

**FINANCE/PERFORMANCE
COMMITTEE MEETING**

ORDER PAPER

THURSDAY, 30 July 2020, 10.30am

Council Chamber, Rangitīkei District Council
46 High Street, Marton

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Chair - Councillor Nigel Belsham

Deputy Chair – Councillor Fi Dalgety

Membership

Councillors Cath Ash, Brian Carter, Angus Gordon, Tracey Hiroa, Waru Panapa and Dave Wilson.

His Worship the Mayor, Andy Watson

Please Note: Items in this agenda may be subject to amendments or withdrawal at the meeting. It is recommended therefore that items not be reported upon until after adoption by the Council. Reporters who do not attend the meeting are requested to seek confirmation of the agenda material or proceedings of the meeting from the Chief Executive prior to any media reports being filed.

Making this place home.



Rangitikei District Council

Finance and Performance Committee Meeting

Agenda – Thursday 30 July 2020 – 10:30 a.m.

Contents

1	Welcome	2	
2	Council Prayer	2	
3	Public Forum	2	
4	Apologies/Leave of Absence	2	
5	Members' Conflict of Interest.....	2	<i>Agenda note</i>
6	Confirmation of order of business	2	<i>Agenda note</i>
7	Confirmation of minutes	2	Attachment 1, pages 5-11
8	Chair's Report	2	<i>Verbal update</i>
9	Debt Management Central Dashboard MWLASS and Rangitikei District Council...2		Attachment 2, pages 12-14
10	Altered basis for valuing unsealed roads	3	<i>To be tabled</i>
11	Draft Financial Snapshot – June 2020	3	Attachment 3, pages 15-20
12	Property Sales – Annual Report 1 July 2019 – 30 June 2020	3	Attachment 4, pages 21-27
13	Late Items.....	3	<i>Agenda note</i>
14	Future Items for the Agenda.....	3	<i>Agenda note</i>
15	Next Meeting	3	<i>Agenda note</i>
16	Meeting Closed	3	

The quorum for the Finance and Performance Committee is 5.

Council's Standing Orders (adopted 31 October 2019) 11.2 provide: The quorum for Council committees and sub-committees is as for Council, i.e. half the number of members if the number of members (including vacancies) is even or a majority if the number of members is odd.

1 Welcome

2 Council Prayer

3 Public Forum

4 Apologies/Leave of Absence

5 Members' Conflict of Interest

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of items on this agenda.

6 Confirmation of order of business

That, taking into account the explanation provided why the item is not on the meeting agenda and why the discussion of the item cannot be delayed until a subsequent meeting, be dealt with as a late item at this meeting.

7 Confirmation of minutes

The minutes from the Finance/Performance Committee meeting held 27 February 2020 are attached.

Recommendation:

That the Minutes of the Finance/Performance Committee meeting held on 27 February 2020 [as amended/without amendment] be taken as read and verified as an accurate and correct record of the meeting.

8 Chair's Report

A verbal report will be provided at the meeting.

File ref: 3-CT-14-1

Recommendation:

That the verbal 'Chair's Report' to the 30 July 2020 Finance/Performance Committee meeting be received.

9 Debt Management Central Dashboard MWLASS and Rangitikei District Council

A report is attached.

Recommendation:

That the report 'Debt Management Central Dashboard MWLASS and Rangitikei District Council' to the 30 July 2020 Finance/Performance Committee meeting be received.

10 Altered basis for valuing unsealed roads

A report will be tabled at the meeting.

Recommendation:

That the tabled report 'Altered basis for valuing unsealed roads' to the 30 July 2020 Finance/Performance Committee meeting be received.

11 Draft Financial Snapshot – June 2020

A memorandum is attached.

Recommendation:

That the memorandum 'Draft Financial Snapshot - June 2020' to the 30 July 2020 Finance/Performance Committee meeting be received.

12 Property Sales – Annual Report 1 July 2019 – 30 June 2020

A report is attached.

Recommendation:

That the report 'Property Sales – Annual Report 1 July 2019 – 30 June 2020' to the 30 July 2020 Finance/Performance Committee meeting be received.

13 Late Items

As agreed at item 6.

14 Future Items for the Agenda

Options for depreciation on new assets

15 Next Meeting

Thursday 27 August 2020, 9.30am

16 Meeting Closed

Attachment 1



Rangitikei District Council

Finance and Performance Committee Meeting

Minutes – Thursday 27 February 2020 – 10:30 a.m.

Contents

1	Welcome	3
2	Public Forum	3
3	Apologies/Leave of Absence	3
4	Members' Conflict of Interest.....	3
5	Confirmation of order of business	3
6	Confirmation of minutes	3
7	Chair's Report	4
8	Terms of Reference	4
9	Financial Snapshot - January 2020.....	4
10	Property Sales – Annual Report 1 January - December 2019	4
11	Customer Experience Strategy.....	5
12	Information Services Strategic Plan	5
13	Late Items.....	5
14	Future Items for the Agenda.....	6
15	Next Meeting	6
16	Meeting Closed	6

Present: Cr Nigel Belsham (Chair)
Cr Fiona Dalgety
Cr Cath Ash
Cr Brian Carter
Cr Angus Gordon
Cr Tracey Hiroa
Cr Dave Wilson
His Worship the Mayor, Andy Watson

In attendance: Mr Peter Beggs, Chief Executive
Mr Michael Hodder, Community & Regulatory Services Group Manager
Ms Jo Devine, Group Manager – Finance and Business Support
Ms Carol Gordon, Manager – Executive Office
Ms Nardia Gower, Strategy and Community Planning Manager
Ms Bonnie Clayton, Governance Administrator

Unconfirmed

1 Welcome

Cr Belsham welcomed everyone to the meeting at 11.07am.

Due to the meeting commencing more than 15 minutes from its scheduled start time, the Committee was required to move a recommendation to accept the meeting start at a later time.

Resolved minute number **20/FPE/001** **File Ref**

That the Finance/Performance Committee formally accepts the late commencement of the meeting, noting that no members of the public were present or have been affected with this decision.

His Worship the Mayor/Cr Carter. Carried

2 Public Forum

Nil

3 Apologies/Leave of Absence

That the apology for absence of Councillor Panapa be received and the apology for lateness for Cr Gordon be received.

Cr Wilson/Cr Hiroa. Carried

4 Members' Conflict of Interest

Members were reminded of their obligation to declare any conflicts of interest they might have in respect of items on this agenda.

There were no conflicts declared.

5 Confirmation of order of business

The order of business was confirmed, there were no late items.

6 Confirmation of minutes

Resolved minute number **20/FPE/002** **File Ref**

That the Minutes of the Finance/Performance Committee meeting held on 12 December 2019 without amendment be taken as read and verified as an accurate and correct record of the meeting.

Cr Wilson/Cr Carter. Carried

7 Chair's Report

The Chairs report was taken as read. Cr Belsham thanked Cr Dalgety for taking on the Deputy Chair position.

Resolved minute number **20/FPE/003** **File Ref**

That the 'Chair's Report' to the 27 February 2020 Finance/Performance Committee meeting be received.

Cr Belsham/Cr Wilson. Carried

8 Terms of Reference

The revised Terms of Reference were taken as read.

Resolved minute number **20/FPE/004** **File Ref**

That the 'Terms of Reference' for the Finance/Performance Committee in the 2019-22 triennium be reviewed and confirmed.

Cr Dalgety/Cr Hiroa. Carried

9 Financial Snapshot - January 2020

Ms Devine spoke to the memorandum, highlighting the following:

- Subsidies and Grants are under budget
- Personnel costs are above budget due to the following – transition to a new Chief Executive, increase in regulatory resources with the demand for consents
- Behind in capital spend, though in a better position now
- Currently investigating materials to establish the most effective method for re-roofing and insulating Marton and Taihape Swim Centres
- Council has not drawn down any debt in the 2019/20 financial year

Cr Gordon arrived 11.23am.

Resolved minute number **20/FPE/005** **File Ref**

That the 'Financial Snapshot - January 2020' to the 27 February 2020 Finance/Performance Committee meeting be received.

Cr Wilson/Cr Carter. Carried

10 Property Sales – Annual Report 1 January - December 2019

Ms Devine spoke to her report, with an annual perspective and a quarterly report. She noted a large increase with the urban sector now dominating over the rural sector.

Resolved minute number **20/FPE/006** **File Ref**

That the 'Property Sales – Annual Report 1 January - December 2019' to the 27 February 2020 Finance/Performance Committee meeting be received.

Cr Carter/His Worship the Mayor. Carried

11 Customer Experience Strategy

Ms Devine provided a brief background on the Information Services Strategic Plan and how it had moved beyond an internal focus. The analysis identified the need to look through the customer's eyes and how customers want to interact with Council, noting this is via multiple channels. The Customer Experience Strategy and the Information Services Strategic Plan were complementary.

After engaging with staff and holding workshops, there was now greater clarity on why customers come to Council. Implementation of both strategies are about to commence.

The Committee briefly discussed LIMs (Land Information Memoranda) and the implications of including information about hazards, including liquefaction and seismic faults. LIMs and building consents had been identified for electronic provision.

Resolved minute number **20/FPE/007** **File Ref**

That the 'Customer Experience Strategy' to the 27 February 2020 Finance/Performance Committee meeting be received.

Cr Ash/Cr Carter. Carried

12 Information Services Strategic Plan

The report was discussed in item 11.

Resolved minute number **20/FPE/008** **File Ref**

That the 'Information Services Strategic Plan' to the 27 February 2020 Finance/Performance Committee meeting be received.

His Worship the Mayor/Cr Ash. Carried

13 Late Items

As agreed at item 6.

14 Future Items for the Agenda

Rates of depreciation for new assets

Debt ratios (benchmarks)

15 Next Meeting

Thursday 26 March 2020, 9.30am

16 Meeting Closed

11.56am.

Confirmed/Chair: _____

Date:

Unconfirmed

Attachment 2

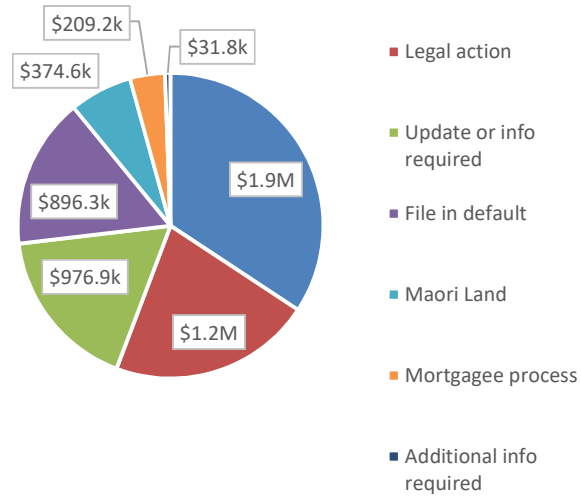
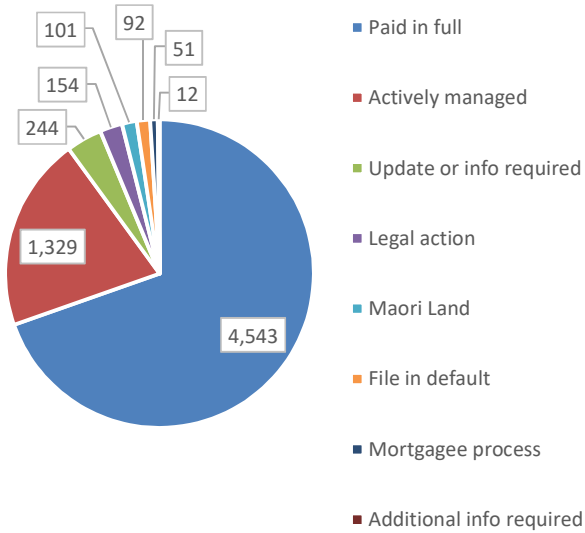
Dashboard

30-Jun-20



Summary of active files - \$5.6 M

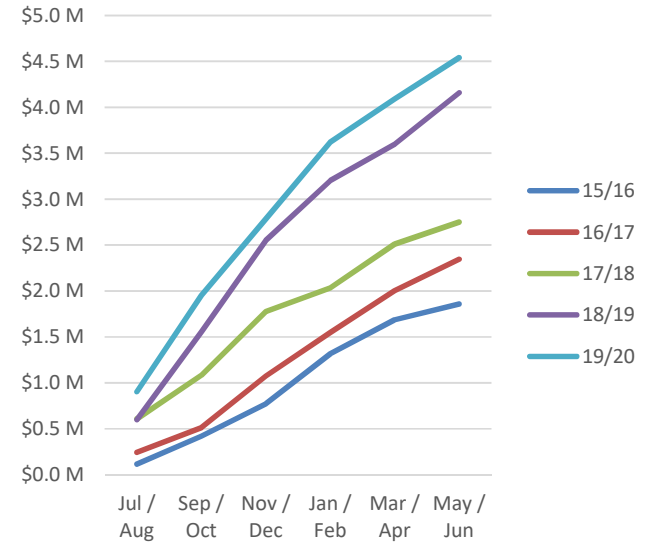
Summary of all files - 6,526



MW LASS

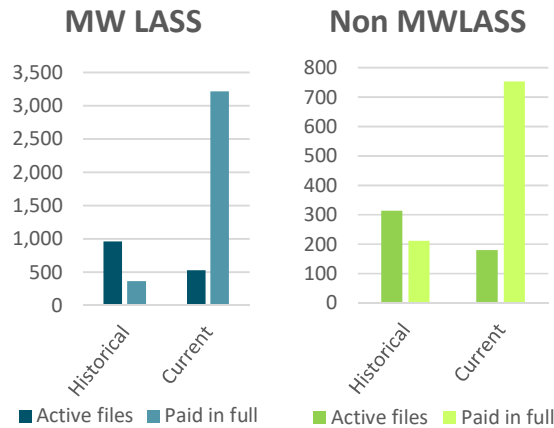
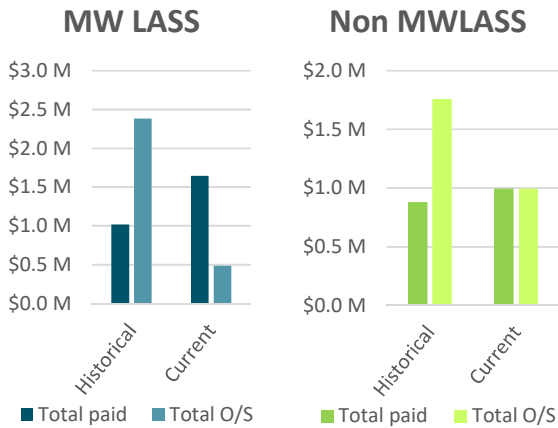
Total collected YTD - \$4.5 M

Payment Comparison



Debt Overview

File Overview



Comments:

\$4.54M was collected this year and this was up \$380k on the previous year. This is an excellent result considering the COVID 19 disruption.

