect of a GST error in February 2020.
 - Other expenses are higher than last year due to higher budgeted consultancy costs.

- **Statement of Financial Position:**
 - Cash and Cash Equivalents are higher because of delays to the capital work programmes caused by covid alert level changes.
 - Debtors are higher than prior year due to higher rates receivables (rates increases and growth in the district).
 - Prepayments are higher than prior year as the sub regional three waters study is not yet completed.
 - Other current assets are lower due to the sale this year of assets (land) held for resale in the prior year.
 - Intangible assets are lower than prior year due to full amortisation of software assets in 2020/21.
 - Creditors and Other Payables are higher than prior year due to differences in timing of capital expenditure,
 - Other Liabilities are lower than prior year because of the gain realised in the prior year on the fair value of Council's derivative instruments (interest rate swaps).
- **Financial Performance Summary**
 - Financial performance and the major reserve balances are as expected, apart from the vestment of State Highway 1 to Council that was planned for the 2020/21 financial year which has been delayed. The budget for this vestment is shown as income and will continue to be a variance in the accounts until the revocation process is complete.
 - Year to date capital expenditure is running higher than the previous year but below the trend needed to meet budget, excluding carried forwards and vested assets.

2. RECOMMENDATION

THAT the report, Financial performance summary for the period ending 31 October 2021, be noted.

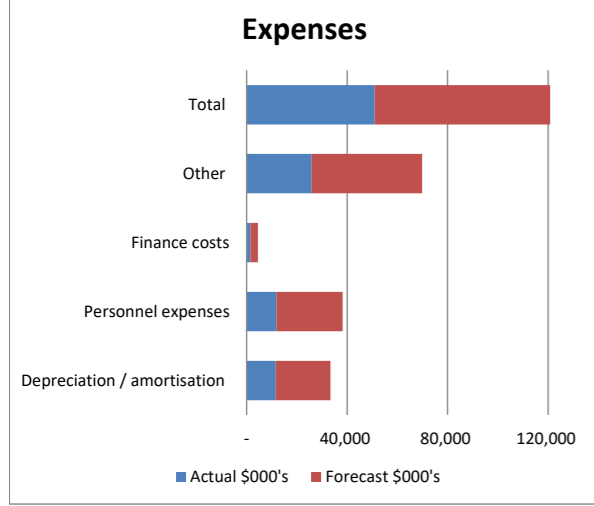
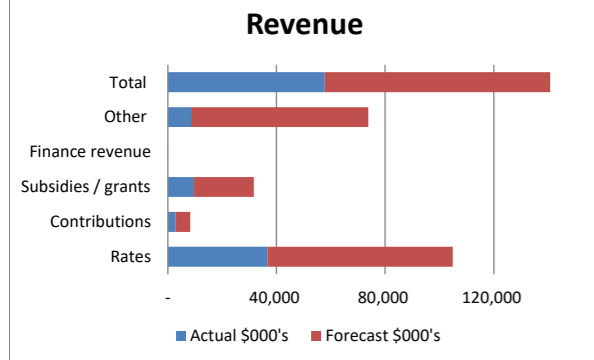
3. ATTACHMENTS

Financial Performance Summary as at 31 October 2021
 Statement of Comprehensive Revenue and Expense to 31 October 2021
 Notes to the Statement of Comprehensive Revenue and expense to 31 October 2021
 Statement of Financial Position as at 31 October 2021
 Notes 1 and 2 to the Statement of Financial Position as at 31 October 2021

AT A GLANCE

Performance to date is as planned apart from the vestment of State Highway 1 to Council that was planned for the 2020/21 financial year which has been delayed. Rates income is above forecasted levels due to unexpected growth in the capital value of new properties valued by QV during June 2021. Capital expenditure YTD is \$18.1 million. This is running higher than the previous year but below the trend needed to meet budget, excluding carried forwards and vested assets.

| | Oct-21 | Open Bal |
|--|-----------------|-----------------|
| | \$000's | \$000's |
| Reserve Balances Summary | | |
| Restricted reserves | 211 | 207 |
| Council reserves | 19,003 | 24,657 |
| Development contributions | (29,356) | (28,892) |
| Replacement funds | 26,062 | 24,572 |
| Targeted rate reserves | (12,707) | (11,302) |
| Total | 3,213 | 9,242 |
| Key reserves (included in balances above) | | |
| | Oct-21 | Open Bal |
| | \$000's | \$000's |
| Disaster recovery | 1,541 | 1,530 |
| Hamilton East Property proceeds | 2,308 | 2,308 |
| Structure plan non-growth reserve | 1,756 | 1,733 |
| Northgate development area | (4,992) | (4,734) |
| Pokeno Structure plan | (7,682) | (7,463) |
| Tamahere Structure plan | (1,913) | (1,887) |
| DW water targeted rate | (10,781) | (10,034) |
| DW wastewater targeted rate | (5,582) | (5,602) |
| Total | (25,345) | (24,149) |



FINANCIAL PERFORMANCE SUMMARY

32

For the period ending 31 October 2021

| | Actual \$000's | FY Forecast \$000's | % usage | YTD Variance \$000's | Ref. |
|---|----------------|---------------------|------------|----------------------|------|
| Revenue | | | | | |
| Rates | 36,680 | 104,854 | 35% | (1,728) | 1 |
| Development and financial contributions | 2,810 | 8,271 | 34% | (53) | |
| Subsidies and grants | 9,702 | 31,608 | 31% | 834 | 2 |
| Finance revenue | 2 | 50 | 4% | 15 | |
| Other revenue | 8,547 | 73,766 | 12% | 16,042 | 3 |
| Total revenue | 57,741 | 218,549 | 26% | 15,108 | |
| Expense | | | | | |
| Depreciation and amortisation expense | 11,583 | 33,311 | 35% | (480) | 4 |
| Personnel expenses | 11,837 | 38,214 | 31% | 901 | 5 |
| Finance costs | 1,556 | 4,507 | 35% | (53) | |
| Other expenses | 25,936 | 69,827 | 37% | (2,660) | 6 |
| Total operating expenses | 50,912 | 145,860 | 35% | (2,293) | |
| Surplus (deficit) before tax | 6,829 | 72,689 | 9% | 17,401 | |

Year-to-date net operating surplus of \$6.8 million is \$17.4 million behind year to date expectations in overall terms.

Items to note are as follows:

Income

- 1 Favourable - Rates income favourable affected by higher than anticipated growth in the final two months of 2020/21.
- 2 Unfavourable -Subsidies are linked to progress of physical work programmes.
- 3 Unfavourable - The budget allows for \$54 million of roading assets to be vested with Council. \$38 million of this relates to State Highway 1 revocation. The exact timing of transfer is not yet known.

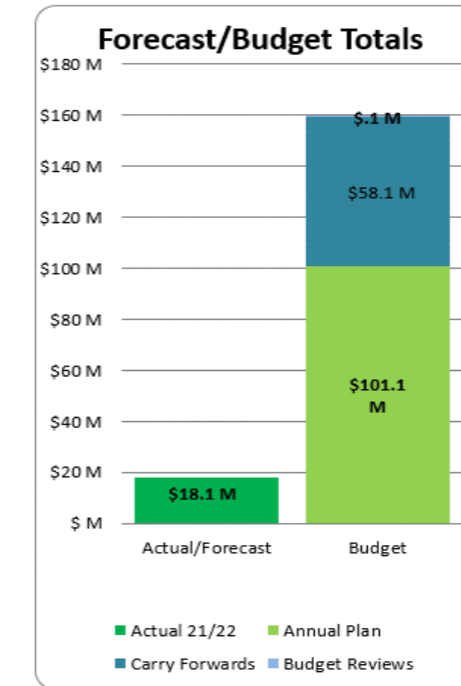
Expense

- 4 Unfavourable - Year end revaluation of assets came in higher than anticipated.
- 5 Favourable - impact from vacancies.
- 6 Unfavourable - Higher than anticipated consultancy costs due to staff shortages

