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**PALMERSTON NORTH CITY COUNCIL**

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**AGENDA**

**FINANCE AND PERFORMANCE**

**COMMITTEE**

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**9AM, MONDAY 15 APRIL 2019**

COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING  
32 THE SQUARE, PALMERSTON NORTH

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## MEMBERSHIP

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**Susan Baty (Chairperson)**

**Jim Jefferies (Deputy Chairperson)**

**Grant Smith (The Mayor)**

**Adrian Broad**

**Gabrielle Bundy-Cooke**

**Vaughan Dennison**

**Lew Findlay QSM**

**Leonie Hapeta**

**Lorna Johnson**

**Karen Naylor**

**Bruno Petrenas**

**Agenda items, if not attached, can be viewed at:**

**pncc.govt.nz | Civic Administration Building, 32 The Square  
City Library | Ashhurst Community Library | Linton Library**

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**Heather Shotter**

**Chief Executive, Palmerston North City Council**

**Palmerston North City Council**

**W [pncc.govt.nz](http://pncc.govt.nz) | E [info@pncc.govt.nz](mailto:info@pncc.govt.nz) | P 356 8199**

**Private Bag 11034, 32 The Square, Palmerston North**



## **FINANCE AND PERFORMANCE COMMITTEE MEETING**

15 April 2019

### **ORDER OF BUSINESS**

NOTE: The Finance and Performance Committee meeting coincides with the ordinary meeting of the Arts, Culture and Heritage Committee. The Committees will conduct business in the following order:

- Arts, Culture and Heritage Committee
- Finance and Performance Committee

#### **1. Apologies**

#### **2. Notification of Additional Items**

Pursuant to Sections 46A(7) and 46A(7A) of the Local Government Official Information and Meetings Act 1987, to receive the Chairperson's explanation that specified item(s), which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded, will be discussed.

Any additions in accordance with Section 46A(7) must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Any additions in accordance with Section 46A(7A) may be received or referred to a subsequent meeting for further discussion. No resolution, decision or recommendation can be made in respect of a minor item.

#### **3. Declarations of Interest (if any)**

Members are reminded of their duty to give a general notice of any interest of items to be considered on this agenda and the need to declare these interests.

**4. Public Comment**

To receive comments from members of the public on matters specified on this Agenda or, if time permits, on other Committee matters.

(NOTE: If the Committee wishes to consider or discuss any issue raised that is not specified on the Agenda, other than to receive the comment made or refer it to the Chief Executive, then a resolution will need to be made in accordance with clause 2 above.)

**5. Confirmation of Minutes**

Page 7

“That the minutes of the Finance and Performance Committee meeting of 18 March 2019 Part I Public be confirmed as a true and correct record.”

**6. Huia Street Reserve**

Page 13

Memorandum, dated 29 March 2019 presented by the City Planning Manager, David Murphy and the Property Manager, Bryce Hosking.

**7. Fees and Charges Review**

Page 39

Report, dated 29 March 2019 presented by the Strategy Manager Finance, Steve Paterson.

**8. Quarterly Performance and Finance Report - Quarter Ending 31 March 2019**

Page 101

Memorandum, dated 9 April 2019 presented by the Finance Manager, Stuart McKinnon and the Head of Community Planning, Andrew Boyle.

**9. Treasury Report - 9 months ended 31 March 2019**

Page 181

Memorandum, dated 3 April 2019 presented by the Strategy Manager Finance, Steve Paterson.

**10. External Fundraising Update**

Page 191

Memorandum, dated 29 March 2019 presented by the Commercial Advisory Manager, Fiona Dredge.

## 11. Committee Work Schedule

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## 12. Exclusion of Public

To be moved:

“That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

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

General subject of each matter to be considered		Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for passing this resolution
13.	CET Arena Artificial Pitch Project Update	Commercial Activities	s7(2)(h)

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

Also that the persons listed below be permitted to remain after the public has been excluded for the reasons stated.

Chief Executive (Heather Shotter), Chief Financial Officer (Grant Elliott), Chief Infrastructure Officer (Tom Williams), General Manager – Strategy and Planning (Sheryl Bryant), General Manager - Community (Debbie Duncan), Chief Customer and Operating Officer (Chris Dyhrberg), General Manager - Marketing and Communications (Sacha Haskell), Sandra King (Executive Officer) because of their knowledge and ability to provide the meeting with advice on matters both from an organisation-wide context (being members of the Council’s Executive Leadership Team) and also from their specific role within the Council.

Legal Counsel (John Annabell), because of his knowledge and ability to provide the meeting with legal and procedural advice.

Committee Administrators (Penny Odell, Rachel Corser and Courtney Kibby), because of their knowledge and ability to provide the meeting with procedural advice and record the proceedings of the meeting.

Property Manager (Bryce Hosking) because of his knowledge and ability to assist the meeting in speaking to his report and answering questions, noting that such officer will be present at the meeting only for the item that relate to their respective report.

*[Add Third Parties]*, because of their knowledge and ability to assist the meeting in speaking to their report/s [or other matters as specified] and answering questions, noting that such person/s will be present at the meeting only for the items that relate to their respective report/s [or matters as specified].

# PALMERSTON NORTH CITY COUNCIL

## Minutes of the Finance and Performance Committee Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 18 March 2019, commencing at 9.00am

**Members Present:** Councillor Susan Baty (in the Chair), The Mayor (Grant Smith) and Councillors Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Karen Naylor and Bruno Petrenas.

**Non Members:** Councillors Brent Barrett, Rachel Bowen, Duncan McCann and Tangi Utikere.

**Apologies:** Councillors Rachel Bowen (early departure on Council Business) and Leonie Hapeta (early departure).

Councillor Rachel Bowen was not present when the meeting resumed at 10.57am. She entered the meeting at 11.28am during consideration of clause 14. She was not present for clauses 11 to 13 inclusive.

Councillor Leonie Hapeta left the meeting at 12.16pm during consideration of clause 15. She was not present for clauses 15 to 20 inclusive.

### 10-19 Apologies

Moved Susan Baty, seconded Jim Jefferies.

#### The COMMITTEE RESOLVED

1. That the Committee receive the apologies.

Clause 10-19 above was carried 15 votes to 0, the voting being as follows:

#### For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

The meeting adjourned at 9.01am

The meeting resumed at 10.57am

When the meeting resumed Councillor Rachel Bowen was not present.

**11-19 Public Comment**

Public Comment was received from Mr Peter Wheeler regarding the venues policy.

Moved Susan Baty, seconded Grant Smith.

The **COMMITTEE RESOLVED**

1. That the public comment be received for information.

Clause 11-19 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

**12-19 Deputation - Maruna Engu**

Mr Maruna Engu made a deputation regarding the recent grant paid to Toyota and outlined the following points:

- There was disappointment and shock in the community over the grant
- Mr Engu had approached Council to help with his business idea but had not received any assistance
- There needed to be a focus on transparency
- The grant amount should be included in the economic budget over the next three years.

Moved Leonie Hapeta, seconded Bruno Petrenas.

The **COMMITTEE RESOLVED**

1. That the Finance and Performance Committee receive the deputation for information.

Clause 12-19 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

**13-19 Confirmation of Minutes**

Moved Susan Baty, seconded Jim Jefferies.

The **COMMITTEE RESOLVED**

1. That the minutes of the Finance and Performance Committee meeting of 18 February 2019 Part I Public and Part II Confidential be confirmed as a true and correct record.

Clause 13-19 above was carried 13 votes to 0, with 1 abstention, the voting being as follows:

**For:**

Councillors Brent Barrett, Susan Baty, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

**Abstained:**

The Mayor (Grant Smith).

**14-19 Palmerston North Airport Ltd - Interim Report for 6 months to 31 December 2018**

Memorandum, dated 28 February 2019 presented by the Strategy Manager Finance, Steve Paterson.

Councillor Rachel Bowen entered the meeting at 11.28am

Moved Susan Baty, seconded Lew Findlay QSM.

The **COMMITTEE RECOMMENDS**

1. That the Interim Report and Financial Statements of Palmerston North Airport Ltd for the period ended 31 December 2018 be received.

Clause 14-19 above was carried 15 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

**15-19 Palmerston North Airport Ltd - Draft Statement of Intent for 2019/20**

Memorandum, dated 28 February 2019 presented by the Strategy Manager Finance, Steve Paterson.

Councillor Leonie Hapeta left the meeting at 12.16pm

Moved Karen Naylor, seconded Grant Smith.

The **COMMITTEE RECOMMENDS**

1. That the Palmerston North Airport Ltd draft Statement of Intent for 2019/20 be received and its assumptions endorsed.

Clause 15-19 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

**16-19 Additional Capital Renewal Funding for CAB Works**

Memorandum, dated 16 January 2019 presented by the Property Manager, Bryce Hosking.

Moved Vaughan Dennison, seconded Brent Barrett.

The **COMMITTEE RECOMMENDS**

1. That Council approve an additional \$145,000 of capital renewal funding for the 2018/19 year to complete stage 2 of the CAB fire upgrade work.
2. That Council approve an additional \$35,000 of capital renewal funding for the 2018/19 year for the designing/ consenting work for stage 3 of the CAB fire upgrade work.
3. That Council approve an additional \$30,000 of capital renewal funding for the 2018/19 year for the construction of a kitchenette on the 5<sup>th</sup> floor of the CAB.
4. That Council approve an additional \$50,000 of capital renewal funding for the 2018/19 year for the replacement of the carpet in the ground floor office of the CAB.

Clause 16-19 above was carried 13 votes to 1, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Bruno Petrenas and Tangi Utikere.

**Against:**

Councillor Karen Naylor.

**17-19**

**Whakarongo Residential Development**

Memorandum, dated 26 February 2019 presented by the Property Manager, Bryce Hosking.

Moved Susan Baty, seconded Grant Smith.

The **COMMITTEE RECOMMENDS**

1. That Council approves the sale of the Council-owned land within the Whakarongo residential growth area as residential sections and delegates to the Chief Executive the authority to negotiate the terms and conditions of sale.

Clause 17-19 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

**18-19**

**Papaioea Place Redevelopment Quarterly Update**

Memorandum, dated 28 February 2019 presented by the Property Manager, Bryce Hosking.

Moved Susan Baty, seconded Karen Naylor.

The **COMMITTEE RESOLVED**

1. That the memorandum dated 28 February 2019 and titled 'Papaioea Place Redevelopment Quarterly Update' be received for information.

Clause 18-19 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

**19-19**

**Aquatic Facilities - Free admission of under five year olds**

Memorandum, dated 7 March 2019 presented by the Property Manager, Bryce Hosking and the Chief Infrastructure Officer, Tom Williams.

Moved Lorna Johnson, seconded Brent Barrett.

The **COMMITTEE RESOLVED**

1. That the Committee notes that the cost to implement free swimming for under five-year olds, is estimated to be \$28,971 per annum, based on an assumption of current numbers
2. That the Committee notes that more analysis is needed to obtain a better picture of future use, including a survey of potential users and contractual obligations, and a full paper with recommendations will come to the Finance and Performance Committee in June 2019.

Clause 19-19 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

**20-19**

**Committee Work Schedule**

Moved Susan Baty, seconded Brent Barrett.

The **COMMITTEE RESOLVED**

1. That the Finance and Performance Committee receive its Work Schedule dated March 2019.

Clause 20-19 above was carried 14 votes to 0, the voting being as follows:

**For:**

The Mayor (Grant Smith) and Councillors Susan Baty, Jim Jefferies, Brent Barrett, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Tangi Utikere.

The meeting finished at 1.12pm

Confirmed 15 April 2019

**Chairperson**

## MEMORANDUM

**TO:** Finance and Performance Committee

**MEETING DATE:** 15 April 2019

**TITLE:** Huia Street Reserve

**DATE:** 29 March 2019

**PRESENTED BY:** David Murphy, City Planning Manager, Strategy and Planning  
Bryce Hosking, Property Manager, Infrastructure

**APPROVED BY:** Sheryl Bryant, General Manager - Strategy & Planning  
Tom Williams, Chief Infrastructure Officer

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### RECOMMENDATION(S) TO COUNCIL

1. That the Chief Executive be authorised to prepare a consultation document and undertake a consultation process under the Local Government Act 2002 prior to the Council making a decision about engaging with Parliament to initiate an amendment to the Palmerston North Reserves Act 1922 and / or the Palmerston North Reserve Empowering Act 1966 to enable the disposal or development of Huia Street Reserve (Lots 3 4 Pt Lots 1 2 DP 545) for an alternative use.
  2. That it be noted that should an amendment to the Palmerston North Reserves Act 1922 and / or the Palmerston North Reserve Empowering Act 1966 be enacted or made by Parliament that the disposal or development of Huia Street Reserve (Lots 3 4 Pt Lots 1 2 DP 545) may be subject to further consultation by the Council under the Local Government Act 2002 and / or Reserves Act 1977 and Resource Management Act 1991.
  3. That the Council receive the residential development scenarios prepared for the Huia Street Reserve report dated 29 March 2019 that demonstrate one option (residential development) for how the Huia Street Reserve could be used in the future, noting that any final decision on the future use of the reserve is subject to an amendment to the Palmerston North Reserves Act 1922 and / or the Palmerston North Reserve Empowering Act 1966 and the results of public consultation under the Local Government Act 2002 and / or Reserves Act 1977 and Resource Management Act 1991.
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## 1. ISSUE

An amendment to the Palmerston North Reserves Act 1922 and / or the Palmerston North Reserve Empowering Act 1966 is required to enable the disposal or development of Huia Street Reserve.

The Council is required to prepare a consultation document and undertake a consultation process under the Local Government Act 2002 prior to making a decision about engaging with parliament.

## 2. BACKGROUND

### City Development Strategy

The City Development Strategy, consulted on as part of the preparation of the 2018 Long Term Plan, records that:

*Council will pursue the opportunity to use more public land for housing, particularly the vacant Housing NZ block. Council also has a significant property portfolio that can be used to contribute to city growth and development, while also providing revenue. This could include repurposing underutilised land or identifying land where uses can be relocated to enable sustainable housing development and intensification.*

### Huia Street Reserve

The portion of the reserve formerly occupied by the Manawātū Bowling Club has been vacant since 2005 and has been subject to many reports, processes and Council workshops. The most recent Council workshop confirmed that this part of Huia Street Reserve has potential for land development and is not required by the Council to meet any community or recreation needs given a review of recommendations contained in the Council's Recreation Needs Assessment (2016) and the Manawātū-Whanganui Regional Sports Facility Plan (2018).

Consistent with the City Development Strategy, the land offers the Council an opportunity to dispose or develop the site to assist with housing supply, drive new housing typologies and realise a revenue stream for major recreation projects in the 2018 Long Term Plan. To ready the land for disposal or development, there are a number of processes that need to be actioned due to its land status.

Huia Street Reserve is held 'in trust' under the Palmerston North Reserves Act 1922 (PNRA 1922). The reserve was originally given to the City in 1876 by the Wellington provincial government as *a public park and recreation ground and botanical garden for the inhabitants of Palmerston North and its vicinity* so formed part of the wider land holding that includes the Victoria Esplanade, Manawaroa, Ongley and Fitzherbert Parks. There is no power of sale contained in the Palmerston North Reserves Act 1922.

## Legislative Processes

At present there is some uncertainty regarding the exact nature of the amendments required to the Palmerston North Reserves Act 1922 and / or the Palmerston North Reserve Empowering Act 1966 to enable the disposal or development of Huia Street Reserve for an alternative use.

The Council is required to prepare a consultation document and undertake a consultation process under the Local Government Act 2002 prior to making a decision about engaging with parliament.