4,515 new debts were lodged this year totalling \$4.07M; 3,940 files have been paid in full totalling \$2.5M. 1,848 files were carried forward and 573 have been paid in full, totalling \$1.5M.

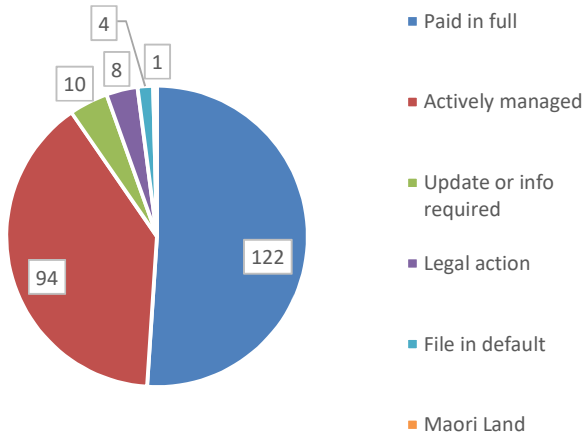
194 legal files are being managed and payments of \$602k can be attributed to these files.

Revenue reduced by approximately \$60k as a result of the reduced mortgage fee, this resulted in savings of \$30k for the member councils who use this service.

Dashboard

30-Jun-20

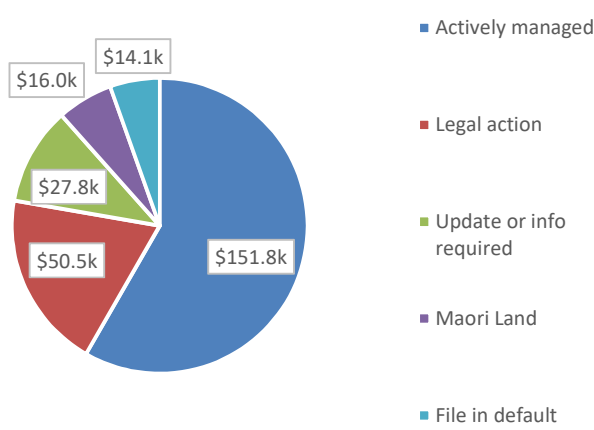
Summary of all files **239**



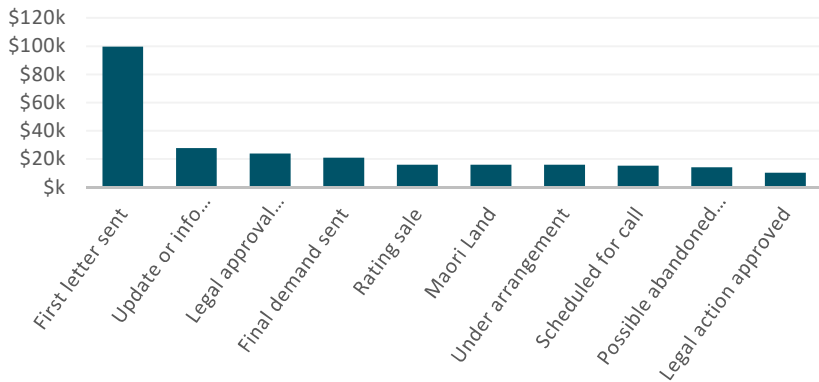
Debt Type (All)



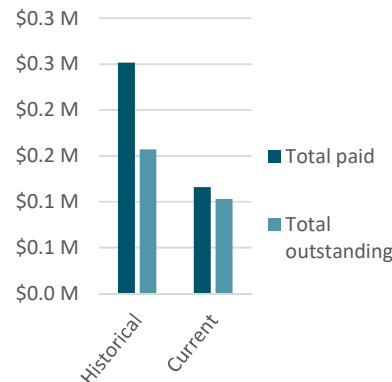
Summary of active \$ **260.2k**



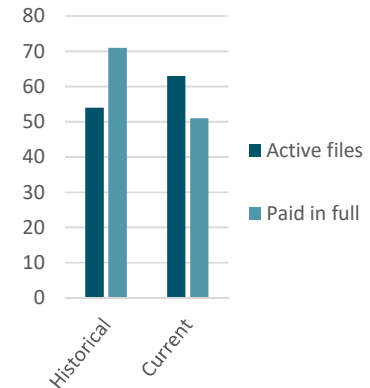
Status of active files



Debt Overview



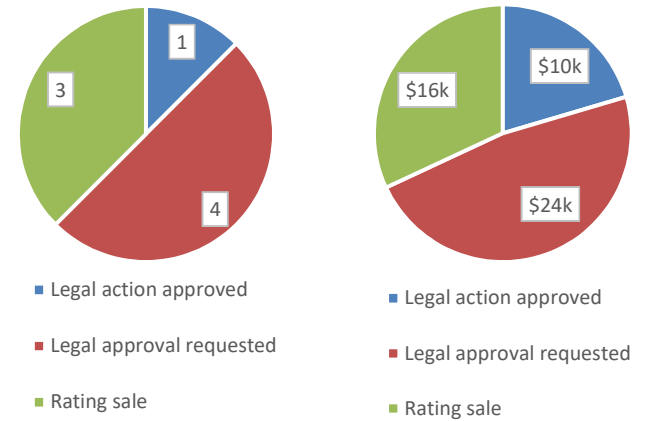
File Overview



Rangitikei District Council

Total collected YTD - \$ **367.5k**

Summary of legal files



Attachment 3

MEMORANDUM

TO: Finance & Performance Committee

COPIES: Council

FROM: Jo Devine

DATE: 23 July 2020

SUBJECT: **Draft Financial Snapshot – June 2020**

FILE:

Attachments: Draft Activity Performance Report for the 12 Months Ended 30 June 2020
Draft Capital Expenditure Report for the 12 Months Ended 30 June 2020

Draft Activity Performance Report

1. This is a draft financial report, and has been produced before audit completion.
2. Rates revenue is \$23.040 million for the year, which is 2% above the budget of \$22.531 million. The variance of \$0.509 million predominantly relates to a \$0.355 million increase in rate penalty revenue and an increase of \$0.081 million from metered water charges.
3. Subsidies and Grants is below budget by \$3.721 million. Explanations for this include:
 - a. Roading revenue for the year is \$8.231 million versus a budget of \$10.073 million, a variance of \$1.842 million reflected in the timing of capital expenditure, which is discussed later in this report.
 - b. Halls revenue for the year is \$0.800 million versus a budget of \$1.832 million, a variance of \$1.032 million. This relates to revenue to assist with the funding of the Bulls Community Centre. The full year budget provided for revenue from the sale of land and property in Bulls these are now forecasted for mid to late 2020 so have been carried over to the next financial year.
 - c. Domains full year budget included \$0.204 million of capital contributions for the Taihape Amenity Block, this revenue has been carried over as part of the Annual Plan 2020/21 process.
 - d. Water Supply Hunterville Urban had a full year budget for Capital Subsidies of \$0.404 million, relating to the New Treatment Bore. Investigations are continuing as to which financial year this revenue will apply to.

4. Other revenue year to date is \$3.801 million against a budget of \$3.030 million, which is above budget by \$0.771 million. This is the result of increased revenue from User Fees and Charges collected through: building consents which were \$0.061 million above budget; resource consents which were \$0.066 million above budget; and waste transfer stations which were \$0.070 million above budget. There was also increased revenue from Petrol Tax which was \$0.118 above budget; and Rental revenue from all the Council's investment properties were up by \$0.181 million. The Waste Transfer Stations and Community Housing also experienced a corresponding increase in expenses which is discussed later in this report.
5. Personnel costs for the full year were \$4.624 million against a budget of \$4.417 million, a variance of \$0.207 million. This variance relates to the following: timing of the transition to a new Chief Executive; increase in regulatory resources due to the increase in demand for consents; economic development was budgeted as operating expenditure while a portion was staff costs; and as part of the annual remuneration process, salaries were reviewed to ensure they were consistent with market for a rural regional local authority.
6. Other expenses came to \$18.500 million for the year, which is 3% over the budget of \$17.880 million. This \$0.620 million variance relates to increased costs for both the Waste Transfer and Community Housing, which saw increase of \$0.090 million and \$0.080 million respectively. Both of these areas saw a corresponding increase in revenue as described previously. There was also an increase in District Planning expenditure of \$0.100 million from resource consents and lawyer fees; and a \$0.389 million increase in expenses for emergency Roding works.
7. Depreciation and amortisation for the full year is \$12.139 million, compared to a budget of \$10.783 million, giving a 13% variance over budget. This variance is a direct result of the depreciation impact of the revaluation of Three Waters and Roding assets by \$86 million as at 30 June 2019 as part of the annual reporting process. This revaluation was required to be carried out a year earlier than forecasted due to the significant movement in asset values

Draft Capital Expenditure Report

8. Capital expenditure is \$14.642 million compared to a full year budget of \$29.679 million. This is 51% below budget.
9. The major areas below budget are:
 - a. Roding and Footpaths variance of \$3.891 million predominately relates to the construction of the Mangaweka Bridge, which has been carried forward to the 2020-21 financial year.
 - b. Water supply variance of \$4.087 million relates to renewals at the Bulls Reservoir, the Marton Dam, the Tuatenui Trunk and Erewhon. The Bulls Reservoir is a multiple year project and the Marton Dam will have a permanent solution finalised in 2020/21, so both have had their remaining budget carried forward. The Tuatenui Trunk project continues negotiations with Kiwi Rail and is scheduled to be completed in 2020/21. Work at Erewhon was delayed until summer due to weather health and safety concerns and the budget has been carried forward to 2020/21.

- c. Sewerage variance of \$3.230 million predominately relates to: timing for the acquisition of land for the Marton to Bulls pipeline; and the Hautapo wastewater renewal which was delayed due to Covid-19. The joint remaining budget of \$3.000 million has been carried forward to 2020/21.
- d. Domains variance of \$1.480 million predominately relates to the Taihape Memorial Park amenities block. This funding has been carried forward to 2020/21.
- e. Storm water variance of \$0.734 million relates to reticulation renewals in Wellington Road and at Scott's Ferry, and level of service reticulation. Wellington Road and the level of service reticulation are both multiple year projects, whilst the Scott's Ferry project is waiting on grant applications. Remaining budgets have been carried forward to 2020/21.
- f. Swim Centres variance of \$0.585 million predominately relates to the re-roofing and insulation of the Marton and Taihape Swim Centres. Delays due to Covid-19 has resulted in the work being carried forward to 2020/21.
- g. Waste Transfer variance of \$0.490 million directly relates to Putorino remediation.
- h. Public Toilets variance of \$0.156 million relates to the Memorial Park Toilet, which has been carried forward to 2020/21.
- i. Fleet Management variance of \$0.350 million relates to the timing of vehicle replacement, as lower than predicted use of the fleet has pushed back replacement requirements. Consequently a stock take of vehicles and their usage has been taken, and the results of that have been reflected in a lower 2020/21 Annual Plan budget.

10. The major areas above budget are:

- a. Halls variance of \$0.333 million relates to the Bulls Community Centre.