| Net Operating Surplus (Deficit) Breakdown | Actual \$000's | FY Forecast \$000's | YTD Variance \$000's | Favourable / Unfavourable |
|---|----------------|---------------------|----------------------|--|
| Roading | 1,261 | 68,040 | 21,419 | U - Timing of vested asset revenue |
| Water | 216 | (1,916) | (854) | F - Watercare activity levels below expectations |
| Wastewater | 722 | 6,638 | 1,491 | U - Grant income and financial contributions lower than anticipated |
| Stormwater | 26 | (1,141) | (406) | F - Watercare activity levels below expectations |
| Sustainable Communities | 1,172 | 3,570 | 18 | F - Timing of grant payments |
| Sustainable Environment | (945) | (357) | 827 | U - Fees and charges and cost recoveries lower than budget |
| Governance | (16) | (749) | (234) | F - Unfilled vacancies and lower activity expenditure |
| Organisational Support | (575) | (1,396) | 109 | F - Low levels of activity expenditure |
| Total Group of Activities | 1,860 | 72,689 | 22,370 | |
| General rate usage | 4,969 | - | (4,969) | F - The general rate income recognised currently exceeds the amount of general rate used. This number adjusts throughout the year relative to activity expenditure |
| Surplus (deficit) | 6,829 | 72,689 | 17,401 | |

| Capital expenditure | Actual \$000's | FY Budget \$000's | % usage |
|----------------------------------|----------------|-------------------|------------|
| Organisational Support | 1.0 | 9.9 | 10% |
| Roading | 6.8 | 41.4 | 16% |
| Stormwater | 1.1 | 7.0 | 16% |
| Sustainable Communities | 2.2 | 35.8 | 6% |
| Sustainable Environment | 0.1 | 2.5 | 3% |
| Wastewater | 5.3 | 42.8 | 12% |
| Water Supply | 1.8 | 19.9 | 9% |
| Total Group of Activities | 18.1 | 159.2 | 11% |

The "FY Budget" shown above relates to the first year of the LTP, including projects undertaken by developers on behalf of council plus any carry forward works from 2020/21. Vested Assets are also included.



Current Working Capital

Current Assets \$104,023,604

| | |
|-----------------------------|--------------|
| Cash & cash equivalents | \$12,401,990 |
| Debtors & other receivables | \$90,562,387 |
| Prepayments | \$951,865 |
| Other current assets | \$107,362 |

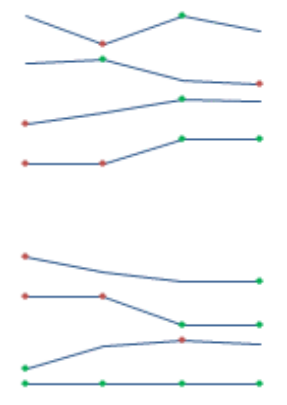
Current Liabilities \$100,341,237

| | |
|------------------|--------------|
| Accounts Payable | \$91,587,263 |
| Deposits & Bonds | \$238,346 |
| Accrued expenses | \$8,515,628 |
| Rates in advance | \$0 |

Working capital \$3,682,367
Current ratio 1.04

Limit on Total Debt \$287,511,000

| | | |
|-------------------|---------------|------------------------|
| Current Borrowing | \$80,000,000 | 28% of limit |
| Plan Debt 21/22 | \$134,622,000 | \$55 M ↑, 47% of limit |



Waikato District Council
Statement of comprehensive revenue and expense
As at 31 October 2021

| Note | 31 Oct 2021 | 31 Oct 2020 |
|--|-------------------|-------------------|
| Revenue | | |
| 1 Rates, including targeted water supply rates | 36,679,808 | 32,859,627 |
| Development and financial contributions | 2,810,303 | 3,375,903 |
| Subsidies and grants | 9,702,327 | 7,899,579 |
| Finance income | 1,827 | (89,537) |
| Other income | 8,546,913 | 7,899,722 |
| Total income | 57,741,178 | 51,945,294 |
| Expense | | |
| Depreciation and amortisation expense | 11,583,494 | 8,903,271 |
| 2 Personnel costs | 11,837,195 | 10,978,226 |
| 3 Finance expenses | 1,555,647 | 1,134,738 |
| 4 Other expenses | 25,935,890 | 24,317,717 |
| Total expenditure | 50,912,227 | 45,333,952 |
| Operating surplus (deficit) before tax | 6,828,952 | 6,611,342 |

Waikato District Council
Notes - Statement of comprehensive revenue and expense
As at 31 October 2021

| Note | 31 Oct 2021 | 31 Oct 2020 |
|--|--------------------------|--------------------------|
| 1 | | |
| <u>Rates, including targeted water supply rates</u> | | |
| General rate | 20,901,684 | 18,493,773 |
| Uniform annual general charge | 3,881,091 | 3,472,076 |
| <i>Total general rates income</i> | <u>24,782,774</u> | <u>21,965,849</u> |
| Community centres & facilities | 282,556 | 271,669 |
| Wastewater | 4,488,182 | 4,084,135 |
| Refuse & waste management | 1,635,913 | 1,693,227 |
| Metered water supply rates | 2,328,199 | 2,675,480 |
| Other water rates | 1,562,627 | 1,291,273 |
| Stormwater | 753,332 | 661,382 |
| Community boards | 90,711 | 89,726 |
| <i>Total targeted rates income</i> | <u>11,141,522</u> | <u>10,766,892</u> |
| plus: Penalties revenue | 994,842 | 345,624 |
| Total rates revenue | <u>36,919,138</u> | <u>33,078,366</u> |
| less: Rate remissions | (239,330) | (218,739) |
| Net rates revenue | <u>36,679,808</u> | <u>32,859,627</u> |
| 2 | | |
| <u>Personnel costs</u> | | |
| Salaries & wages | 11,413,781 | 10,494,106 |
| Kiwisaver contributions | 291,024 | 266,104 |
| ACC levies | 42,108 | 45,064 |
| Fringe benefit tax | 34,488 | 36,074 |
| Mileage reimbursements | 13,856 | 15,531 |
| Other personnel costs | 41,939 | 121,347 |
| Total personnel costs | <u>11,837,195</u> | <u>10,978,226</u> |
| 3 | | |
| <u>Finance expenditure</u> | | |
| External interest expense | 1,555,022 | 1,134,143 |
| Interest on reserves | 625 | 595 |
| Total finance expenditure | <u>1,555,647</u> | <u>1,134,738</u> |
| 4 | | |
| <u>Other expenses</u> | | |
| Audit fees | 50,866 | 49,214 |
| Activity expenditure | 25,647,951 | 24,094,906 |
| Debt write-off | - | 2 |
| Penalties written-off | 217,971 | 157,748 |
| Treasury administration | 19,102 | 15,847 |
| Asset adjustments | - | - |
| Total other expenses | <u>25,935,890</u> | <u>24,317,717</u> |

Waikato District Council
Statement of financial position
As at 31 October 2021

| Note | 31 Oct 2021 | 31 Oct 2020 |
|---------------------------|----------------------|----------------------|
| ASSETS | | |
| Current assets | | |
| | 13,855,417 | 29,343,108 |
| 1 | 89,679,891 | 83,990,609 |
| | 1,057,966 | 539,654 |
| 2 | 107,362 | 1,358,723 |
| | 104,700,636 | 115,232,095 |
| Non-current assets | | |
| 3 | 26,268,628 | 20,124,195 |
| | 600,000 | 560,000 |
| | 2,408,612 | 4,342,292 |
| 4 | 1,844,677,900 | 1,741,398,312 |
| | 1,873,955,140 | 1,766,424,798 |
| | 1,978,655,776 | 1,881,656,893 |
| LIABILITIES | | |
| 5 | 99,738,911 | 87,435,255 |
| 6 | 19,434,390 | 28,769,825 |
| 7 | 80,000,000 | 95,000,000 |
| | 199,173,302 | 211,205,080 |
| | 1,779,482,474 | 1,670,451,813 |
| EQUITY | | |
| | 1,146,279,730 | 1,090,189,396 |
| | 6,803,925 | 6,611,342 |
| 8 | 6,029,173 | (601,886) |
| | 19,003,243 | 19,134,635 |
| | 210,747 | 202,883 |
| | 26,061,691 | 27,186,587 |
| | (12,706,885) | (11,833,209) |
| | (29,355,726) | (32,349,114) |
| | 596,706,470 | 557,784,059 |
| | 20,450,106 | 14,127,120 |
| | 1,779,482,474 | 1,670,451,813 |

*The financial statement set out above should be read in conjunction with the notes
set out on the following pages*

