



AGENDA

**Ordinary meeting of the
Nelson City Council**

Audit, Risk and Finance Committee

**Tuesday 26 February 2013
Commencing at 9.00am
Council Chamber
Civic House
110 Trafalgar Street, Nelson**

Membership:

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

26 February 2013

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Page No.

Apologies**1. Conflicts of Interest**

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

2. Confirmation of Minutes – 2 October and 13 November 2012 4-14

Document number 1381616

Recommendation

THAT the minutes of the meeting of the Nelson City Council – Audit, Risk and Finance Committee, held on 2 October and 13 November 2012, be confirmed as a true and correct record.

3. Status Report – Audit, Risk and Finance Committee 15-16

Document number 1374515 v3

Recommendation

THAT the Status Report – Audit, Risk and Finance Committee (1374515 v3) be received.

4. Finance Report for the Period Ending 31 December 2012 17 - 37

Document number 1442931

Recommendation

THAT the report be received and the variations noted.

5. Events Resource Consents Update 38-43

Document number 1431189

Recommendation

THAT this update on the Events Resource Consent be received;

AND THAT the overspend on the budget for the festival activity be covered from budget savings within the District and Regional Plan activity, and the Social Heritage activity.

6. Regulatory Report for 1 October to 31 December 2012 44-51

Document number 1436826

Recommendation

THAT report 1436826 be received.

7. Appointment of New Trustee for Debenture Trust Deed 52-54

Document number 1437520

Recommendation

THAT the Council approve the appointment of Corporate Trust Limited as trustee of the Nelson City Council Debenture Trust deed signed on or about 10 December 2010;

AND THAT the Chief Executive be delegated authority to take all necessary steps to give effect to this appointment.

Minutes of a meeting of the Audit, Risk and Finance Committee
Held in the Council Chamber, Trafalgar Street, Civic House Nelson
On Tuesday 2 October 2012, commencing at 9.00am

Present: Councillors I Barker (Chairperson), R Copeland, P Matheson
and Mr G Thomas

In Attendance: Councillors E Davy and R Reese, Acting Chief Executive (R
Johnson), Executive Manager Support Services (H Kettlewell),
Executive Manager Network Services (A Louverdis), Executive
Manager Policy and Planning (M Schruer), Acting Executive
Manager Regulatory (M Bishop) and Administration Adviser (A
Rose)

Apologies: Apologies were received and accepted from His Worship the
Mayor and Councillor G Collingwood

1. Conflicts of Interest

There were no updates to the Interest Register or any conflicts of interest
with items in the agenda identified.

2. Confirmation of Minutes – 21 August 2012

Document No. 1360540, agenda pages 1-5 refer.

Resolved

***THAT the minutes of the meeting of the Nelson
City Council - Audit, Risk and Finance Committee,
held on 2 August 2012, be confirmed as a true
and correct record.***

Thomas/Copeland

Carried

3. Status Report - Audit, Risk and Finance Committee

Document No. 1374515 v1, agenda pages 6 refers.

3.1 Miyazu Sculpture

In answer to a question as to why the matter of any Council liability if
someone was injured climbing the Miyazu Sculpture was not on the
status report, it was confirmed that only items resulting from resolutions
appear on the status report. The Acting Chief Executive said that he had

asked Council's Senior Legal Adviser to investigate the question of any Council liability and it would be reported at a future meeting.

3.2 Council Noise in Public Places Resource Consent

Concern was expressed with regard to the costs for the Council's resource consent for noise in public places. A view was expressed that the costs to date were \$86,000 for processing by the Council as consent authority and \$70,000 to the Nelson City Council as the applicant. It was asked what figure was budgeted for this resource consent and how it was intended that Council were to recover these costs. This information was requested to be supplied to the next Audit, Risk and Finance Committee meeting. In addition, it was queried how the Resource Management Act 1991 discounting policy operated in this case as it was believed that the consent decision had not been delivered in the statutory timeframe. The Acting Chief Executive said that a report would be brought back to a future Audit, Risk and Finance Committee meeting.

The Acting Executive Manager Regulatory, Mandy Bishop, joined the meeting and explained that the Council appointed Commissioners for this resource consent had asked for a time extension to deliver their decision. She said the decision was due last Friday, and she understood that it was almost complete but there was some confusion over the scope.

3.3 Council Owned Buildings

It was noted that at a previous meeting there had been a request for a list of Council owned buildings, what these buildings had cost Council and what their present use was. The Acting Chief Executive said that staff were currently working to present this information to a forthcoming Strategic Property Workshop in December.

3.4 Community Relations Budget and 'My Council' Campaign

It was queried how the Community Relations budget operated for Public Communications. In particular, concern was expressed about the 'My Council' campaign and whether it was right for a monopoly like the Council to be spending money promoting itself. It was also suggested that the 'My City My Council' adverts in the Nelson Weekly may have been published alongside articles that appeared to have been written by Nelson City Council staff, and that this could mislead the public into thinking that they were reading editorial journalism, not advertising.

A view was expressed that that practice could damage Council's credibility in the eyes of the public and it was asked that Council's Senior Legal Adviser consider if it was an appropriate practice for Nelson City Council.

There followed some discussion about the 'My City, My Council' campaign with some Councillors saying that they would have preferred it to be brought before the Governance level of Council. It was pointed out that

Councillors had been invited out to an informal presentation of the campaign.

With regard to the 'My City, My Council' campaign, concern was expressed about the next part of the campaign which would involve Councillors, which could constitute promoting individual Councillors. It was asked that this be checked by Council's Senior Legal Adviser.

Resolved

THAT the Acting Chief Executive be asked to investigate and report back to the Committee on issues raised at the meeting relating to:

- ***Nelson City Council Noise in Public Places consent application***
- ***Council publicity activity and promotional activity 'My City, My Council' campaign***

Copeland/Matheson

Carried

3.5 Lack of a Finance Report

The Committee expressed concern that there was no finance report on the meeting agenda and that there had been no finance report since the report relating to the year ended 30 June 2012 figures.

The Acting Chief Executive said that staff had been fully occupied producing the Council's Annual Report 2011/2012.

The Committee agreed that it was important to have a finance report and after discussion it was agreed that the meeting should be adjourned.

3.6 Statutory and Internal Compliance Reporting Review for Reporting Period Ending 30 June 2012.

The Chairperson said he had difficulty with some of the justifications for the bulk of this report being in the public excluded section of the meeting. The Acting Chief Executive said that it was placed in public excluded for the reasons given in the agenda and in particular some of the comments from staff were perhaps not suitable for presentation to the public due to the risk of endangering the privacy of natural persons. He said he was comfortable about reissuing the report without staff names in order that the discussion could be held in public. The meeting asked for this new report to be available when the meeting was reconvened.

Resolved

***THAT the meeting be adjourned and reconvene
when a finance report becomes available.***

Matheson/Copeland

Carried

The meeting adjourned at 9.50am.

Minutes of a reconvened meeting of the Nelson City Council Audit, Risk and Finance Committee

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

On Tuesday 13 November 2012, commencing at 9.00am

Present: Councillors I Barker (Chairperson), G Collingwood, R Copeland, P Matheson, and Mr G Thomas

In Attendance: Councillors E Davy and R Reese, Acting Chief Executive (R Johnson), Chief Financial Officer (N Harrison), Executive Manager Support Services (H Kettlewell), Acting Executive Manager Regulatory (M Bishop), Executive Manager Kaihautū/Community Relations (G Mullen), Executive Manager Network Services (A Louverdis), Senior Accountant (T Hughes), Manager Parking (K Robinson), Manager Monitoring and Research (M Workman), Acting Manager Building (C Wood), and Administration Adviser (L Canton)

Apology: An apology was received and accepted from His Worship the Mayor A Miccio.

The Chairperson welcomed everyone to the meeting and reminded them that it was the reconvening of the Audit, Risk and Finance Committee meeting that was adjourned on 2 October 2012.

4. Conflicts of Interest

No updates to the Interests Register were notified. Mr Graeme Thomas indicated a possible conflict with item 4.3 on page 79 of the Agenda, Earthquake Prone Buildings. No other conflicts with agenda items were notified.

5. Minutes

Document number 1381616, agenda pages 1-4 refer.

There was a discussion about the cost of the Miyazu Sculpture, during which the Acting Chief Executive explained that the total cost of the project included elements such as landscaping and resource consents, which had been budgeted for in addition to the figure of \$200,000 that Council had approved for the sculpture itself. It was noted that in future, resolutions to approve expenditure for such projects should attempt to identify all such costs.

6. Status Report – Audit, Risk and Finance Committee

Document number 1374515 v2, agenda pages 5 refer.

The Chief Financial Officer, Nikki Harrison, presented the report. In response to questions, Ms Harrison said there would be a report back on financial reserves in early 2013.

Resolved

THAT the Status Report – Audit, Risk and Finance Committee (1374515 v2) be received.

Matheson/Copeland

Carried

7. Statutory and Internal Compliance Reporting Review for Reporting Period Ending 30 June 2012

Document number 1362025, agenda pages 6-41 refer.

Executive Manager Support Services, Hugh Kettlewell, and Executive Manager Network Services, Alec Louverdis joined the meeting. The meeting went through the report page by page and the Acting Chief Executive, Mr Kettlewell, and Mr Louverdis provided clarification on a number of points.

In response to a question, the Acting Chief Executive suggested that the frequency with which Council used Section 37A of the Resource Management Act 1991, relating to extensions of time, could be included in the quarterly Regulatory Report, in part because this information was required in the Ministry for Environment biannual survey of consent authorities.

There was a discussion about the preferred frequency of the report. In response to a question, Mr Kettlewell advised that the 250 staff hours required to complete the report included Executive Manager and Business Unit Manager time. He asked the Committee to consider whether this was the most efficient use of staff time, given the shortfall in staff hours already identified during the Long Term Plan 2012-2022.

The Committee expressed support for receiving the report annually. It was noted that compliance reporting was only one part of ensuring compliance, and that responsibility rested with staff to ensure compliance was managed and monitored as a part of everyday business. It was clarified that, if there was a matter needing Council attention staff would be expected to raise it with Council accordingly, outside of an annual compliance report.

Resolved

THAT the report (1362025) be received;

AND THAT the Committee note the progress made on identifying and reducing risks associated with non-compliance to date;

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AND THAT formal reporting is required once per year in future.

Copeland/Matheson

Carried

Attendance: The meeting adjourned for morning tea from 10.20am to 10.35am.

8. Finance Report for the Period Ending 30 September 2012

Document number 1394837, agenda pages 42-58 refer.

Ms Harrison presented the report. She explained that there were several changes in the reporting for this financial year, due to the reduction in activities from 17 activities to 10 in the Long Term Plan 2012-2022. She added that Council's debt level for the period was lower than at the year end because of the amount of annual rates that were paid in advance.

It was noted that items 4.1 and 19.1 referred to an operating deficit being \$854,000 'ahead of budget', and this should read 'less than budget'.