The recommendations cover the entire Huia Street Reserve, including the portion occupied by the Manawatu Lawn Tennis Club. Separating the entire reserve from the requirements of the Palmerston North Reserves Act 1922 and / or the Palmerston North Reserve Empowering Act 1966 does not commit the Council to disposing or developing the portion occupied by the Manawatu Lawn Tennis Club. The Manawatu Lawn Tennis Club have a lease with Council over part of the reserve that commenced in 2017 for a five-year term, with one right of renewal.

As noted in the recommendations, the disposal or development of Huia Street Reserve may be the subject to further consultation by the Council under the Local Government Act 2002 and / or Reserves Act 1977 and Resource Management Act 1991.

As noted above, the City Development Strategy was consulted on as part of the 2018 Long Term Plan.

## Residential Development Scenarios

A series of residential development scenarios are attached as Appendix A.

The scenarios demonstrate one option (residential development) for how the site could be used in the future. Any final decision on the future use of the reserve is subject to an amendment to the Palmerston North Reserves Act 1922 and / or the Palmerston North Reserve Empowering Act 1966 and the results of public consultation under the Local Government Act 2002 and / or Reserves Act 1977 and Resource Management Act 1991.

The residential development scenarios have been developed to take account of the following directions from the City Development Strategy:

*Other housing choices now allowed under the District Plan include multi-unit developments and minor dwellings. Multiunit developments are encouraged close to the city and suburban centres, where there is ready pedestrian access to services and facilities. Minor dwellings are aimed at meeting the demand for small, good quality and affordable rental accommodation. The planning framework enables apartments in or near the city centre, including as part of a mixed-use development. Council will actively identify opportunities and reduce barriers to city centre living and brownfield development, including transitioning Roxburgh Crescent*

*from industrial to residential. Council will provide support for multi-unit developments, minor dwellings and city centre living, to reduce risks and uncertainty over design and consents. Co-creation is critical to encouraging these housing types, which are unfamiliar to the Palmerston North development community.*

Alternative options for the use of Huia Street Reserve can form part of more direct consultation under the Local Government Act 2002 and / or Reserves Act 1977 and Resource Management Act 1991.

### 3. NEXT STEPS

Determine the exact nature of the changes required to the Palmerston North Reserves Act 1922 and / or the Palmerston North Reserve Empowering Act 1966 and engage with Government to initiate the necessary amendments.

### 4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	<b>No</b>
If Yes quote relevant clause(s) from Delegations Manual	
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>No</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
The recommendations contribute to Goal 1: An Innovative and Growing City	
The recommendations contribute to the outcomes of the City Development Strategy	
The recommendations contribute to the achievement of action/actions in the Housing and Future Development Plan	
The action is: Collaborate with the development community to deliver new housing developments and new forms of housing.	
Contribution to strategic direction	<p>The recommendations give effect to the following within the City Development Strategy:</p> <p><i>Council will pursue the opportunity to use more public land for housing, particularly the vacant Housing NZ block. Council also has a significant property portfolio that can be used to contribute to city growth and development, while also providing revenue. This could</i></p>

	<i>include repurposing underutilised land or identifying land where uses can be relocated to enable sustainable housing development and intensification.</i>
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## **ATTACHMENTS**

1. Appendix A: Huia Street Reserve Residential Development Scenarios [↓](#) 

# Option A

# Baseline

(Complies with District Plan bulk & form standards)

- 17 Lots
- Two storey detached house on 350m<sup>2</sup> minimum lot sizes.
- Compliant with District Plan yard height in relation to boundary, site coverage and minimum lots size standards.
- Tennis pavilion retained

PARK ROAD

FITZHERBERT AVE









# Option B(i)

# Multi-unit Housing

(Complies with District Plan bulk & form standards)

- 34 units, being a mix of 2 and 3 bedroom units
  - Minimum 1 carpark/unit
- Development to two storey max
- Tennis pavilion retained
- Retail at corner of Park Rd and Fitzherbert Ave with commercial (eg. medical centre) or possibly apartments above
- Central green space, integrating trees for visual amenity and privacy

PARK ROAD

FITZHERBERT AVE











## Option B(ii)

## Multi-unit Housing

(Plan as compliant, except 3 storeys high in places)



- 34 units, being a mix of 2 and 3 bedroom units
  - Minimum 1 carpark/unit
- Development to two storeys except three storeys at corner of Park Rd & Fitzherbert Ave, and over parts of middle blocks.
- Tennis pavilion retained
- Retail at corner of Park Rd and Fitzherbert Ave with commercial (eg. medical centre) or possibly apartments above
- Central green space, integrating trees for visual amenity and privacy







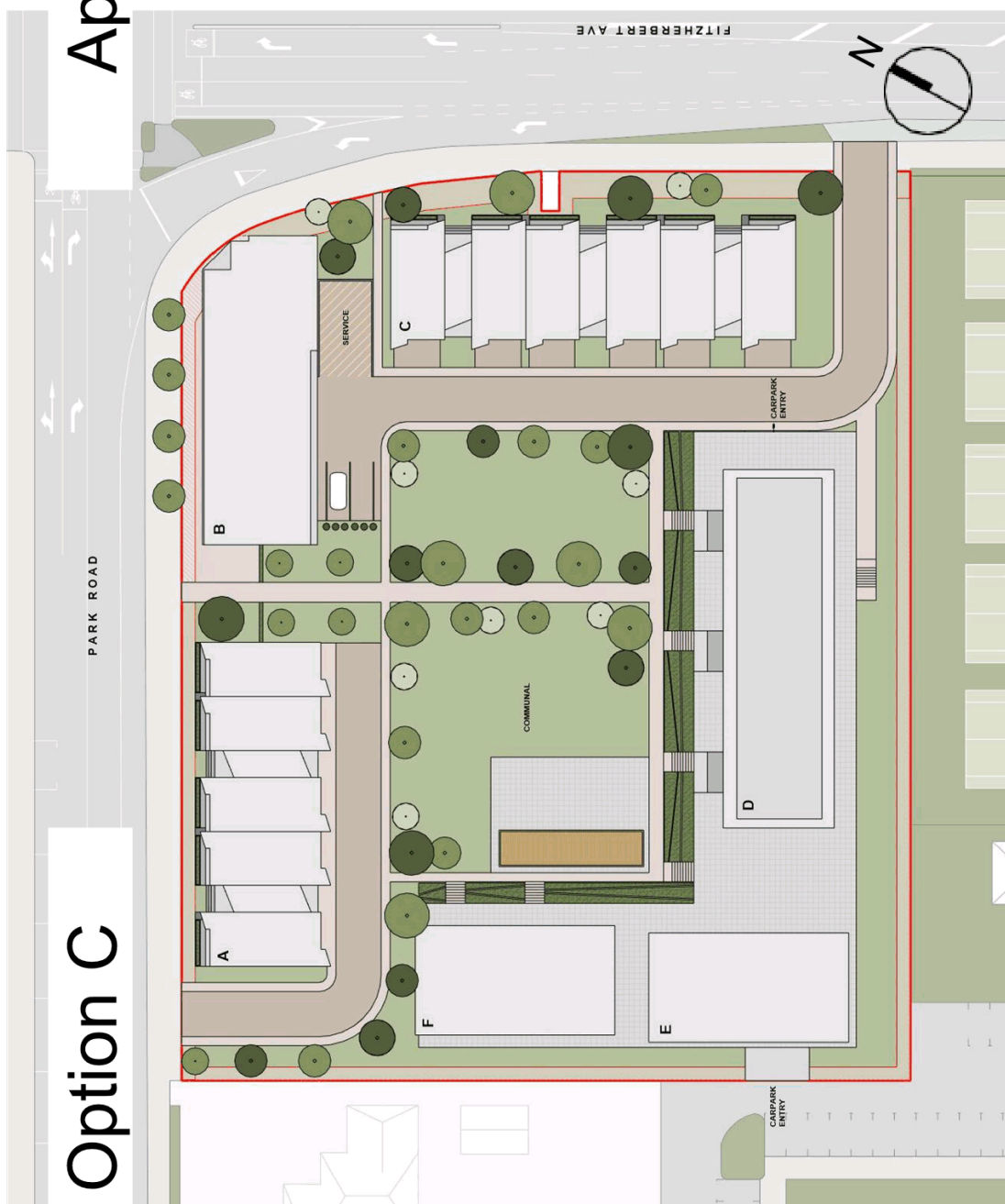




## Option C

## Apartments

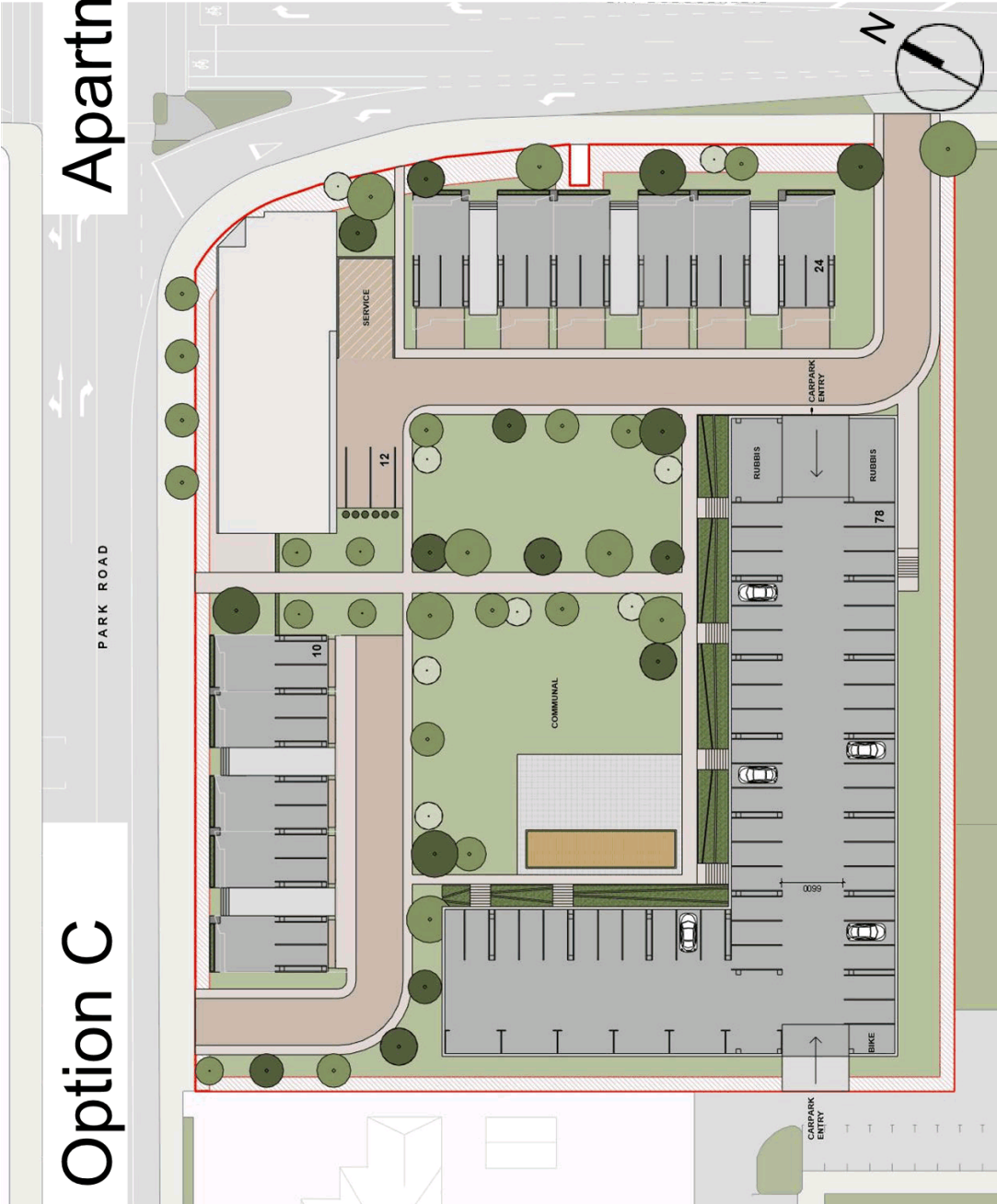
- 80 Apartments,
- 78 Car Parks
- Tennis pavilion retained
- 4 Storey Apartments around perimeter, 6 storey at the centre (includes parking level)
- Allow for one parking space per unit.
- Carparking under blocks at edge.
- Retail at corner of Park Rd and Fitzherbert Ave
- Fitzherbert Ave extend green edge to provide separation between apartments and busy road.
- Main pedestrian entrance from Park Road, vehicle access from both Park Rd & Fitzherbert Ave.



## Option C

## Apartment Parking

- Allow for one parking space per unit.
- Level of parking under slab at centre of site.
- Carparking under blocks at edge.
- Main pedestrian entrance from Park Road, vehicle access from both Park Rd & Fitzherbert Ave.
- Indicatively and subject to testing, up to around 80 apartments might be achieved, with limitation likely to be carparking.













## REPORT

**TO:** Finance and Performance Committee

**MEETING DATE:** 15 April 2019

**TITLE:** Fees and Charges Review

**DATE:** 29 March 2019

**PRESENTED BY:** Steve Paterson, Strategy Manager Finance, Finance

**APPROVED BY:** Grant Elliott, Chief Financial Officer

### RECOMMENDATION(S) TO COUNCIL

1. That report be received and the current status of fees and charges be noted.

#### Trade waste

2. That the proposal to adopt updated fees and charges for Trade Waste services effective from 1 July 2019 as attached in Appendix 2, be approved for public consultation and the Chief Executive be authorised to undertake the necessary consultative process under sections 82 and 150 of the Local Government Act 2002.

#### Planning & Miscellaneous

3. That the Statement of Proposal (and the associated summary) to adopt updated fees and charges for Planning Services and Miscellaneous Services effective from 1 July 2019 as attached in Appendix 3, be approved for public consultation and the Chief Executive be authorised to undertake the necessary consultative process under sections 83 and 150 of the Local Government Act 2002.

#### Building

4. That the fees and charges for Building Services, as proposed in Appendix 4 be adopted and following public notification take effect from 1 July 2019.

#### Environmental Health

5. That the fees and charges for Environmental Health Services (in terms of regulation 7 of the Health (Registration of Premises) Regulations 1966) as proposed in Appendix 5, be adopted and following public notification, take effect from 1 July 2019.

#### Animal Control

6. That the fees and charges for the Impounding of Animals (in terms of section 14 of the Impounding Act 1955) and for Dog Registration and Dog Impounding (in terms of sections 37 and 68 of the Dog Control Act 1996) as proposed in Appendix 6 be adopted, and once following public notification, take effect from 1 July 2019.

**Burial & Cremation**

7. That the fees and charges for Burial and Cremation, as proposed in Appendix 7 be adopted and following public notification take effect from 1 July 2019.

**Service Connections**

8. That the fees and charges for Service Connections, as proposed in Appendix 8 be adopted and take effect from 1 July 2019.