Waikato District Council
Notes to the financial statements
As at 31 October 2021

| | <u>31 October 2021</u> | <u>31 October 2020</u> | | | | |
|---|------------------------|------------------------|----------------------|----------------------|---------------------|----------------------|
| I Debtors & other receivables | | | | | | |
| Accruals | 6,592,660 | 4,715,945 | | | | |
| Rates receivable | 77,987,489 | 70,338,213 | | | | |
| Sundry debtors | 6,229,699 | 11,442,595 | | | | |
| GST refund due (payable) | (19,278) | (1,109,726) | | | | |
| | 90,790,570 | 85,387,027 | | | | |
| Provision for doubtful debts | (1,110,679) | (1,396,418) | | | | |
| Net debtors & other receivables | 89,679,891 | 83,990,609 | | | | |
| 2 Other current assets | | | | | | |
| Cattle | 107,362 | 102,917 | | | | |
| Non-current assets held for sale | - | 1,255,806 | | | | |
| Total other current assets | 107,362 | 1,358,723 | | | | |
| 3 Investments in other entities | | | | | | |
| Community loans | 29,859 | 74,435 | | | | |
| Strada Corporation Ltd | 700,000 | 700,000 | | | | |
| NZ Local Government Insurance | 39,509 | 38,250 | | | | |
| Waikato Regional Airport Ltd | 23,065,117 | 16,743,390 | | | | |
| BNZ - Term deposit | 855,488 | 828,946 | | | | |
| Local Authority Shared Services Ltd | | | | | | |
| LASS shares | - | - | | | | |
| Waikato Regional Transport Mod | 112,500 | 112,500 | | | | |
| Shared Valuation Database Service | 106,674 | 106,674 | | | | |
| LGFA borrower notes | 1,359,481 | 1,520,000 | | | | |
| Total investments | 26,268,628 | 20,124,195 | | | | |
| 4 Property, plant & equipment (PP&E) | | | | | | |
| | 31 October 2021 | 31 October 2020 | | | | |
| | Cost / Val'n | Accum | Cost / Val'n | Accum | Book value | |
| | | dep'n | | dep'n | | |
| Bridges | 255,372,055 | (1,884,022) | 253,488,033 | 251,943,707 | (1,000,368) | 250,943,339 |
| Buildings | 56,784,126 | (3,249,405) | 53,534,721 | 54,289,893 | (593,012) | 53,696,881 |
| Computers | 2,634,967 | (1,690,959) | 944,008 | 5,570,131 | (5,350,549) | 219,582 |
| Drainage | 2,496,339 | (10,376) | 2,485,963 | 2,431,639 | - | 2,431,639 |
| Furniture | 1,877,931 | (1,304,311) | 573,620 | 1,592,395 | (1,168,642) | 423,753 |
| Land | 148,245,461 | - | 148,245,461 | 140,869,800 | - | 140,869,800 |
| Land under roads | 109,642,733 | - | 109,642,733 | 109,100,163 | - | 109,100,163 |
| Library books | 6,664,659 | (5,318,671) | 1,345,988 | 6,016,871 | (5,020,599) | 996,273 |
| Office equipment | 1,404,420 | (1,272,441) | 131,979 | 1,404,420 | (1,223,081) | 181,339 |
| Parks and reserves | 50,191,555 | (866,545) | 49,325,010 | 48,237,769 | (873,304) | 47,364,465 |
| Plant | 5,602,156 | (3,542,287) | 2,059,870 | 5,499,749 | (3,345,915) | 2,153,833 |
| Roading | 788,392,068 | (4,428,366) | 783,963,702 | 762,679,110 | (4,163,203) | 758,515,907 |
| Stormwater | 83,183,726 | (366,482) | 82,817,243 | 72,821,929 | (249,879) | 72,572,050 |
| Transfer stations | 1,771,192 | (25,919) | 1,745,274 | 1,838,220 | (24,488) | 1,813,732 |
| Wastewater | 139,576,367 | (1,218,029) | 138,358,338 | 122,774,029 | (613,183) | 122,160,846 |
| Water | 150,494,868 | (1,226,750) | 149,268,117 | 124,642,050 | (894,513) | 123,747,537 |
| Work in progress | 66,747,839 | - | 66,747,839 | 54,207,173 | - | 54,207,173 |
| Total PP&E | 1,871,082,462 | (26,404,563) | 1,844,677,899 | 1,765,919,047 | (24,520,736) | 1,741,398,311 |

Waikato District Council
Notes to the financial statements
As at 31 October 2021

| Note | 31 October 2021 | 31 October 2020 | |
|--|------------------------|-------------------|--------------------|
| 5 Creditors & other payables | | | |
| Trade payables | 81,130,013 | 75,807,473 | |
| Deposits & bonds | 238,346 | 260,401 | |
| Accrued expenses | 18,347,272 | 11,367,381 | |
| Rates in advance | 23,280 | 0 | |
| Total creditors & other payables | 99,738,911 | 87,435,255 | |
| 6 Other liabilities | | | |
| Employee entitlements | 4,405,020 | 3,979,336 | |
| Provisions | 2,461,101 | 3,175,032 | |
| Derivative financial instruments | 12,568,269 | 21,615,456 | |
| Total other liabilities | 19,434,390 | 28,769,825 | |
| 7 Borrowings | | | |
| Non current portion of borrowing | 75,000,000 | 80,000,000 | |
| Current portion of borrowing | 5,000,000 | 15,000,000 | |
| Total borrowings | 80,000,000 | 95,000,000 | |
| 8 Reserve movements | Balance as at | Movements | Opening |
| | 31 October 2021 | | balance |
| Council reserves | 19,003,243 | 5,653,654 | 24,656,898 |
| Restricted reserves | 210,747 | (2,782) | 207,966 |
| Replacement funds | 26,061,691 | (1,490,010) | 24,571,681 |
| Targeted rate reserves | (12,706,885) | 1,404,674 | (11,302,211) |
| Development contributions | (29,355,726) | 463,636 | (28,892,090) |
| per Reserve balance report | 3,213,071 | 6,029,173 | 9,242,243 |
| Revaluation reserves | 596,706,470 | - | 596,706,470 |
| Fair value through other comprehensive revenue and expense | 20,450,106 | - | 20,450,106 |
| Total other reserves | 620,369,648 | 6,029,173 | 626,398,820 |

Open Meeting

| | |
|---------------------------------|---|
| To | Strategy & Finance Committee |
| From | Alison Diaz Chief Financial Officer |
| Date | 21 November 2021 |
| Prepared by | Jean de Abreu Financial Accountant |
| Chief Executive Approved | Y |
| Reference # | GOV1318 |
| Report Title | Treasury Risk Management Policy – Compliance Report on 31 October 2021 |

I. EXECUTIVE SUMMARY

The purpose of this report is to inform the Strategy & Finance Committee of compliance with Treasury Risk Management Policy.

All areas of treasury risk management are within policy limits except for:

- (#6) Year to date actual to budgeted borrowing costs: Borrowing costs marginally above budget and an unbudgeted interest payment of \$22,983.69 to IRD for a voluntary disclosure because of a February 2020 GST return error, resulting in higher than budgeted interest costs.
- (# 10) Current net external debt (\$80 million) is outside the fixed/floating interest rate risk control limits due to debt being below the level forecast when the interest control measures were put in place.

New borrowing of \$10m has been entered into with LGFA for November 2021. \$5m of this is new borrowing and \$5m has been reinvested to repay borrowings maturing in April 2022. Further borrowing of \$10m is expected for December 2021, depending on the levels of capital expenditure.

2. RECOMMENDATION

THAT the report, **Treasury Risk Management Policy – Compliance Report on 31 October 2021**, be noted.