In response to a question, Ms Harrison confirmed that, once the Standard & Poors credit rating was received, Council would join the Local Government Funding Agency and issue bonds, which would progressively address the 5years plus funding maturity profile. She said that the Standard & Poors credit rating was expected in mid December, following which the intention was to issue bonds in January 2013.

Resolved

THAT the report (1394837) be received and the variations noted.

Collingwood/Thomas

Carried

9. Report Back on Audit, Risk and Finance Committee Enquiries

Document number 1396561, agenda pages 59-64 refer.

A view was expressed that it was inappropriate for the Council publication, Live Nelson, to promote Council activities. The Acting Chief Executive explained that Live Nelson had long been the primary device for sharing information with the community about Council activities. He said it was the voice of the organisation, and was used to communicate information about both community activities, and Council activities in the community, and he did not consider this had changed significantly.

9.1 Issues around Councillors' Profiles as part of 'My City, My Council' publicity campaign

It was noted that the Office of the Auditor General's guide was very helpful and that it recommended that every council consider adopting a

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formal communications policy and suggested criteria for such a policy. There was general agreement that Council should consider this.

A number of views were expressed about the raising of Councillors' profiles as part of the My City My Council campaign. One view was that personal information was not relevant to the work undertaken as Councillors, while others suggested that it was important for the Council to have a 'human face'.

9.2 Staff writing material for newspapers

In response to a question, the Acting Chief Executive confirmed that staff had not written a story for the Nelson Weekly publication, rather they had provided background material to support a campaign that was also available to other media outlets, and that material had then been largely used unaltered for the final article. He agreed it was not appropriate for Council staff to write items for external publishers without requesting attribution.

9.3 Noise in Public Places

It was suggested that the cost of securing consents for noise in public places for Council owned venues was increasing and Council needed to consider how to recover costs.

In response to questions, the Acting Chief Executive said he would discuss cost recovery possibilities with the Executive Manager Network Services, and he agreed that costs should be recovered from those who required the benefit of the noise consent. He added that, over the period during which the consent was under appeal, venue hirers would be informed of their obligations and restrictions under the relevant Nelson Resource Management Plan standards and consents as they currently stood.

Recommendation to Council

THAT the Council note the information provided in report 1396561 with respect to the Council outdoor noise consent, the profiling of Councillors in Council publicity, the use of staff articles in external publications and public liability with respect to Council structures in public places.

Collingwood/Thomas

Carried

Recommendation to Council

THAT the development of a formal Council communications policy be considered at an upcoming Council – Governance meeting.

Matheson/Collingwood

Carried

10. Leaky Homes Financial Assistance Package

Document number 1161393, agenda pages 65-76 refer.

Acting Executive Manager Regulatory, Mandy Bishop, and Acting Manager Building, Chris Wood, joined the meeting. The Committee congratulated the report writers on a very well considered report.

In response to a question, Ms Harrison explained that the Riskpool insurance scheme stopped insuring for leaky homes some years ago and there was now no ability to obtain public liability insurance for leaky homes. The Acting Chief Executive added that Council's liability to the scheme had not yet closed off and Council remained liable for claims lodged while it was a member of the scheme, but which were presently unresolved.

In response to a further question about the possibility of leaky home claimants increasing, Mr Wood advised that this was decreasing over time, as building codes had changed to address such issues. It was confirmed that the Council and private owners would each be required to pay their own litigation costs for any new claims.

Recommendation to Council

THAT the Council does not become a participating Territorial Authority to the Leaky Homes Financial Assistance Package under the Weather-tight Homes Resolution Services (Financial Assistance Package) Amendment Act 2011;

AND THAT the Council reassess the option of joining the Leaky Homes Financial Assistance Package following the Government led review of the Scheme in 2014;

AND THAT the Chairperson of the Audit, Risk and Finance Committee be authorised to release a media statement to the effect that Nelson City Council will not become a participating Council in the Leaky Homes Financial Assistance Package proposal.

Matheson/Collingwood

Carried

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11. Regulatory Report for the Period Ending 30 September 2012

Document number 1385757, agenda pages 77-81 refer.

Acting Executive Manager Regulatory, Ms Bishop, joined the meeting.

There was a discussion about the progress of earthquake prone building assessments in the City, during which it was noted that the Council was behind on its Earthquake Prone Buildings Policy and it was suggested that it may be appropriate to consider contracting out the work. The Acting Chief Executive advised that the Council had contracted a structural engineer to implement its Earthquake Prone Buildings Policy and assured the Committee that every endeavour was being made to address the issue as a matter of priority.

The Acting Chief Executive added that local authorities and building owners were in a holding pattern following the Canterbury Earthquake Royal Commission enquiry, pending a possible direction from Central Government. It was also noted that building owners were experiencing difficulty securing the services of engineers as they were currently under extreme pressure and this would make the Policy timeframes difficult to meet.

Resolved

THAT the Regulatory Report for the Period Ending 30 September 2012 (1385757) be received.

Thomas/Copeland

Carried

12. Exclusion of the Public

Resolved

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

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Particular interests protected (where applicable)
1	Minutes of the Audit, Risk and Finance Committee public excluded meeting - 21 August 2012 These minutes contain information relating to negotiations with Port Nelson Limited, regarding the delegation of navigation safety responsibilities to Port Nelson Limited	Section 48(1)(a) The public conduct of this matter would be likely to result in disclosure of information for which good reason exists under section 7	The withholding of the information is necessary: <ul style="list-style-type: none"> Section 7(2)(i) To carry out negotiations

Collingwood/Matheson

Carried

The meeting went into public excluded session at 11.47am.

12.1 Confirmation of Minutes – 21 August 2012

The public excluded part of this meeting dealt solely with the confirmation of the minutes of the previous public excluded part of the meeting of the Nelson City Council Audit, Risk and Finance Committee.

Resolved

THAT the minutes of the part of a meeting of the Nelson City Council Audit, Risk and finance Committee, held with the public excluded on 21 August 2012, be confirmed as a true and correct record.

The meeting resumed in public session at 11.52am.

13. Re-admittance of the Public

Resolved

THAT the public be re-admitted to the meeting.

Barker/Collingwood

Carried

There being no further business the meeting ended at 11.52am.

Confirmed as a correct record of proceedings:

_____ Chairperson _____ Date

AUDIT, RISK AND FINANCE COMMITTEE STATUS REPORT – 26 February 2013

No	Meeting Date	Document Number	Report Title/Item Title	Officer	Resolution or Action	Status
1	29/5/2010	1244247	Review of Financial Reserves	Nikki Harrison	<u>THAT</u> where appropriate staff take reasonable steps to contact the providers or Trustees of the bequests and trusts and consult the Council's Senior Legal Adviser, and report back to the Committee on the transfer of financial reserves.	26/02/13 A further report will be brought back to the 19 March 2013 meeting.
2	21/08/2012	1342267	Obtaining an External Credit Rating	Nikki Harrison	<u>THAT</u> the Acting Chief Executive be requested to commence the process of obtaining an external credit rating for Council from Standard and Poor's.	26/02/13 Standard & Poor's issued a long term rating of AA- on 14 December 2012. Complete
3	2/10/2012	N/A	Community Relations Budget and 'My Council' Campaign	Richard Johnson	<u>THAT</u> the Acting Chief Executive be asked to investigate and report back to the Committee on issues raised at the meeting relating to: <ul style="list-style-type: none"> Nelson City Council Noise in Public Places consent application Council publicity activity and promotional activity 'My City, My Council' campaign 	26/02/13 Report on agenda for this meeting. Complete

No	Meeting Date	Document Number	Report Title/Item Title	Officer	Resolution or Action	Status
4	11/12/2012	1381616 v2	Leaky Homes Financial Assistance Package – resolution of Council - Governance	Nikki/Richard	AND THAT the Chairperson of the Audit, Risk and Finance Committee be authorised to release a media statement to the effect that Nelson City Council will not become a participating Council in the Leaky Homes Financial Assistance Package proposal.	26/02/13 Media release 15 November 2012. Complete

26 February 2013

REPORT 1442931

Finance Report for the Period Ending 31 December 2012

1. Purpose of Report

- 1.1 To inform the members of the Audit, Risk and Finance Committee on the financial results of activities for the six months ending 31 December 2012 compared to budget and to highlight and explain any material variations.

2. Recommendation

THAT the report be received and the variations noted.

3. Background

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

4. Discussion

- 4.1 For the six months ending 31 December 2012, there is an operating surplus of \$379,000, compared with the budgeted deficit of \$2.59 million, a \$3 million favourable variance.
- 4.2 Operating income and expenditure are discussed by activity.
- 4.3 Staff expenditure shows overspends in some activities, and underspends in others. This is a reflection of how staff are spending their time against where it was budgeted to be spent. Overall, staff expenditure is under budget year to date.

5. Transport

- 5.1 The transport activity reports a \$687,000 deficit year to date December, \$1.057 million better than the budgeted deficit.

Transport activity performance for the period ending 31 December 2012

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Ref:
Income								
Rates	(3,700,016)	(672,964)	(672,965)	(4,037,786)	(4,037,790)	(4)	(8,075,572)	
Operating Income	(2,381,898)	(575,281)	(651,826)	(3,501,665)	(3,910,956)	(409,291)	(7,821,894)	5.2
Total Income	(6,081,914)	(1,248,246)	(1,324,791)	(7,539,451)	(7,948,746)	(409,295)	(15,897,466)	
Expenses								
Staff	896,325	132,235	166,795	969,617	1,000,770	31,153	2,001,494	
Base Service Provision	2,460,878	392,378	576,638	3,467,592	3,459,828	(7,764)	6,919,675	
Unprogrammed Maintenance	12,783	97,686	343,875	903,986	2,063,250	1,159,264	4,126,500	5.3
Programmed Maintenance	66,504	1,977	33,583	32,864	201,498	168,634	403,000	5.4
Financial Charges	511,031	86,709	95,055	500,367	570,330	69,963	1,140,653	
Depreciation	2,252,170	391,930	399,437	2,351,580	2,396,622	45,042	4,793,226	
Total Expenses	6,199,692	1,102,915	1,615,383	8,226,005	9,692,298	1,466,292	19,384,548	
Net Surplus/Deficit	117,778	(145,330)	290,592	686,553	1,743,552	1,056,997	3,487,082	5.1

5.2 New Zealand Transport Agency grants are under budget by \$610,000 mainly due to the timing of the Cable Bay Road project. Parking income is \$256,000 (31%) under budget. This is mainly in off-street meters and is a similar variance to the same time last year. Parking is subject to seasonality however this is an area that we will investigate further after summer. Offsetting this, Public Transport revenue is \$150,000 above budget and Parking Regulation \$65,000 above budget. Unsubsidised roading recoveries is \$164,000 above budget also.

5.3 The Cable Bay Road reinstatement is under budget by \$1.227 million at this time. Work is now expected to start April 2013 with the bulk of the work being completed in the next financial year.