Treasury and Debt

11. At 30 June 2020 the Council had \$4.388 million available for immediate needs, this equates to 2.3 months of expenditure. In addition the Council has three term deposits: \$2 million which matures on the 13th July 2020, \$1 million which matures on the 23rd July 2020, and another \$1 million which matures on 17th August 2020. The Council's Treasury Management policy requires that of the cash equivalent investments at least \$1 million must have a maturity term of no more than 30 Days. As at June the Investment with the shortest maturity period was for 35 Days. This will be corrected and monitored in the future when the investment matures. In all other respects the Investments are in accordance with the policy.
12. Rangitikei District Council has not drawn down any debt in the 2019/20 financial year. The debt balance at 30 June 2020 is \$3.096 million.

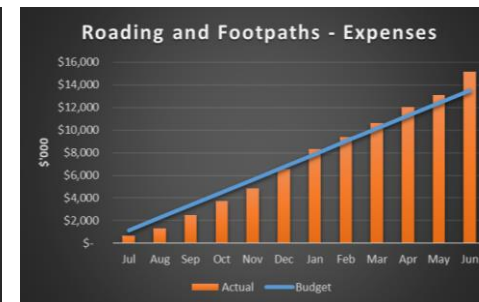
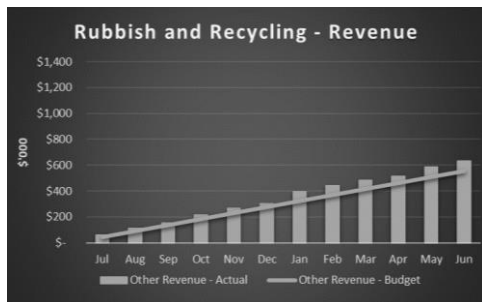
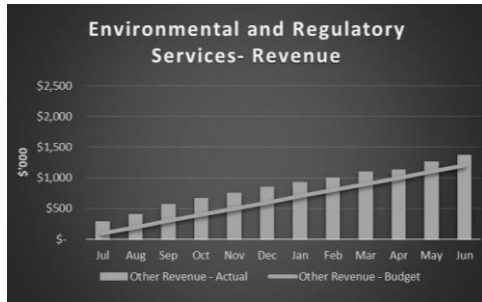
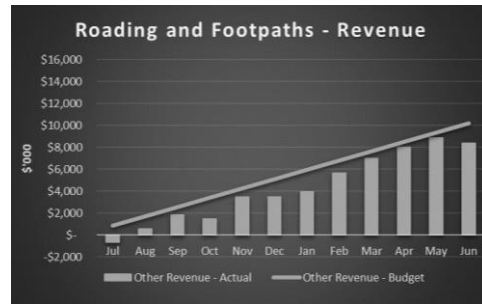
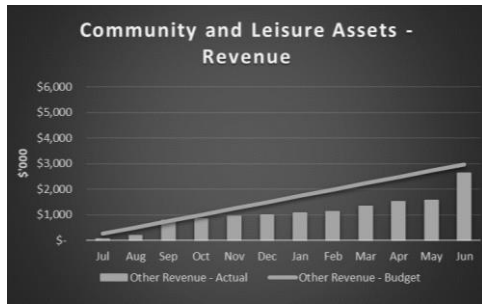
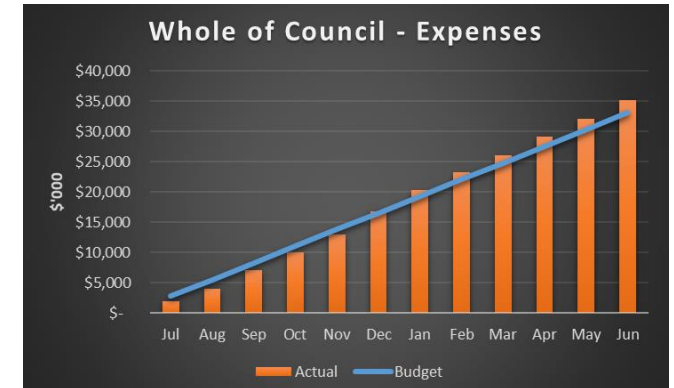
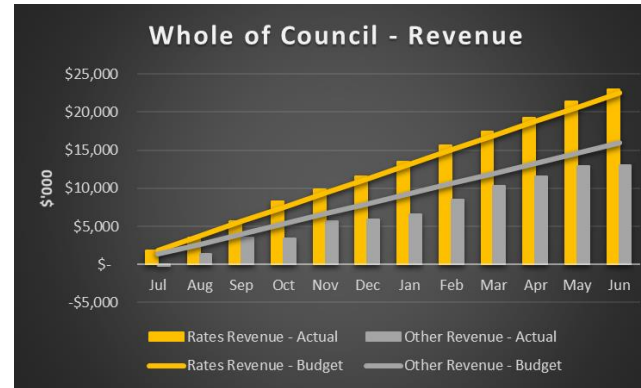
Recommendation

That the memorandum 'Draft Financial Snapshot – June 2020' to the 30 July 2020 Finance / Performance Committee meeting be received.

Jo Devine
Group Manager, Finance and Business Support

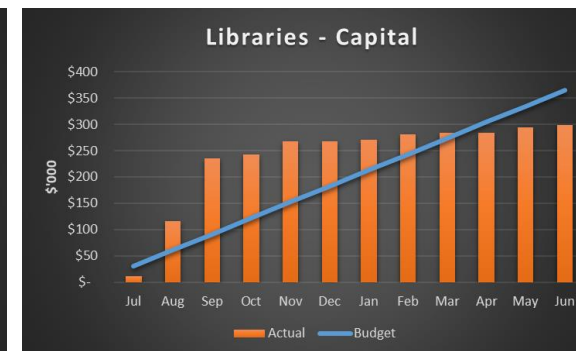
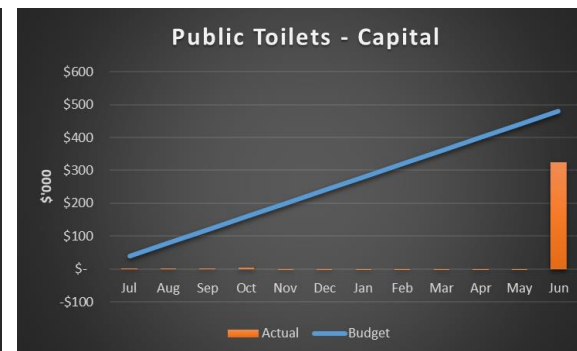
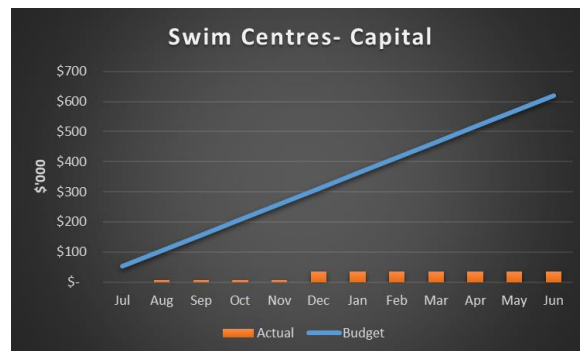
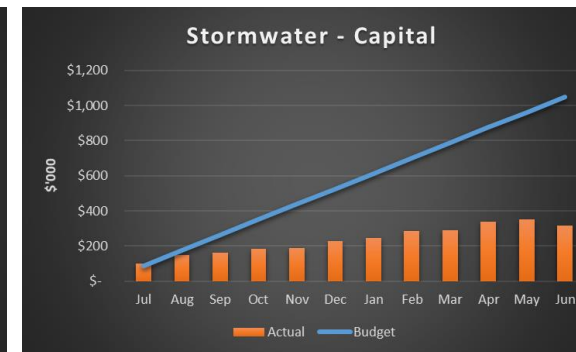
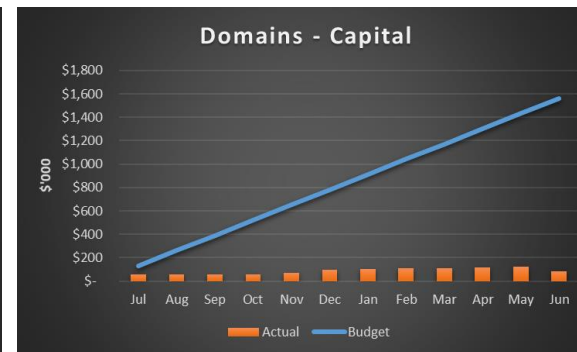
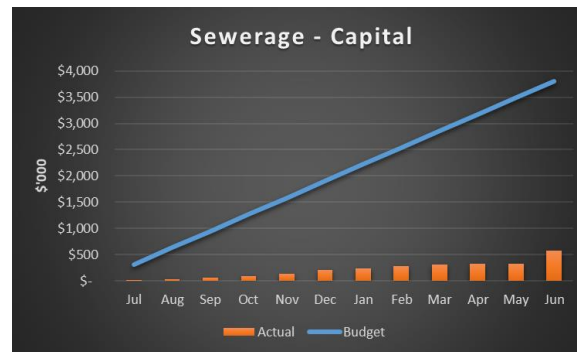
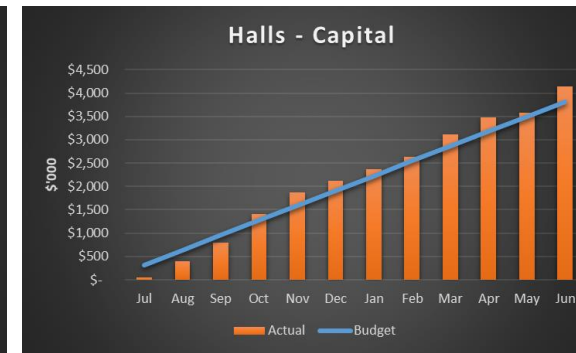
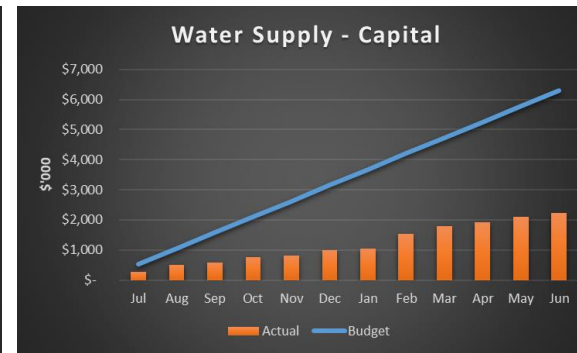
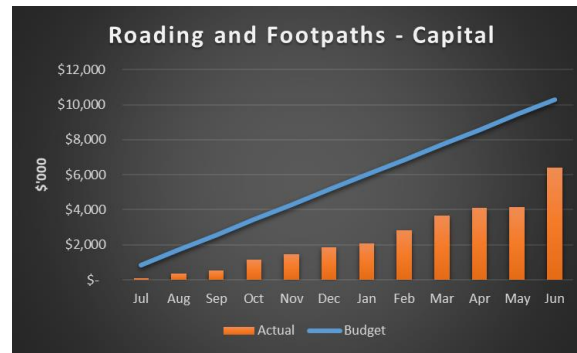
Draft Activity Performance Report for the 12 Months Ended 30 June 2020

Rangitikei District Council Activity Performance Report For the 12 months ended 30 June 2020				
	2020 Budget YTD	2020 Actual YTD	Variance	
	\$000	\$000	\$	%
Revenue				
Rates Revenue	\$ 22,530,877	\$ 23,039,892	\$ 509,015	2%
Subsidies & Grants	\$ 12,914,274	\$ 9,192,848	-\$ 3,721,426	-29%
Other Revenue	\$ 3,030,237	\$ 3,801,377	\$ 771,140	25%
Expenses				
Personnel Costs	\$ 4,417,444	\$ 4,624,328	-\$ 206,884	-5%
Other Expenses	\$ 17,880,037	\$ 18,500,276	-\$ 620,239	-3%
Depreciation & Amortisation	\$ 10,782,960	\$ 12,139,174	-\$ 1,356,214	-13%
Net Surplus	\$ 5,394,947	\$ 770,339	-\$ 4,624,608	-86%