**Recycling Charges**

9. That the fees and charges for Recycling as proposed in Appendix 9 be adopted and take effect from 1 May 2019.

## SUMMARY OF OPTIONS ANALYSIS FOR

<b>Problem or Opportunity</b>	Fees and charges need to be reviewed annually to ensure they adequately meet Revenue & Financing policy, budgetary and other objectives
<b>OPTION 1:</b>	<b>Approve fee increases as proposed</b>
Community Views	Each of different types of fees requires a different process for community engagement. Where this is legislatively controlled it is identified in the report
Benefits	More likely to comply with funding proportions contained in Revenue & Financing Policy
Risks	Public criticism of increases  Increased charges for some activities may discourage compliance or reduce volumes
Financial	Budgeted revenue targets more likely to be achieved
<b>OPTION 2:</b>	<b>Approve fee amendments for some of those proposed at greater or lesser levels</b>
Community Views	As above
Benefits	Lower fees than recommended likely to mean policy targets will not be achieved  Higher fees than recommended in some instances will increase likelihood of policy user fee target being achieved
Risks	Higher fees than recommended may increase the risk of public criticism
Financial	If lower increases are approved for some fees likely that budgeted revenue will not be achievable
<b>OPTION 3:</b>	<b>Do not approve any fee increases</b>
Community Views	As above
Benefits	Lower fees than recommended likely to mean policy targets will not be achieved
Risks	When increases eventually are made (to reduce the pressure on rates increases) the extent of the increase required will be publicly and politically unacceptable
Financial	If no increases are approved likely that budgeted revenue will not be achievable
<b>Contribution of</b>	<i>Council's Financial Strategy and Revenue &amp; Financing Policy strive to</i>

<b>Recommended Option to Council's Strategic Direction</b>	<i>ensure those who benefit from the provision of services are the ones who pay, where this is practicable. The proposed changes to fees and charges attempt to ensure there is a reasonable chance of this happening.</i>
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## **RATIONALE FOR THE RECOMMENDATIONS**

### **1. OVERVIEW OF THE PROBLEM OR OPPORTUNITY**

- 1.1 The purpose of this report is to provide an overview of the current status of fees and charges made by the Council and to recommend the adoption of updated fees for some of them.
- 1.2 It is important that fees and charges be regularly reviewed. There are a variety of reasons for this including:
  - Compliance with legislative requirements – many fees and charges made by the Council are governed by specific legislation
  - Consistency with Council's Revenue and Financing policy – for each activity the Council has adopted targets for the funding mix i.e. the proportion of costs to be funded from fees and charges
  - Transparency – in some instances it is important to be able to demonstrate that the charge being made represents a fair and reasonable recovery of the costs of providing a particular service
  - Market comparability – for some services the Council operates in a contestable market and it is important that fees and charges are responsive to market changes.
- 1.3 However as a review process is sometimes very time-consuming the depth of the review for each type of fee or charge may vary depending on the circumstances.
- 1.4 Attached as Appendix 1 is a schedule listing, in broad terms, the various types of fees and charges made by the Council. The schedule is ordered by activity (consistent with the 10 Year Plan 2018-28) and within that by function (consistent with the Revenue & Financing Policy). Comments are made within the schedule outlining the reasons for there being no change recommended to a particular fee or charge. In cases where changes are recommended more detail is provided in the appendices.

## 2. BACKGROUND AND PREVIOUS COUNCIL DECISIONS

- 2.1 Council has previously indicated that as a matter of policy it wishes all fee and charge revisions to be encapsulated in a single report to this Committee early each year.
- 2.2 Council's current Revenue & Financing Policy (10 Year Plan 2018-28 pages 211-231) describes how the Council goes about deciding who should pay for the provision of each activity and in what proportions. The policy should be the foundation for decisions about the levels of fees and charges.
- 2.3 The following table shows the indicative levels of direct user contribution (including through the use of targeted rates) sought to fund the operating costs for each activity as described in the Revenue & Financing Policy:

Revenue & Financing Policy – Indicative levels of direct user contribution (incl. targeted rates) sought toward activity cost				
Low 0-19%	Med-Low 20-39%	Med 40-59%	Med-High 60-79%	High 80-100%
Economic development & international relations	Central Energy Trust Arena		Conference & Function Centre	Planning services – private
Planning services- public	Public Health		Building services	Parking
Urban design			Cemeteries	Social housing
Heritage management				Animal Control
Roads, street facilities, street lighting & traffic services				
Active & public transport				
Creative & exciting city				*****
Arts, culture & heritage				
Reserves & sportsfields				Rubbish & Recycling#
Swimming pools				Wastewater#
Libraries & community centres				Water#
Civil defence & safer community initiatives				*****
Biodiversity & sustainable practices				
Stormwater				
Leadership				

# significant portion of funding through targeted rates

- 2.4 For some activities (such as swimming pools) only a portion of the operating costs is borne by the Council and none of the revenue is received directly by the Council. The Council does have the right under the agreement with CLM to set the maximum fees charged for the services. The Revenue & Financing Policy addresses only that portion of the net operating costs funded by the Council and therefore makes no reference to user charges for swimming pools.
- 2.5 In some of the activities shown above it is not practical to charge users through a separate charge specifically related to use. An example of this is water where large consumers are metered but the majority of users are charged through the rating system by way of a fixed targeted rate as the best proxy for direct user charge.
- 2.6 In some activities a combination of charging mechanisms is used. Rubbish & recycling is an example. Users are responsible for their own rubbish disposal. The Council does provide a collection and disposal service which is funded from the sale of rubbish bags. Recycling activity is funded from the sale of recyclables and the balance through the rating system by way of fixed targeted rates.
- 2.7 Council reviewed some fees and charges in March and April 2018 and confirmed in June 2018 those that were the subject of public consultation. In addition, in November 2018 approval was given to increase admission and concession fees for swimming pools effective from 1 July 2019.

### 3. DESCRIPTION OF OPTIONS

- 3.1 With a few exceptions (e.g. cemetery/crematorium, conference & function centre), draft revenue budgets for 2019/20 have been set at levels which aim to meet the Revenue & Financing Policy proportion targets. Achieving these revenue levels is dependent not only on the level of fee or charge set but also the actual volumes of activity by comparison with budget assumptions.
- 3.2 The timing of this review is scheduled to fit into the annual planning timetable in a way which ensures appropriate revenue assumptions are made in the proposed 10 Year or Annual Plans and changes to fees and charges can be implemented as soon as practicable.
- 3.3 Much of this report is focused on providing an overview of Council's fees and charges. However the report does include specific proposals for change for a number of fees and charges as explained in more detail in the following appendices:

Appendix		
2	Trade Waste	Proposal for public consultation
3	Planning & Miscellaneous	Proposal for public consultation
4	Building	Proposed increases
5	Environmental Health	Proposed increases
6	Animal Control	Proposed increases
7	Burial & Cremation	Proposed increases
8	Service Connections	Proposed increases
9	Recycling	Proposal for charges for extended services

#### 4. ANALYSIS OF OPTIONS

- 4.1 Analysis of the options for each of the fee types for individual activities is contained in the appendices

#### 5. CONCLUSION

- 5.1 A broad review of fees and charges has been undertaken. Revenue from these is an important part of the funding mix. There are two elements to achieving revenue budgets. The first is the actual level of the fee or charge. The second is the volume of sales or use. A change to the level of fee or charge can influence demand. Achieving revenue targets is sometimes more about volumes than the level of the charge. There is a fine balance between the two. This report recommends increases in charges for tradewaste, planning & miscellaneous, building, environmental health, animal control, burial & cremation, service connections, and some new charges for recycling.
- 5.2 Fees and charges for sportsfields will be the subject of a separate report as soon as practicable following consideration of the report to the Sport & Recreation Committee on the philosophy of charging for them.

## 6. NEXT ACTIONS

- 6.1 There is a series of procedural steps to be followed to enable some of the revised fees and charges to be implemented. In some cases (as specifically identified in the recommendations) this involves a period of public consultation and a report back to the Council for final confirmation (taking into account any public submissions).

## 7. OUTLINE OF COMMUNITY ENGAGEMENT PROCESS

- 7.1 The Revenue & Financing Policy incorporates the Council's current views on what portion of each activity should be directly funded from users. This policy forms part of the 10 Year Plan which was the subject of public consultation in 2018.
- 7.2 There are varying types of public consultation required to enable changes to be made to fees and charges. For some the special consultative process or a process consistent with the principles of section 82 of the Local Government Act is to be used. More detail about each is provided in the detailed appendices.

## COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	<b>No</b>
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>NA</b>
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>Yes</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>

## ATTACHMENTS

1. Appendices 1-9  

Activity	Revenue & Financing Policy function	Fees / Charges	Last Implementation / Date of revised fee	Next Review Scheduled for	Assumption for draft 2019/20 Budget	Comments
Economic development	Conference & Function Centre	Venue rental Percentage of catering revenue			Small increase in gross revenue compared with 2018/19 budget	Charges depend on market conditions.
City Development	Building Services	Building Services Fees	9 Apr 2018	1 Jul 2019	Increased fees & higher revenue	Increases recommended. Refer Appendix 4 & recommendations.
City Development	Planning Services - Private	Services Fees & Charges	1 Jul 2018	1 Jul 2019	Increased fees & higher revenue	Increases recommended. Refer Appendix 3 & recommendations.
Roading	Parking enforcement	<ul style="list-style-type: none"> <li>Registration</li> <li>WOF</li> <li>Fines (Stationary vehicles)</li> </ul>	9 Dec 1999	Next Statutes Revision	No change	Charges are set and changed by legislation/regulation.
Roading	Metered Parking	Metered Parking Fees – on street & off-street	Sep 2015	1 Jul 2019	No change	A number of changes to parking charges & practices were trialled following adoption of Parking Management Plan. The extent to which these need to be formalised is being reviewed.
Roading	Off-street parking – leased carparks	Long term lease	June 2015	1 Jul 2019	No change	Chief Executive was delegated authority to determine these fees and charges but the status of this delegation is under review.
Active Community	Central Energy Trust Arena	Venue Rentals - Commercial - Community & Schools	1 Jan 2019 1 Jan 2019	1 Jan 2020 1 Jan 2020	CPI increase in charges – minor increase in overall revenue	Charges reviewed under delegated authority.

## Appendix 1

Activity	Revenue & Financing Policy function	Fees / Charges	Last Implementation / Date of revised fee	Next Review Scheduled for	Assumption for draft 2019/20 Budget	Comments
Active Community	Sportsfields	Sportsfield Rental/Charges	1 Jul 2018	1 Jul 2019	Increase in revenue	Recommendations will be incorporated in a second report following consideration of separate report on the policy for charging for sportsfields to be considered by Sport & Recreation Committee.
Active Community	Swimming Pools	Admission charges	2014		No change	The contract for pool operations provides for the Council to approve maxima for charges able to be made by the contractor. In Nov 2018 Council approved 4.6% increases in admission & concession rates effective from 1 Jul 2019.
Connected Communities	Cemeteries	<ul style="list-style-type: none"> <li>Burial</li> <li>Cremation</li> </ul>	1 Jul 2018	1 Jul 2019	Increase in revenue	Increases recommended. Refer Appendix 7 & recommendations.
Connected Communities	Community Centres	Community halls & facilities	1 Jul 2018	1 Jul 2019	CPI increase	Rentals are adjusted annually by the CPI.
Connected Communities	Libraries	<ul style="list-style-type: none"> <li>Membership Subscription</li> <li>Lending charges</li> <li>Interloan charges</li> <li>Overdues</li> <li>Reserves</li> <li>Lost material</li> </ul>	1 July 1999 (non-resident membership)	1 Jul 2019	Minor increase in revenue	

Activity	Revenue & Financing Policy function	Fees / Charges	Last Implementation / Date of revised fee	Next Review Scheduled for	Assumption for draft 2019/20 Budget	Comments
Connected Communities	Social Housing	Rental	Jul 2018	Jul 2019	Increase in total revenue based on assumption increased no of units & CPI increases	Council's current policy is to limit rental to a max. of 25% or 30% of the net income of the tenant for social units and to have market rents for some former public rental units.
Safe Communities	Animal Control	<ul style="list-style-type: none"> <li>Registration Fees</li> <li>Impounding Fees</li> </ul>	1 Jul 2018 1 Jul 2018	1 Jul 2019 1 Jul 2019	Increased fees & higher revenue	Dog Control Act 1996 Section 37 requires Council to give public notice of fees annually prior to 1 July.  Refer to Appendix 6 & recommendations.
Safe Communities	Public Health	Health Inspection, Verification & Monitoring Fees	1 Jul 2017	1 Jul 2018	Minor reduction in revenue	With introduction of Food Act 2004 Council no longer issues health licences. Role is now inspection, verification & monitoring Increase proposed - Refer to Appendix 5 & recommendations.  Council has chosen to use the default liquor licensing fees set by regulation.
Rubbish & Recycling	Waste Management	Liquor fees Rubbish Bag Sales	18 Dec 2013 1 July 2017	1 Jul 2019	No change Minor increase in revenue	Policy is that full costs of collection are to be covered by bag sales. Minor reduction in bag price implemented from 1 July 2017. No further change to bag price recommended.

Activity	Revenue & Financing Policy function	Fees / Charges	Last Implementation / Date of revised fee	Next Review Scheduled for	Assumption for draft 2019/20 Budget	Comments
Rubbish & Recycling	Waste Minimisation	Landfill Charges – Green waste	1 Oct 2007	1 Jul 2019	No change	Landfill now closed. However still accept green waste. Fees for this increased from 1 Oct 2007. Recommend holding prices to promote green waste diversion.
		Transfer Station – Ashhurst	1 Jul 2017	1 Jul 2019	No change	Price increased from 1 July 2017 – no further change recommended.
		E-waste – Ferguson St	1 Jul 2018	1 Jul 2019	No change	Rationalisation, simplification & some reduction in charges for e-waste implemented from 1 July 2018. Regime for event recycling implemented in July 2018. Refer to Appendix 9 & recommendations.
		Event Recycling	1 Jul 2018	1 Jul 2019	No change	Refer to Appendix 8 & recommendations.
Stormwater	Stormwater	Connection fees	1 Jul 2018	1 Jul 2019		
Wastewater	Wastewater	Trade charges	1 Jul 2018	1 Jul 2019	Fee based on cost based formula. Increase in revenue.	Formula for determining charges based on Council's Trade Waste By-Law. 2018/19 charges approved by Council in June 2018. Refer to Appendix 2 & recommendations.
		Connection fees	1 Jul 2018	1 Jul 2019		Refer to Appendix 8 & recommendations.
Water Supply	Water Supply	Water by meter tariff	1 Jul 2018	1 Jul 2019	Any change is related to change in level of targeted fixed rate-increased tariff assumed.	Water by meter tariffs are deemed to be targeted rates & are set as part of annual rates resolution.
		Tanker filling station fees	1 Jul 2017	1 Jul 2019		Set under terms of Water Supply Bylaw. Related in part to level of water by meter tariff.
		Connection fees	1 Jul 2018	1 Jul 2019		Refer to Appendix 8 & recommendations.

Activity	Revenue Financing Policy function	Fees / Charges	Last Implementation / Date of revised fee	Next Review Scheduled for	Assumption for draft 2019/20 Budget	Comments
Leadership	Direction Setting	District Plan changes  District Plan documents & updates	1 Jul 2008  1 Jul 2012	1 Jul 2019  1 Jul 2019	No change  No change	Policy is to recover costs relating to private plan change applications from applicants. Present charges achieve this aim. Changed from a specific charge to charge at cost from 1 Jul 2012.

Note - Amounts for Development contributions (for water, wastewater, stormwater, roading & reserves) are increased annually on 1 July in accordance with the movement in the Producers Price Index – Construction or through an amendment to the Development Contributions Policy.

## PROPOSED AMENDMENTS TO FEES AND CHARGES FOR TRADE WASTE

### 1. INTRODUCTION

It is Council's policy to review its fees and charges for trade waste each year in accordance with the Palmerston North Trade Waste Bylaw.

Changes to these fees and charges are required to be approved using the consultation principles of the Local Government Act.

### 2. BACKGROUND

#### 2.1 Revenue & Financing Policy Requirements

As part of Council's financial framework it has in place a Revenue and Financing Policy that was adopted in 2018.

The policy defines how operating expenditure for each activity will be funded. In summary the funding sources are from either, user charges or targeted rates (private), rates (public), or based on the exacerbator principle whereby the cost of an activity can be attributed to an individual or a group of individuals.

Some of the discharges of trade waste into the sewerage system use up more of the sewerage systems capacity than normal domestic discharges.