5.4 Programmed Maintenance is \$160,000 under budget mainly in the Street Light Maintenance budget.

6. Water

6.1 The water activity reports a \$415,000 surplus year to date December, \$597,000 better than budgeted.

Water supply activity performance for the period ending 31 December 2012

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Ref:
Income								
Rates	0	0	0	0	0	0	0	
Operating Income	(5,431,899)	(866,466)	(920,580)	(5,409,244)	(5,523,480)	(114,236)	(11,046,958)	6.2
Total Income	(5,431,899)	(866,466)	(920,580)	(5,409,244)	(5,523,480)	(114,236)	(11,046,958)	
Expenses								
Staff	478,249	46,042	55,210	306,226	331,260	25,034	662,525	
Base Service Provision	1,039,782	232,219	232,758	1,268,564	1,396,548	127,984	2,793,106	6.3
Unprogrammed Maintenance	838,010	105,851	209,974	817,430	1,259,844	442,414	2,519,693	6.4
Programmed Maintenance	15,273	952	9,877	7,407	59,262	51,855	118,513	
Financial Charges	768,728	107,638	114,577	640,262	687,462	47,200	1,374,929	
Depreciation	1,902,030	325,720	328,433	1,954,322	1,970,598	16,276	3,941,192	
Total Expenses	5,042,072	818,421	950,829	4,994,210	5,704,974	710,763	11,409,958	
Net Surplus/Deficit	(389,826)	(48,045)	30,249	(415,034)	181,494	596,527	363,000	6.1

- 6.2 Water revenue is under budget by \$114,000 to December, however given the dry summer it is expected revenue will be higher in the second half of the year and should meet budget.
- 6.3 Maintenance is under budget by \$128,000. Headworks maintenance accounts for \$126,000 of this and this budget is anticipated to be largely spent in quarter four.
- 6.4 \$192,000 of the underspend in un-programmed maintenance is due to there being no expenditure year to date on the emergency recovery. Reactive maintenance for water reticulation is currently under budget by \$250,000. Urgent maintenance is undertaken as needed, with less urgent maintenance such as pump station overhauls completed in quarter four.

7. Wastewater

- 7.1 The wastewater activity reports a \$575,000 deficit year to date December, \$462,000 worse than budgeted.

Wastewater activity performance for the period ending 31 December 2012

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Ref:
Income								
Rates	(3,121,217)	(536,352)	(536,352)	(3,218,112)	(3,218,112)	0	(6,436,225)	
Operating Income	(2,249,694)	(222,649)	(304,812)	(1,258,161)	(1,828,874)	(570,713)	(3,657,750)	7.2
Total Income	(5,370,911)	(759,001)	(841,164)	(4,476,273)	(5,046,986)	(570,713)	(10,093,975)	
Expenses								
Staff	322,289	42,970	43,746	272,770	262,476	(10,294)	524,946	
Base Service Provision	4,010,025	311,981	513,560	3,020,344	3,081,362	61,018	6,162,716	
Unprogrammed Maintenance	0	32,008	60,792	286,481	364,752	78,271	729,500	
Programmed Maintenance	1,412	1,293	16,916	23,938	101,496	77,558	203,000	
Financial Charges	0	0	0	0	0	0	0	
Depreciation	1,298,483	241,293	224,901	1,447,766	1,349,406	(98,360)	2,698,813	
Total Expenses	5,632,210	629,545	859,915	5,051,299	5,159,492	108,193	10,318,975	
Net Surplus/Deficit	261,298	(129,456)	18,751	575,026	112,506	(462,520)	225,000	7.1

- 7.2 The Nelson Regional Sewerage Business Unit investment return, year to date \$447,000 will not be received until the end of the financial year. Trade waste income is \$125,000 under budget as a result of a prior year rebate adjustment, and the closing down of the Sealord shellfish facility earlier than anticipated.

8. Stormwater

- 8.1 The stormwater activity reports a \$754,000 deficit year to date December, \$394,000 worse than budgeted.

Stormwater activity performance for the period ending 31 December 2012

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Ref:
Income								
Rates	(2,078,666)	(317,823)	(317,823)	(1,906,940)	(1,906,938)	2	(3,813,880)	
Operating Income	0	0	0	(23,489)	0	23,489	0	
Total Income	(2,078,666)	(317,823)	(317,823)	(1,930,429)	(1,906,938)	23,491	(3,813,880)	
Expenses								
Staff	281,988	41,429	39,342	286,553	236,052	(50,501)	472,105	
Base Service Provision	269,047	16,913	25,036	139,114	150,216	11,102	300,420	
Unprogrammed Maintenance	12,059	69,393	77,333	971,303	463,998	(507,305)	928,000	8.2
Programmed Maintenance	0	0	0	0	0	0	0	
Financial Charges	596,869	74,506	76,470	457,811	458,820	1,009	917,641	
Depreciation	922,044	138,305	159,727	829,833	958,362	128,529	1,916,714	8.3
Total Expenses	2,082,007	340,546	377,908	2,684,614	2,267,448	(417,166)	4,534,880	
Net Surplus/Deficit	3,341	22,723	60,085	754,184	360,510	(393,674)	721,000	8.1

8.2 There is a \$797,000 overspend in emergency response. The major projects report to the 21 February 2013 Council meeting proposes reallocations from water, wastewater and roading for the emergency event to cover this.

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

9. Flood Protection

9.1 The flood protection activity reports a \$53,000 deficit year to date December, \$53,000 worse than budgeted.

Flood protection activity performance for the period ending 31 December 2012

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Ref:
Income								
Rates	0	(10,179)	(10,179)	(61,073)	(61,074)	(1)	(122,146)	
Operating Income	0	0	0	0	0	0	0	
Total Income	0	(10,179)	(10,179)	(61,073)	(61,074)	(1)	(122,146)	
Expenses								
Staff	0	640	0	1,218	0	(1,218)	0	
Base Service Provision	0	0	750	1,592	4,500	2,908	9,000	
Unprogrammed Maintenance	0	18,423	8,583	48,221	51,498	3,277	103,000	
Programmed Maintenance	0	0	0	0	0	0	0	
Financial Charges	0	344	846	1,210	5,076	3,866	10,146	
Depreciation	0	10,354	0	62,122	0	(62,122)	0	9.2
Total Expenses	0	29,762	10,179	114,363	61,074	(53,289)	122,146	
Net Surplus/Deficit	0	19,583	0	53,290	0	(53,290)	0	9.1

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

10. Environment

- 10.1 The environment activity reports a \$1.038 million surplus year to date December, \$1.033 million better than budgeted.

Environment activity performance for the period ending 31 December 2012

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Ref:
Income								
Rates	(2,587,016)	(511,313)	(515,535)	(3,105,047)	(3,093,210)	11,837	(6,186,410)	
Operating Income	(2,712,513)	(540,496)	(799,154)	(4,167,478)	(4,794,924)	(627,446)	(9,589,841)	10.2
Total Income	(5,299,529)	(1,051,808)	(1,314,689)	(7,272,525)	(7,888,134)	(615,609)	(15,776,251)	
Expenses								
Staff	2,153,085	382,486	520,903	2,647,941	3,125,418	477,477	6,250,803	10.3
Base Service Provision	2,811,295	340,265	659,895	2,998,459	3,959,370	960,911	7,918,708	10.4
Unprogrammed Maintenance	47,268	17,270	17,416	46,085	104,496	58,411	209,000	
Programmed Maintenance	151,494	16,870	66,483	208,508	398,898	190,390	797,800	10.5
Financial Charges	233,491	21,363	20,272	131,314	121,632	(9,682)	243,265	
Depreciation	195,756	33,707	28,826	202,111	172,956	(29,155)	345,896	
Total Expenses	5,592,389	811,962	1,313,795	6,234,417	7,882,770	1,648,353	15,765,472	
Net Surplus/Deficit	292,859	(239,846)	(894)	(1,038,108)	(5,364)	1,032,744	(10,779)	10.1

- 10.2 Building consent fees are \$233,000 under budget, offset in staff costs. Landfill fees under budget \$318,000, some seasonality, and offsets expenditure recorded in Base Service Provision. Waste minimisation disposal levies and central government grants are under budget by \$93,000 due to timing/seasonality.
- 10.3 There has been less staff time spent than budgeted particularly in Resource Consents, Environmental Advocacy, Building Services, and Resource management planning. There is some reflection in revenue particularly in the Building unit.
- 10.4 Resource management planning development is \$232,000 under year to date. Tenders for consultants are now being released. There is projected to be a full year underspend of \$120,000 at this time. Monitoring the Environment is under budget by \$109,000 as most of the invoices due later in the year once projects are completed. The Emissions Trading Scheme levy for Landfill is under budget by \$182,000 as this liability commences January 2013. It is projected that this liability will be under \$50,000 for the year due to the depressed price of carbon. Toe Embankment Maintenance \$125,000 is currently being designed with works commencing later in March. The remaining variance in Landfill of \$111,000 reflects lower volumes. The Riskpool claim provision is \$85,000 under budget and it is now unlikely another claim will be made this year.
- 10.5 The capital grant for the Emergency Operations Centre has not yet been issued, resulting in an underspend year to date of \$75,000. The Emergency Operations Centre will now not be finished until December 2013. Waste Minimisation programmed expenditure is under budget by \$88,000, due largely to no expenditure to date against the waste management and minimisation plan budget.

11. Social

- 11.1 The social activity reports a \$492,000 deficit year to date December, \$245,000 worse than budgeted.

Social activity performance for the period ending 31 December 2012

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Ref:
Income								
Rates	(4,526,924)	(832,818)	(832,817)	(4,996,908)	(4,996,902)	6	(9,993,816)	
Operating Income	(1,239,823)	(222,446)	(233,632)	(1,372,276)	(1,401,792)	(29,516)	(2,803,538)	
Total Income	(5,766,747)	(1,055,264)	(1,066,449)	(6,369,184)	(6,398,694)	(29,510)	(12,797,354)	
Expenses								
Staff	2,176,685	377,210	396,754	2,396,204	2,380,524	(15,680)	4,760,970	
Base Service Provision	1,628,686	405,495	321,985	1,863,114	1,931,910	68,796	3,863,712	11.2
Unprogrammed Maintenance	156,425	16,224	21,191	154,306	127,146	(27,160)	254,290	
Programmed Maintenance	1,531,145	220,749	239,616	1,740,304	1,437,696	(302,608)	2,875,413	11.3
Financial Charges	141,606	22,820	31,749	136,162	190,494	54,332	380,963	
Depreciation	510,050	96,435	96,304	571,262	577,824	6,562	1,155,648	
Total Expenses	6,144,597	1,138,933	1,107,599	6,861,352	6,645,594	(215,758)	13,290,996	
Net Surplus/Deficit	377,850	83,669	41,150	492,168	246,900	(245,268)	493,642	11.1

- 11.2 Maintenance costs for the Theatre Royal and the School of Music are not yet the responsibility of Nelson City Council, generating a \$96,000 saving year to date. The overspend of the Noise Consent fees \$140,000 is offset by contract savings of \$83,000 at Marsden Valley Cemetery and Public Toilets \$42,000.
- 11.3 There is a timing variance of \$91,000 underspend relating to The Suter capital grant. Offsetting this, Festivals expenditure is \$327,000 overspent year to date December, partly due to timing of events. Budget in Base Service Provision of \$95,000 offsets this and also extra targeted grants cover some of this expenditure. Community Assistance grants are over budget by \$115,000 due to phasing of budgets.