3. ATTACHMENTS

Treasury Risk Management Policy - Compliance Report on 31 October 2021

Waikato District Council

Treasury risk management policy - Compliance report

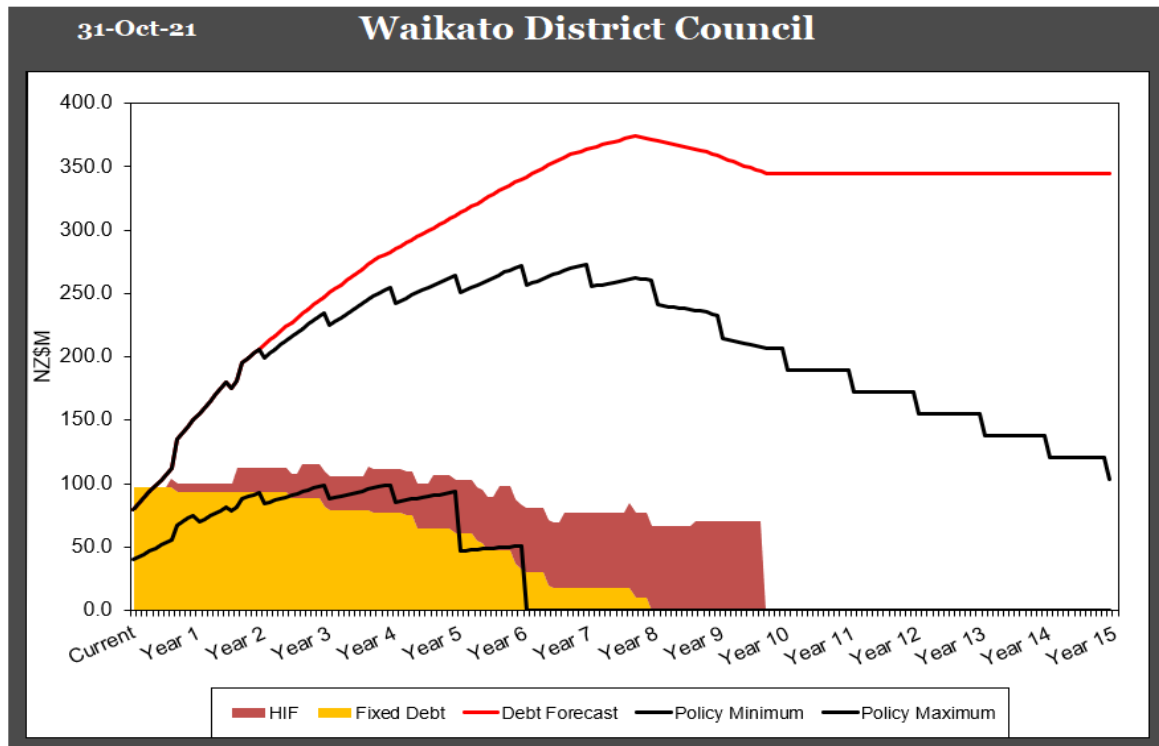
As at 31 October 2021

| | Policy criteria | Policy limit | Actual | Within policy? | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------|--|--|-------------------------------------|----------------|-------|---------------------------|------------|------------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|--------|------|------|------|
| 1 | The percentage of net external debt to annual revenue Net external debt = Total annual revenue = | <175% | 41.8% | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | total external debt (net of related borrower notes) less term deposits and available cash / cash equivalents | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | earnings from rates, government grants & subsidies, user charges, interest, dividends, financial and other revenue excluding non-government capital contributions (eg developer contributions and vested assets) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Net interest expense on net external debt as a percentage of total annual revenue Net interest expense = | <20% | 2.8% | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | total interest and financing costs less interest income | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Net interest expense on net external debt as a percentage of planned annual rates | <25% | 4.4% | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Liquidity ratio Liquidity = | >110% | 139% | ✓ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | external term debt plus committed bank facilities plus available liquid investments as a percentage of external term debt | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | <u>Interest rate benchmark chart</u> Comparison of actual monthly and year-to-date interest payable, including the cost of swaps in place vs borrowing the total debt amount at the combined average of the 90-day bill rate and the five-year investor swap rate over the last two years. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <caption>Interest Rate Benchmark Chart Data (Estimated)</caption> <thead> <tr> <th>Month</th> <th>90 Day Bank Bill rate (%)</th> <th>Budget (%)</th> <th>Actual (%)</th> </tr> </thead> <tbody> <tr><td>Oct-19</td><td>3.75</td><td>4.35</td><td>4.35</td></tr> <tr><td>Jan-20</td><td>3.85</td><td>4.35</td><td>4.25</td></tr> <tr><td>Apr-20</td><td>3.40</td><td>4.35</td><td>4.70</td></tr> <tr><td>Jul-20</td><td>2.95</td><td>4.35</td><td>4.75</td></tr> <tr><td>Oct-20</td><td>2.95</td><td>4.35</td><td>4.70</td></tr> <tr><td>Jan-21</td><td>3.05</td><td>4.35</td><td>4.70</td></tr> <tr><td>Apr-21</td><td>3.05</td><td>4.35</td><td>4.65</td></tr> <tr><td>Jul-21</td><td>2.85</td><td>4.35</td><td>4.50</td></tr> <tr><td>Oct-21</td><td>2.95</td><td>4.35</td><td>4.50</td></tr> </tbody> </table> | | | | Month | 90 Day Bank Bill rate (%) | Budget (%) | Actual (%) | Oct-19 | 3.75 | 4.35 | 4.35 | Jan-20 | 3.85 | 4.35 | 4.25 | Apr-20 | 3.40 | 4.35 | 4.70 | Jul-20 | 2.95 | 4.35 | 4.75 | Oct-20 | 2.95 | 4.35 | 4.70 | Jan-21 | 3.05 | 4.35 | 4.70 | Apr-21 | 3.05 | 4.35 | 4.65 | Jul-21 | 2.85 | 4.35 | 4.50 | Oct-21 | 2.95 | 4.35 | 4.50 |
| Month | 90 Day Bank Bill rate (%) | Budget (%) | Actual (%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct-19 | 3.75 | 4.35 | 4.35 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-20 | 3.85 | 4.35 | 4.25 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Apr-20 | 3.40 | 4.35 | 4.70 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jul-20 | 2.95 | 4.35 | 4.75 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct-20 | 2.95 | 4.35 | 4.70 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-21 | 3.05 | 4.35 | 4.70 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Apr-21 | 3.05 | 4.35 | 4.65 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jul-21 | 2.85 | 4.35 | 4.50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct-21 | 2.95 | 4.35 | 4.50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Actual borrowing costs are <= budgeted borrowing costs Current month Year to date | <u>Budget</u> \$375,500 \$1,502,000 | <u>Actual</u> \$0 \$1,555,022 | ✓ ✗ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| 7 | Current interest rate swaps (including forward starts) | | | |
|---|---|--|--|-------------------------------------|
| | <u>Amount</u> \$ | <u>Effective date</u> | <u>Termination date</u> | <u>Fixed rate</u> (if effective) |
| | 3,000,000 | 22-Jun-13 | 22-Mar-23 | 4.00% |
| | 4,000,000 | 22-Jun-13 | 22-Jun-22 | 3.83% |
| | 2,000,000 | 21-Mar-16 | 21-Mar-24 | 4.94% |
| | 3,000,000 | 23-Mar-15 | 23-Mar-24 | 4.64% |
| | 4,000,000 | 23-Mar-20 | 25-Mar-24 | 4.75% |
| | 3,000,000 | 23-Mar-15 | 23-Sep-24 | 4.53% |
| | 4,500,000 | 23-Dec-15 | 23-Sep-24 | 4.59% |
| | 4,000,000 | 22-Jun-16 | 23-Sep-24 | 4.62% |
| | 3,000,000 | 20-Oct-20 | 21-Oct-24 | 4.78% |
| | 3,000,000 | 22-Sep-17 | 23-Sep-24 | 4.78% |
| | 4,000,000 | 23-Mar-20 | 25-Mar-24 | 4.85% |
| | 3,000,000 | 20-Oct-20 | 21-Oct-24 | 4.86% |
| | 6,000,000 | 31-Oct-17 | 31-Jan-27 | 3.67% |
| | 2,000,000 | 1-Mar-19 | 1-Dec-25 | 3.85% |
| | 2,000,000 | 25-Sep-17 | 25-Feb-27 | 3.67% |
| | 2,000,000 | 22-Jun-17 | 23-Jun-25 | 3.52% |
| | 3,000,000 | 22-Mar-23 | 22-Jun-29 | |
| | 4,000,000 | 25-Mar-24 | 25-Sep-26 | |
| | 4,000,000 | 25-Mar-24 | 25-Mar-27 | |
| | 4,000,000 | 23-Sep-24 | 23-Sep-27 | |
| | 3,000,000 | 21-Oct-24 | 21-Oct-27 | |
| | 10,000,000 | 30-Sep-19 | 28-Sep-29 | 3.55% |
| | 5,000,000 | 30-Jun-20 | 29-Jun-29 | 3.63% |
| | 10,000,000 | 28-Feb-19 | 27-Feb-26 | 3.33% |
| | 10,000,000 | 28-Aug-18 | 30-Aug-27 | 3.37% |
| | 10,000,000 | 28-Feb-18 | 28-Feb-28 | 3.33% |
| | 2,000,000 | 19-Jun-19 | 19-Mar-28 | 3.10% |
| | 2,000,000 | 19-Jun-19 | 19-Mar-27 | 3.28% |
| | 119,500,000 Total swaps | | | |
| | 101,500,000 Total "live" swaps | | | |
| | | Average interest rate of live swaps | | 3.90% |
| 8 | Forward start period to be no more than 24 months <u>unless</u> there is a match with the expiry date of an existing swap of the same notional amount | | 5 swaps with start periods > 24 months forward all are matched with existing swaps | |
| 9 | <u>Counterparty credit risk - swaps</u> | | | |
| | NZ registered banks (each) | \$30m | | |
| | - ANZ / National | | \$0m | ✓ |
| | - ASB | | \$0m | ✓ |
| | - BNZ | | \$17.01m | ✓ |
| | - HSBC | | \$0m | ✓ |
| | - Westpac | | \$0m | ✓ |