Council's Revenue and Financing policy states "volumes of trade waste are capable of being measured so those who discharge trade waste should be charged based on the nature and volume of discharge". The setting of the charges is regulated under Council's Trade Waste Bylaw 2015 and a specific charging mechanism has been established to recover the extra costs imposed on the Council's system.

These costs are incurred in the following way;

- Compliance Monitoring – the inspection, sampling and analysis of trade waste discharges
- Trade Waste Application – the processing of new or renewal applications
- Consent Processing – when the cost of processing the consent exceeds the normal application fee
- Re-inspection – for re-inspection of premises when a notice served by the Council has not been complied with

- Annual Trade Waste Charges – for administration and monitoring of individual consent holders
- Trade Waste Charges – these are for the impact of consented discharges on Council's system.

The following factors impact on the fees and charges;

- Costs to administer and monitor consents
- Cost of operating the Palmerston North sewerage system
- Flows within the Palmerston North sewerage system
- Loading on the Palmerston North Wastewater Treatment Plant.

These costs, flows and loadings vary from year to year.

## 2.2 Statutory Requirements

The Council adopted the Palmerston North **Trade Waste** Bylaw in 2015 under its statutory powers contained in the Local Government Act 2002 (LGA). Accordingly, in terms of section 150 of the LGA the trade waste charges are required to be set in a manner giving effect to the requirements of the Act. Schedule 1 of the Bylaw contains a list of types of charges that may be imposed. In June 2018 the Council adopted the current schedule of charges following appropriate consultation.

## 2.3 Factors Impacting on Setting Fees and Charges

A number of other considerations are factored into the proposed fees. They are:

Transparency It is important that fees and charges are structured in a manner that clearly identifies the specific service being provided and the true cost of providing such services.

Fair and reasonable That the charges are demonstrated to be fair and reasonable.

Market comparable Where appropriate.

## 2.4 Outline of Proposed Fees and Charges

The proposed fees and charges are shown in detail below:

Category	2018/2019 Charge GST Incl.	2019/2020 Charge GST Incl.	Description
<b>Administrative Charges (Table 2 – Schedule 1)</b>			
Compliance Monitoring (2.2)	\$360 per annum	\$360 per annum	Fee to recover inspection and monitoring costs of trade premises
Compliance Monitoring – Grease Trap Sampling Fee (2.2)	\$98 per inspection	\$115 per inspection	Fee to recover inspection and sampling costs of grease traps
Trade Waste Application Fee (2.4)	\$860	\$1,600	Fee to recover cost of processing new or renewal applications
Consent Processing Fee (2.5)	\$155 per hr	\$195 per hr	Fee to recover cost of processing extraordinary applications
Re-inspection Fee (2.6)	\$115 per inspection	\$115 per inspection	Fee to recover cost of re-inspections of individual trade premises
Grease Traps (2.9)	\$88 per annum	\$115 per annum	Charge to recover administration and monitoring cost of grease traps
Oil Interceptors (or similar devices) (2.9)	\$88 per annum	\$115 per annum	Charge to recover administration and monitoring cost of oil interceptors and other treatment devices
Amalgam Traps (2.9)	\$88 per annum	\$115 per annum	Charge to recover administration and monitoring cost of amalgam traps at dental surgeries
All other premises (2.9)	\$745 per annum	\$800 per annum	Charge to recover administration and monitoring cost of trade waste consents
<b>Trade Waste Charges (Table 3 – Schedule 1)</b>			
Volume Charge (\$/m <sup>3</sup> ) (3.1)	\$0.3812/m <sup>3</sup>	\$0.4122/m <sup>3</sup>	Charge to recover sewerage collection costs
Suspended Solids Charge (SS) (\$/kg) (3.3)	\$0.6042/kg SS	\$0.7113/kg SS	Charge to recover suspended solids treatment costs
Organic Loading Charge (BOD) (\$/kg) (5.4)	\$0.4641/kg BOD	\$0.5737/kg BOD	Charge to recover organic loading treatment costs
Phosphorous Charge (DRP) (\$/kg) (3.6)	\$31.2085/kg DRP	\$38.625/kg DRP	Charge to recover phosphorous (DRP) removal costs
<b>Tankered Waste Charges (Table 4 – Schedule 1)</b>			
Tankered Wastes (4.1) Charge	\$40/1,000 litres	\$40/1,000 litres	Charge to recover administration, receiving and treatment costs of tankered wastes.

In the past the administrative charges have been set at levels which cover only a portion of the costs of performing the work involved. This has been known and acknowledged but the extent of the subsidy last year became more evident through changes in in-house arrangement for the service delivery. The Revenue and Financing Policy describes that the costs of this activity will be recovered from the users and this approach was further endorsed when adopting the trade waste fees and charges for 2018/19. When consulting on the proposed trade waste administration charges for 2018/19 the consultation material described that increases would be phased over two years and indicative charges for 2019/20 were outlined. The administration charges now proposed for 2019/20 are the same as those indicative figures shown last year.

The volume dependent charges are based on historic flows, strengths and costs. The 2018/19 charges were based on flows and costs from 1 January 2017 to 31 December 2017 and, in an effort to smooth the effect of changing volumes and flows, the proposed 2019/20 charges are based on flows and costs over the two years from 1 January 2017 to 31 December 2018.

The changes proposed above represent increases of 8.1% in the rate charged on the volume of sewage discharged, 17.7% in the suspended solids charge, 23.6% in the charge for organic loading treatment, and 23.8% in the charge for phosphorous removal.

## **2.5 Level of Service**

As part of the process of preparing the proposed 10 Year Plan 2018-28 the level of service for all areas was considered. This determined that the current levels are appropriate. The proposed fees reflect this decision.

## **3. DESCRIPTION OF OPTIONS**

It is Council policy to review fees and charges on a yearly basis. This enables Council to be satisfied that they are transparent, fair and reasonable and market comparable. This does not necessarily mean that fees will be increased every year.

The options available include no change being made, proceeding with the recommendations or changing fees by a different amount. If no change is made or fees are increased by a lesser amount, the proposed budgeted revenue for 2019/20 cannot be met. This will result in the level of ratepayer funding having to be increased to make up the shortfall or the level of services being reduced.

The remaining option is to proceed with the recommended changes. This will ensure that the charges for providing the services are fair and reasonable. It will ensure that the revenue attained from fees and charges reflects the true cost to Council of providing such services.

#### 4. FINANCIAL IMPLICATIONS

The proposed fees and charges will enable the budget targets for 2019/20 as defined in the proposed Annual Budget 2019/20 to be met based on the volume assumed. In particular it will enable the generation \$923k of revenue from trade waste charges.

#### 5. MAKING A SUBMISSION

Submissions on the proposal are invited and must be received by the Council during the submission period which opens on Wednesday 1 May 2019 and closes at 5.00 pm on Tuesday 4 June 2019. Enquiries may be directed to the Transport & Infrastructure Manager on telephone 356 8199.

Submissions must be in writing and may be delivered, posted or emailed to:

The Governance and Support Team Leader  
Palmerston North City Council  
Private Bag 11-034  
Palmerston North 4442

Email [submission@pncc.govt.nz](mailto:submission@pncc.govt.nz)

Submissions should include the name and address of the person making the submission, including a daytime telephone contact number, and also advise if they wish to speak about their submission to a meeting of Councillors.

Heather Shotter  
Chief Executive

## PROPOSED AMENDMENTS TO FEES AND CHARGES FOR PLANNING AND MISCELLANEOUS SERVICES

### STATEMENT OF PROPOSAL

#### 1. INTRODUCTION

It is Council's policy to review its fees and charges every year. As a result of the most recent review the proposed to change the fees and charges varies. Most fixed charges and deposits will not increase but charges based on hourly charge out rates will increase by approximately 3%.

The changes to fees and charges are designed to ensure there is sufficient revenue to match the increase in operational costs and satisfy the requirements of Council's Revenue & Financing Policy.

Changes to these fees and charges are required to be approved using the special consultative procedure or a similar procedure.

#### 2. BACKGROUND

##### 2.1 Revenue & Financing Policy Requirements

As part of Council's financial framework it has in place a Revenue and Financing Policy that was adopted in 2018.

The policy defines how operating expenditure for each activity will be funded. In summary the funding sources are from either, user charges or targeted rates (private), rates (public), or based on the exacerbator principle whereby the cost of an activity can be attributed to an individual or a group of individuals.

For the fees and charges being considered funding is based on the following principles:

##### 2.1.1 Planning Services

The entire community benefits from safe reliable infrastructure and resources and consistent transparent Council procedures. The entire community benefits from advice relating to potential resource consents or resource management as well as from resource consent monitoring and enforcement activities. Developers and property owners benefit from the resource consent advice, information and certainty provided by the Council.

The Revenue & Financing Policy outlines that the funding source for public services (namely planning advice, information, consent monitoring and enforcement) as compared to private services (being resource consent processing) should be clearly separated to reflect those who benefit from the service, the period of benefit and those who create the need.

The Policy indicates that a “high” percentage of planning (public) services should be funded from rates with a “high” percentage of planning (private) services to be funded by fees and charges.

The proposed budget for 2019/20 compared to the proposed funding policy is as follows:

Activity	Target Policy	Budget 2019/20	Compliance with Policy?
Planning Services – Private	100% Fees and Charges	100% Fees and Charges	<i>Meets the policy</i>
Planning Services – Public	100% Rates	100% Rates	<i>Meets the policy</i>

## 2.2 Statutory Requirements

The setting of the fees and charges for the fee group entitled **Planning Services** is empowered by Section 36 of the Resource Management Act 1991 (RMA) and requires the Council to follow the special consultative procedure as set out in section 83 of the Local Government Act 2002 (LGA). This requires the fees and charges proposed for planning to be initially referred to Council and then notified for public consultation before they can be approved by Council.

The Council is required to have regard for the criteria outlined in section 36AAA of RMA when establishing fees and charges. The key purpose of such charges is required to be to recover the reasonable costs incurred by the Council in relation to the activity for which the charge is being made.

Most of the charges for the fee group entitled **Miscellaneous** (except for those set under the Food Act 2014) are empowered under the LGA. This authorises the Council to recover the costs it incurs for approvals, authorities and inspections not covered by the primary legislation under which the Council operates, e.g., RMA. Accordingly, in terms of section 150 of the LGA they are required to be set in a manner which gives effect to the consultation principles in section 82 of the LGA. However as they are being reviewed in conjunction with the charges for planning services it is practical to use the special consultative procedure.

Those set under section 205 of the Food Act 2014 to cover the Council’s activities relating to registration, verification and compliance and monitoring under the Act must be set using the special consultative procedure.

## 2.3 Factors Impacting on Setting Fees and Charges

A number of other considerations are factored into the proposed fees. They are:

### Transparency

It is important that fees and charges are structured in a manner that clearly identifies the specific service being provided and the true cost of providing such services.

### Fair and reasonable

That the charges are demonstrated to be fair and reasonable.

### Market comparable

Proposed fees and charges are generally benchmarked against similar sized local authorities to test how they compare and to be able to explain situations where there is any marked variation. Accordingly, for planning services fees, comparison has been made with the proposed fees and charges for Gisborne District Council, Hamilton City Council, New Plymouth District Council, Tauranga City Council and neighbouring Manawatu District Council.

In undertaking a benchmarking exercise the results need to be qualified by the realisation that:

- Each Council may have a different Revenue & Financing Policy.
- The structure of Councils and how they set their budgets may vary which would impact on the costs being carried by respective services.
- Each Council may structure its fees and charges schedule in different ways.

## 2.3 Outline of Proposed Fees and Charges

### 2.4.1 Planning Services

The proposed fees and charges are shown in detail in **Attachment A**.

Many of the fees and charges are unchanged but those charged on the basis of an hourly rate increase by approximately 3% to reflect increased operating costs.

As part of the review the proposed charges have been compared to the current 2018/19 charges for a number of Councils of a similar scale to Palmerston North as well as the neighbouring Manawatu District, as shown in the following table:

Officer hourly rate	MANAWATU DISTRICT COUNCIL	GISBORNE DISTRICT COUNCIL	HAMILTON CITY COUNCIL	NEW PLYMOUTH DISTRICT COUNCIL	TAURANGA CITY COUNCIL proposed for 2019/20	PNCC Proposed for 2019/20
Head of Planning Services	197	\$146	\$220	\$180	\$208	\$215
Senior Planner	171	\$146	\$190	\$180	\$193	\$197
Planner	149	\$146	\$175	\$180	\$183	\$184

10YP FUNDING POLICY	MANAWATU DISTRICT COUNCIL	GISBORNE DISTRICT COUNCIL	HAMILTON CITY COUNCIL	NEW PLYMOUTH DISTRICT COUNCIL	TAURANGA CITY COUNCIL	PNCC
Private – fees	20%	25%	48%	60-80%	>50%	**
Public – rates	80%	75%	52%	20-40%	<50%	**

\*\* PNCC breaks down the cost of planning services based on the nature of the service provided, into a portion which is funded 100% from fees and charges and a portion funded 100% from rates.

For 2019/20 approximately 58% of costs are forecast to be incurred in the public category.

#### 2.4.2 Miscellaneous Services

The proposed fees and charges are shown in detail in **Attachment B**.

Most of them are proposed to be increased by approximately 3% to reflect increased operating costs.

#### 2.5 Level of Service

As part of the process of preparing the 10 Year Plan 2018-28 the level of service for all areas was considered. This determined that the current levels are appropriate. The proposed fees reflect this decision.

## 6. DESCRIPTION OF OPTIONS

It is Council policy to review fees and charges on a yearly basis. This enables Council to be satisfied that they are transparent, fair and reasonable and market comparable. This does not necessarily mean that fees will be increased every year.

The options available include no change being made, proceeding with the recommendations or changing fees by a different amount. If no change is made or fees are increased by a lesser amount, the proposed budgeted revenue for 2019/20 cannot be met. This will result in the level of ratepayer funding having to be increased to make up the shortfall or the level of services being reduced.

The remaining option is to proceed with the recommended changes. This will ensure that the charges for providing the services are fair and reasonable. It will ensure that the revenue attained from fees and charges reflects the true cost to Council of providing such services.

## 7. FINANCIAL IMPLICATIONS

The proposed fees and charges will enable the budget target of \$0.75m for 2019/20 as defined in the proposed Annual Budget to be met based on the volume assumed.

## 8. MAKING A SUBMISSION

Submissions on the proposal are invited and must be received by the Council during the submission period which opens on Wednesday 1 May 2019 and closes at 5.00 pm on Tuesday 4 June 2019. Enquiries may be directed to the Head of Planning Services on telephone 356 8199.

Submissions must be in writing and may be delivered, posted or emailed to:

The Governance and Support Team Leader  
Palmerston North City Council  
Private Bag 11-034  
Palmerston North 4442

Email [submission@pncc.govt.nz](mailto:submission@pncc.govt.nz)

Submissions should include the name and address of the person making the submission, including a daytime telephone contact number, and also advise if they wish to speak about their submission to a meeting of Councillors.