Draft Capital Expenditure Report for the 12 Months Ended 30 June 2020

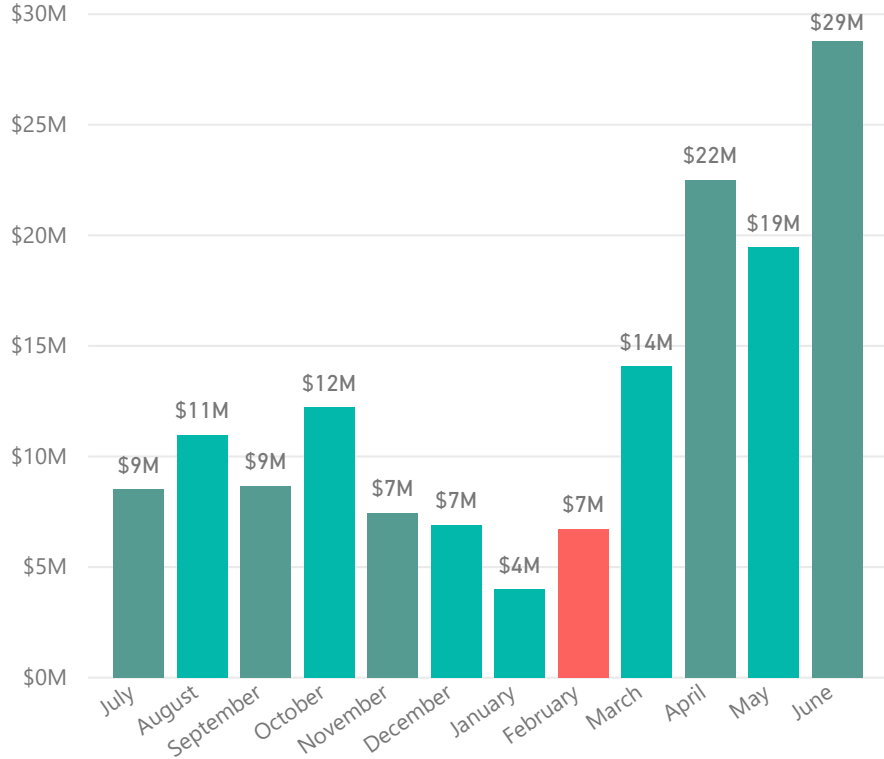
Rangitikei District Council Capital Expenditure For the 12 months ended 30 June 2020				
	2020		Variance	
	Budget YTD \$000	Actual YTD \$000	\$ \$000	%
Roading and Footpaths	\$ 10,289,256	\$ 6,398,622	-\$ 3,890,634	-38%
Water Supply	\$ 6,305,616	\$ 2,219,001	-\$ 4,086,615	-65%
Halls	\$ 3,815,844	\$ 4,149,069	\$ 333,225	9%
Sewerage	\$ 3,807,000	\$ 576,661	-\$ 3,230,339	-85%
Domains	\$ 1,563,204	\$ 82,794	-\$ 1,480,410	-95%
Stormwater	\$ 1,050,000	\$ 315,717	-\$ 734,283	-70%
Swim Centres	\$ 620,004	\$ 35,483	-\$ 584,521	-94%
Waste Transfer	\$ 490,200	\$ -	-\$ 490,200	-100%
Public Toilets	\$ 480,540	\$ 324,747	-\$ 155,793	-32%
Libraries	\$ 365,004	\$ 299,143	-\$ 65,861	-18%
Fleet Management	\$ 424,620	\$ 75,095	-\$ 349,525	-82%
Cemeteries	\$ 218,004	\$ 8,406	-\$ 209,598	-96%
Business Groups	\$ 150,000	\$ 119,311	-\$ 30,689	-20%
Community Housing	\$ 99,996	\$ 38,325	-\$ 61,671	-62%
Total	\$ 29,679,288	\$ 14,642,374	-\$ 15,036,914	-51%



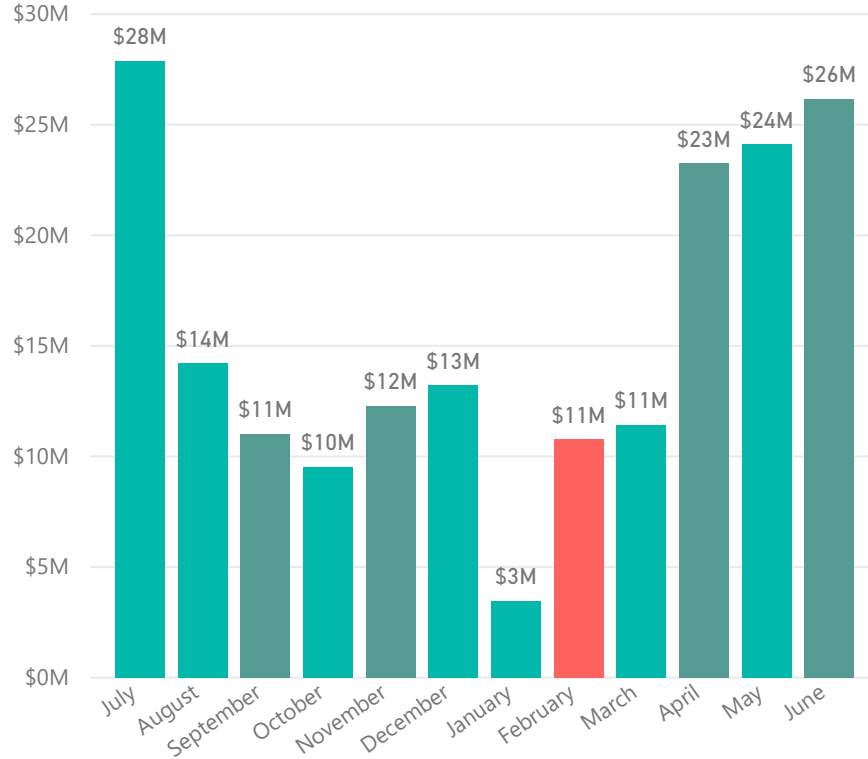
Attachment 4

Property Sales - Financial Reports 17/18 - 18/19 - 19/20

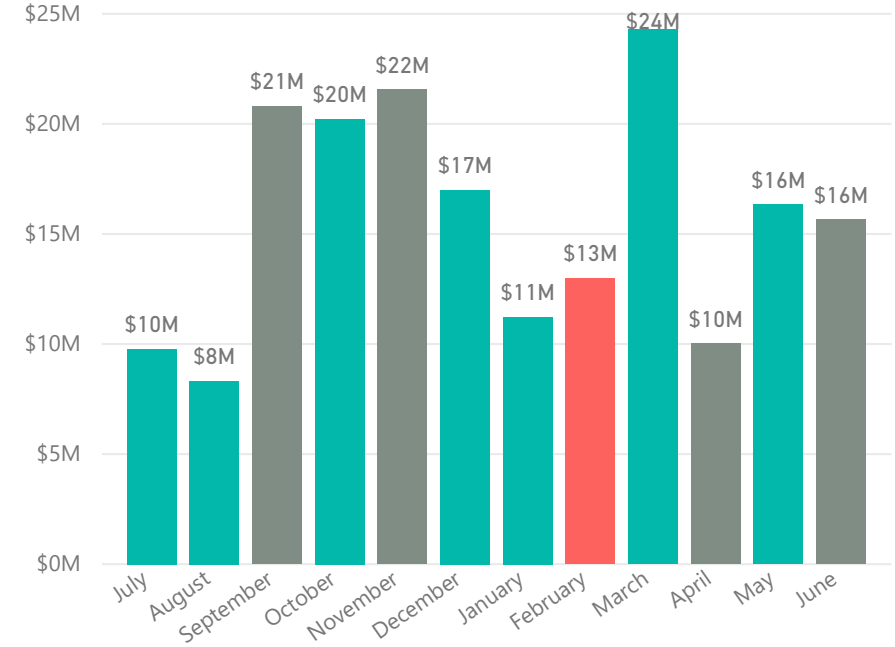
Total Sales by Month - 2017/2018



Total Sales by Month - 2018/2019

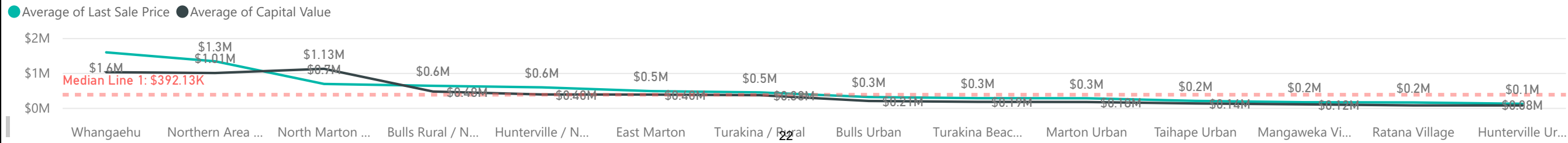


Total Sales by Month - 2019/2020



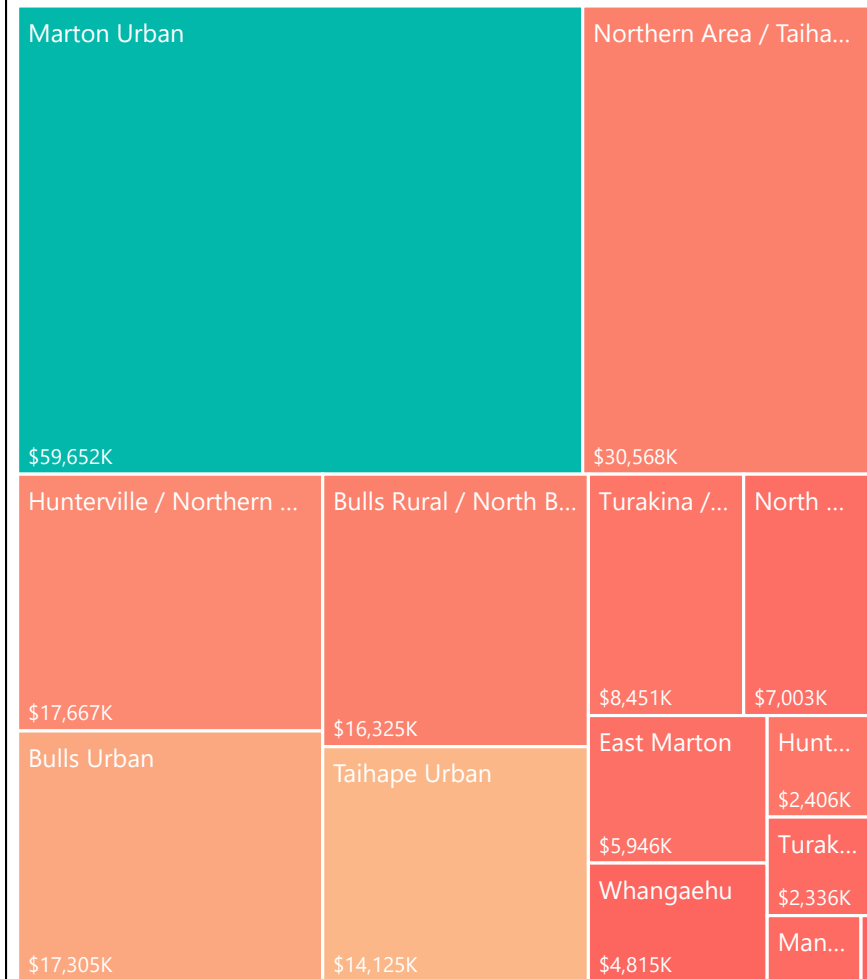
Total Sales	Total Sales	Total Sales	Total Sales	Total Sales	Total Sales
452	\$150M	497	\$187M	482	\$188M
Count of Last Sale Price	Last Sale Price	Count of Last Sale Price	Last Sale Price	Count of Last Sale Price	Last Sale Price