10 Council's net external debt should be within the following fixed/floating interest rate risk control limits.:

| Debt period ending | \$m | Policy criteria | Actual | Within policy |
|--------------------|-----|-----------------|--------|---------------|
| Current | 80 | 50% - 100% | 122% | ✘ |
| Year 1 | 155 | 45% - 100% | 64.7% | ✓ |
| Year 2 | 210 | 40% - 95% | 53.6% | ✓ |
| Year 3 | 251 | 35% - 90% | 42.4% | ✓ |
| Year 4 | 285 | 30% - 85% | 39.1% | ✓ |
| Year 5 | 314 | 15% - 80% | 32.9% | ✓ |
| Year 6 | 342 | 0% - 75% | 23.7% | ✓ |
| Year 7 | 365 | 0% - 70% | 21.2% | ✓ |
| Year 8 | 371 | 0% - 65% | 18.0% | ✓ |
| Year 9 | 357 | 0% - 60% | 19.7% | ✓ |
| Year 10 | 345 | 0% - 55% | 0.0% | ✓ |

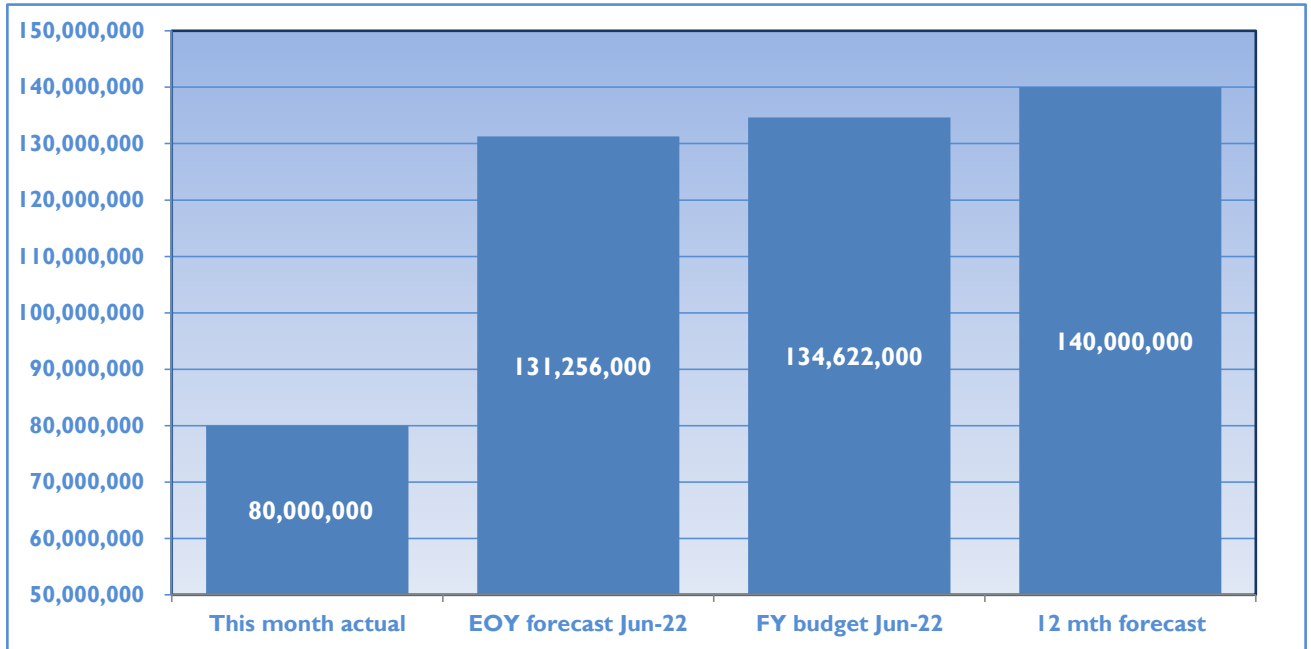


| | Policy criteria | Policy limit | Actual | Within policy? |
|----|---|--------------|--------|----------------|
| 11 | Debt affordability benchmark - limit on debt (actual debt <= limit on debt) | <= \$287.5m | \$80m | ✓ |
| 12 | Balanced budget benchmark (revenue / expenses) | >=100% | 108% | ✓ |
| 13 | Essential services benchmark (CAPEX / dep'n - infrastructure) | >=100% | 165% | ✓ |
| 14 | Debt servicing benchmark (borrowing costs / revenue) borrowing costs = | <15% | 2.8% | ✓ |

finance expenses per statement of comprehensive revenue and expense

15 Borrowing at October 2021

This graph depicts actual borrowing - LGFA plus bank (BNZ).



| | | | | |
|----|---|---------------|--------------|---|
| 16 | Actual monthly (gross) borrowing is within end-of-year budget | \$134,622,000 | \$80,000,000 | ✓ |
|----|---|---------------|--------------|---|

17 The maturity profile of the total committed funding in respect of all loans and committed facilities

| | | | |
|--------------|-----------|-----|---|
| 0 to 3 years | 15% - 60% | 53% | ✓ |
| 3 to 5 years | 15% - 60% | 26% | ✓ |
| 5 years plus | 10% - 40% | 21% | ✓ |

31-Oct-21 **Waikato District Council**

Committed Loan/Stock/Facilities/Investments \$109m
 Current External Debt \$78.6m
 Current Net Debt (ex pre-funding) \$63.2m

Policy Liquidity Ratio >= 110%
 Current Liquidity Ratio 139%
 12 month Peak Net \$155m

| 0 - 3 years | 3 - 5 years | 5 years plus |
|-------------|-------------|--------------|
| 15% - 60% | 15% - 60% | 10% - 40% |
| 53% | 26% | 21% |

Maturity Date Bucket

- Drawn Loans
- Commercial Paper
- Available
- Linked Deposits

| | | | |
|-----------|---|-----------------------------|----------------------|
| 18 | Financial assets \$'000 | | |
| | <i>Share investments held for strategic purposes</i> | | |
| | Local Authority Shared Services Limited | | 220 |
| | Waikato Regional Airport Limited | | 23,065 |
| | Strada Corporation Limited | | 700 |
| | Civic Financial Services Limited | | 40 |
| | <i>Investments held to reduce the current ratepayer burden</i> | | |
| | Community loans as below | | 31 |
| | <i>Short-term investments held for liquidity & working capital requirements</i> | | |
| | Bank & cash balances | | 1,170 |
| | Short-term bank deposits | | 11,300 |
| | Total investments | | \$25,226 |
| | For treasury purposes, LGFA borrower notes are netted off against related borrowing | | |
| 19 | Community loans | | |
| | Borrower | Current balance \$\$ | Maturity date |
| | Tamahere Hall Committee | 26,964 | Jun-22 |
| | Te Kowhai Hall Committee | 3,653 | Jun-22 |
| | | | } both at |
| | | | } 5.32% |
| | | <u>\$30,616</u> | |
| | | <u>\$30,616</u> | |
| | Policy criteria | Policy limit | Actual |
| | Within policy? | | |
| 20 | Counterparty credit risk - investments | | |
| | NZ Government | unlimited | \$0m |
| | NZD resistered supranationals | \$20m | \$0m |
| | LGFA | \$20m | \$1.359m |
| | NZ registered banks (each) | \$20m | |
| | - ANZ / National | | \$2.825m |
| | - ASB | | \$2.825m |
| | - BNZ | | \$2.825m |
| | - HSBC | | \$0m |
| | - Westpac | | \$2.825m |
| 21 | Counterparty credit risk - total | | |
| | NZ registered banks (each) | \$50m | |
| | - ANZ / National | | \$2.825m |
| | - ASB | | \$2.825m |
| | - BNZ | | \$19.835m |
| | - HSBC | | \$0m |
| | - Westpac | | \$2.825m |

Open Meeting

| | |
|---------------------------------|--|
| To | Strategy & Finance Committee |
| From | Roger MacCulloch General Manager Service Delivery |
| Date | 15 November 2021 |
| Prepared by | Megan May Community Connections Manager |
| Chief Executive Approved | Y |
| Reference # | S&F2021 |
| Report Title | Ruawaro Tennis Court Funding Solution |

I. EXECUTIVE SUMMARY

In 2017 the Ruawaro Tennis Courts were gifted to Waikato District Council (WDC) to preserve the site for use as a reserve for the benefit of current and future generations of the Ruawaro Community. This proposal was presented to the Infrastructure Committee and a recommendation was made to accept the ownership at nil cost.