Heather Shotter

Chief Executive

Palmerston North City Council		Attachment A	
Planning Services		Fees & Charges	
Planning services charges listed below are imposed under the Resource Management Act 1991 to recover the cost to Palmerston North City Council for processing applications, monitoring consents and for Notice of Requirements Designations and Private District Plan Changes.			
Section 36 of the Resource Management Act enables the Council to charge additional fees to recover actual and reasonable costs when the fixed fee is inadequate. This means that applications that exceed standard processing times or which involve a hearing may incur additional charges. Consultants and solicitors fees associated with all work types are also included. We may also refund part of the fee if the work required to process the application is minimal.			
The deposits specified in the tables below are required up front and no action will be taken in accordance with section 36AAB(2) until paid. That does not mean that the Council is required to complete the activity upon payment of the deposit. The costs incurred will be monitored and additional amounts up to the total of the fixed charge may be required. Then additional charges may also be required before completion of the task if the fixed charges are inadequate to cover the Council's actual and reasonable costs.			
All fees and charges shown are GST inclusive unless indicated			
Fixed Charges			
Charges payable by applicants for resource consents, for the carrying out by the local authority of its functions in relation to the receiving, processing and granting of resource consents (including certificates of compliance [and existing use certificates] (section 36(1)(b))			
Activity Type	Fixed Charge from 1 Jul 2018	Fixed Charge from 1 Jul 2019	Deposit from 1 Jul 2019
Instant resource consents	\$ 215	\$ 215	\$ 215
Boundary Activity	\$ 270	\$ 270	\$ 270
Temporary or Marginal Breaches	\$ 270	\$ 270	\$ 270
Non notified land use consents (minor, see note (d) (b))	\$ 1,000	\$ 1,000	\$ 750
Non notified land use consents (other than minor)	\$ 2,550	\$ 2,550	\$ 1,900
Limited notified land use consents	\$ 11,150	\$ 11,150	\$ 8,350
Notified land use consents (full notification)	\$ 16,800	\$ 16,800	\$ 12,500
Non notified subdivision consents (Controlled Activity)	\$ 1,700	\$ 1,700	\$ 1,250
Non notified subdivision consents (Discretionary Restricted)	\$ 2,300	\$ 2,300	\$ 1,700
Non notified subdivision consents (other)	\$ 4,300	\$ 4,300	\$ 3,200
Notified subdivision consents for up to and including 20 lots in total (full and limited notification)	\$ 22,300	\$ 22,300	\$ 16,700
Notified subdivision consents for more than 20 lots (full and limited notification)	\$ 39,000	\$ 39,000	\$ 29,000
Certificates of compliance	\$ 460	\$ 460	\$ 345
Town Planning Certificate (Alcohol)	\$ 400	\$ 400	\$ 300
Existing use certificates	\$ 890	\$ 890	\$ 660
Outline Planning Approval	\$ 1,110	\$ 1,110	\$ 840
Waiver for requirement for Outline Plan	\$ 380	\$ 380	\$ 280
Notified notice of requirements, heritage orders, designation alterations.	\$ 16,800	\$ 16,800	\$ 12,500
Non notified notice of requirements, heritage order, designation alterations	\$ 2,550	\$ 2,550	\$ 1,900
District Plan changes	\$ 26,000	\$ 26,000	\$ 20,000

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Charges payable by holders of resource consents, for the carrying out by the local authority of its functions in relation to the administration, monitoring and supervision of resource consents (including certificates of compliance [and existing use certificates], and for carrying out its resource management functions under section 35. (section 36(1)(c))

Activity Type	Fixed Charge from 1 Jul 2018	Fixed Charge from 1 Jul 2019	Deposit from 1 Jul 2019
Monitoring of non notified resource consents	\$320 per consent for inspections and monitoring (2 hours)	<b>\$330 per consent for inspections and monitoring (2 hours)</b>	
Monitoring of notified resource consents	\$640 per consent for inspections and monitoring (4 hours)	<b>\$660 per consent for inspections and monitoring (4 hours)</b>	
Variations to conditions (section 127 and 221 - subdivision and land use)	\$ 1,350	\$ 1,350	\$ 1,000
Extensions of time (section 125)	\$ 1,100	\$ 1,100	\$ 850
Cancellation of building line restrictions (under Local Government Act 1974 )	\$ 1,100	\$ 1,100	\$ 850
Adjustment of easements	\$ 1,100	\$ 1,100	\$ 850
Subdivision certificates (including section 223, 224)	\$ 380	\$ 380	\$ 285
Subdivision certificates (section 226)	\$ 1,350	\$ 1,350	\$ 1,000
Subdivision inspections for up to and including 5 lots, or staged, in total	\$ 800	\$ 800	\$ 600
Subdivision inspections for between 6 lots and up to and including 10 lots, or staged, in total	\$ 1,600	\$ 1,600	\$ 1,200
Subdivision inspections for between 11 lots and up to and including 20 lots, or staged, in total	\$ 3,200	\$ 3,200	\$ 2,400
Subdivision inspections for more than 20 lots un-staged	\$ 4,800	\$ 4,800	\$ 3,600
Removal of designations	\$ 265	\$ 265	\$ 265
Purchase of District Plan & District Plan updates	At cost	At cost	At cost

Charges payable by holders of resource consents, for the carrying out by the local authority of its functions in relation to reviewing consent conditions if:

- 1 the review is carried out at the request of the consent holder;
- 2 the review is carried out under section 128(1)(a);
- 3 the review is carried out under section 128(1)(c)

Activity Type	Fixed Charge from 1 Jul 2018	Fixed Charge from 1 Jul 2019	Deposit from 1 Jul 2019
Review at the request of the consent holder	\$ 1,670	\$ 1,670	\$ 1,250
Review pursuant to section 128(1)(a)	\$ 1,670	\$ 1,670	\$ 1,250
Review pursuant to section 128(1)(c)	\$ 5,000	\$ 5,000	\$ 3,750

Charges for supply of documents payable by the person requesting the document. (Section 36(1)(f))			
Activity Type	Fixed Charge from 1 Jul 2018	Fixed Charge from 1 Jul 2019	Deposit from 1 Jul 2019
Replacement copies of certificates	\$ 110	\$ 110	
Replacement copies of resource consents	At cost of officer's time per hour + disbursements	At cost of officer's time per hour + disbursements	
Other documents	\$1 per page	\$1 per page	
Additional copies of order papers	\$ 40	\$ 40	
<b>Notes:</b>			
(a) The number of lots in a subdivision includes the balance lot			
(b) The fixed charges do not include other charges that may be imposed under the Resource Management Act or other legislation such as:			
(i) Additional charges (section 36(5));			
(ii) Bonds;			
(iii) Monitoring and supervision charges expressly provided for in a resource consent;			
(iv) Development contributions			
(c) If the fixed charges are not sufficient to meet the Council's actual and reasonable costs then additional charges may be payable- Note this may include but not be limited to charges for consultants, solicitors, independent Commissioners and Council officers' time.			
(d) Fees Methodology:			
(a) Land use and subdivision consents have been based on an average costs of consents issued. Deposits have generally been set at 75% of the average unless the difference between the deposit and the total of actual and reasonable costs is of such a minor nature it is not cost effective to recoup the difference from an applicant. In such a case the deposit is set at the same value as the Fixed Charge. In terms of the Fixed Charge they are set at 100% of the average fee. Final charges will be charged at staff hourly rates, technical officer or consultant time and any standard fees applicable.			
(b) Minor non notified land use consents usually applies to:			
(i) Applications for a dwelling or a minor dwelling, dependent dwellings, accessory buildings, home occupations and access in the residential and rural zones.			
(ii) Applications for signage in the business and industrial zones.			
(c) Monitoring and inspection charges are based on staff hourly rates to complete. For non notified resource consents the inspection fee of \$330 is for 2 hours of inspections by the Monitoring Officer. For notified consents the inspection fee of \$660 is for 4 hours of inspections by the Monitoring Officer. In terms of dealing with compliance issues this is based on the actual time spent by the Monitoring Officer based on the hourly rate for the Monitoring Officer.			

Other Charges			
Advisory Service - Applies where staff provide information in response to customer queries		For queries received by Front of House staff - no cost for an individual enquiry up to 30min (whether in person or in writing), where an individual enquiry is for a period longer than 30min, charged at cost based on the relevant officer's hourly rate  For any queries received by staff not based at Front of House - to be charged at cost based on relevant officer's hourly rate	
Pre lodgement meetings; Applies where staff vet information prior to the lodgement of an application		Charged at the relevant officer's hourly rate	
Objections considered by a Hearings Commissioner (section 36(1)(af))		At cost plus disbursements of the Hearings Commissioner	
Consultant Charges			
Work Type		Rate per hour from 1 Jul 2018	Rate per hour from 1 Jul 2019
Consultants and Solicitors fees associated with all work types, including the processing of a consent or certificate (including specialist technical or legal advice where a consent involves creating legal instruments) and new notice of requirements, heritage orders, designation alterations, removal of designations and District Plan changes.		At cost plus disbursements	
Charges for hearings		Rate per hour from 1 Jul 2018	Rate per hour from 1 Jul 2019
Hearings for all applications, designations, notice of requirements private District Plan changes, development contributions and remittance fees and associated work by relevant staff.		At cost of officers time per hour as per rates listed below	
Production of Order Papers		At cost plus disbursements	
The following hourly rates for Council Officers and Decision Makers will be charged for the processing of consents, hearings, designations etc that do not have a fixed charge or where the fixed charge is inadequate to cover the actual and reasonable costs of the Council.			
Council Officer's Hourly Rates		Rate per hour from 1 Jul 2018	Rate per hour from 1 Jul 2019
Planning Officers/Graduate Planning Officer		\$ 178	\$ 184
Monitoring and Enforcement Officer		\$ 160	\$ 165
Senior Planner		\$ 191	\$ 197
Head of Planning Services		\$ 209	\$ 215
City Planning Manager		\$ 209	\$ 215
Senior Business Support officer		\$ 155	\$ 160
Administration/Committee Administration Staff		\$ 111	\$ 114
Technical and Professional Staff from all other Council units		\$ 178	\$ 184
General Manager		\$ 227	\$ 234
Commissioner		At cost plus disbursements	
Hearing Committee Chair and Members		At cost (\$100 per hour for Chair & \$80 per hour for members) plus disbursements	

<b>Palmerston North City Council</b>	<b>Attachment B</b>	
<b>Miscellaneous Services</b>	<b>Fees &amp; Charges</b>	
The miscellaneous charges detailed below are imposed under the Local Government Act 2002. They seek to recover the cost to Palmerston North City Council for approvals, authorities and inspections not covered by the primary legislation under which the Council operates. ( <i>These being the Resource Management Act 1991, Building Act 2004, Dog Control Act 1996, Impounding Act 1955, Food Act 2014 and Land Transport Act 1998</i> ).		
<b>All fees and charges shown are GST inclusive</b>		
<b>Fixed Fees</b>		
Payable when request for service/information is submitted to Council. No additional charges will be applied.		
Work Type	Fixed Fee from 1 Jul 2018	Fixed Fee from 1 Jul 2019
LIMS / RPIE		
Land Information Memorandum	\$ 455	\$ 455
GIS		
GIS Inputting (per consent)	\$ 175	\$ 180
Street Numbering		
Request for street number changes	\$ 364	\$ 375
Noise		
Return of seized sound equipment:		
- for first offence	\$ 168	\$ 173
- for second or third offence	\$ 278	\$ 286
- for fourth or subsequent offence	\$ 389	\$ 400
Disconnection of alarms under the Resource Management Act		Recovery of actual cost incurred by Council, including staff time and contractor costs
<b>Food Act 2014 Food Control Plan Auditing (including site visit, reporting and general administration)</b>		
Processing an application under the Food Act 2014 for registration of a Food Control Plan or a National Programme	\$ 260	\$ 268
Processing an application under the Food Act 2014 for renewal of registration of a Food Control Plan or a National Programme	\$ 260	\$ 268
Verification -Initial site visit (including reporting)(hourly rate)	\$ 161	\$ 166
Verification - Follow-up visits (including reporting) (hourly rate)	\$ 161	\$ 166

<b>Deposits</b>		
Charges for all services are based on the actual costs incurred by the Council. Any deposit specified in the table below are payable before the Council commences the service. The total charge for the service will be determined upon completion of the service, on the basis of the time spent by the relevant officer undertaking the work specified at that officer's hourly rate.		
<b>Work Type</b>	<b>Deposit from 1 Jul 2018</b>	<b>Deposit from 1 Jul 2019</b>
<b>Right of Way Approval</b>		
Right of Way Approval- section 348	\$ 500	\$ 500
<b>Certificates</b>		
Certificate of Compliance Building Code - Alcohol	\$103 Deposit, then billed at actual cost of officer's time per hour	\$103 Deposit, then billed at actual cost of officer's time per hour
<b>Gambling</b>		
Gambling venue consent	\$445 plus officer's hours after 3 hours	\$445 plus officer's hours after 3 hours

Other Charges		
These fees may be applicable to a consent or may be applied as a single charge. Note that photocopying and scanning charges includes both material and labour costs associated with such work.		
Work Type	Charge from 1 Jul 2018	Charge from 1 Jul 2019
<b>Photocopying / Copy of scanned documents</b>		
A0, A1, A2	\$10/page	\$10/page
A3	\$0.45/page	\$0.45/page
A4	\$0.35/page	\$0.35/page
Double sided A3	\$0.55/sheet	\$0.55/sheet
Double sided A4	\$0.45/sheet	\$0.45/sheet
<b>For colour copies</b>		
Single sided	Additional charge of \$1.70/page	Additional charge of \$1.70/page
Double sided	Additional charge of \$3.80/sheet	Additional charge of \$3.80/sheet
<b>Request for Property Information</b>		
Copy of Property Information	At cost of officer's time per hour plus disbursements	At cost of officer's time per hour plus disbursements
Page of property File, supplied in PDF format on CD	At cost of officer's time per hour and CD or USB cost	At cost of officer's time per hour and CD or USB cost
Certificate of Title	\$ 25	\$ 26
<b>Swimming Pools</b>		
Swimming Pool initial 5 yearly compliance inspection	\$ 187	\$ 193
Swimming Pool reinspections (second and subsequent inspections)	\$187 per inspection	\$193 per inspection
<b>Vehicle Crossings (cost per inspection)</b>		
T1; Inspect existing vehicle crossing	\$ 204	\$ 210
T2; New vehicle crossing	\$ 377	\$ 388
T3; Alter an existing vehicle crossing	\$ 204	\$ 210
<b>Asset Bonds</b>		
Council Asset Bond (payable for each building consent above the value of \$100,000)	\$1,000 (no GST)	\$1,000 (no GST)
<b>Overgrown Trees/Shrubbery</b>		
Removal of Overgrown Trees/Shrubbery	Recovery of actual cost incurred by Council, including staff time and contractor costs	Recovery of actual cost incurred by Council, including staff time and contractor costs

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<b>Charges for Council Officers and Decision Makers</b>		
The following hourly rates will be charged for those approvals, authorities and inspections listed in this schedule that are not listed as a fixed fee		
<b>Council Officer's Hourly Rates (per hour)</b>	<b>Charge from 1 Jul 2018</b>	<b>Charge from 1 Jul 2019</b>
General Manager	\$ 227	\$ 234
Division Head	\$ 209	\$ 215
Senior Planner	\$ 191	\$ 197
Planning Officers/Graduate Planning Officers	\$ 178	\$ 183
Monitoring and Enforcement Officer	\$ 160	\$ 165
Team Leader - Building	\$ 196	\$ 202
Senior Plumbing and Drainage Officer and Advanced Building Officer	\$ 196	\$ 202
Building Officer	\$ 178	\$ 183
Principal Environmental Health Officer	\$ 193	\$ 199
Environmental Health Officer	\$ 173	\$ 178
Environmental Health Officer Cadet	\$ 156	\$ 161
Senior Business Support Officer	\$ 155	\$ 160
Administration/ Committee Administration Staff	\$ 111	\$ 114
Technical and Professional Staff from all other Council Units	\$ 178	\$ 183
Commissioner	At cost plus disbursements	At cost plus disbursements
Hearings Committee Chair and Members	At cost (\$100 per hour for Chair & \$80 per hour for members) plus disbursements	At cost (\$100 per hour for Chair & \$80 per hour for members) plus disbursements
<b>Notes:</b>		
1 The hourly rates for Council Officers noted above will be charged for the work type listed above which do not have a fixed fee		
2 The hourly rates for the services which are listed in the above tables are for those staff listed in the table headed "Charges for Council Staff"		
3 Where it states above the fee per hour, please note this should be read in full as "fee per hour or part thereof".		