3 Year Average Sale Price and Average Capital Value by Valuation Roll Area

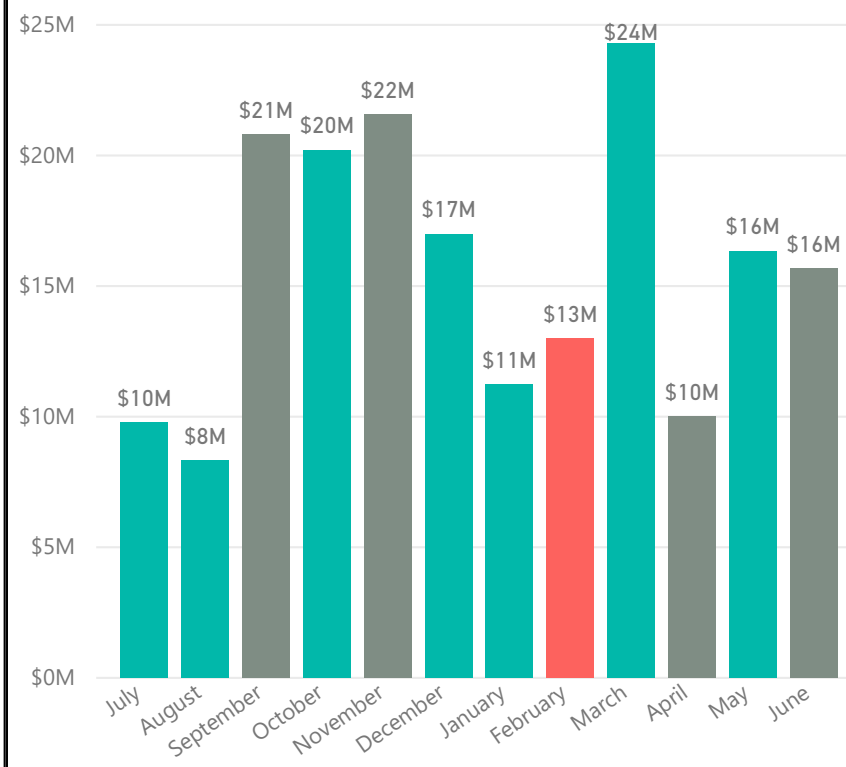


Property Sales - Annual Report 1 July 2019 - 30 June 2020

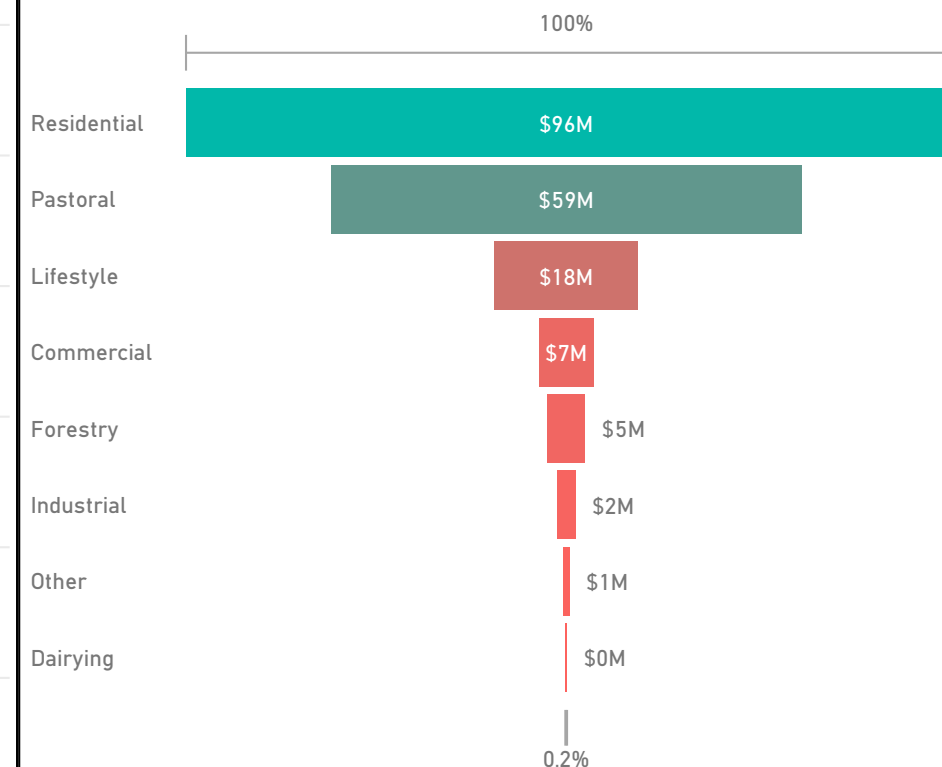
Total Sales by Valuation Roll Area



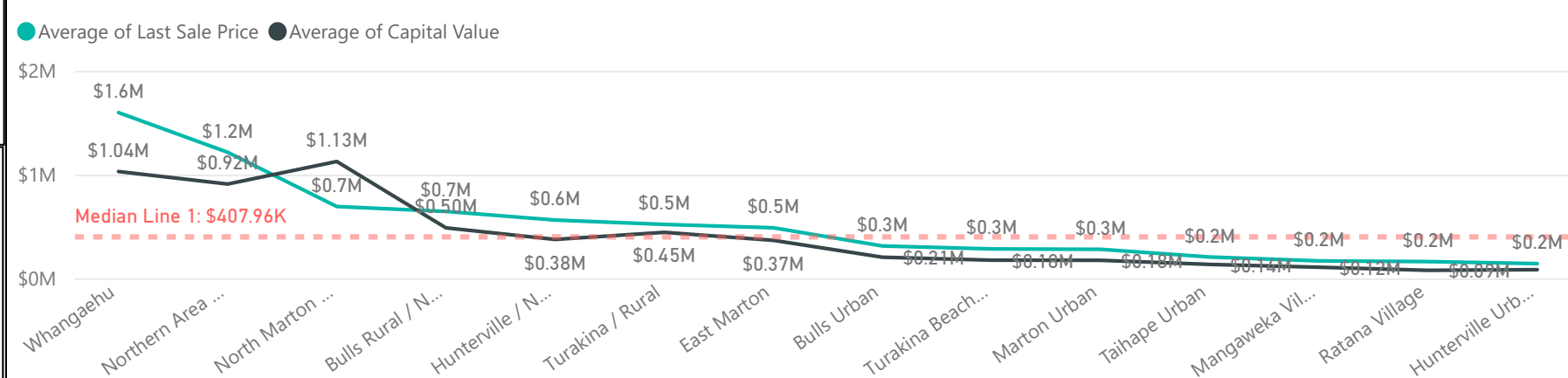
Total Sales by Month



Total Sales by Rating Category Group



Average Sale Price and Average Capital Value by Valuation Roll Area



Total Sales

482

Count of Last Sale Price

Total Sales

\$188M

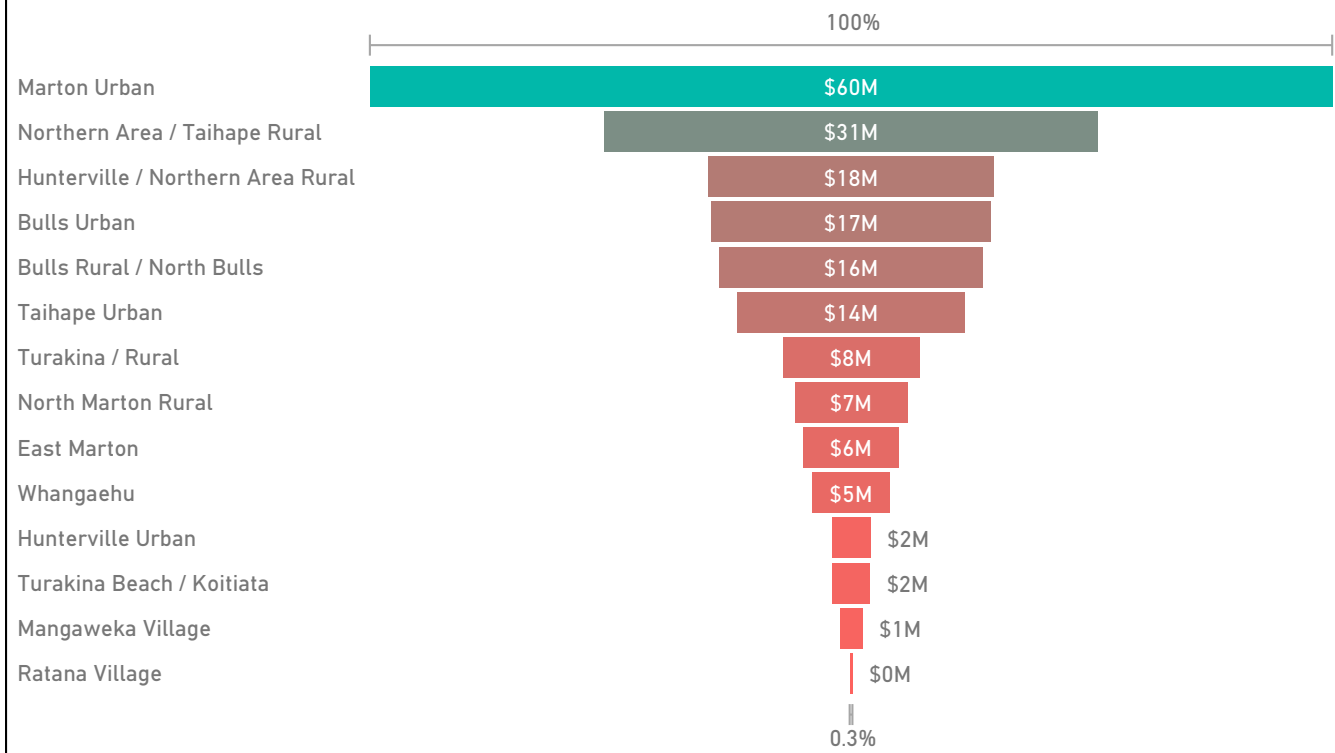
Last Sale Price

*For this report Property sales > \$1000 has been calculated

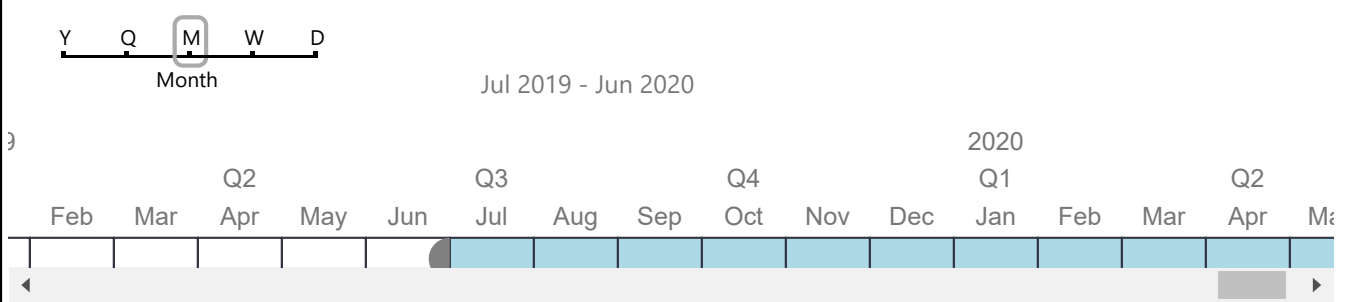


Property Sales - Annual Report 1 July 2019 - 30 June 2020

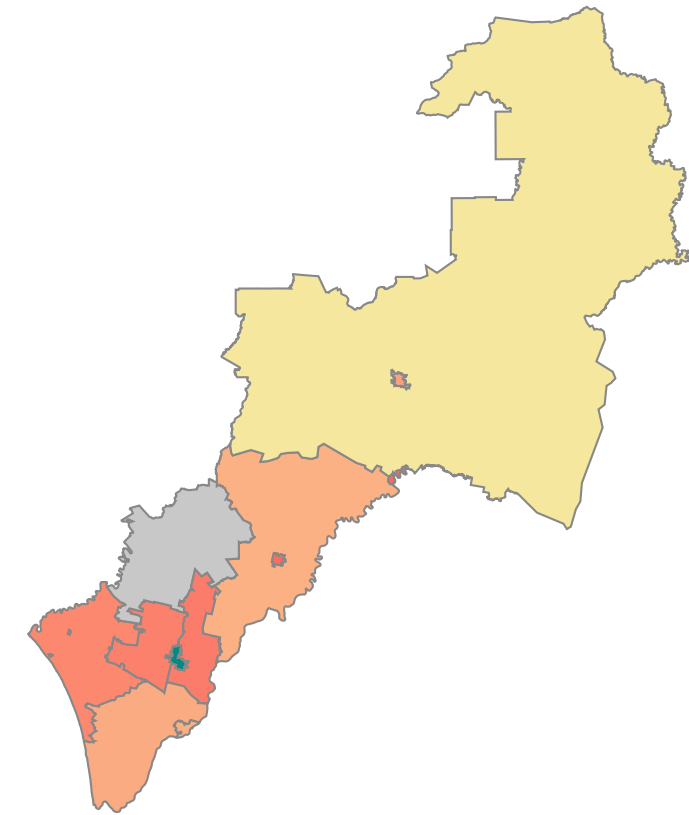
Total Sales by Valuation Roll Area



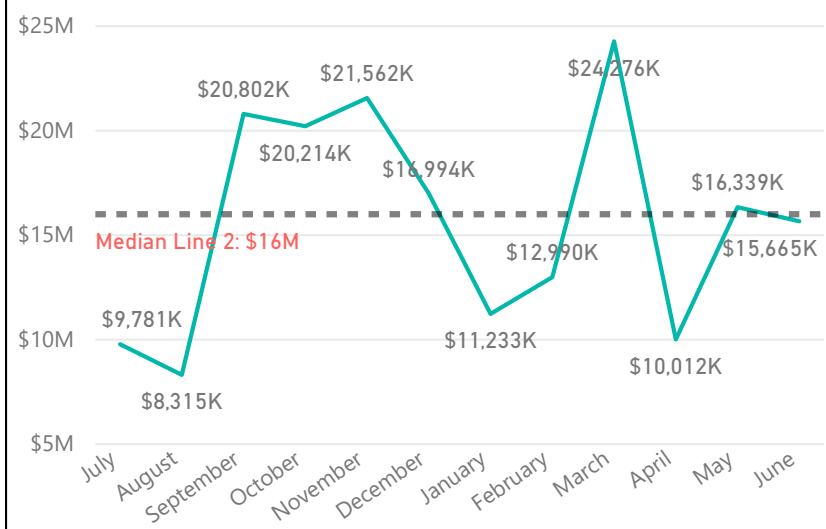
Last sale Date



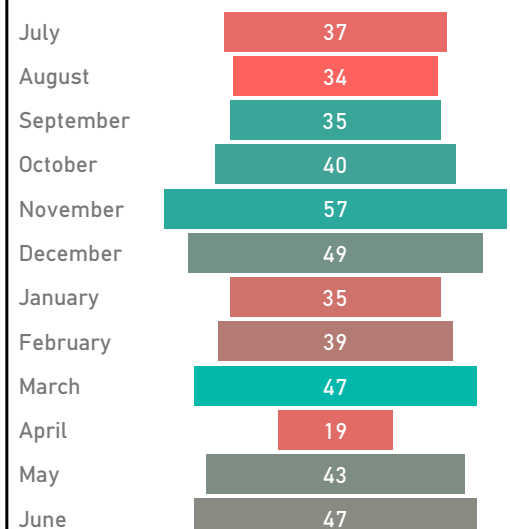
Total Sales by Valuation Roll Area (Sum)