At the time of this gifting, WDC were made aware of capital improvements that would likely be needed within the next 5 years to maintain the courts as usable assets. This included resurfacing of the courts and improvements to the car parks.

Since this time, no capital work has been completed at this site and there is insufficient funding in the current year's budget to undertake the work.

The purpose of this report is to seek approval to bring forward \$300,000 of funding from year 3 (2023-24) of the current Long-Term Plan (LTP) 2021-31 to undertake the required work at this site.

2. RECOMMENDATION

THAT \$300,000 of District Wide Parks and Reserves budget IRG-10000-C0-0000-0424 from year 3 (2023-24) of this LTP 2021-31, be made available to undertake the capital improvements at Ruawaro Tennis Courts in the current financial year 2021-22.

3. BACKGROUND

The Ruawaro Tennis Courts are situated adjacent to the Ruawaro Combined School on Bain Road Ruawaro. In the early 1990's, a classroom at the neighbouring school was constructed in such a position that it straddled the legal boundary of the school and tennis court sites.

The Ministry of Education arranged for the survey and subdivision of the site and the area with the classroom encroachment was transferred to the school.

The trustees of the private estate, generously offered to gift Council the ownership (at nil cost) the Ruawaro Tennis Club. This site accommodates two concrete based astroturf surfaced tennis courts, 4 floodlights, chain mesh fencing, and clubhouse. The clubhouse appears to have been constructed in such a position that it straddles the legal boundary, and partially encroaches onto the adjacent legal road.

In April 2017, a report was presented to the Infrastructure Committee and a resolution was made to accept this gift with the knowledge that capital improvements would be required within the next five years.

Since this time, the Ruawaro Tennis club have continued to maintain this site and pay for the grooming of the courts once per year. The Open Spaces team has also made a commitment to provide the same level of service, alternating with the club.

Staff have now been advised that the courts are at the end of their life and require resurfacing. This work was not budgeted for in the current year of the LTP and therefore staff are requesting for \$300,000 of budget from the District Wide Parks and Reserves renewal budget be shifted from year 3 (2023-24) to the current financial year 2021-22.

4. DISCUSSION AND ANALYSIS OF OPTIONS

4.1 DISCUSSION

A site visit has been completed from staff within the Project delivery team. They have identified the following and repairs which are required.

3m fencing

- 4 x sections of mesh to be replaced
- Bottom retaining wire rusty needs to be replaced
- 2 x Broken steel posts to repair or replace
- Reattach mesh to retaining wires
- Section of shade cloth to be replace (Help keep trees leaves off courts)
- Gates and fence general repairs
- All rust to be treated and sealed

Surface

- Ponding in two areas, check levels and fix
- New nets and goals
- Resurfacing of the courts

General

- Water blasting picnic area
- External 1.8m fencing repairs
- Water blast and painting building
- Re-hang entrance gate

It is planned that this work will be undertaken by HEB Construction who are currently contracted to undertake playground and minor works improvements. At this stage, this work has not been quoted and therefore the budget requirement is based on a staff estimate. This work does not include the renewal of the car park.

If there is surplus budget, additional minor capital renewals will be undertaken in the Huntly Ward which are currently unfunded.

4.2 OPTIONS

Option 1 Do not approve for the funding from year 3 of this LTP 2021-31 to be made available in the current financial year 2021-22 to undertake the improvements at Ruawaro Tennis Courts.

This option **is not** recommended as it will result in the asset becoming more degraded and potentially unusable in the coming years.

Option 2 Approve the funding from year 3 of this LTP 2021-31 to be made available in the current financial year 2021-22 to undertake the improvements at Ruawaro Tennis Courts.

This **is** the preferred option as it will get work completed before the asset degrades further, and would meet the intention of the gift which was to preserve the site for use as a reserve for the benefit of current and future generations of the Ruawaro Community

5. CONSIDERATION

5.1 FINANCIAL

In this LTP 2021-31, \$3,339,837 were earmarked for district wide renewals under project account code IRG-10000-C0-0000-0424 in year 3 (2023-24). This is partly funded by Parks & Reserves Replacement Fund (20%) and Internal Loans (80%).

Staff in Community Connections team have recommended Option 2.

Management Accountant has checked that Parks & Reserves Replacement Fund has capacity to fund this budget move; and that brought forward budget gets 20% funded by Parks & Reserves Replacement Fund and 80% be funded by Internal Loans in 2021-22.

Additional General Rate will be required to fund the loan interest payments (due to this project being 80% funded by Internal Loans).

Accordingly, as per our calculations, \$30,663.61 will be the generate rate impact in the first 3 years of this LTP 2021-31 i.e. \$10,464 for year 1, \$10,224.68 for year 2 and \$9,974.93 for year 3, to fund interest payments of this loan.

5.2 LEGAL

The proposed work is to be undertaken on a site which is owned and operated by Waikato District Council and therefore there are no legal concerns which would prevent this work being undertaken.

5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT

The Sports Park Reserve Management Plan was written prior to this asset being vested and therefore specific details are not included in this document.

The proposed improvements align with the Parks Strategy levels of service. This reserve is categorised as Sports and Recreation facilitating active recreation.

5.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

(Ascertain if the Significance & Engagement Policy is triggered or not and specify the level/s of engagement that will be required as per the table below (refer to the Policy for more detail and an explanation of each level of engagement):

| Highest levels of engagement | Inform <input checked="" type="checkbox"/> | Consult <input checked="" type="checkbox"/> | Involve <input checked="" type="checkbox"/> | Collaborate <input checked="" type="checkbox"/> | Empower <input checked="" type="checkbox"/> |
|---|--|--|--|--|--|
| <i>Tick the appropriate box/boxes and specify what it involves by providing a brief explanation of the tools which will be used to engage (refer to the project engagement plan if applicable).</i> | If funding is approved, the project team will meet with the members of the club to confirm exact details of project including surfacing type, painting and other improvements. | | | | |

State below which external stakeholders have been or will be engaged with:

| Planned | In Progress | Complete | |
|---------|-------------|----------|---|
| | | √ | Internal |
| √ | | | Community Boards/Community Committees |
| | | | Waikato-Tainui/Local iwi (provide evidence / description of engagement and response) |
| √ | | | Households |
| | | | Business |
| | | | Other Please Specify |

Consultation has not been completed with the Ruawaro Tennis Club and Community at this stage. If funding is approved, this will occur to ensure that the improvements meet the needs of the community.

6. CONCLUSION

To meet the commitments made by Council and provide a good level of service to the Ruawaro Community, staff have requested for \$300,000 to be brought forward from year 3 (2023-24) to this current financial year 2021-22 of this LTP to undertake improvement work at Ruawaro Tennis Courts.

If funding is approved, this work will be undertaken by HEB contracting.