12. Parks and Active Recreation

- 12.1 The parks and active recreation activity reports a \$811,000 surplus year to date December, \$1.378 million better than budgeted.

Parks and active recreation activity performance for the period ending 31 December 2012

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Ref:
Income								
Rates	(5,524,445)	(1,017,218)	(1,017,218)	(6,103,306)	(6,103,308)	(2)	(12,206,613)	
Operating Income	(1,261,694)	(227,468)	(231,441)	(1,308,657)	(1,388,646)	(79,989)	(2,777,266)	
Total Income	(6,786,139)	(1,244,686)	(1,248,659)	(7,411,963)	(7,491,954)	(79,991)	(14,983,879)	
Expenses								
Staff	544,661	71,007	116,127	473,040	696,762	223,722	1,393,479	
Base Service Provision	2,046,734	380,391	411,111	2,090,522	2,466,666	376,144	4,933,234	12.2
Unprogrammed Maintenance	186,440	107,139	79,636	682,518	477,816	(204,702)	955,604	12.3
Programmed Maintenance	880,925	184,345	243,330	878,733	1,459,980	581,247	2,919,936	12.4
Financial Charges	1,514,128	198,695	220,476	1,188,370	1,322,856	134,486	2,645,703	12.5
Depreciation	1,192,973	214,612	272,490	1,287,586	1,634,940	347,354	3,269,899	12.6
Total Expenses	6,365,862	1,156,188	1,343,170	6,600,768	8,059,020	1,458,251	16,117,855	
Net Surplus/Deficit	(420,277)	(88,678)	94,511	(811,195)	567,066	1,378,260	1,133,976	12.1

- 12.2 Seasonality is a major factor in respect of Parks, with maintenance contracts and water by meter showing underspends of \$223,000 and \$60,000 respectively at the end of December.
- 12.3 \$225,000 overspent year to date relating to the emergency event recovery. This is well within the full year budget, and expenditure is expected to wind down as the year progresses.
- 12.4 Saxton Cycle Track grant not yet paid, resulting in \$428,000 year to date underspend. \$102,000 underspent in programmed maintenance due to seasonality.
- 12.5 Financial charges are under budget to December due to the phasing of the interest charges and to lack of spend in this activity year to date (mainly Marina hardstand and Saxton capital works).
- 12.6 Depreciation \$229,000 was double counted (in both Sports Parks and Saxton Capital works) in the budget.

13. Economic

- 13.1 The economic activity reports a \$117,000 surplus year to date December, \$117,000 better than budgeted.

Economic activity performance for the period ending 31 December 2012

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Ref:
Income								
Rates	(1,404,258)	(121,048)	(121,048)	(726,286)	(726,288)	(2)	(1,452,572)	
Operating Income	(557,725)	0	0	0	0	0	0	
Total Income	(1,961,983)	(121,048)	(121,048)	(726,286)	(726,288)	(2)	(1,452,572)	
Expenses								
Staff	356,200	1,893	2,152	10,599	12,912	2,313	25,820	
Base Service Provision	2,050,671	53,795	58,046	348,272	348,276	4	696,544	
Unprogrammed Maintenance	2,714	0	0	0	0	0	0	
Programmed Maintenance	230,549	0	59,844	243,980	359,064	115,084	718,118	13.2
Financial Charges	12,952	1,012	1,008	6,069	6,048	(21)	12,090	
Depreciation	0	0	0	0	0	0	0	
Total Expenses	2,653,086	56,700	121,050	608,920	726,300	117,380	1,452,572	
Net Surplus/Deficit	691,104	(64,348)	2	(117,366)	12	117,378	0	13.1

13.2 There has been no spending on Economic Impact Assessment, Facilities Marketing, Economic Development fund or Fédération Internationale de Football Association under 20s to the end of December.

14. Corporate

14.1 The corporate activity reports a \$559,000 surplus year to date December, \$442,000 better than budgeted.

Corporate activity performance for the period ending 31 December 2012

	YTD Actual Prior yr	Month Actual	Month Budget	YTD Actual	YTD Budget	YTD Budget Var	Full year Budget	Ref:
Income								
Rates	478,077	(18,334)	(18,336)	(106,462)	(110,016)	(3,554)	(220,008)	
Operating Income	(6,354,408)	(948,024)	(1,096,839)	(6,055,012)	(6,581,034)	(526,022)	(13,162,033)	14.2
Total Income	(5,876,332)	(966,358)	(1,115,175)	(6,161,474)	(6,691,050)	(529,576)	(13,382,041)	
Expenses								
Staff	2,488,622	313,969	274,436	2,399,395	2,647,992	248,597	4,294,591	
Base Service Provision	524,964	97,143	156,897	703,182	941,382	238,200	1,882,799	14.3
Unprogrammed Maintenance	535,880	1,128	6,157	25,378	36,942	11,564	73,874	14.4
Programmed Maintenance	57,524	5,556	43,729	37,934	262,374	224,440	524,742	14.5
Financial Charges	1,817,994	200,266	361,481	1,867,400	2,168,886	301,486	4,337,760	
Depreciation	521,428	91,532	86,120	569,605	516,720	(52,885)	1,033,432	
Total Expenses	5,946,411	709,594	928,820	5,602,895	6,574,296	971,402	12,147,198	
Net Surplus/Deficit	70,080	(256,763)	(186,355)	(558,578)	(116,754)	441,826	(1,234,843)	14.1

14.2 Internal interest under budget \$363,000, reflecting prior year capital delays and underspends. There is also a \$242,000 variance in forestry revenue which is a budget phasing issue for the Marsden Forest, although the Maitai Forest harvest is on hold due to access issues.

14.3 Contingency budget year to date of \$75,000 has not been used, rental expenditure for the Fletcher Vaultier Moore offices show savings of \$52,000 and administration and meeting expenditure is \$52,000 less than budget at this stage.

14.4 The City Development Strategy work is \$116,000 under budget. This work is due to start early in 2013. Forestry programmed maintenance is under budget year to date by \$70,000 as well as Civic House \$31,000.

- 14.5 Financial charges are under budget by \$162,000 in Investment Management due to interest savings on lower debt and interest rates. \$42,000 is due to the timing difference against budget for tax expenditure in Ridgeways JV, and an internal interest saving in rental properties \$91,000.

15. Capital Related Income

- 15.1 This includes Capital related grants and subsidies from external parties (New Zealand Transport Agency, Tasman District Council, sports bodies, Housing New Zealand and development contributions), and in 2012/13 gifts of property. This continues to be shown below the line this financial year as it often distorts operating results and is only treated as income for Annual Report purposes. It is tracking \$5 million under budget year to date, \$3.4 million due to the fact that the property transfers of the School of Music and Theatre Royal have not yet taken place.
- 15.2 New Zealand Transport Agency 'R' funding has not been claimed so far this year, against a year to date budget of \$842,000. New Zealand Transport Agency funding for Capital improvements is currently running \$334,000 below budget reflecting the timing of Capital expenditure.
- 15.3 Development contributions are \$275,000 under budget year to date.

16. Capital Expenditure

- 16.1 Capital expenditure is \$7.3 million below budget year to date. Please see Attachment 2 for more information on this variance.

17. Outstanding Rates

- 17.1 The second instalment was due on 27 November 2012. Of this instalment, \$593,648 was still outstanding at 3 December 2012 (95.6% collected) and \$34,132 was still outstanding for the previous rating year.

18. Borrowings

- 18.1 A summary of the borrowings and interest rate position as at 31 December 2012 is attached (Attachment 8).

19. Elected members training and travel expenses

- 19.1 Under the Expenses Policy for Elected Members actual expenditure against budget must be reported back to Council on a six monthly basis (Attachment 10).

20. Conclusion

- 20.1 The net operating deficit of \$379,000 is \$3 million better than budget for the six months ending 31 December 2012. Capital expenditure is below budget by \$7.5 million, largely related to the timing of the budgeted Theatre Royal and School of Music assets transfers.

Tracey Hughes
Senior Accountant

Attachments

- Attachment 1: Nelson City Council Summary Performance [1443052](#)
- Attachment 2: Capital Expenditure by Activity [1443052](#)
- Attachment 3: Capital Expenditure Over \$750,000 [1443052](#)
- Attachment 4: Capital Expenditure Graph [1443052](#)
- Attachment 5: Outstanding Rates [1443052](#)
- Attachment 6: Debtors [1234107](#)
- Attachment 7: Balance Sheet [1447720](#)
- Attachment 8: Council Borrowings [1443052](#)
- Attachment 9: Interest Rate Position Report [1435143](#)
- Attachment 10: Elected members training and travel expenses [1452388](#)

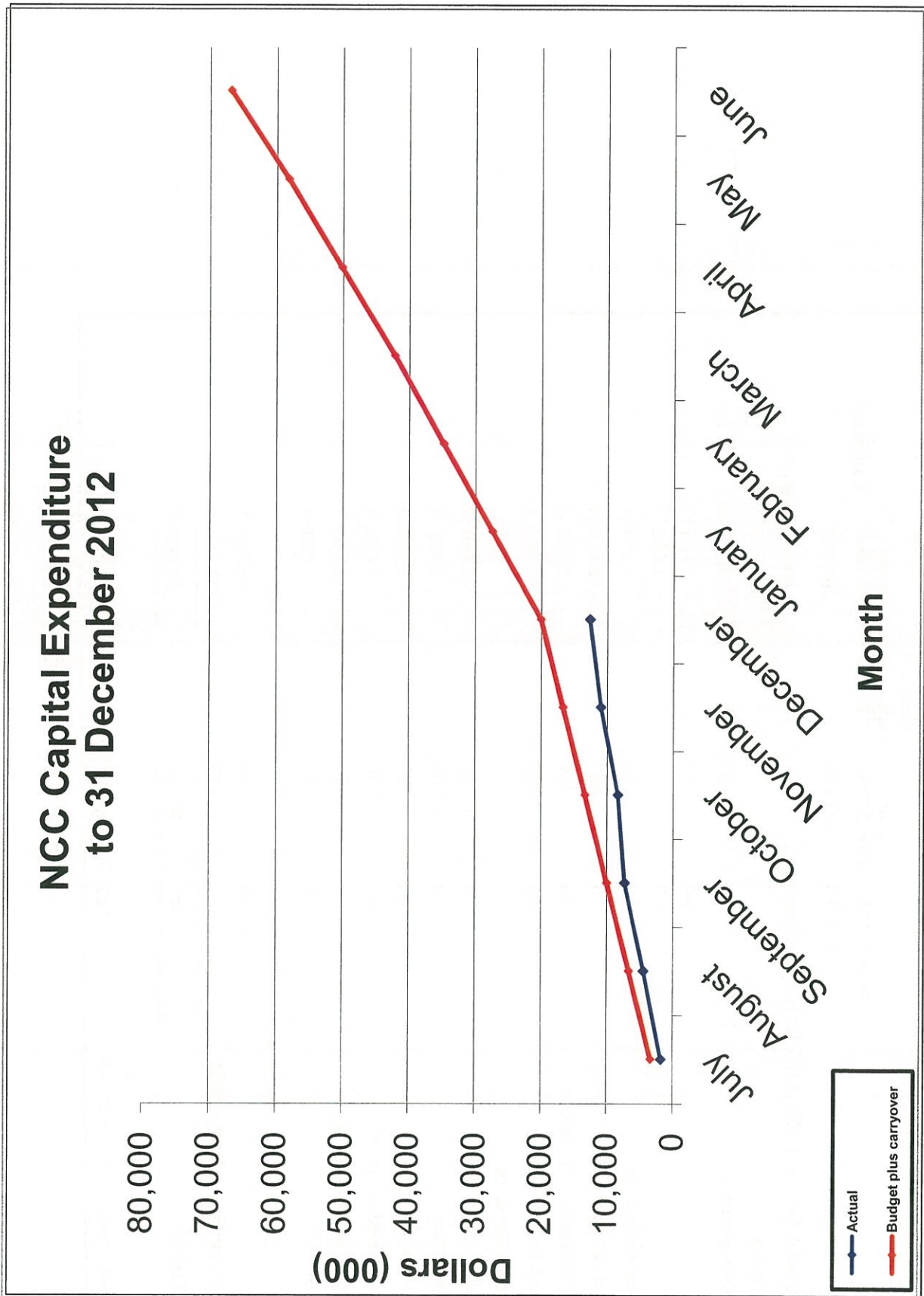
No supporting information follows.