Sales by Month (Sum)

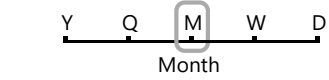


Sales by Month (Count)



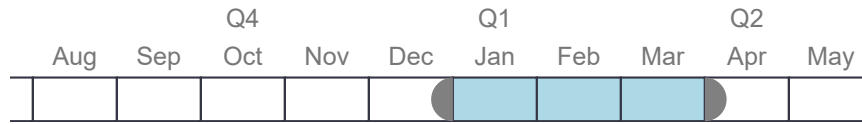
Property Sales - Quarter 3: 1 January - 31 March 2020

Last sale Date

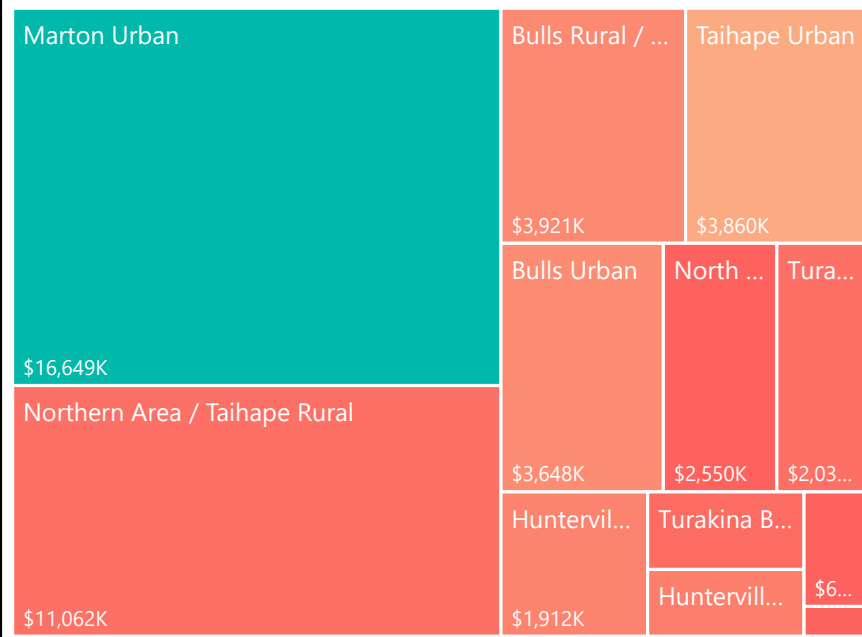


Jan 2020 - Mar 2020

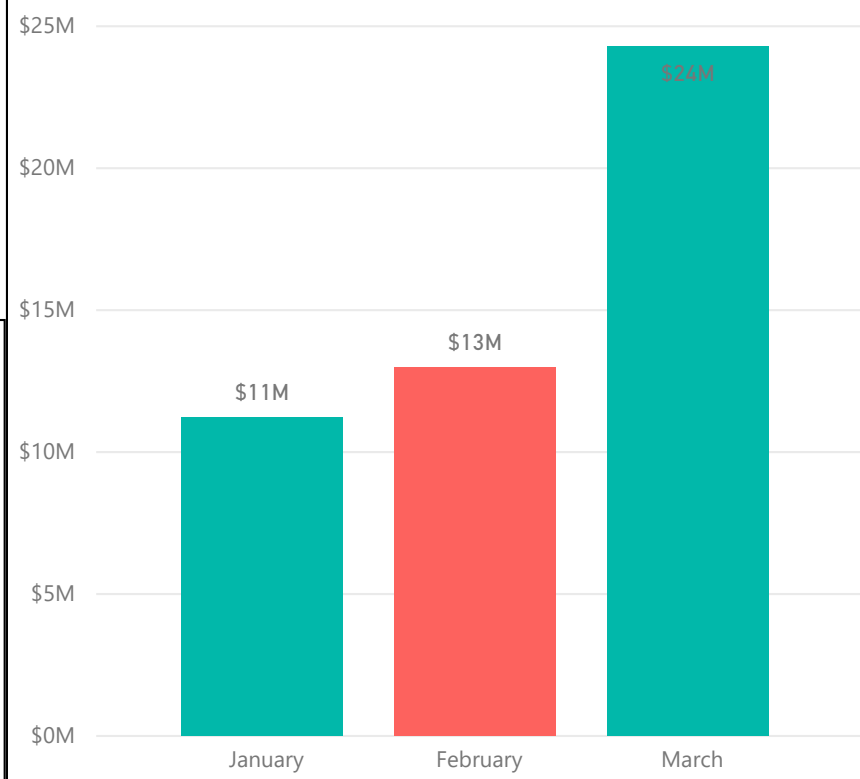
2020



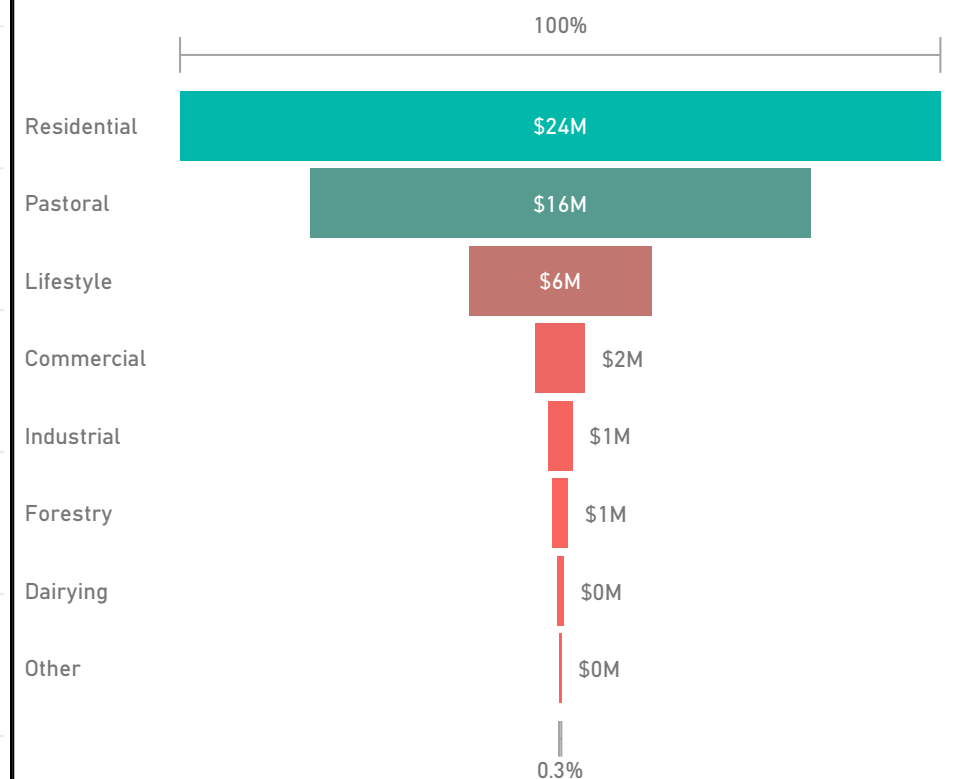
Total Sales by Valuation Roll Area



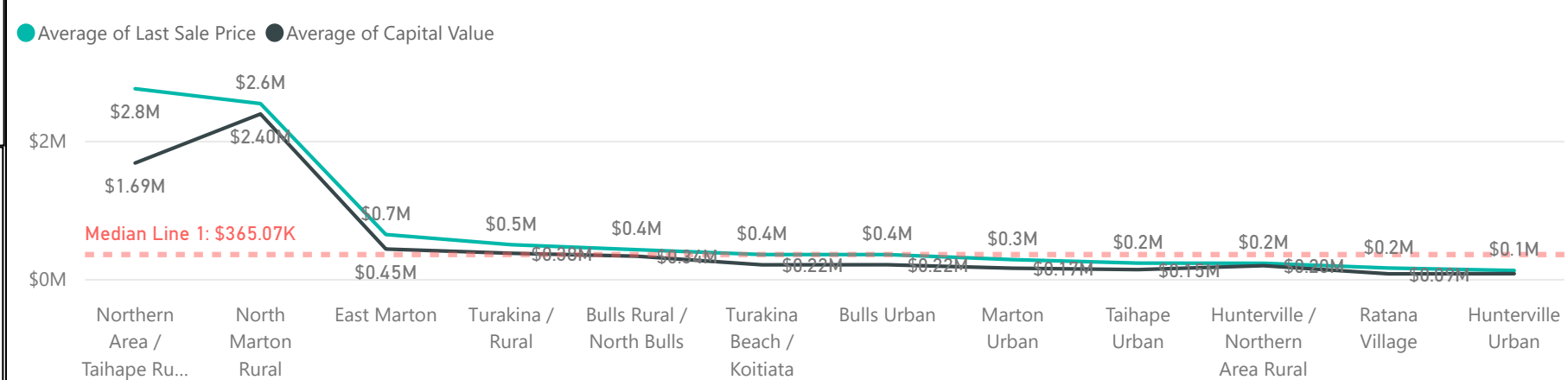
Total Sales by Month



Total Sales by Rating Category Group



Average Sale Price and Average Capital Value by Valuation Roll Area



Total Sales