## PROPOSED AMENDMENTS TO FEES AND CHARGES FOR PLANNING AND MISCELLANEOUS SERVICES

Appendix 3b

### SUMMARY OF INFORMATION

Pursuant to Sections 83 and 150 of the Local Government Act 2002, the Palmerston North City Council gives notice that it is commencing the Special Consultative Procedure to obtain community feedback on proposed updates to fees and charges for Planning and Miscellaneous Services. It is Council's policy to review the above fees and charges every year to ensure there is sufficient revenue to match the increase in operational costs and satisfy the requirements of Council's Revenue and Financing Policy.

As a result of the most recent review the proposed to change the fees and charges varies. Most fixed charges and deposits will not increase but charges based on hourly charge out rates will increase by approximately 3%.

A copy of the Statement of Proposal including the schedule of proposed fees and charges can be inspected and/or obtained as follows:

- Through the Council's website [pncc.govt.nz](http://pncc.govt.nz)
- At the Customer Services Centre, Civic Administration Building or the City Library (both in the Square)
- By telephoning 356 8199.

Enquiries may also be directed to the Head of Planning Services on telephone 356 8199.

Submissions on the proposal are invited and must be received by the Council during the submission period which opens on Wednesday 1 May 2019 and closes at 5.00 pm on Tuesday 4 June 2019. Submissions must be in writing and may be delivered, posted or emailed to:

The Governance and Support Team Leader  
Palmerston North City Council  
Private Bag 11-034  
Palmerston North 4442  
Email [submission@pncc.govt.nz](mailto:submission@pncc.govt.nz)

All submissions received will be considered. Submissions should include the name and address of the person making the submission, including a daytime telephone contact number, and also advise if they wish to speak about their submission to a meeting of Councillors.

Heather Shotter  
**CHIEF EXECUTIVE**

## Building Services Fees and Charges

### Appendix 4

#### 1. INTRODUCTION

The Council's Revenue and Financing Policy (10 Year Plan 2018-28, page 217) outlines that as the main beneficiaries of the building activity are those who use the service (i.e. property developers and building owners), a significant portion of the cost should be borne by users. For the purposes of the Policy this portion is described as medium/high (i.e. 60-79% of the costs).

Broadly the Policy is based on the belief that consents processing and inspections should be user funded with information gathering and monitoring to be publicly funded.

Fees and charges were last increased from 9 April 2018.

#### 2. BACKGROUND

##### 2.1 Statutory Requirements

The setting of fees and charges for Building Services is empowered by Section 219 of the Building Act 2004. As such, they can be set by Council resolution and do not require any special consultative procedures. In accordance with the spirit of the LGA it is recommended that they be publicly notified.

##### 2.2 Factors Impacting on Setting Fees and Charges

The following factors impact on the fees and charges;

- The legislative requirements as to the nature of the work required to be undertaken by the Council
- The volume of work undertaken as some costs are fixed and do not fluctuate depending on volume

##### 2.3 Other Factors Impacting on Setting Fees and Charges

In response to approaches from building industry representatives in 2013 the previous fees were restructured to:

- Provide more certainty for clients by having more fixed fees
- Simplifying the processing required for low value work and as a result lowering fees, making them more affordable, and as a consequence encouraging higher levels of compliance.

### 3. PROPOSED FEES AND CHARGES

The proposed amended fees and charges are contained in attached schedule (**Attachment A**).

Increases of approximately 3% are proposed to reflect the desire to cover sufficient of the estimated costs to meet Council's policy target.

The exception to this is the charges proposed for online consent processing. They have been restructured to more closely align with the actual costs being incurred by the Council from the on-line service provider.

### 4. DESCRIPTION OF OPTIONS

It is Council policy to review fees and charges on a yearly basis. This enables the Council to be satisfied that the fees and charges are transparent, fair and reasonable. There is just cause to reconsider some of the last changes made, considering the potential effect on the community and part of the building industry.

The options available are:

- no change being made to existing fees and charges; or,
- proceeding with the recommendations set out in this proposal

### 5. FINANCIAL IMPLICATIONS

The proposed amended fees and charges will assist budget targets for 2019/20 being met, based on the volume of work assumed. The actual fees and charges for 2017/18 represented 72% of costs incurred and the budget for 2018/19 is 68%. The proposed budget for 2019/20 includes a 66% fee recovery assumption.

Activity	Target Policy	Budget 2019/20	Compliance with Policy?
Building services – PNCC	60 – 79% Fees and Charges	66% Fees and Charges	Within policy target band

## 6. COMPARISON WITH OTHER COUNCILS – FEES FOR 2018/19

TYPE OF FEE	MANAWATU DISTRICT COUNCIL	GISBORNE DISTRICT COUNCIL	HAMILTON CITY COUNCIL	NEW PLYMOUTH DISTRICT COUNCIL	PNCC Proposed for 2019/20
BC processing officer p hr	\$152	\$146	\$240	\$165	\$184
Inspection /each #	\$192	\$146	\$120	\$185	\$193
Accreditation levy per \$1k value	-	\$0.55	\$0.50	\$1.65	\$1.51
Woodburner – freestanding (without wetback)	\$512 Fixed fee	\$319 deposit	\$360 Fixed fee	\$330 Fixed fee	\$544
New residential dwelling \$100k-\$200k value **	\$627 Deposit	\$600 Deposit	\$4,650 Base fee	\$3,170 Base fee (value between \$130k- \$250k)	\$656 Deposit
Res adds/alts \$20k-\$100k value **	\$546 Deposit	\$400 Deposit	\$2,400 Base fee	\$1,070 Base fee (value between \$15k-\$25k)	\$516 Deposit
New commercial \$200k-\$500k value **	\$741 Deposit	\$1,200 Deposit	\$7,900 Base fee	\$6,530 Base fee (Value \$250k+)	\$722 Deposit

# Inspection charges are each, excepting Hamilton which charge per 30 mins on a time charged basis

\*\* Hamilton and New Plymouth charge a “base fee” up front, which is calculated at close to the actual average cost. This does not include, in some cases charges like levies, scanning or additional inspection travel costs. The difference is then charged or refunded, dependant on the completed costs incurred. For PNCC deposit covers a limited amount of administration work and processing time. It is set at a low level to encourage applications being lodged.

10YP FUNDING POLICY	GISBORNE DISTRICT COUNCIL	HAMILTON CITY COUNCIL	NEW PLYMOUTH DISTRICT COUNCIL	PNCC
Private – fees	80%	100%	80 – 100%	60 – 79%
Public – rates	20%	0%	0 – 20%	20 – 39%

Palmerston North City Council		Attachment A	
Building Services		Fees & Charges	
Building Services charges listed below are imposed under the Building Act 2004 to recover the cost to Palmerston North City Council for processing applications, undertaking inspections, and related work.			
All fees and charges shown are GST inclusive unless indicated			
Fixed Fees			
Work Type		Fixed Building Consent Fee (excludes PIM)	
		from 9 April 2018	from 1 July 2019
Demolitions			
The demolition fixed fee contains all fees applicable, however a refundable asset bond may be taken additionally to the fixed fee			
K1	Residential - Demolition/Removal of existing residential building or outbuilding. Separate consent required to replace.	\$ 683	\$ 703
K2	Commercial - Demolition/Removal of existing commercial building. Separate consent required to replace.	\$ 771	\$ 794
Conservatories			
N	Conservatory (proprietary) - Conventional construction placed on existing deck or platform only. No Foundations included.	\$ 649	\$ 668
Fast-track minor consents (note 1)			
F1	Freestanding Solid Fuel Heater (Approved customers only)	\$ 528	\$ 544
F2	Inbuilt Solid Fuel Heater (Approved customers only)	\$ 718	\$ 740
F3	Proprietary Garage (Approved customers only)	\$ 1,109	\$ 1,142
Project Information Memorandum (fixed fee work)			
	PIM Fixed Fee Work	\$ 118	\$ 122
Note 1 - An "approved customer" must be pre-approved by Palmerston North City Council Building Services. An "approved customer" are those who submit applications with agreed construction parameters utilising a refined method, to Council's satisfaction.			

Deposits: Applications where a PIM and Building Consent Fee Deposit Apply			
Unless there is prior agreement for them to be invoiced, deposits are payable at the time the application is lodged. Total fees will be determined at the time the consent is granted, and unless there is prior agreement for them to be invoiced, the outstanding balance is payable before a Building Consent and/or Project Information Memorandum (PIM) (if requested) is issued. The total fee will include officer's time per hour and consent specific costs such as structural engineer, New Zealand Fire service and any other costs.			
Work Type		Building Consent Deposit	
		from 9 April 2018	from 1 July 2019
<b>New Residential Buildings</b>			
O1	\$0 - \$100,000	\$ 583	\$ 600
O2	\$100,001 - \$200,000	\$ 637	\$ 656
O3	Above \$200,000	\$ 701	\$ 722
<b>Residential Additions and Alterations (note 2)</b>			
P0	Out buildings designed to NZS3604	\$ 501	\$ 516
P1	\$0 - \$5,000, (amendment made to this category to include freestanding and inbuilt fire places, as from 17 June 2013)	\$ 288	\$ 297
P2	\$5,001 - \$20,000	\$ 372	\$ 383
P3	\$20,001 - \$100,000	\$ 501	\$ 516
P4	\$100,001 - \$200,000	\$ 583	\$ 600
P5	\$200,001 - \$500,000	\$ 699	\$ 720
P6	\$500,001 - \$1,000,000	\$ 933	\$ 961
P7	Above \$1,000,000	\$ 1,166	\$ 1,201
<b>New Commercial Buildings</b>			
Q1	Under \$100,000	\$ 501	\$ 516
Q2	\$100,001 - \$200,000	\$ 583	\$ 600
Q3	\$200,001 - \$500,000	\$ 701	\$ 722
Q4	\$500,001 - \$1,000,000	\$ 933	\$ 961
Q5	Above \$1,000,000	\$ 1,166	\$ 1,201
<b>Commercial Additions and Alterations</b>			
R1	\$0 - \$5,000	\$ 290	\$ 299
R2	\$5,001 - \$20,000	\$ 372	\$ 383
R3	\$20,001 - \$100,000	\$ 501	\$ 516
R4	\$100,001 - \$200,000	\$ 583	\$ 600
R5	\$200,001 - \$500,000	\$ 701	\$ 722
R6	\$500,001 - \$1,000,000	\$ 933	\$ 961
R7	Above \$1,000,000	\$ 1,166	\$ 1,201
<b>Commercial Signs</b>			
M2	Signs Other (Commercial)	\$ 444	\$ 457
<b>Project Information Memorandum (Deposit work)</b>			
	PIM Deposit Work (Deposit Taken and work on PIM charged at hourly rate for officers)	\$ 108	\$ 111
Note 2 - Includes carports, sheds, garages, grease trap installation, removing an interior wall, constructing a conservatory (proprietary) placed on new deck/foundations, installing an exterior wall/window, storm water drain, WC/shower, hot water cylinder/solar heating system, on site effluent disposal field and continuous flow hot water heater.			

Other Fees			
The fees in this table are processing fees for the applications listed under "Work Type"			
Work Type		Building Consent Fee/Deposit	
		from 9 April 2018	from 1 July 2019
Private Building Consent Authorities			
	BCA Filing Fee	\$ 102	\$ 105
Warrant of Fitness and Compliance Schedules			
	Annual Building Warrant of Fitness Renewal	\$ 92	\$ 95
	New Compliance Schedule	\$ 171	\$ 176
	Alteration to existing compliance schedule	\$ 110	\$ 113
	Building Warrant of Fitness Site Audit/Reinspections	\$187 per inspection	\$193 per inspection
	IQP Registration (for new IQP's)	\$ 377	\$ 388
	IQP Renewal (annual) refer to note 3	\$ 105	\$ 108
	Copy of IQP's list	\$ 34	\$ 35
Engineering Checking			
	Structural Engineering Checking	As charged by the consultant engineer - actual cost	
	Fire Engineering Checks sent to New Zealand Fire Service	As charged by the Fire Service - actual cost	
Advisory Service			
	Applies where staff provide information in response to customer queries	For queries received by Front of House staff - no cost for an individual enquiry up to 30 min (whether in person or in writing), where an individual enquiry is for a period longer than 30 min, charged at costs based on the relevant officer's hourly rate  For enquiries received by staff not based at Front of House - to be charged at cost based on relevant officer's hourly rate	
Pre Lodgement Vetting			
	Applies where staff vet information prior to the lodgement of an application	Charged at the relevant officer's hourly rate	
Other Fees			
	Code Compliance Certificate - Residential	\$ 147	\$ 151
	Code Compliance Certificate - Commercial	\$ 474	\$ 488
	Standard Building Inspection	\$187 per inspection	\$193 per inspection
	Third Party Report	\$ 534	\$ 550
	Section 72 certificate condition	\$ 648	\$ 674
	Section 75 certificate condition	\$ 715	\$ 744
	Application to extend building consent timeframes	\$ 82	\$ 84

Work Type		Building Consent Fee/Deposit	
		from 1 July 2017	from 9 April 2018
	Exempt Building Work (schedule 1 (2))	\$110 deposit then billed at relevant officer's hourly rate	
	Exempt Building Work (schedule 1 excludes (2) - residential)	\$ 204	\$ 210
	Exempt Building Work (schedule 1 excludes (2) - commercial)	\$ 282	\$ 290
	Licensed building practitioner registration - additional fee for all restricted building work projects	\$ 139	\$ 143
	Amendment to a Building Consent	\$110 deposit then billed at relevant officer's hourly rate	
	Certificate of Acceptance	\$618 non refundable lodgement fee then billed at relevant officer's hourly rate plus any inspections, planning checks etc	\$637 non refundable lodgement fee then billed at relevant officer's hourly rate plus any inspections, planning checks etc
	Certificate of Public Use	\$110 deposit then billed at relevant officer's hourly rate plus any inspections	
	Waiver and Modifications	At cost of relevant officer's hourly rate	
	BCA Accreditation Fee (per \$1,000 of project value)	\$ 1.47	\$ 1.51
	Scanning Fee, Digital storage and File Management Fee for Building Consent Applications - refer Note 3 (for all applications other than fixed fee applications)		
	A0 - A2	\$3.75/page	\$3.75/page
	A3 & A4	\$2.25/page	\$2.25/page
Note 3 The scanning, digital storage and file management fee will not be charged against those building consent applications and/or additional information lodged for processing subject to the Online Building Consent System being operational and the application being submitted in a format that meets Council's requirements.			