Nelson City Council summary performance for the period ending 31 December 2012

	YTD Actual Prior yr 000s	YTD Actual 000s	YTD Budget 000s	YTD Budget Var 000s	YTD Budget Var %	Full year Budget 000s
<u>Revenue</u>						
Rates	22,464	24,262	24,254	8	0.0%	48,507
Water supply	5,404	5,380	5,507	(127)	-2.3%	11,015
<u>Activity income</u>						
Transport	2,382	3,502	3,911	(409)	-10.5%	7,822
Water supply	28	29	16	13	80.3%	32
Wastewater	2,250	1,258	1,829	(571)	-31.2%	3,658
Stormwater	0	23	0	23	N/A	0
Flood protection	0	0	0	0	N/A	0
Environment	2,713	4,167	4,795	(627)	-13.1%	9,590
Social incl arts and heritage	1,240	1,372	1,402	(29)	-2.1%	2,804
Parks and active recreation	1,262	1,309	1,389	(80)	-5.8%	2,777
Economic	558	0	0	0	N/A	0
Corporate	6,354	6,055	6,581	(526)	-8.0%	13,162
Total revenue	44,654	47,358	49,683	(2,325)	-4.7%	99,367
<u>Activity Expense</u>						
Transport	6,200	8,226	9,692	(1,466)	-15.1%	19,385
Water supply	5,042	4,994	5,705	(711)	-12.5%	11,410
Wastewater	5,632	5,051	5,159	(108)	-2.1%	10,319
Stormwater	2,082	2,685	2,267	417	18.4%	4,535
Flood protection	-	114	61	53	87.3%	122
Environment	5,592	6,234	7,883	(1,648)	-20.9%	15,765
Social incl arts and heritage	6,145	6,861	6,645	216	3.2%	13,291
Parks and active recreation	6,366	6,601	8,059	(1,458)	-18.1%	16,118
Economic	2,653	609	726	(117)	-16.2%	1,453
Corporate	5,946	5,603	6,074	(471)	-7.7%	12,147
Total expense	45,658	46,979	52,272	(5,293)	-10.1%	104,545
Net operating (surplus)/deficit	1,004	(379)	2,589	(2,968)	-114.6%	5,178
Capital related income	2,553	1,433	6,397	(4,964)	-77.6%	12,793

Total Council - by Activity[illegible]

Capital Expenditure		6 Months to 31 December 2012			
Total Council		Annual		Contract	Comments
		Actual YTD	Budget	Completion	
		\$(000)	plus C/fwd	Date	
			\$(000)		Latest Forecast
					\$(000)
Major projects (over \$750,000 in any column)					
Infrastructure					
Maitai Pipeline Duplication	2,616		5,132		5,132 Y
Princes Drive	28		1,076		1,076 Y
Queens Road	899		1,073		1,073 Y
Road: Waimea/Motueka Jct	15		1,194		1,194 Y
Strategic Land Purchase	0		2,400		2,400 Y
Nelson North Wastewater Treatment	76		2,251		2,251 Y
Road Renewals: Friction Course	296		989		989 Y
Community Services					
Theatre Royal	3		6,590		6,590 Y
Nelson School of Music	0		2,406		2,406 Y
Marina Hardstand	12		2,400		2,400 Y
Trafalgar Center North Upgrade	322		1,438		1,438 Y
Land Purchase: General Reserve	0		1,189		1,189 Y
Replace Hockey Turf	4		950		950 Y
Reserves					
Vested Assets	2,274		4,769		4,769 Y
Total other (under \$750,000)	6,130		32,838		32,838 Y
Council Total	12,674		66,693		66,693 Y
Nelson Regional Sewerage business unit	210		1,109		1,109 Y

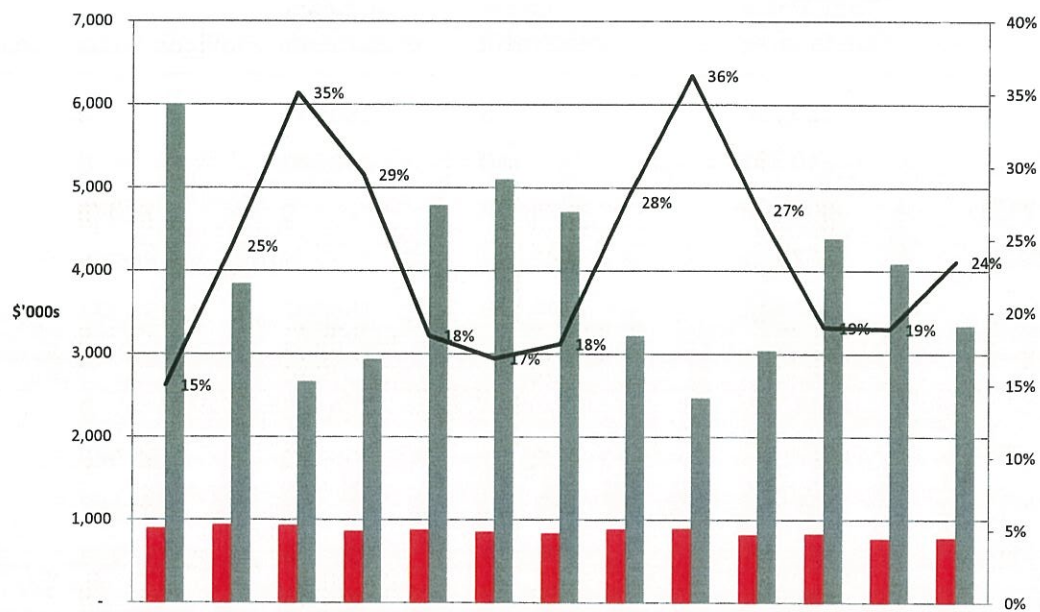


Outstanding Rates

Attachment 5

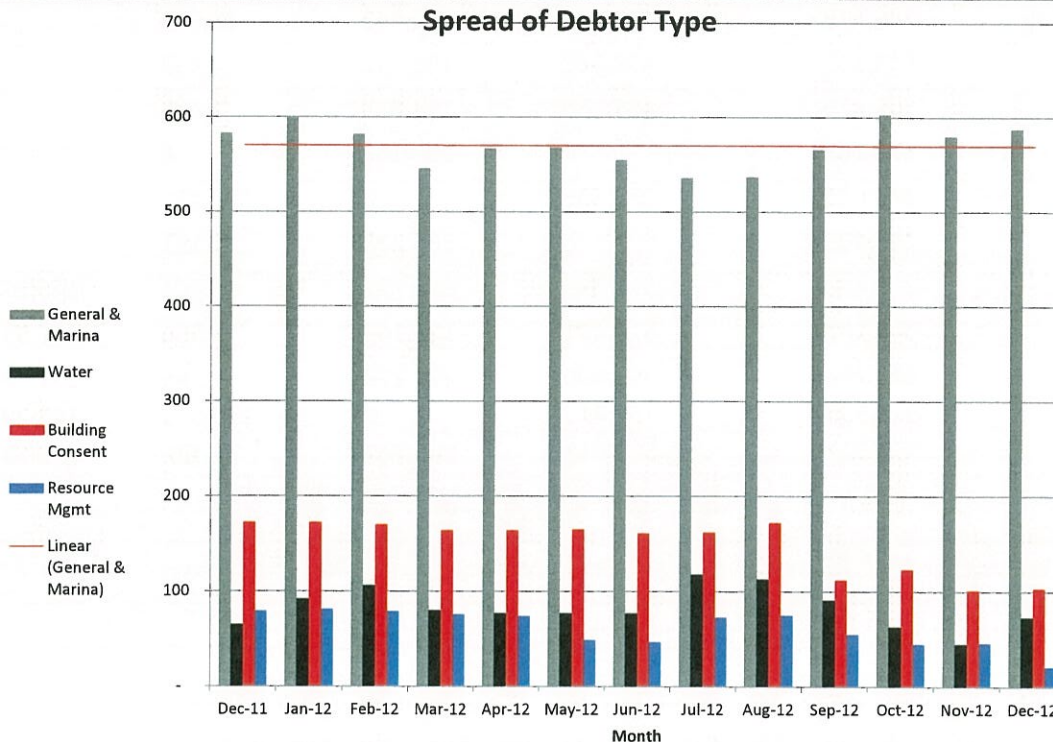
Date	Total Rates Outstanding	Latest Instalment	Previous instalments	Previous Years	incl commercial
30 June 2007	180,780	0	180,780	0	
30 June 2008	340,391	0	340,391	0	
1 September 2008	907,606	633,127	0	274,479	
1 December 2008	677,694	591,693	?	86,001	
1 March 2009	852,643	644,579	169,842	38,222	
4 June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

Debtors Totals & 3 Months Overdue December 2012



	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Total 3 months & over	900	945	937	866	882	859	840	889	897	824	834	772	785
Total Debtors	6,003	3,848	2,671	2,938	4,793	5,103	4,712	3,219	2,473	3,041	4,393	4,091	3,338
Percent 3 mths to Total	15%	25%	35%	29%	18%	17%	18%	28%	36%	27%	19%	19%	24%