121

Count of Last Sale Price

Total Sales

\$48M

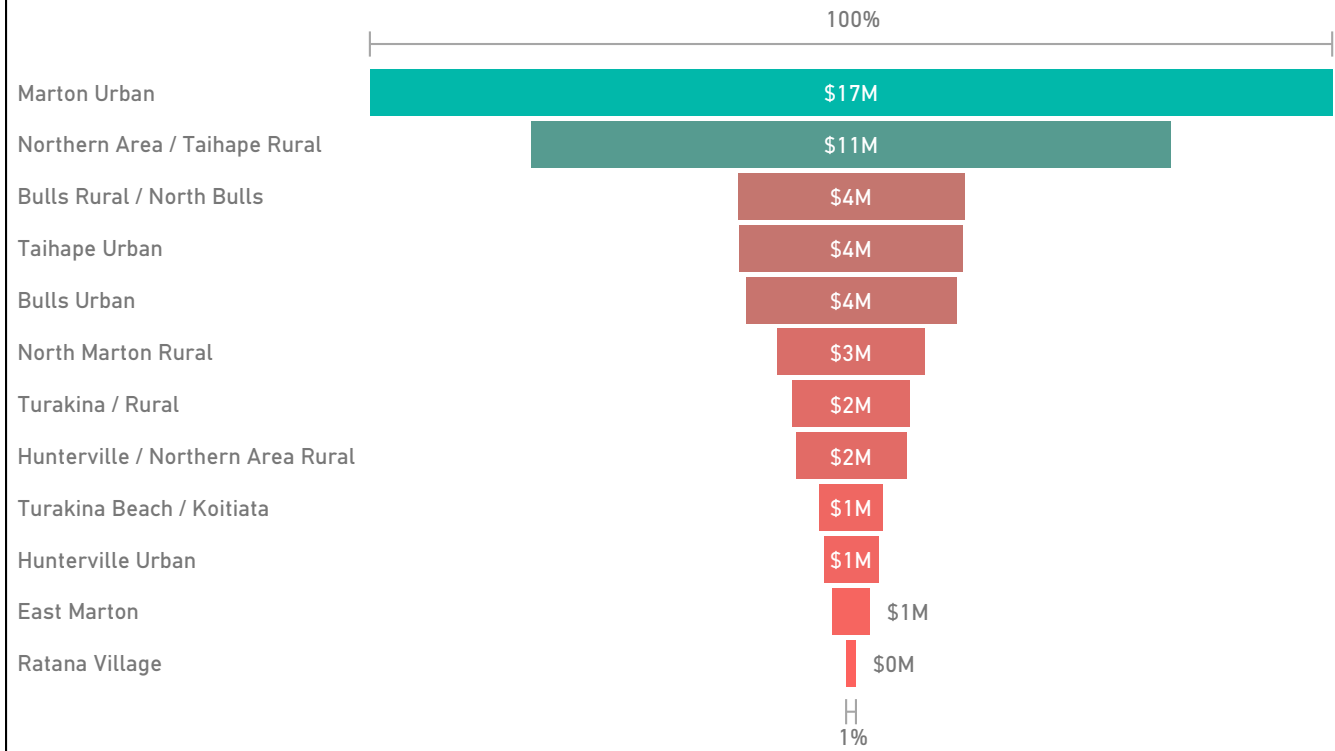
Last Sale Price

*For this report Property sales > \$1000 has been calculated

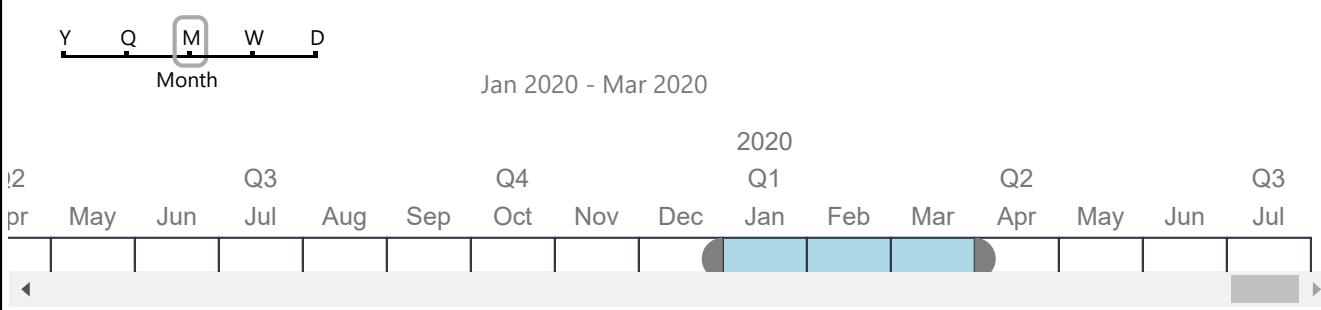


Property Sales - Quarter 3: 1 January - 31 March 2020

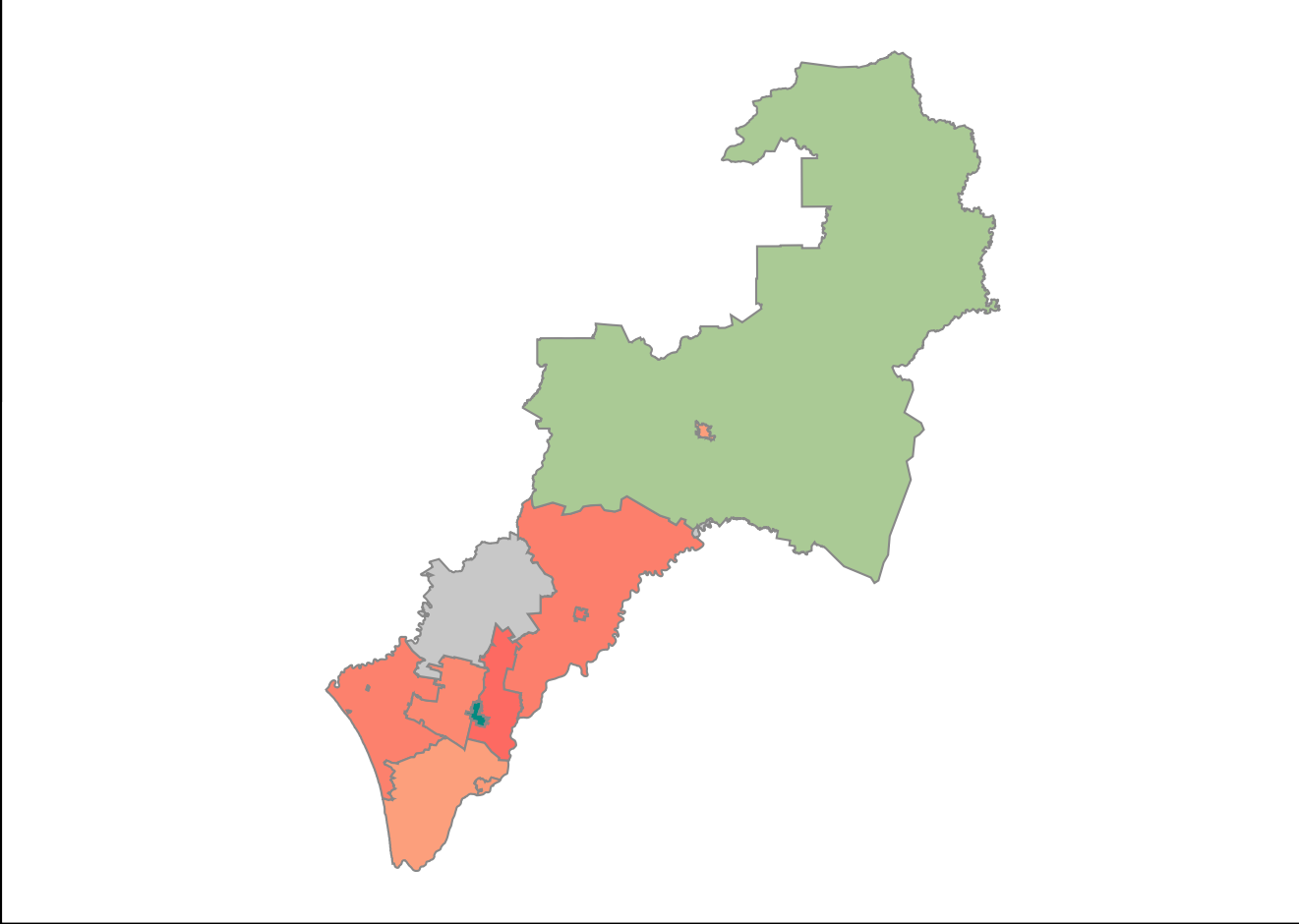
Total Sales by Valuation Roll Area



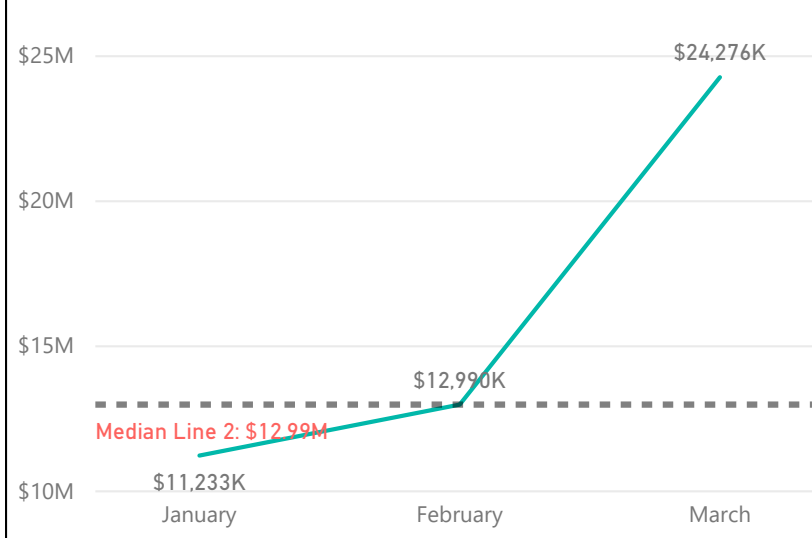
Last sale Date



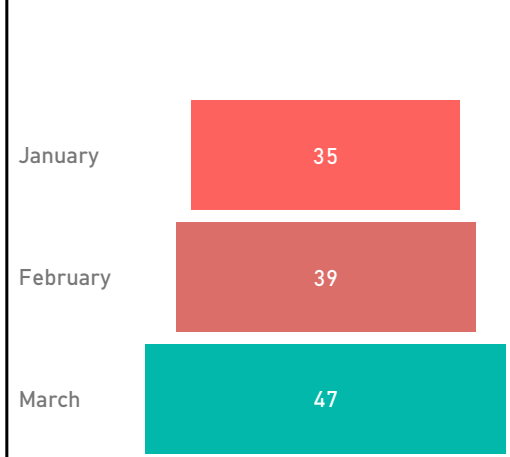
Total Sales by Valuation Roll Area (Sum)



Sales by Month (Sum)

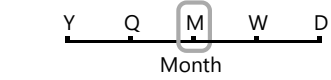


Sales by Month (Count)