Online Consenting Service Charge and System Implementation Charge (Note 4)				
The Online Consenting Charge is a charge to use the online system. The System Implementation Charge is to recover the cost Council has incurred in implementing the online system.				
All application types		Online consenting service charge from 1 July 2019	System implementation charge (note 5) from 1 July 2019	
	Value of work less than \$125,000	\$ 75	\$ 16	
	Value of work more than \$125,000 up to \$2.5m	0.065%	\$ 54	
	Value of work more than \$2.5m	\$ 1,625	\$ 66	
Work Type		Online consenting service charge from 9 April 2018	System implementation charge (note 5) from 9 April 2018	
New Residential Buildings				
O1	\$0 - \$100,000	\$ 114	\$ 40	From 1 July 2019 replaced by charges in section above
O2	\$100,001 - \$200,000	\$ 114	\$ 40	
O3	Above \$200,000	\$ 181	\$ 64	
Residential Additions and Alterations (note 7)				
P0	Out buildings designed to NZS3604	\$ 42	\$ 15	
P1	\$0 - \$5,000, (amendment made to this category to include freestanding and inbuilt fire places, as from 17 June 2013)	\$ 42	\$ 15	
P2	\$5,001 - \$20,000	\$ 42	\$ 15	
P3	\$20,001 - \$100,000	\$ 114	\$ 40	
P4	\$100,001 - \$200,000	\$ 114	\$ 40	
P5	\$200,001 - \$500,000	\$ 181	\$ 64	
P6	\$500,001 - \$1,000,000	\$ 181	\$ 64	
P7	Above \$1,000,000	\$ 181	\$ 64	
New Commercial Buildings				
Q1	Under \$100,000	\$ 114	\$ 40	
Q2	\$100,001 - \$200,000	\$ 114	\$ 40	
Q3	\$200,001 - \$500,000	\$ 181	\$ 64	
Q4	\$500,001 - \$1,000,000	\$ 181	\$ 64	
Q5	Above \$1,000,000	\$ 181	\$ 64	
Commercial Additions and Alterations				
R1	\$0 - \$5,000	\$ 42	\$ 15	
R2	\$5,001 - \$20,000	\$ 42	\$ 15	
R3	\$20,001 - \$100,000	\$ 114	\$ 40	
R4	\$100,001 - \$200,000	\$ 114	\$ 40	
R5	\$200,001 - \$500,000	\$ 181	\$ 64	
R6	\$500,001 - \$1,000,000	\$ 181	\$ 64	
R7	Above \$1,000,000	\$ 181	\$ 64	
Commercial Signs				
M2	Signs Other (Commercial)	\$ 42	\$ 15	
Note 4 - The fee for online consenting service and system implementation will be charged against all applications processed by Council.				
Note 5 - the System Implementation fee will only be charged for 5 years from the implementation date of the online system, being 28 June 2017				

Additional to the charges prescribed by the Palmerston North City Council are levies imposed by the Building Research Association of New Zealand (BRANZ) and the Ministry of Business Innovation and Employment (MBIE) on all building consents that have a building work value of \$20,000 or more. BRANZ levies contribute to the cost of testing and certifying building materials for use while MBIE levies contribute to the cost of Building Consent administration at the National level.

Current levies (subject to change without notice) are:		
Building (MBIE) levies (per \$1,000 of project value)	\$ 2.01	\$ 2.01
BRANZ levies (per \$1,000 of project value) (No GST)	\$ 1.00	\$ 1.00

#### Charges for Earthquake-prone building matters

These charges are to recover the cost Council has incurred in implementing the legislative requirements under the Building (Earthquake-prone Buildings) Amendment Act 2016.

	from 9 April 2018	from 1 July 2019
<b>Earthquake-prone buildings</b>		
Extension of time	\$ 335	\$ 345
Determine Earthquake rating	\$ 1,092	\$ 1,125
Exemption	\$ 335	\$ 345
Alterations to EPB (added to building consent fees & charges)	\$ 481	\$ 495

#### Charges for Council Staff

The following hourly rates for Council Officers will be charged for the processing of consents which do not have a set fee.

	from 9 April 2018	from 1 July 2019
<b>Council Officer's Hourly Rates</b>		
Team Leader - Building	\$ 196	\$ 202
Senior Plumbing and Drainage Officer and Advanced Building Officer	\$ 196	\$ 202
Building Officer	\$ 178	\$ 184
Senior Planning Officer	\$ 191	\$ 197
Planning Officer/Graduate Planning Officer	\$ 178	\$ 184
Monitoring and Enforcement Officer	\$ 160	\$ 165
Principal Environmental Health Officer	\$ 193	\$ 199
Environmental Health Officer	\$ 173	\$ 178
Environmental Officer (By-laws)	\$ 156	\$ 161
Senior Business Support Officer	\$ 155	\$ 160
Division Head	\$ 209	\$ 215
General Manager	\$ 227	\$ 234
Technical and professional staff from other parts of Council	\$ 178	\$ 184
Administration/Committee Administration Staff	\$ 111	\$ 114

## Environmental Health Fees and Charges

Appendix 5

### 1. INTRODUCTION

It is the Council policy to review fees and charges each year. The Council's Revenue and Financing Policy (10 Year Plan 2018-28, page 224) outlines that as licensed business' are major beneficiaries of the environmental/public health activity they should bear a significant portion of the cost of the activity. For the purposes of the Policy this portion is described as medium/low (ie 20-39% of the costs).

This activity consists of Environmental Health, Alcohol Licensing and Bylaws. The Policy seeks to ensure that inspections and processing of applications is generally user funded from fees and charges. Also, that the provision of information and enforcement, particularly in terms of Bylaws, be generally funded by rates.

Fees and charges were last increased from 1 July 2018. The latest review proposes that an increase of approximately 3% to fees and charges is needed to enable Council's targeted recovery from users to be obtained.

### 2. BACKGROUND

#### 2.1 Statutory Requirements

The charges for Environmental Health Services are empowered by Regulation 7 of the Health (Registration of Premises) Regulations 1966.

Alcohol licensing fees are set through the Sale and Supply of Alcohol (Fees) Regulations 2013. The Council does have the authority to make bylaws in relation to the fees payable to it (as authorised by the Sale and Supply of Alcohol (Fee-setting Bylaws) Order 2013) in respect of on-licences, off-licences and club licences. The Council has chosen to continue to use those set by regulation at this stage.

Fees set under section 205 of the Food Act 2014 to cover the Council's activities relating to registration, verification and compliance and monitoring under the Act must be set using the special consultative procedure.

#### 2.2 Factors Impacting on Setting Fees and Charges

The following factors impact on the fees and charges;

- The legislative requirements as to the nature of the work required to be undertaken by the Council
- The volume of work undertaken as some costs are fixed and do not fluctuate depending on volume

For 2017/18 environmental health revenue reached 38% of operating expenses which was within the target policy band. The budgets for 2018/19 and 2019/20 assume user charges of 42% and 39% respectively will be achieved.

### 3. PROPOSED FEES AND CHARGES

The proposed fees and charges are contained in attached schedule (**Attachment A**). Alcohol licensing fees are not included in the schedule as they are prescribed by regulation. Charges set under the Food Act 2014 (and associated Regulations) are likewise not included. Those set by the Council under the Food Act 2014 are contained in the separate schedule of Miscellaneous Services.

### 4. DESCRIPTION OF OPTIONS

It is Council policy to review fees and charges on a yearly basis. This enables the Council to be satisfied that the fees and charges are transparent, fair and reasonable.

The options available are:

- no change being made to existing fees and charges,
- proceeding with the recommendations set out in this proposal: or
- changing fees by a different amount.

### 5. FINANCIAL IMPLICATIONS

The proposed fees and charges will enable the budget targets for 2019/20 as defined in the proposed Annual Budget to be met. This is projected to generate revenue of \$529,000 which at 39% is within the Policy band.

Activity	Target Policy	Budget 2018/19	Compliance with Policy?
Public Health	20 – 39% Fees and Charges	39% Fees and Charges	<b>Yes</b>

Palmerston North City Council				Attachment A	
Environmental Health Services			Fees & Charges		
Environmental Health charges are imposed under Regulation 7 of the Health (Registration of Premises) Regulations 1966 to recover the cost to the Palmerston North City Council of providing Environmental Health Services.					
All fees and charges shown are GST inclusive					
Fixed Charges					
These charges cover the standard cost to Council in undertaking the work listed. However, additional charges may be set down depending on the circumstances, such as for additional inspections, change of ownership or interpretation services that may be incurred by the Council during or after the processing of the applications, or undertaking related inspections.					
	Work Type	Discounted fee if paid between 1 July 2018 - 31 July 2018	Discounted fee if paid between 1 July 2019 - 31 July 2019	Standard fee if paid after 31 July 2019	
	Annual Inpection of Premises for Hairdressers	\$ 157	\$ 162	\$ 243	
	Annual Inspection of Camping Grounds	\$ 398	\$ 410	\$ 615	
	Annual Inspection of Mortuaries	\$ 398	\$ 410	\$ 615	
	Annual Inspection for Offensive Trades	\$ 398	\$ 410	\$ 615	
	Fee per activity	Takes effect from 1 July 2018		Takes effect from 1 July 2019	
	Mobile Trader - Food Permit	\$ 186		\$ 192	
	Mobile Trader - Non-Food Permit	\$ 101		\$ 104	
	Event/festival food inspections	At cost of Officer's time per hour		At cost of Officer's time per hour	
	Amusement Device Inspection Fee	\$11.25 (plus Officer Time for inspection)		\$11.25 (plus Officer Time for inspection)	
	Change of Ownership for a Health Licence	\$ 199		\$ 205	
	Change of ownership for Hairdresser	\$ 100		\$ 103	
Note:					
Event/festival organisers are responsible for the cost of inspections.					

<b>Other Fees</b>			
These fees may be applicable to an application, inspection etc or may be applied as a single charge.			
<b>Work Type</b>		<b>Takes effect from 1 July 2018</b>	<b>Takes effect from 1 July 2019</b>
Hairdressers - additional inspection		At cost of Officer's time per hour	
Setting up premises - inspection(s)		At cost of Officer's time per hour	
Interpretation service		Actual cost plus 10% to cover Council administration costs	
Inspection for tank removal/installations		At cost of Officer's time per hour	
<b>Charges for Council Staff</b>			
<b>Council Officer's Hourly Rates (per hour)</b>		<b>Takes effect from 1 July 2018</b>	<b>Takes effect from 1 July 2019</b>
Principal Environmental Health Officer		\$ 193	\$ 199
Environmental Health Officer		\$ 173	\$ 178
Administration Staff		\$ 111	\$ 114
Senior Business Support Officer		\$ 155	\$ 160
Building Officer		\$ 178	\$ 183
Team Leader Building		\$ 196	\$ 202
Senior Plumbing & Drainage Officer and Advanced Building Officer		\$ 196	\$ 202
Senior Planner		\$ 191	\$ 197
Planning Officer/Graduate Planning Officer		\$ 178	\$ 183
Environmental Health Officer Cadet		\$ 156	\$ 161
Head of Environmental Protection Services		\$ 209	\$ 215
General Manager		\$ 227	\$ 234
<b>Note:</b>			
1. The hourly rates for the services which are listed in the tables above are for those staff listed in the table headed "Charges for Council Staff"			
2. Where it states above, 'the fee per hour", please note this should be read in full as "fee per hour or part thereof"			
3. The Head of Environmental Protection Services is authorised to remit, reduce or refund any of these fees or part of a fee in any particular case where there are special grounds for doing so			

## Animal Control Fees and Charges

Appendix 6

### 1. INTRODUCTION

It is the Council policy to review fees and charges each year. The Council's Revenue and Financing Policy (10 Year Plan 2018-28, page 223) outlines that the animal control activity is principally related to the actions or inactions of dog owners. These owners, and the public at large (through reduced nuisance), benefit from this. A significant portion of the costs should therefore be borne by dog owners. For the purposes of the Policy this portion is described as high (ie 80-100% of the costs).

The Policy reflects the belief that services related to dog registration, enforcement work, housing and feeding animals be funded by user charges. Also, that patrolling and provision of information be covered by rates.

Registration fees and charges were last increased from 1 July 2018. The latest review identifies that an increase of approximately 5% is needed to enable Council's targeted recovery from users to be obtained.

### 2. BACKGROUND

#### 2.1 Statutory Requirements

Animal Control Services includes impounding fees and droving charges and are set under the Impounding Act 1955.

Animal Control Services also includes dog registration and dog control fees that are empowered by Section 37 (1) of the Dog Control Act 1996. It also includes fees for impounding dogs which are empowered under Section 68 of the Dog Control Act 1996. No consultative procedure is required to be followed to adopt the fees but they are required to be publicly notified during June.

### 3. PROPOSED FEES AND CHARGES

The proposed fees and charges are contained in attached schedule (**Attachment A**). The proposed fees and charges represent an increase of approximately 5%. This covers increased operating costs including those with an increasing level of service for roaming dogs.

Fixed fees are proposed for after hours releases from the pound as this makes it easier to quote a precise fee to animal owners. The schedule also now makes it clear there is a legislative requirement for the registration fee for dangerous dogs to be 150% of the normal fee.

#### 4. DESCRIPTION OF OPTIONS

It is Council policy to review fees and charges on a yearly basis. This enables the Council to be satisfied that the fees and charges are transparent, fair and reasonable.

The options available are:

- no change being made to existing fees and charges,
- proceeding with the recommendations set out in this proposal: or
- changing fees by a different amount.

#### 5. FINANCIAL IMPLICATIONS

The proposed fees and charges will enable the budget targets for 2019/20 as defined in the proposed Annual Budget to be met. This is projected to generate revenue of \$664,000.

Activity	Target Policy	Budget 2019/20	Compliance with Policy?
Animal Control	80 – 100% Fees and Charges	85% Fees and Charges	Yes

#### 6. COMPARISON WITH OTHER COUNCILS – FEES FOR 2018/19

TYPE OF FEE	MANAWATU DISTRICT COUNCIL	GISBORNE DISTRICT COUNCIL	HAMILTON CITY COUNCIL	NEW PLYMOUTH DISTRICT COUNCIL	TAURANGA CITY COUNCIL	PNCC Proposed for 2019/20
General Registration (if paid by 31 July)	\$103	\$85	\$165 (\$150 if paid by 30 June)	\$155	\$87	\$142
Preferred Owner (desexed dog)	\$33	\$60	\$95(\$80)	\$103.50	\$87	\$87
Rural Working Dog	\$33	\$46	\$95(\$80)	\$58	\$87	\$44
Impounding Fee (First Offence)	\$135	\$57	\$84	\$70	\$55-\$85	\$122

10YP FUNDING POLICY	MANAWATU DISTRICT COUNCIL	GISBORNE DISTRICT COUNCIL	HAMILTON CITY COUNCIL	NEW PLYMOUTH DISTRICT COUNCIL	TAURANGA CITY COUNCIL	PNCC
Private – fees	55%	70%	60%	60-80%	>80%	80-100%
Public – rates	45%	25%	40%	20-40%	<20%	1-19%
Subsidies and Grants	N/A	5%	N/A	N/A	N/A	N/A



Palmerston North City Council		Attachment A	
Animal Control Services		Fees & Charges 2019/20	
Dog Registration and Dog Impounding Fees are imposed under the Dog Control Act 1996. Impounding fees and droving charges are imposed under the Impounding Act 1955. The fees and charges are necessary to recover the cost to Palmerston North City Council of providing animal control services.			
All fees and charges shown are GST inclusive			
The fees are effective from 1 July 2019.			
Fixed Fees			
These charges cover the standard cost to Council in undertaking the work listed. However, additional charges may be charged depending on the circumstances such as additional inspection fees that may be incurred in undertaking the work noted below.			
Work Type	Current Standard Fee from 1 July 18	Proposed Standard Fee from 1 July 19	Total Fee (incl. penalty) if paid after 1 August 19
(a) Dog Registration (set under the Dog Control Act 1996)			
General Registration	\$ 135	\$ 142	\$ 213
General Registration (Desexed dog)	\$ 100	\$ 106	\$ 159
Preferred Owner	\$ 87	\$ 92	\$ 138
Preferred Owner (Desexed Dog)	\$ 76	\$ 80	\$ 120
Rural Non-Working	\$ 72	\$ 76	\$ 114
Rural Non-Working (Desexed Dog)	\$ 61	\$ 64	\$ 96
Rural Working	\$ 41	\$ 44	\$ 66
Disability Assist	\$ nil	\$ nil	\$ nil
Certified for use by Specified Agency	\$ nil	\$ nil	\$ nil
Work Type	Standard Fee from 1 July 18	Standard Fee from 1 July 19	
(b) General Impounding Fees (set under the Impounding Act 1955)			
All animals other than dogs (per head)	\$118 (first offence) \$178 (repeated offence) \$14 per day (sustenance & care)	\$124 (first offence) \$187 (repeated offence) \$15 per day (sustenance & care)	
(c) Dog Pound Fees (set under s.68 of the Dog Control Act 1996)			
First offence	\$ 116	\$ 122	
Subsequent offences (within 12 months)	\$ 176	\$ 183	
Sustenance for a dog per day or part of a day	\$ 18	\$ 19	
Destruction of a dog	\$ 80	\$ 83	
Sale of a dog (adoption/re-homing) Note : In addition to the sale charge there will be a registration fee (where applicable) and neutering fee (where applicable)	\$ 60	\$ 62	