Spread of Debtor Type



December 2012 General Debtors Analysis 3 months overdue

Overdue - no arrangements	Queries	Legal action pending	Payment arrangements in place	With Creditmans	Since Paid	Marina
25,724	10,137	455,550	59,539	3,631		3,199

Nelson City Council

Abbreviated Balance Sheet

		31/12/2012	30/11/2012	30/06/2012
Current Assets				
	Cash and Bank	34,229	326,842	37,333
Bank Deposits	Investments	0	0	2,200,000
	Rates Debtors	(4,192,747)	(2,914,933)	(653,063)
Amounts due from customers.	Trade Debtors	7,696,413	9,189,679	12,687,563
	Debtors and Accruals	2,262,414	2,414,671	984,948
		<u>5,800,308</u>	<u>9,016,260</u>	<u>15,256,781</u>
Current Liabilities				
Cash Book Balance	Bank Overdraft	(2,156,771)	0	(409,863)
Amounts owed to suppliers.	Creditors	(8,205,902)	(10,493,398)	(14,234,354)
	Commercial paper	(39,694,236)	(39,694,236)	(39,686,764)
Term Loans to be paid in 12 months	Current Portion of Term Liabilities	(30,000)	(30,000)	(30,000)
		<u>(50,086,909)</u>	<u>(50,217,634)</u>	<u>(54,360,980)</u>
	Net Working Capital	(44,286,600)	(41,201,374)	(39,104,199)
Non Current Assets				
Shares in Subsidiaries etc	Investments	29,302,769	29,301,666	29,290,709
Total value, net of depreciation of all	Fixed Assets	<u>1,181,506,066</u>	<u>1,182,884,328</u>	<u>1,185,646,627</u>
		<u>1,210,808,835</u>	<u>1,212,185,994</u>	<u>1,214,937,336</u>
Non Current Liabilities				
	Bank Term Loans	(14,921,690)	(15,871,690)	(21,286,690)
Money borrowed that requires payment after 12 months	Other Term Liabilities	(1,021,649)	(1,013,242)	(971,824)
		<u>(15,943,340)</u>	<u>(16,884,933)</u>	<u>(22,258,514)</u>
		<u>1,150,578,895</u>	<u>1,154,099,687</u>	<u>1,153,574,623</u>
Shareholder Funds				
	Ratepayers Equity	319,159,004	323,123,270	326,373,674
	Reserves	<u>831,419,891</u>	<u>830,976,417</u>	<u>827,200,949</u>
		<u>1,150,578,895</u>	<u>1,154,099,687</u>	<u>1,153,574,623</u>

Council Borrowings & Swaps

The Council borrowing as at 31 December 2012, with maturity dates are as follows:

		NCC	NRSBU	Total	Interest rate
		\$000	\$000	\$000	\$000
Jan 2013	Call	2,350		2,350	3.80%
Jan 2013	CP	19,830		19,830	3.13%
Jan 2013			1,900	1,900	3.73%
Jan 2013			500	500	3.71%
Feb 2013	CP	9,920		9,920	3.06%
Feb 2013			2,650	2,650	3.67%
Feb 2013		5,320		5,320	3.61%
Mar 2013	CP	9,930		9,930	2.85%
Mar 2013			4,000	4,000	3.71%
Mar 2013		3,110		3,110	3.61%
Mar 2013		2,600		2,600	3.61%
Total Borrowings		53,060	9,050	62,110	

The weighted average interest rate was **3.269%**

Made up of:

NCC	3.19%
NRSBU	3.70%

Council Interest rate swaps

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

Nelson City Council Interest Rate Position			
12 month forecast core debt:	\$96.4m	31-Dec-12	
Policy Limits	55%-90%		
Overall Fixed:Floating Mix	79%		
Policy Compliance	Y		
Liquidity Ratio:	110%		
Actual	157%		
Policy Compliance	Y		
Fixed Rate Maturity Profile:			
Years	1 - 3 years	3 - 5 years	5 years plus
Policy Limits	15%-60%	15%-60%	15%-60%
Actual Hedging	15%	43%	42%
Policy Compliance	Y	Y	Y
Funding Maturity Profile:			
Years	0 - 3 years	3 - 5 years	5 years plus
Policy Limits	15%-60%	15%-60%	10%-40%
Actual Hedging	74%	26%	0%
Policy Compliance	X	Y	X
Nelson City Council Interest Rate Performance			
Market Rates	90 Day Rate (ave of month) = 3.09%	5yr Swap Rate (end of month) = 4.80%	
Interest Cost (incl margin)	This Month	Last Month	
Weighted Av. Cost of Funds			
Benchmark Rate (incl margin of bp)	0.00%	0.00%	
Budget Rate			
Counterparty Credit Risk (Interest Rate Risk Mgmt Instruments)			
Policy Credit Limit (NZ\$) per NZ Registered Bank (Interest Rate Risk Management Instruments Only)			10,000,000
Minimum Credit Rating is A-1+/A+	Notional (\$m)	Credit Exposure (\$m)	
Bank			
WPC	47.0	7.3	Within Policy
ANZ	23.0	4.1	Within Policy
BNZ	6.5	0.5	Within Policy
Total (NZ\$m)	76.5	11.9	

Specific borrowing limits		
Net interest expense on external debt as a percentage of total revenue to be less than 15%	2.94%	Y
Net interest expense on external debt (secured by rates) as a percentage of rates revenue to be less than 20%	5.06%	Y
Net external debt (secured by rates) as a percentage of total revenue to be less than 150%	62%	Y
Net external debt (secured by rates) as a percentage of equity to be less than 20%	5%	Y
Explanation of Funding maturity policy breach This policy ensures that Council have a spread of bank facilities and bonds across the maturity profile. With the inclusion of the NRSBU facility and swaps at 30 June 2012, Council now have too much maturing in the 0-3 year band and continue to be outside of policy in the 5 year + band. Remedial action To meet the 5 year plus band, Council will wait to issue bonds through the Local Government Funding Agency (LGFA). Issuing bonds will also resolve the 0-3 year band as Council will no longer have to hold committed facilities if it has term bonds and can start cancelling unused facility limits in the 0-3 year band.		

Elected members training and travel up to 31 December 2012

Mayor Miccio	84.00	Mayor - Zone 5 Dinner
	202.00	Mayor - Flights - LGNZ Metro meeting
	170.00	Mayor - Accommodation - LGNZ Metro meeting
	372.17	Mayor - Flights - Metro -6 November
	30.00	Mayor - Commerce Nelson luncheon
	401.74	Mayor - Auckland City Council visit
	345.00	Mayor - Tourism Industry summit registration
	141.00	Mayor - Accommodation - Auckland City Council
	17.00	Mayor - Passport photos
	233.00	Mayor - NZTA investment briefing
	496.09	Mayor - flights - Tourism Industry summit
	346.00	Mayor - flights - Italian Ambassador visit
	430.00	Mayor - Accommodation Tourism Industry summit
	43.48	Mayor - Taxi's
	13.65	Mayor - coffee - visit to Auckland City Council
	111.30	Mayor - taxi's - visit to Auckland City Council
	41.30	Mayor - taxi's - NZTA investment briefing
	2,031.70	LGZ conference - July 2012
	59.13	Mayor - Zone 5 Taxi's and coffee at Airport with NZTA Reps
	6.96	Mayor - airport parking
	6.96	Mayor - airport parking
	496.08	Mayor - flights - Tourism Industry summit
	6,078.56	
Ali Boswijk	2,031.70	LGZ conference - July 2012
	380.87	Boswijk - flights Suter briefing with the Minister
	2,412.57	
Pete Rainey	2,031.70	LGZ conference - July 2012
Gail Collingwood	433.04	Collingwood - Flights Zone 5 - 7 November
Derek Shaw	321.00	Shaw - Flights - Regional Sector Group
	2,031.70	LGZ conference - July 2012
	346.00	Shaw - Energy Cultures Roadshow
	2,698.70	
Ruth Copeland	172.00	Copeland - Massey University registration - Seven Steps to Effective Governance seminar
	65.65	Copeland - taxi's - Governance seminar
	155.00	Copeland - registration - Fit for Future Conference
	228.00	Copeland - flights Governance seminar
	530.00	Copeland - flights Fit for Future Conference
	500.00	Copeland - registration Paerangi te tau ihu economic summit
	225.35	Copeland - taxi's Fit for Future conference
	1,876.00	
Rachel Reese	2,031.70	LGZ conference - July 2012
	320.00	Reese - Remuneration authority
	2,351.70	
Ian Barker	400.00	Barker - Registration SOLGM Benchmarking Consultation Forum
	216.00	Barker - Flights SOLGM Benchmarking Consultation Forum
	51.00	Barker - Taxi's SOLGM Benchmarking Consultation Forum
	138.00	Barker - accommodation - SOLGM Benchmarking Consultation Forum
	805.00	

Kate Fulton	350.00	Fulton - registration - SOLGM Sustainable Sydney 2030 Masterclass
	363.00	Fulton - flights SOLGM Sustainable Sydney 2030 Masterclass

713.00

Total spent vs budget	19,400.26	22,950.00	- 3,549.74
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26 February 2013

REPORT 1431189

Events Resource Consents Update

1. Purpose of Report

- 1.1. To consider progress with the Events Resource Consents and to decide on a means of managing the budget overspend.

2. Recommendation to Council

THAT this update on the Events Resource Consent be received;

AND THAT the overspend on the budget for the festival activity be covered from budget savings within the District and Regional Plan activity, and the Social Heritage activity.

3. Background

- 3.1. Council has recently applied for two resource consents both of which involve the management of amplified sound. The first of these is to allow amplified sound in parks, and the second to allow special events on nominated public reserves and open spaces, and on limited occasions per year, where noise levels (relating to electrically amplified sound) breach specified rules in the Nelson Resource Management Plan. The relevant consents are RM115245 and RM125012.
- 3.2. The consents are intended to cover Council events, the majority of small community events, and possibly some touring concerts which are of a nature that are capable of easily complying with the noise limits for the venue. Large outdoor rock concerts of the scale and nature of AC/DC or Tina Turner concerts, for example, would be unlikely to be able to meet the required sound limits, and would need to apply for their own resource consent.
- 3.3. These consents were required to resolve an ongoing non-compliance issue with requirements under the Nelson Resource Management Plan for resource consent for all amplified sound in the Open Space and Recreation Zone. This was listed as one of the five top priority non-compliance issues to be addressed in 2011/12.

- 3.4. The consent applications were processed and reported on by an independent Planning Officer, with independent acoustic advice, and the hearing and decisions were undertaken by Independent Commissioners.
- 3.5. Independent Commissioners released a decision granting Council's resource consent applications on 19 October 2012 subject to specified conditions. An appeal has been lodged by the Council seeking reconsideration of some of the conditions, and requesting mediation through the Environment Court.
- 3.6. The three requests in the appeal are:
 - 3.6.1. The Commissioners' decision included a condition that spectator noise would be included in the consent noise limits. This is not within the control of Council, and on many occasions would not be achievable, for example spectators stamping their feet in the stands at a Rugby match. The appeal requests that the consent be limited to amplified sound at events.
 - 3.6.2. The appeal also seeks to start the term of the consent from the date it becomes operative, rather than the date of the Commissioners' decision.
 - 3.6.3. The appeal seeks to change the requirement for an Event Noise Management Plan for all events held at Saxton Field under the consent, to a Site Noise Management Plan covering the majority of events as consistent with the other sites.