7. ATTACHMENTS

N/A

Open Meeting

| | |
|---------------------------------|--|
| To | Strategy and Finance Committee |
| From | Alison Diaz Chief Financial Officer |
| Date | 16 November 2021 |
| Prepared by | Colin Bailey Finance Manager |
| Chief Executive Approved | Y |
| Reference # | GOV1318 |
| Report Title | Recovery of Pokeno and Tuakau Water and Wastewater Service Connection and Authorisation Fees |

I. EXECUTIVE SUMMARY

This report recommends an amendment to the 2021/24 Fees and Charges to include water and wastewater service connection and authorisations fees in Pokeno and Tuakau as follows:

| Description | Charge 2021/2022 (\$ (incl. GST) | Charge 2022/2023 (\$ (incl. GST) | Charge 2023/2024 (\$ (incl. GST) |
|---|--|--|--|
| Pokeno and Tuakau service connection and authorisation fee - Water | \$2,666.72 | \$2,880.00 | \$3,110.00 |
| Pokeno and Tuakau service connection and authorisation fee - Wastewater | \$4,016.00 | \$4,337.00 | \$4,684.00 |

In 2014 Council pre-purchased wastewater Infrastructure Growth Charges (IGCs) from Watercare Services Limited (WSL), allowing Pokeno and Tuakau properties to connect to WSL's treatment infrastructure via Council's conveyancing network. The pre-purchase was capitalised and amortised by usage. This mechanism secured certainty of pricing to support approximately 2,000 new homes in the north of the district. These charges were recouped through development contributions.

The cost of the pre-purchased IGCs were almost fully amortised in the 2020/21 financial year. Watercare has declined to consider a new pre-purchase arrangement until they have completed their assessment of the increased capacity needed across their network. Council therefore needs to purchase IGCs as new connections are added in Pokeno and Tuakau. These costs cannot be recovered by way development contributions because they cannot be treated as capital expenditure, and they are not included in the 2021/24 Fees and Charges adopted in June 2021.

2. RECOMMENDATION

THAT the Strategy & Finance Committee recommend that Council approves the inclusion of the Pokeno and Tuakau water and wastewater service connection and authorisations fees as follows:

Pokeno and Tuakau Service Connection and Authorisation Fees

The purpose of the service connection and authorisation fees is to recover the costs of connections to the water and wastewater treatment infrastructure from those persons undertaking development that the costs relate to.

| Description | Charge 2021/2022 (\$ (incl. GST) | Charge 2022/2023 (\$ (incl. GST) | Charge 2023/2024 (\$ (incl. GST) |
|--|---|---|---|
| Pokeno and Tuakau service connection and authorisation fee - Water | \$2,666.72 | \$2,880.00 | \$3,110.00 |
| Pokeno and Tuakau service connection and authorisation fee - Wastewater | \$4,016.00 | \$4,337.00 | \$4,684.00 |

3. BACKGROUND

Pokeno and Tuakau water and wastewater is supplied and/or processed by WSL infrastructure that is connected to Council's conveyancing networks at the boundaries of the two districts. IGCs guarantee supply and processing capacity for properties connecting to the services and are charged on a per Household Equivalent Unit (HEU) basis.

Council and WSL entered into an agreement in 2014 to pre-purchase wastewater IGCs for Pokeno and Tuakau. This allowed Council to lock in the costs for developers while providing an upfront contribution for WSL infrastructure. Until 30 June 2021 Council recovered the cost of the IGCs by including them in development contributions. The cost of the pre-phased IGCs was initially capitalised and amortised by usage.

The pre-purchased IGCs have been almost fully utilised. Approaches were made to WSL regarding another pre-purchase arrangement however WSL declined because they have not completed a study to determine their long term capacity requirements for the areas serviced by the relevant infrastructure. It is not known when this study will be completed.

The cost of future IGCs has been included as operating costs in the LTP 2021/31. These costs cannot be capitalised because Council has not incurred 'capital expenditure' as defined by section 199(1) of the Local Government Act 2002. Therefore, these costs have not been included in the Development Contribution Fees adopted by Council in June 2021.

4. FINANCIAL LOSSES

In the 2021/22 financial year to date, Council has not invoiced any water or wastewater development contributions for Pokeno or Tuakau. However, development contributions have been assessed and advised to developers for six water connections and four wastewater connections. This amounts to a potential loss to date of \$27,882. Development contributions continue to be assessed.

5. LEGAL

Legal opinion has been received confirming the nature of the future IGC costs (opex, not capex) and the need to inform stakeholders before introducing a new fee and charge of this nature and magnitude. The fee and charge must be communicated as an actual cost to Council that it must pay in respect of each connection. In the event of push-back from developers Council will need to be able to explain how those charges are arrived at and the extent to which they represent the actual charge WSL imposes a charge on Council.

6. ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

The quantum and nature of the IGC costs requires Council to inform external stakeholders as soon as possible.

There is a statutory requirement to undertake public consultation in accordance with Section 93A of the Local Government Act 2002.

| Highest levels of engagement | Inform | Consult | Involve | Collaborate | Empower |
|---|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Public consultation and engagement approach outlined above in the report. | | | | | |

7. ATTACHMENT

Nil

Open Meeting

| | |
|---------------------------------|--|
| To | Strategy and Finance Committee |
| From | Sue O’Gorman General Manager Customer Support |
| Date | 17 November 2021 |
| Prepared by | Brian Cathro – Customer Delivery Manager |
| Chief Executive Approved | Y |
| Reference # | ECM #3295768 |
| Report Title | Library Agreement with Hamilton City Council |

I. EXECUTIVE SUMMARY

The purpose of this report is to inform Councillors that:

- We have signed an extension to our agreement with Hamilton City Council (HCC), to enable residents of Waikato District Council (WDC), within an eligible zone, free membership at HCC Libraries in lieu of local library services.
- The new contract takes us through to 30 June 2024 - the end of the current Long Term Plan period.
- We have agreed to an amended price based on increased uptake by our residents.
- The contracted amount for this agreement is now \$245,303.82 plus GST per annum.
- An amount was budgeted for in the LTP to cover this increase.

2. RECOMMENDATION

THAT the report, Library Agreement with Hamilton City Council, be noted.

3. BACKGROUND INFORMATION

WDC and HCC have a long-standing relationship through which Waikato District residents and rate payers gain access to HCC libraries, their collections and services.

The previous agreement was that WDC would pay \$199,235 plus GST per annum for this access.

This fee was based on 12.5% of the total eligible population (or 2,864 individuals) holding active membership.

Should active membership increase by 15% above the baseline (2,864) then a review of the fee payable was to occur.

SUMMARY OF USAGE AT JULY 2021.

In the last financial year, WDC customers gained access to:

- Print collections total: 348,271
- eCollections total: 33,618
- Database total: 10
- Programmed events total: 904

3,526 WDC residents from within the eligible zoning, are active registered users of the HCC library service. These users made up 8.92% of the libraries' active borrowers. This is a 23.11% increase on the baseline.

For the reporting period, WDC borrowers borrowed 73,940 print items and placed 7,489 reservations (both physically and via the web). This equates to 21.23% of HCL's print issues.

Just over half of the items issued were from the Junior (36,684) and Young Adult (3,484) collections, with the remainder made up of issues from the various adult collections.

KEY CHANGES IN TERMS

Both parties have agreed to investigate a regional library service and jointly complete a feasibility study, including the costs/benefits and financial considerations for such a shared service. This study has been attempted previously (lead by WDC), and primarily failed to progress due to a lack of buy-in from other parties.

We have removed the the clause to trigger a price review based on increased usage.

RATIONALE FOR DECISION TO AGREE TO NEW CONTRACT AND PRICE

Given the current trend of increased usage and likelihood of further price triggers, financial certainty was deemed desirable to remain within existing budgets for this LTP period. Signing a new contract with the removal of the price trigger is deemed a good outcome in this respect.

As per our current library strategy, seeking partnership with HCC for provision of library services remains our preferred approach over establishing libraries in southern areas of our district. For context, to operate a moderately sized library (like Te Kauwhata) requires annual funding of approx. \$500,000.

Providing library services to over 20,000 residents at the contracted price is deemed significant value for money.

Open Meeting

| | |
|---------------------------------|--|
| To | Strategy & Finance Committee |
| From | Alison Diaz Chief Financial Officer |
| Date | 15 November 2021 |
| Prepared by | Melissa Russo Corporate Planning Team Leader Colin Bailey Finance Manager |
| Chief Executive Approved | Y |
| Reference # | GOV1318 / ECM 3298309 |
| Report Title | Annual Plan 2022/23 Assumptions |

I. EXECUTIVE SUMMARY

This report is to inform the Committee of the key assumptions as contained in the Long Term Plan 2021-31 (LTP) for year 2 as well as key project dates.