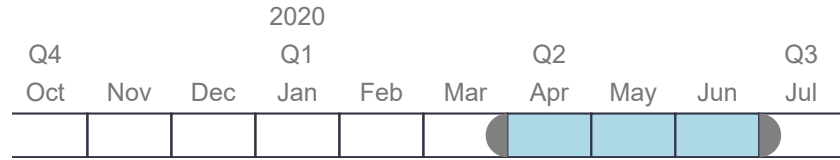


Property Sales - Quarter 4: 1 April - 30 June 2020

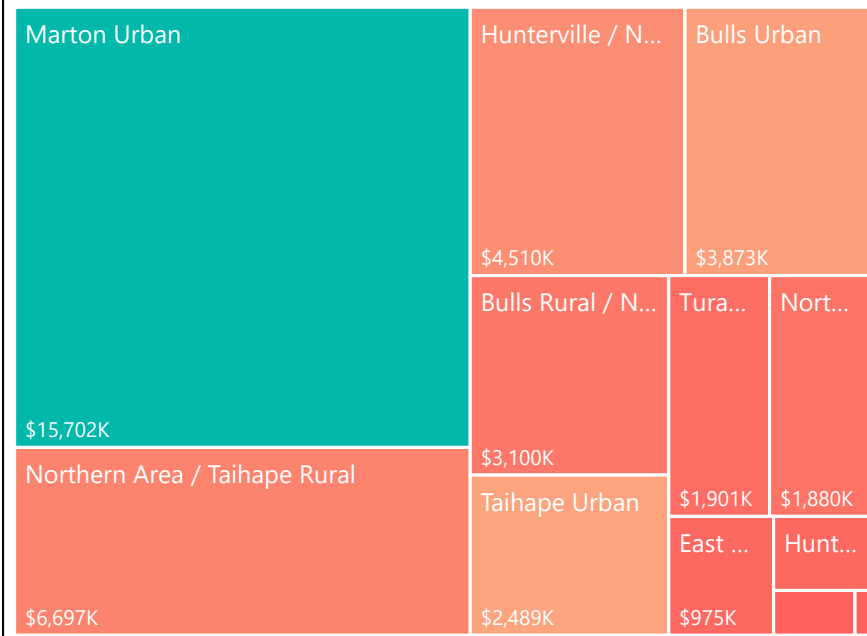
Last sale Date



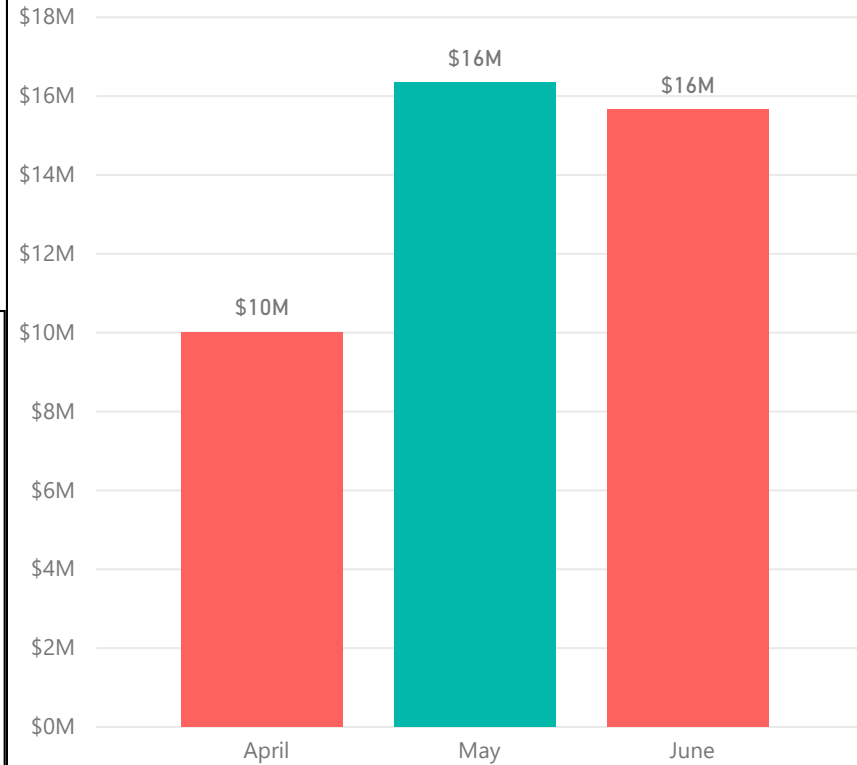
Apr 2020 - Jun 2020



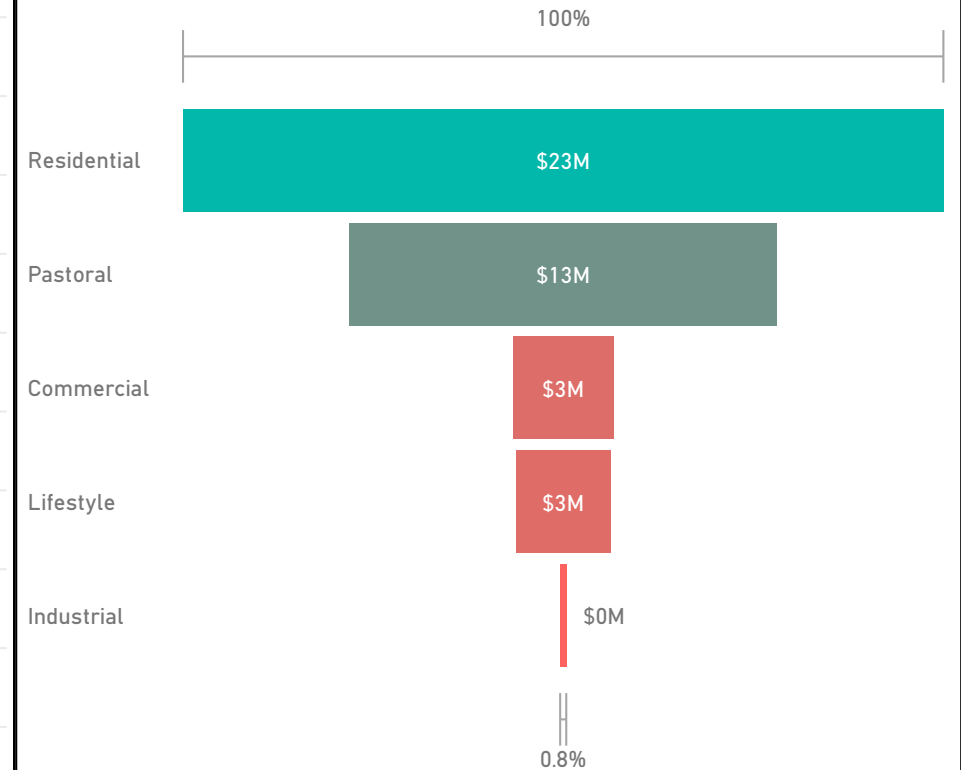
Total Sales by Valuation Roll Area



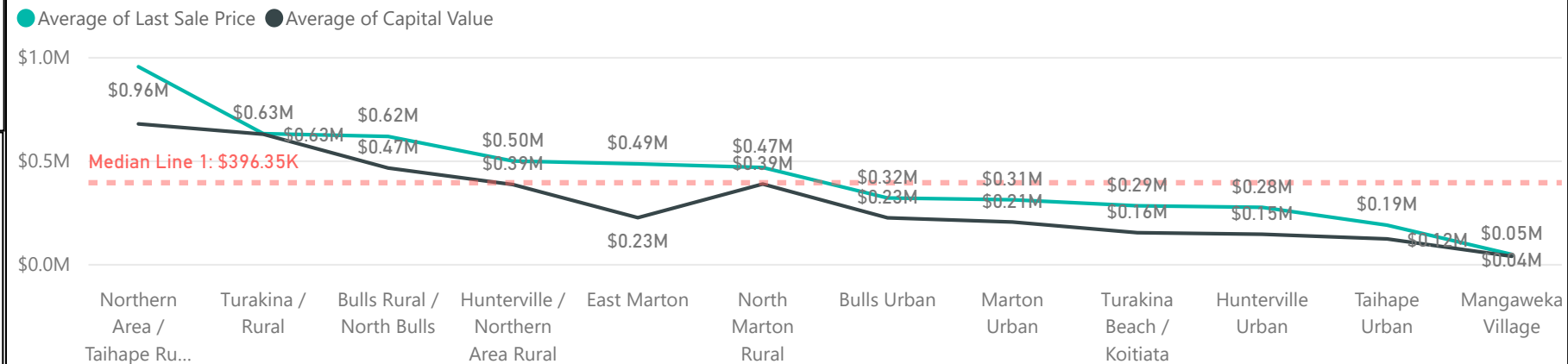
Total Sales by Month



Total Sales by Rating Category Group



Average Sale Price and Average Capital Value by Valuation Roll Area



Total Sales

109

Count of Last Sale Price

Total Sales

\$42M

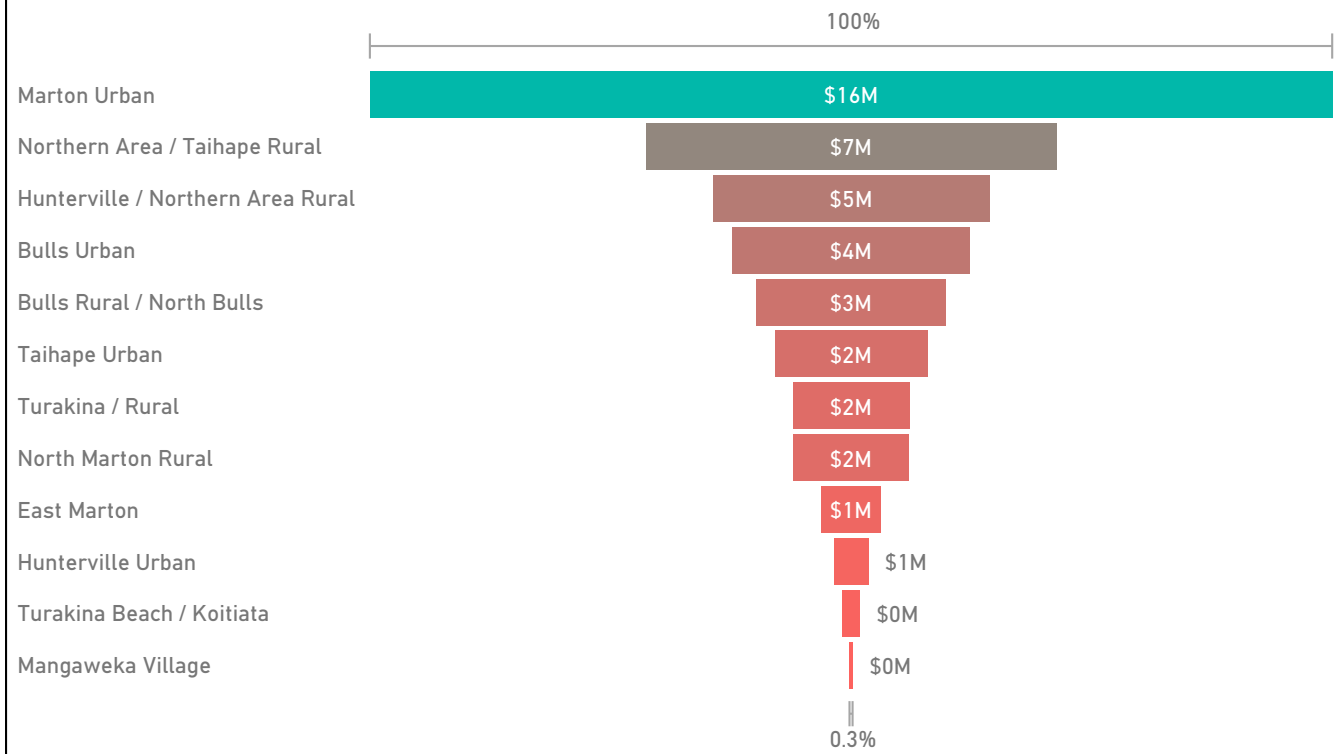
Last Sale Price

*For this report Property sales > \$1000 has been calculated

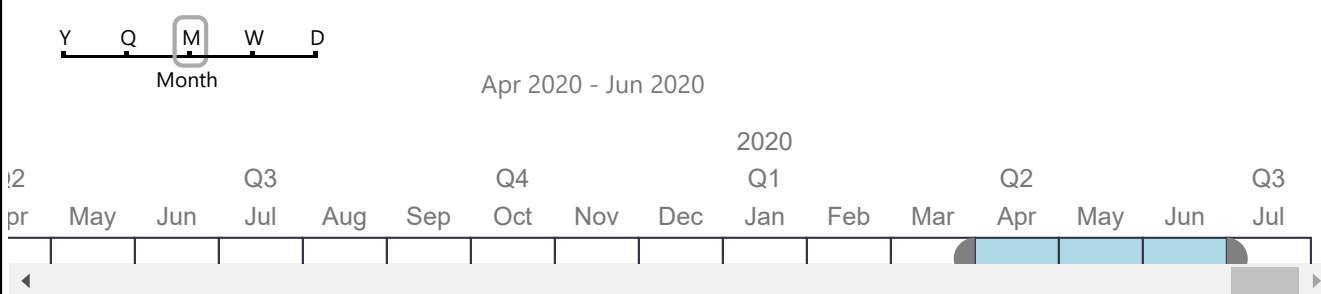


Property Sales - Quarter 4: 1 April - 30 June 2020

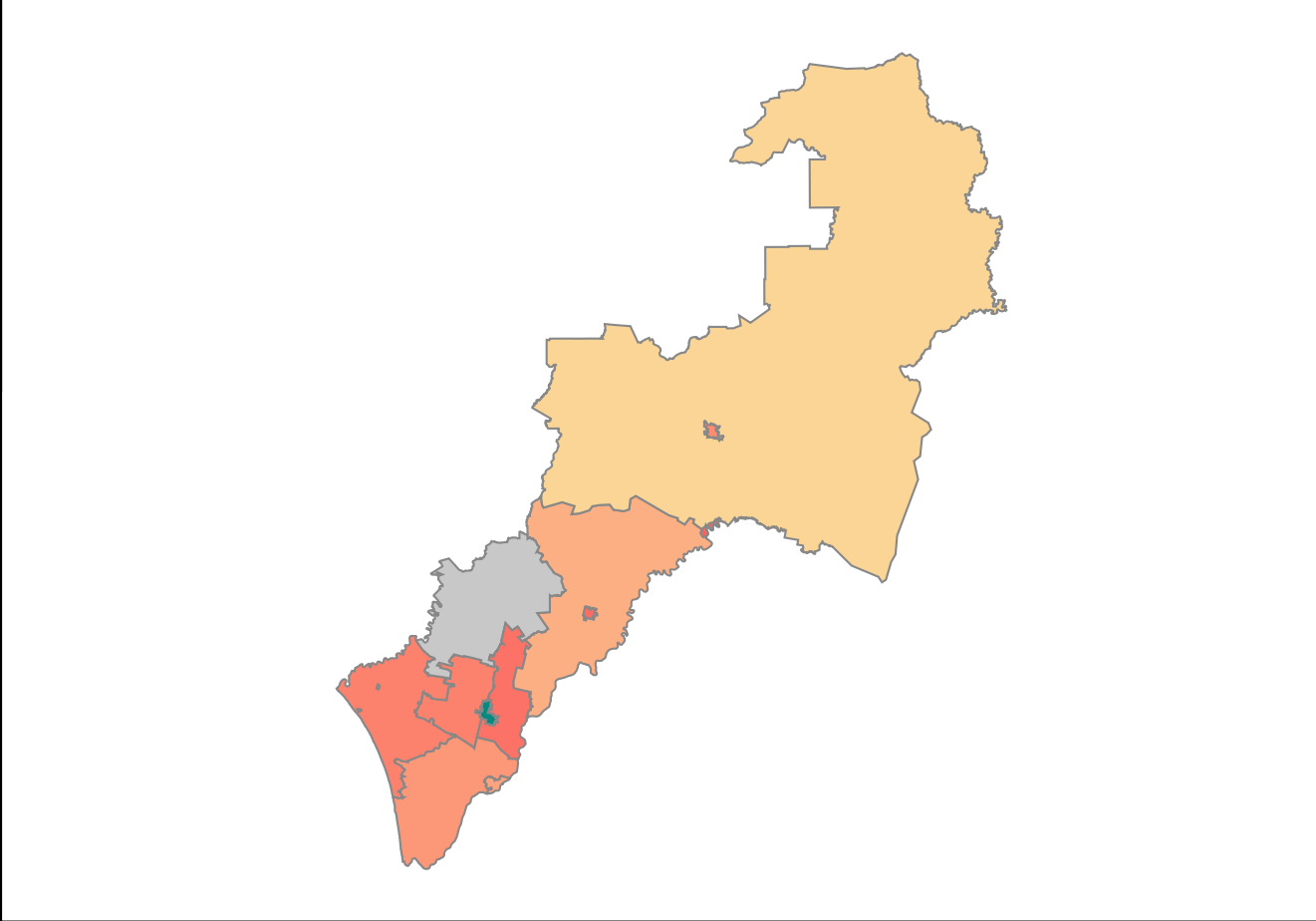
Total Sales by Valuation Roll Area



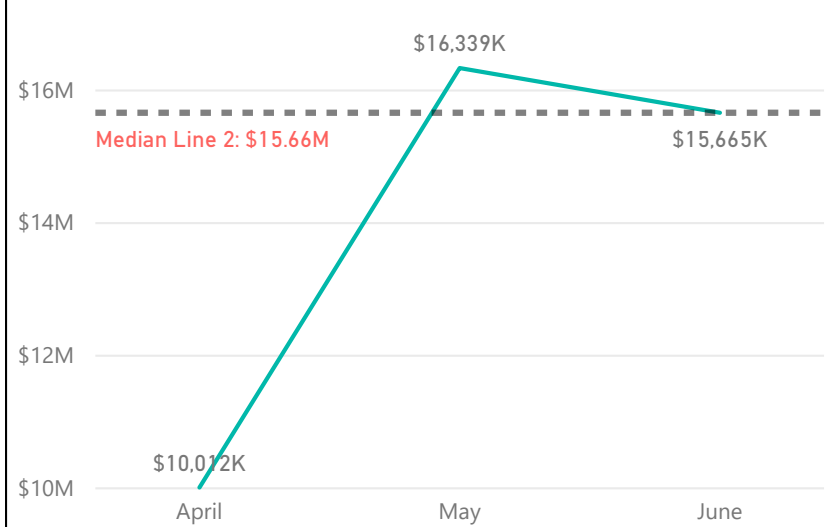
Last sale Date



Total Sales by Valuation Roll Area (Sum)



Sales by Month (Sum)



Sales by Month (Count)