4. Discussion

Implementation

- 4.1. Once the appeal has been resolved, Council will provide information for event organisers on the new process which they will need to follow to be able to operate under the Council's consent.

Resourcing

- 4.2. The initial expectation was that the cost for obtaining the consent would be in the vicinity of \$20,000 to \$50,000. Accordingly there was \$20,000 budgeted for in 2011/12 and \$10,000 in 2012/13.
- 4.3. The consents proved to be more complex, took longer to prepare and involved a higher level of specialist consultant time than expected.
- 4.4. To date the costs of the resource consent for 2012/13 are at \$143,189. This is made up of \$95,318 processing costs and \$47,871 applicant costs. Due to the appeal being lodged, the final cost will be higher than this, perhaps up to \$180,000. The cost of the appeal will be the Council's (as applicant) costs only.

- 4.5. There is a small risk that if the Council is not successful on appeal, and other parties incur costs, there may be an award of costs against the Council.
- 4.6. There is a shortfall of up to \$170,000 in the 2012/13 budget, and options for mitigation of this overspend within the current financial year have been explored. It is proposed to cover the shortfall as follows:
- 4.6.1. Reallocate \$110,000 underspend from within Environmental activities (District/Regional Plans). This consists of underspend due to plan change work unable to be completed through capacity issues; Heart of Nelson work deferred awaiting the Parking Study; Plan Change allowances for professional and legal fees which have not been required; and air plan monitoring which has been covered from another budget.

GL Budget	Reason Unspent	Saving
4504 2310 1353 PC 28 Land Devt Man. Base	Capacity issues	\$10,000
4504 2310 1428 PC Air Plan base	Monitoring costs covered elsewhere	\$50,000
4504 2710 1295 PC Heart of Nelson Legal	Legal costs not required	\$5,000
4504 2710 1435 PC21 Legal	Legal costs not required	\$10,000
4504 2760 1295 PC Heart of Nelson Professional	Deferred due to delays in parking study	\$20,000
4504 2760 1435 PC21 Professional	Travel management plan completed in-house	\$15,000
		\$110,000

- 4.6.2. Reallocate up to \$75,000 from unspent budget allocated for building maintenance for the Theatre Royal and Suter Art Gallery. These \$75,000 budgets are expected to be underspent this year because of the delay of the takeover until April.

GL Budget	Reason Unspent	Saving
3880 2011 Theatre Royal building maintenance	Takeover delayed until April	\$37,500
3870 2011 Suter building maintenance	Takeover delayed until April	\$37,500
		\$75,000

- 4.6.3. Any remaining balance required will depend on the final costs but will be found from savings in existing budget lines.
- 4.7. A further option would be to use fees for events on Council land and facilities to recover costs. However setting higher fees is not favoured by

staff since higher charges risk putting off event organisers from running events in Nelson. As an example, recovery of consent costs over five years would incur an 18% year-on-year increase in fees over and above Consumer Price Index increases. Moreover many Council park users do not use amplified sound.

5. Conclusion

- 5.1. The applications for resource consent for amplified sound at events on Council parks and at a limited number of special events have been granted, but Council is currently appealing three conditions of the consent. These consents will resolve critical compliance issues.
- 5.2. The process for preparing and processing these consents has been complex and expensive, resulting in a budget overspend to date for 2012/13 of up to \$170,000.
- 5.3. It is recommended that this budget overspend is recovered from budget savings in other areas, mainly in the District Plans activity, but also some unspent funding from within Social Heritage.

Kath Inwood

Manager Community Development

Attachments

None.

Supporting information follows.

Supporting Information

1. Fit with Purpose of Local Government

The resource consents are being obtained to ensure compliance with Resource Management regulations in the provision of festivals and events, which are local public services.

Despite the budget overspend this year, it was considered that obtaining broad longer term consents would reduce the need for event organisers to apply for resource consent for individual events, or annual events to apply every year, therefore improving cost efficiencies.

2. Fit with Community Outcomes and Council Priorities

A fun, creative culture – we are proud of our creative local culture and regional identity. We understand that our heritage contributes to our distinctive identity, so we protect, interpret and celebrate our human heritage and historic places – Māori and more recent. We value and support those things that make Nelson special and unique – our people, art and crafts, the café culture, the outdoors, local food and wines, boutique shops and the relaxed atmosphere.

Council Priorities:

4. Nelson as a centre for arts creativity

3. Fit with Strategic Documents

Social Wellbeing Policy 2010:

Culture: Support opportunities for Nelson's culture to be expressed eg through art or at events.

Leisure: Council planning for events and activities will take into account the diversity of our community.

Connectedness: To provide events and activities that bring together diverse participation from the community.

Older Residents: Council events and activities will be planned and delivered giving due consideration to the needs and diversity of older residents.

Youth: Provide and support recreation and leisure opportunities and events for youth in Nelson.

Arts Policy 2010:

Resourcing: Council will continue to prioritise art in its facilities and services and will actively collaborate with partners to ensure adequate resourcing.

Marketing and Tourism: Council will continue to support the development of arts events including through the Nelson Events Strategy.

4. Sustainability

The Resource Consent meets an identified local need; provides for longer term use (10 years) than individual event consents; and contributes to community wellbeing.

5. Consistency with other Council policies
The Resource Consent is required for compliance with the Nelson Resource Management Plan requirements.
6. Long Term Plan/Annual Plan reference and financial impact
3850 2634 1136 Resource Consent Park Events. 3850 2634 Resource Consent. The overspend is recommended to be recovered through reallocating unused funding within the current year.
7. Decision-making significance
This is not a significant decision in terms of the Council's Significance Policy.
8. Consultation
N/A
9. Inclusion of Māori in the decision making process
N/A
10. Delegation register reference
Audit Risk and Finance Committee: To ensure appropriate procedures are being complied with in relation to the financial and statutory requirements for the Council and to review the Council's financial statements. Decision to be recommended to the Council – Governance meeting.

26 February 2013**REPORT 1436826**

Regulatory Report for 1 October to 31 December 2012

1. Purpose of Report

- 1.1 To receive a quarterly update on activity and performance for the Council's regulatory functions.

2. Recommendation

THAT report 1436826 be received.

3. Building Unit Performance**Recovery**

- 3.1 The Building Unit continues to actively monitor the remaining 28 properties with s.124 Building Act 2004 notices in place from the December 2011 Rainfall Event.
- 3.2 A staff member is still engaged to assist affected homeowners, process remedial consents, provide advice on building, consent process and property and insurance related issues. Remedial works consents continue to increase in number and are being submitted to the Building Consent Authority for approval.
- 3.3 The Council has initiated a Slope Failure Register project to record all known slope failures arising from the December 2011 Rainfall Event. The data is being entered in to the Council's GIS system. This information is important for asset management purposes as well as resource consent and building consent assessments.

Earthquake Prone Buildings

- 3.4 There are currently 17 private and Council buildings issued with s.124 Building Act 2004 Earthquake Prone Building notices.
- 3.5 Recruitment for the Structural Engineer position has been completed and the desktop review process will accelerate. The position has been filled to a 0.8 Full Time Equivalent level.
- 3.6 The Building Unit has participated in Nelson City Council's submission on the Ministry of Business, Innovation and Employment's Building Seismic Performance consultation document.

Building Consents

- 3.7 Building consents issued over the October – December 2012 quarter have risen significantly for new houses (+155%) but declined for residential alterations. There has been as a result an increase in the overall value of works despite overall consent numbers easing.
- 3.8 The number of building consents for alterations to commercial buildings has dropped over the last quarter (-28%) and value of works for new commercial buildings has decreased (-32%).
- 3.9 Processing timeframes remain stable at 11 days average, and are marginally better than 12 days for the previous quarter.

Building Consent Numbers

Building Category Trends	1 October – 31 December 2011 Number of Consents	1 October – 31 December 2012 Number of Consents
New House	27	42
Altered Dwelling and Minor works	(83) (220) 303	(47) (72) 119
New Commercial	11	8
Altered Commercial	25	17
Total	372	202

Value of Works

Building Category Trends	1 October – 31 December 2011 Value \$	1 October – 31 December 2012 Value \$
New Houses	\$8,950,747	\$16,012,067
Altered Dwelling and Minor works	\$4,498,778	\$3,568,894
New Commercial	\$4,341,800	\$1,960,001
Altered Commercial	\$5,205,848	\$2,091,100
Total Value works	\$23,270,173	\$25,520,862
Note: previous quarter comparison	1 July – 30 September 2011 \$24,528,258	1 July – 30 September 2012 \$28,922,341

Building Consent Authority Processing Time Statistics to end December 2012

Consent Processing Trends	1 October – 31 December 2011	1 October – 31 December 2012	Year to date 2011	Year to date 2012
Total number of consents granted	372	202	1075*	1094*
Total value of works \$	\$23,270,173	\$25,520,862	\$105,088,748	\$106,852,233
Completed within 20 working days %	96%	89%	90%	92%
Average process time (days)	7	11	11	9

* excludes amendments to consents

4. Parking Unit Performance

Activity	October	November	December
Enforcement			
Safety	75	53	50
Licence labels /WOF	500	443	451
Central Business District meters	946	861	867
Time Restrictions	276	334	232
Freedom Camping	-	-	-
Total Infringement notices issued	1797	1691	1600
Tows			
Abandoned Vehicles	3	1	-
Enforcement	3	-	2
Nelson market tows	7	11	12
Total vehicles towed	13	12	14
Challenges to tickets issued			
Explanations accepted	166	179	115
Explanations not accepted	67	57	60
Total explanations actioned	233	236	175
Service Requests			
Abandoned Vehicles	20	16	16
Requests for Enforcement	36	46	32
Meter Faults	32	43	24
Freedom Campers	4	12	10
Information /advice	130	97	96
Infringement appeals	307	279	223

Activity	October	November	December
Other	7	16	7
Total service requests	536	509	408
Courts			
Notices lodged for collection of fine	331	239	356
Defended hearing(s)	7	1	4
Appeals	2	7	2
Assisting the public with information / advice	423	405	474

5. Resource Consent Unit Performance

- 5.1 This quarter is typically the busiest as applications flood in before the Christmas break. 125 resource consent applications were received with 103 decisions going out.
- 5.2 Seven discounts for consents processed outside the statutory timeframe were given during this period. The total discounted was \$1439.85.
- 5.3 Land Information Memorandum applications were very high in October and November with overall numbers continuing to increase compared to previous years.
- 5.4 After eight months in the Acting Executive Manager Regulatory role Mandy Bishop returned to Manager Resource Consent duties mid December. Carl Jenkins returned to his Team Leader duties at the same time.