The timeline allows for formal consultation; however, consultation and related hearings would only proceed if Significance & Engagement Policy thresholds require it.

The key assumptions are focused on the following areas:

- a. Proposed Ohinewai development – infrastructure funding for 2023/24
- b. Delivery of capital works programme
 - o Delay in delivery of programme
 - o Upgrade to Huntly Wastewater Treatment Plant
- c. Solid Waste
 - o Raglan food waste targeted rate
 - o Charging of Northern area wheelie bins
 - o Leasing of Huntly resource recovery centre
- d. Waka Kotahi NZTA (New Zealand Transport Agency) subsidy changes
- e. Requests for additional resourcing – planned roles and additional requests to be offset with savings
- f. Higher than anticipated rates revenue due to higher property capital values.
- g. Significance and engagement – no formal Annual Plan consultation

2. RECOMMENDATION

THAT the report, Annual Plan 2022/23 Assumptions, be noted.

3. DISCUSSION

Assumptions

Year 2 of the LTP has been used as the starting position for the Annual Plan 2022/23. Staff have not yet identified any significant changes to that which has been planned for in the LTP. In planning for the Annual Plan 2022/23, the following assumptions have been made:

Growth projections

Council adopted updated growth projections in September 2021. Although the population data is similar, the Household Equivalent Unit (HEU) projection is lower than that included in the 2020 growth projections included in the 2021-31 LTP. As year 2 of the LTP is being used as a starting point, the assumption has been made that those same growth projections will be used (2020 growth projections). If the 2021 growth projections were used for the Annual Plan 2022/23, this may trigger an LTP amendment.

| | Actual | LTP | | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2021/2022 | 2022/2023 | 2023/2024 | 2024/2025 | 2025/2026 | 2026/2027 | 2027/2028 | 2028/2029 | 2029/2030 | 2030/2031 |
| LTP HEU year on year growth | 1,005 | 762 | 764 | 736 | 758 | 752 | 752 | 734 | 718 | 712 |
| Adopted Sept. 2021 HEU year on year growth | 943 | 595 | 600 | 597 | 599 | 506 | 514 | 510 | 511 | 511 |

Offsetting any potential negative funding impact in 2022/23 is higher than planned rates revenue in 2021/22 from higher-than-expected property capital values.

| | Actual | LTP | | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| | 2021/2022 | 2022/2023 | 2023/2024 | 2024/2025 | 2025/2026 | 2026/2027 | 2027/2028 | 2028/2029 | 2029/2030 | 2030/2031 |
| LTP general rate income | 72,593,575 | 75,925,959 | 79,318,400 | 82,849,522 | 86,097,617 | 89,457,566 | 92,922,027 | 95,959,671 | 99,232,988 | 102,767,569 |
| General rate income using adopted HEU growth | 73,648,213 | 77,770,677 | 80,880,214 | 84,055,454 | 86,694,414 | 89,429,204 | 92,269,413 | 94,718,992 | 97,398,495 | 100,348,600 |
| General Rate (surplus) deficit | -1,054,638 | -1,844,718 | -1,561,814 | -1,205,932 | -596,797 | 28,362 | 652,614 | 1,240,679 | 1,834,493 | 2,418,969 |

The impacts of targeted rate funding have not yet been assessed. It is considered these will not be material.

Proposed Ohinewai development

The assumption is if this development goes ahead, infrastructure requirements and therefore funding will not be needed until 2023/24.

Delivery of capital works programme

- a. The 2021/22 capital works programme of \$101 million is unlikely to be delivered, resulting in lower borrowing costs in 2022/23. The impact of this is not yet quantified

- b. Discussion is taking place regarding bringing forward the Huntly Wastewater Treatment Plant upgrade from 2025/28 due to:
- The likelihood of an abatement notice being issued from the Waikato Regional Council.
 - Additional capacity required for the Ohinewai development

The possible early commencement date for this work is not yet known. It is unlikely this will have an impact on targeted rates or debt capacity provided other capex projects are deferred.

Solid Waste

- a. Raglan food waste collection

Council funded this service in 2021/22. Those affected by the service will be consulted with directly on targeted rate impacts.

- b. Huntly resource recovery centre

The Huntly resource recovery centre will now be a leased facility. This will reduce capital budgets, related depreciation, and loan repayment costs. These adjustments along with the cost of the lease will need to be factored into the targeted rate.

Any impact on the targeted rate amount is yet to be determined.

Waka Kotahi NZTA funding changes

Waka Kotahi have finalised the subsidy programme for 2021-2024 which differs to that presented in the LTP. The detailed changes are being worked through currently and will be presented to Council this calendar year. These changes will be reflected in the Annual Plan.

The assumption is that work programmes will maximise subsidy available.

Water

- a. Hamilton Metro Wastewater business case

The land for a future southern sub-regional wastewater treatment plant needs to be secured. Council has been asked to include the proportionate share of this cost upfront. The LTP does not include a provision for this purchase and unless the arrangement allowed for the expenditure to be capitalised the exact mechanism of funding would be challenging. More work/discussion is required.

- b. Backflow devices

We are currently not meeting a water related standard regarding inspection and repair of backflow devices (of which we have approx. 4,000 devices).

As these devices are part of Council's network, a targeted rate is being considered to fund the inspection and repair of devices. Any increase in the targeted rate will be over and above what was allowed for in year 2 of the LTP.

Further work will need to be undertaken to better understand the cost implications and whether this will trigger the Significance and Engagement Policy.

Requests for additional resourcing

Approximately \$1 million is available via reserve to support un-budgeted roles required in 2021/22. Once filled, these roles will be included in the Annual Plan 2022/23.

- a. The new roles mentioned above will be funded from the reserve at an estimated cost of \$623,000
- b. Halls Officer (24-month fixed term) to be funded in 2022/23 by an administration charge to the hall committees that some committees may wish to recover by increasing targeted rates.

Staff have assumed that any further requests for additional resourcing (both staff and budget) will be supported by a business case and include how the increase in costs will be offset by savings or additional revenue.

Higher than anticipated rates revenue

For the 2021/22 year, we have received higher than anticipated general rates. The amount is uncertain given the impact of district valuation objections and the changes to rating of Māori Freehold Land have not been fully determined. The final valuation objection data will be available at the end of November.

Significance and engagement

Feedback has been sought from managers of any changes that would be likely to trigger the Significance and Engagement Policy. To date, no significant changes have been identified, therefore, the assumption has been made that we will not be consulting on the Annual Plan 2022/23 however staff acknowledge that further work will need to be completed to confirm this position.

There may be other items that will require consultation outside of the Annual Plan process that may have an impact on rates i.e., Raglan food waste collection.

Timeline

The table below includes a high-level timeline including an allowance for consultation. If consultation on the Annual Plan is not needed, the final adoption of the Annual Plan will follow the same process and timings to ensure our rating data is as up to date as possible.

| Task/Action | Date |
|--|---------------|
| Workshop issues and *consultation items | February 2022 |
| Report to Strategy & Finance to adopt *Consultation Document | 30 March 2022 |

| | |
|---|----------------------|
| *Consultation | 6 April – 6 May 2022 |
| *Hearing and Deliberations | W/o 30 May 2022 |
| Report to Strategy & Finance on Annual Plan | 22 June 2022 |
| Council meeting to adopt Annual Plan | 27 June 2022 |

*If required by Significance & Engagement Policy

4. CONCLUSION

Work has begun on developing the Annual Plan 2022/23 and, as yet staff have not identified anything that will trigger the need to consult; however more work needs to be done to confirm this position.

Open Meeting

| | |
|---------------------------------|--|
| To | Strategy & Finance Committee |
| From | Gavin Ion Chief Executive |
| Date | 22 November 2021 |
| Prepared by | Matthew Horsfield Democracy Advisor |
| Chief Executive Approved | Y |
| Reference # | GOV1318 |
| Report Title | Exclusion of the Public |

I. 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:

| General subject of each matter to be considered | Reason for passing this resolution in relation to each matter | Ground(s) under section 48(1) for the passing of this resolution |
|---|--|--|
| Item number 1 – Confirmation of Public Excluded Minutes | Good reason to withhold exists under Section 7 Local Government Official Information and Meetings Act 1987 | Section 48(1)(a) |

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

| Item No. | Section | Interest |
|---------------------------|---------|--|
| Item Confirmation Minutes | I of | Refer to the previous Public Excluded reason in the agenda for this meeting. |