Resource Consent Processing Times

Month	NON NOTIFIED			NOTIFIED AND LIMITED NOTIFIED		
	Percentage processed on time	Average process days	Consent numbers	Percentage processed on time	Average process days	Consent numbers
October 2012	93	30	40	50	95	2
November 2012	91	15	43	n/a	n/a	0
December 2012	85	16	20	50	65	2
Average from 1 July 2012	85	31	30	50	80	1
Total from 1 July 2012			182			4
2011/12 average	97	18	27	100	66	1
2011/12 totals			322			10

Note: The average non-notified processing days in October is skewed by one consent. Without this consent the average days would have been 16.

Land Information Memorandum Applications

Month	Percentage processed on time	Average process days	Total LIMs
October 2012	100	5	59
November 2012	100	4	51
December 2012	100	4	36
Average from 1 July	100	4	43
TOTAL from 1 July 2012			256
2011/12 Average	100	3	38
2011/12 Total			465

Resource Consent Customer Survey Results

- 5.5 This survey commenced in April 2012 aimed to get more specific feedback than is provided in the Council residential surveys that have indicated dissatisfaction with Council's regulatory services. A survey is sent to resource consent applicants and any submitters at the time the consent decision is issued. The results are collated on a quarterly basis:

Survey Results

Percentage of respondents who agreed or strongly agreed with the following statements:	June quarter	September quarter	December quarter
Resource Consent staff were competent	43%	58%	88%
Resource Consent staff considered your particular circumstances	50%	63%	88%
Resource Consent staff were contactable	64%	74%	69%
Resource Consent staff did what they said they would do and in a timely manner	57%	58%	75%
The forms, documents, and letters were clear, well explained, and easy to follow	86%	63%	75%
The process to be followed was made clear to you and you knew what was required	57%	63%	75%
The conditions of the consent were clear and practicable	50%	58%	88%
A good resource management outcome was achieved at the end of the process	57%	74%	94%

- 5.6 Sixteen people responded to the December 2012 survey, twenty responded in September and fourteen responded in June.

Environmental Health and Dog Control Activities

- 5.7 Overall levels of activity are consistent with last year.
- 5.8 The review of the Dog Control Policy has created a need to further develop the Good Dog Owner Scheme and associated training incentive scheme. This will also necessitate a review of the current registration form and administrative processes.
- 5.9 The new Sale and Supply of Alcohol Act 2012 will result in work to establish a District Licensing Committee and potentially a Local Alcohol Policy.
- 5.10 As new Food Safety Legislation gets closer to being enacted as law more premises are voluntarily adopting a food safety programme that will assist with compliance under the new regime.
- 5.11 Permitted activity monitoring this year has concentrated on non-compliance with the operative Nelson Air Quality Plan. 22 streets in Airshed A have been assessed resulting in 42 abatement notices. All properties have undertaken the required works. One property in Beach Road was fined for using an open fire.

Summary of Activities

Activity	Responses			Year to Date
	October	November	December	
Dog Control	179	145	128	872
Resource consent monitoring	88	147	98	636
Noise nuisance	105	115	151	592
Bylaw / Building / Planning	62	63	44	314
Liquor applications	67	45	22	284
Pollution	27	37	27	166
Liquor inspections	21	2	25	151
Stock	8	11	14	51
Total	557	565	509	3,066

Harbour Safety Activities

- 5.12 The "Agreement Regarding the Appointment of Harbourmaster for the Nelson Region and Related Matters" (the delegation of navigation safety responsibilities) was approved by the Council in October 2012.
- 5.13 On 1 December 2012 the Council adopted the new Harbour Navigation Safety Bylaw No 218. This Bylaw incorporates the former Marina Bylaw.
- 5.14 The Council now needs to write to the Department of Internal Affairs inviting it to prepare the necessary regulations so the penalties and infringement regime of the Bylaw can have legal effect.

- 5.15 The Punawai (the Harbourmaster patrol craft) was able to become a bigger presence on the water this summer with more qualified staff being available to carry out patrols. Coupled with the effect of publicity around the new Bylaw there has been remarkable improvement in the behaviour of the small boat owner. The obvious improvement has been the carrying and wearing of lifejackets.
- 5.16 Vessels speeding close to shore (within the 200 metres from shore five knot speed restriction area) and within the Marina remains an issue however the presence of the Punawai has helped ensure an improvement here also.
- 5.17 Several complaints were received during December of people speeding and being excessively noisy in the Monaco region. New signage and improvement of the older signage is underway here.
- 5.18 Since the new large berths have been installed there has been considerable traffic congestion in the Marina area as several different boating codes use the same launch location. This has led to some confrontation and tension near the ramp.
- 5.19 There has been some increase in commercial activity this period with more paddle boards, kite surfers and wind surfers being hired in the region. After the operators were spoken to the number of clients wearing buoyancy aids has improved.
- 5.20 Strong winds caused several issues over different times with several rescues being necessary during this period.

Harbourmaster Patrol Hours

Month	Patrol Hours
October	16.75
November	19.25
December	23.00

6. Summary of Legal Proceedings

Party	Legislation	Matter and Date of Initial Action	Status
Harvey (Rifle Range)	RMA 1991	Enforcement Order 11/12/2009	Final decision with environment Court for sealing. Costs decision awaited.
Lile	RMA 1991 (ENV-2012- WLG-88)	Plan Change 14 Appeal - 10 August 2012	Matter set down for Environment Court mediation as decided by Resource Management Act procedures Committee.
Gibbons Holding Ltd and Fulton Hogan Ltd	RMA 1991 (ENV-2012- WLG-86)	Plan Change 17 Appeal - 10 August 2012	Matter set down for Environment Court mediation as decided by Resource Management Act procedures Committee.

Party	Legislation	Matter and Date of Initial Action	Status
McFadden Family Trust	RMA 1991 (ENV-2012-WLG-83)	Plan Change 18 Appeal - 9 August 2012	Matter set down for Environment Court mediation as decided by Resource Management Act procedures Committee.
Hamilton and Hardyman	RMA 1991 (ENV-2012-WLG-84)	Plan Change 18 Appeal - 9 August 2012	Matter set down for Environment Court mediation as decided by Resource Management Act procedures Committee.
Raine	RMA 1991 (ENV-2012-WLG-85)	Plan Change 18 Appeal - 10 August 2012	Matter set down for Environment Court mediation as decided by Resource Management Act procedures Committee.
RG Griffin Childrens Trust	RMA 1991 (ENV-2012-WLG-87)	Plan Change 18 Appeal - 10 August 2012	Matter set down for Environment Court mediation as decided by Resource Management Act procedures Committee.
Caltex/ Chevron	RMA 1991	Prosecution for unlawful discharge 6 November 2012	First call 7 February 2013.
Nelson City Council	RMA 1991	Resource Consent conditions Appeal November 2012	Matter set down for Environment Court mediation.

Mandy Bishop

Manager Resource Consents

Attachments

None.

No supporting information follows.

26 February 2013

REPORT 1437520

Appointment of New Trustee for Debenture Trust Deed

1. Purpose of Report

- 1.1 To seek approval from the Committee to appoint Corporate Trust Limited (trading as Foundation Corporate Trust) as trustee of our Debenture Trust Deed.

2. Recommendation to Council

THAT the Council approve the appointment of Corporate Trust Limited as trustee of the Nelson City Council Debenture Trust deed signed on or about 10 December 2010;

AND THAT the Chief Executive be delegated authority to take all necessary steps to give effect to this appointment.

3. Background

- 3.1 The Audit, Risk and Finance committee recommended to Council the appointment of Perpetual Trust Limited as the trustee of our Debenture Trust Deed at the meeting on 8 September 2010. Council resolved this at the Public Excluded Council meeting on 23 September 2010.
- 3.2 A Debenture Trust Deed is a deed entered into between the Council and a trustee. Under that deed, the Council grants a security interest in its rates and rates revenue to the trustee. Once security is granted to the trustee under a Debenture Trust Deed, the Council can issue "stock" (debenture or security stock) which has the benefit of the security granted to the trustee. The security interest granted in the rates and rates revenue of the Council operates in the same way as under our previous Deeds of Charge but is more flexible and allows us to issue bonds via the Local Government Funding Agency (LGFA) or in our own name.
- 3.3 The Financial Markets Authority notified us on 28 September 2012 that they had declined Perpetual Trust Limited a license to operate under the Securities Trustees and Statutory Supervisors Act 2011 ("the Act") and that Perpetual Trust had been sold to another licensed entity Corporate Trust Limited effective 28 September 2012.

- 3.4 This was effectively a management buyout by former members of Perpetual Trust's corporate trust staff. This purchase meant that Perpetual Trust's corporate trust infrastructure, including its personnel and IT capabilities were transferred to Corporate Trust Limited.
- 3.5 The Financial Markets Authority appointed Corporate Trust Limited to act as our trustee for a 6 month period under Section 22 of the Act.
- 3.6 Council need to formally appoint Corporate Trust Limited on a permanent basis or appoint a replacement trustee by 27 March 2013 or risk the Financial Markets Authority taking the issuer off market.

4. Discussion

- 4.1 Corporate Trust Limited has been providing trustee services to Council since their appointment on 28 September 2012 and the transition has been smooth.
- 4.2 The fee payable to Corporate Trust Limited for trustee services is \$1,250 per quarter (\$5,000 per annum), the same as previously charged by Perpetual Trust Limited.
- 4.3 The appointment of Corporate Trust Limited as the new trustee must then be approved by an Extraordinary Resolution of all Stockholders which can be done by a written resolution signed by at least three-fourths in number of stockholders having the right to vote in respect of such resolution and holding in aggregate at least three-fourths of the aggregate nominal value of Stock.
- 4.4 Corporate Trust Limited is prepared to pay reasonable legal costs for Council to have the appointment documentation reviewed by a legal firm.
- 4.5 Council has the option of appointing another trustee for the Debenture Trust Deed but given the timeframes and staff's comfort with the services provided by Corporate Trust Limited this is not recommended.

5. Conclusion

- 5.1 Council need to appoint a trustee for the Debenture Trust Deed by 27 March 2013 to meet the Financial Markets Authority deadline. It is recommended that Council appoint Corporate Trust Limited to this role.

Nikki Harrison

Chief Financial Officer

Supporting information follows.

Supporting Information	
1. Fit with Community Outcomes and Council Priorities	Having a Debenture Trust Deed is financially prudent and cost effective for Council.
2. Fit with Strategic Documents	Consistent with Financial Strategy.
3. Sustainability	n/a.
4. Consistency with other Council policies	n/a.
5. Long Term Plan/Annual Plan reference and financial impact	n/a.
6. Decision-making significance	This is not a significant decision in terms of the Council's Significance Policy.
7. Consultation	Not required.
8. Inclusion of Māori in the decision making process	Not required
9. Delegation register reference	n/a.