<b>Other Fees</b>		
These fees may be added to a fixed fee type of work listed earlier or may be applied as a single charge.		
<b>Work Type</b>	<b>Standard Fee from 1 July 18</b>	<b>Standard Fee from 1 July 19</b>
<b>(a) Impounding Fees (set under the Impounding Act 1955)</b>		
Supplementary feed for stock	150% of sustenance charge	
<b>(b) Dog Pound Fees (set under the Dog Control Act 1996)</b>		
Emergency release of animals outside normal hours ie 8am - 5pm Monday to Friday excluding statutory and public holidays	150% of staff time per hour	\$61 for first impound, \$92 for subsequent impounds (within 12 months)
<b>(c) Pound Fees for all other animals (set under the Impounding Act 1955)</b>		
Emergency release of animals outside normal hours ie 8am - 5pm Monday to Friday excluding statutory and public holidays	150% of staff time per hour	\$61 for first impound, \$92 for subsequent impounds (within 12 months)
<b>(d) Driving Charges (set under the Impounding Act 1955)</b>		
Hire transport	Actual cost incurred by Council	
Council vehicles	\$2.26 per kilometer	
<b>(e) Microchipping (set under the Dog Control Act 1996)</b>		
To undertake microchipping	\$41 per dog	\$44 per dog
<b>Charges for Council Staff</b>		
<b>Council Officer's Hourly Rates (per hour)</b>	<b>Rate per hour from 1 July 2018</b>	<b>Rate per hour from 1 July 2019</b>
Senior Animal Control Officer	\$ 173	\$ 178
Animal Control Officer	\$ 122	\$ 126
Administration Staff	\$ 111	\$ 114
Head of Environmental Protection Services	\$ 209	\$ 215
General Manager	\$ 227	\$ 234
<b>Notes:</b>		
1 The hourly rates for the services which are listed in the above tables are for those staff listed in the table headed "Charges for Council Staff"		
2 Where it states above the fee per hour, please note this should be read in full as "fee per hour or part thereof"		
3 'Disability Assist' and 'Specified Agency' are as defined in section 2 of the Dog Control Act 1996		
4 The Head of Environmental Protection Services is authorised to remit, reduce or refund the dog control fee or part of the fee in any particular case or class of dog where there are special grounds for doing so		
5 The registration fee for a dog that is declared a dangerous dog will be 150% of the level that would apply if it were not so classified (as required by section 32 (1)(e) of the Dog Control Act 1996)		

## Burial & Cremation Charges

## Appendix 7

### 1. INTRODUCTION

It is the Council policy to review fees and charges each year. The Council's Revenue and Financing Policy (10 Year Plan 2018-28, page 222) outlines that as the main beneficiaries of the cemetery and crematorium activity are those who use the service, a significant portion of the cost should be borne by users. For the purposes of the Policy this portion is described as medium/high (ie 60-79% of the costs). The remaining costs are funded from rates recognising there is a wider community benefit to providing cemetery and crematorium services.

Fees and charges were last increased from 1 July 2018 by an average of 3% following an increase of 1.6% the previous year. A new adult out of district surcharge of 10% for cremations and chapel hireage was incorporated in these charges. The latest review identifies that fees and charges need to be increased significantly further to enable Council's targeted recovery from users to be obtained, otherwise ratepayers at large will progressively pay a larger share of the overall cost.

### 2. BACKGROUND

#### 2.1 Statutory Requirements

The Council adopted a revised Cemeteries and Crematorium Bylaw in 2008 (amended in 2013) under its statutory powers contained in the Burial and Cremation Act 1964. The Bylaw prescribes the Council may, by resolution publicly notified, set fees and charges for all services relating to the operation and maintenance of cemeteries and crematoria.

#### 2.2 Factors Impacting on Setting Fees and Charges

The Council's Community Services and Facilities Plan (developed under the Connected Community Strategy) outlines the Council provides cemeteries that 'meet community needs' now and in the future. Primary community needs are met through providing efficient and appropriate burial and cremation services. The other focus of community needs at the cemetery relates to the level of service provided in relation to the presentation of the cemetery grounds. The community has high expectations relating to the standards of presentation. As the cemetery expands, and as decoration of graves increases, so does the maintenance cost increase.

The following factors impact on the fees and charges;

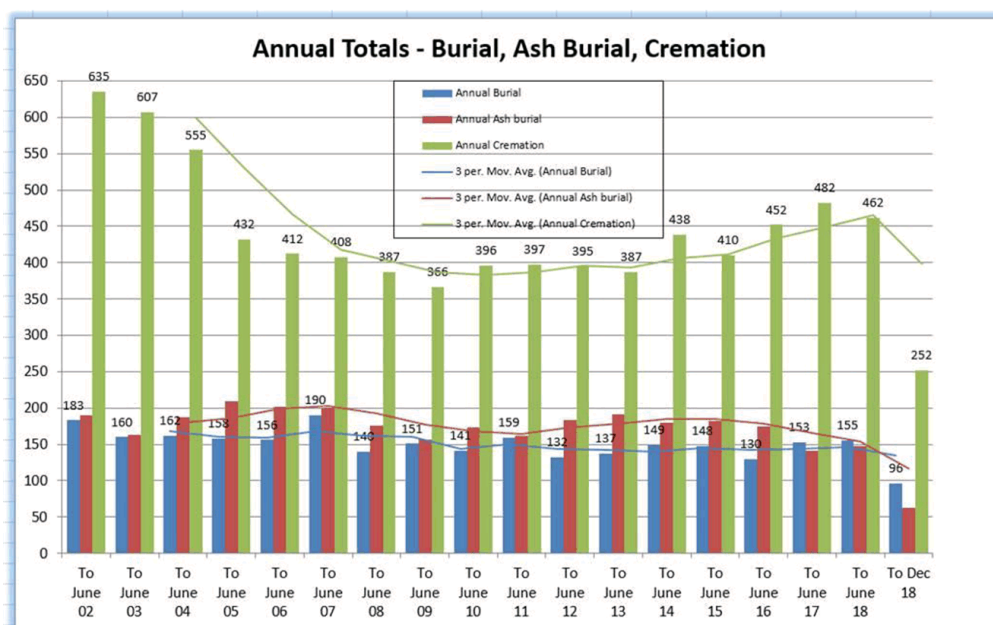
- Costs of operating the cemeteries and crematorium
- The number of burials and cremations
- The level of charges set by private cremators.

Actual cemetery and crematorium revenue for 2013/14, 2014/15, 2015/16, 2016/17 and 2017/18 represented 73%, 62%, 55%, 62% and 52% respectively of the operating costs. The budgets for 2018/19 and 2019/20 assume recoveries of 56% and 56% respectively will be achieved ie below the Policy target.

	Budget 2017/18	Actual 2017/18	Budget 2018/19	Budget 2019/20
Expenses (\$k)	1,137	1,242	1,173	1,215
Revenue (\$k)	609	645	670	683
Revenue as % of Expenses	54%	52%	57%	56%

Operating expenses for the burial and cremation activity are held under tight control but continue to increase as the size of the cemetery increases (ie as more beams are built) and as consent requirements for the crematorium cost more to administer. The provisional 2019/20 budget assumes an increase in expenses (compared with the 2018/19 budget) of 3.6% and an increase in revenue of 1.9%.

Volumes of burials have remained reasonably static over recent years with a drop in 2015/16. By comparison cremation numbers have progressively increased apart from a slight drop in 2017/18. See the following table:



### 3. PROPOSED FEES AND CHARGES

The changes proposed in the **attached schedule** represent an increase of approximately 5% for most of the fees and charges. It seeks not only to achieve the budgeted revenue but also to recognise the continuing need to raise prices to so that the share of the costs of the activity borne by ratepayers does not continue to increase. The recommendation at this level is based on an assumption that volumes in 2019/20 will be near the average. It has also been assumed that the increase in the charges will not have an adverse impact on the volumes choosing to utilise the City's facilities.

### 4. DESCRIPTION OF OPTIONS

It is Council policy to review fees and charges on a yearly basis. This enables the Council to be satisfied that the fees and charges are transparent, fair and reasonable.

The options available are:

- no change being made to existing fees and charges,
- proceeding with the recommendations set out in this proposal: or
- changing fees by a different amount.

### 5. FINANCIAL IMPLICATIONS

The proposed fees and charges will assist the budget targets for 2019/20, as defined in the proposed Annual Budget, to be met based on the numbers of burials and cremations assumed. The budget assumes revenue of \$683,000 will be generated. This is \$13,000 more than assumed in 2018/19 but does not meet the policy target in percentage terms.

Palmerston North City Council		
<b>Burial and Cremation Charges</b>		<b>Fees &amp; Charges</b>
<b>(Terrace End, Kelvin Grove, Ashhurst &amp; Bunnythorpe Cemeteries)</b>		
All fees and charges shown are GST inclusive		
<b>Burial Fees</b>	<b>From 1 July 2018</b>	<b>From 1 July 2019</b>
<b>Purchase of Plot</b>		
Kelvin Grove, Ashhurst & Bunnythorpe Cemeteries (Double beam plots)	\$ 1,891	\$ 1,986
Kelvin Grove Cemetery (Single beam areas) Section V	\$ 2,795	\$ 2,935
Children's Section at Kelvin Grove (up to 13 years old)	\$ 946	\$ 993
Services Section (RSA) - Kelvin Grove & Ashhurst	\$ 473	\$ 497
Note: Each plot is able to be used for two burials providing that, at the first interment, an extra depth requirement is advised to the Cemetery Administration Officer		
<b>Interment Fees (Standard hours Mon-Fri 9.00am - 4.00pm)</b>		
Adult (14 years or over, including Services Personnel)	\$ 918	\$ 964
Child up to 13 years	\$ 371	\$ 390
Child up to 12 months	\$ 221	\$ 232
Extra depth surcharge	\$ 202	\$ 212
Overtime surcharge per hour or part thereof - applied if funeral activities at the cemetery have not concluded by 4.30pm Monday - Friday	\$186/hour	\$196/hour
Disinterment	\$ 1,898	\$ 1,993
<b>Interment Fees (Saturdays)</b>		
Saturday morning	standard fee x 1.5	standard fee x 1.5
Saturday afternoon (by arrangement with cemetery staff) (note 3)	standard fee x 2	standard fee x 2

Cremation and Ash Burial Fees		From 1 July 2018	From 1 July 2019
<b>Adult (Standard hours Mon-Fri 9.00am - 4.00pm)</b>			
Cremation only	\$	578	\$ 607
With Committal Service (includes Chapel fee)	\$	692	\$ 727
With Full Service (includes Chapel fee)	\$	733	\$ 770
Medical Referee's Fee	\$	60	\$ 60
<b>Child (from one year up to 13 years)(Standard hours Mon-Fri 9.00am - 4.00pm)</b>			
Cremation only	\$	261	\$ 274
With Committal Service (includes Chapel fee)	\$	369	\$ 387
With Full Service (includes Chapel fee)	\$	410	\$ 431
Medical Referee's Fee	\$	60	\$ 60
<b>Child (up to 12 months)(Standard hours Mon-Fri 9.00am -4.00pm)</b>			
Cremation only	\$	72	\$ 76
With Committal Service (includes Chapel fee)	\$	188	\$ 197
With Full Service (includes Chapel fee)	\$	228	\$ 239
Medical Referee's Fee	\$	60	\$ 60
<b>Purchase of Ashes Plot for ash interment</b>			
Lawn Cemetery (Plaque) Section U/1A	\$	607	\$ 637
Lawn Cemetery (Headstone) Section T, U/2A, V/A, Bunnythorpe & Ashhurst	\$	607	\$ 637
Lawn Cemetery Memorial Gardens - Section T	\$	607	\$ 637
Remembrance Garden Kerb - Section GK 1, 2 & 3	\$	607	\$ 637
Niche Walls - Kelvin Grove and Ashhurst	\$	659	\$ 692
Services Section (RSA) - Kelvin Grove and Ashhurst	\$	151	\$ 159
Child - Section T/4A & Children's section O ash beams	\$	567	\$ 595
<b>Purchase of memorial plaque plot</b>			
Remembrance Garden Kerb - Section GK 4 - Plaques only	\$	521	\$ 547
<b>Other Cremation Charges</b>			
Burial of Ashes - Weekdays (note 2)	\$	182	\$ 192
Burial of ashes with no family present and no service (note 2)	\$	127	\$ 133
Burial of Ashes - on Saturday morning	\$	273	\$ 288
Burial of Ashes - on Saturday afternoon (note 3)	\$	364	\$ 384
Disinterment of Ashes	\$	72	\$ 76
Overtime surcharge (per hour or part thereof) will be applied if funeral activities at the crematorium have not concluded by 4.30pm Monday - Friday		\$94/hour	\$98/hour
<b>Cremation fees (Saturdays)</b>			
Saturday morning		Cremation & chapel fees x 1.5	Cremation & chapel fees x 1.5
Saturday afternoon (by arrangement with cemetery staff) (note 3)		Cremation & chapel fees x 2	Cremation & chapel fees x 2

Other Charges		From 1 July 2018	From 1 July 2019
	Memorial permit fee (for all headstones and plaques)	\$ 42	\$ 44
	Use of Kelvin Grove Chapel	\$ 134	\$ 141
	Breaking concrete	\$ 202	\$ 212
	Plot cancellation fee	\$ 54	\$ 57
	Entry in Book of Remembrance	\$ 97	\$ 97
	Search fee - per entry	\$ 9	\$ 9
	Search fee - maximum fee	\$ 127	\$ 133
	<b>Out of District Surcharge (note 1)</b>	Plus 30% on all services except Chapel and Cremation. Plus 10% on Chapel and Cremation charges.	
<b>Notes:</b>			
1	"Out of District" surcharge applies to persons normally resident outside of the Palmerston North City boundary. (These people do not pay rates to Palmerston North City Council). Exemptions apply to persons who can provide evidence of residence in the City for at least 20 years or who have operated a rate-paying business in the City for at least 20 years.		
2	For regular ash interment the site is prepared for a ceremony. The hole is cut and tidied, soil left alongside with a shovel, and a container of sand provided. Requests for Ash interment by cemetery staff with no friends or family present will incur the reduced fee.		
3	Burials or cremations <u>may</u> be provided by arrangement, subject to availability of staff, after 12.00 noon Saturday.		

## Service Connecton Fees

## Appendix 8

### 1. INTRODUCTION

Service connection fees are levied on those wishing to connect to one or more of the Council's water, wastewater, or stormwater systems. The actual physical connection is made at the applicant's cost, by an approved contractor. The charges levied by the Council cover the administration of processing the application, and the researching of plans, the inspection of the finished work to ensure it meets Council's standards and the production of as built plans of the connection(s). The data gathered in the as built process is then input to Council's asset management system.

### 2. BACKGROUND

#### 2.1 Statutory Requirements

The setting of fees and charges for service connections is empowered by Section 12 of the Local Government Act 2002 i.e. the general power of competence to carry on any activity or business with associated rights, powers and privileges. As such, they can be set by Council resolution and do not require any special consultative procedures.

#### 2.2 Factors Impacting on Setting Fees and Charges

The Council's Revenue and Financing Policy (10 Year Plan 2018-28, pp211-231) outlines Council's views about the extent to which users should bear the cost of providing particular services. The policy outlines that "an activity should be funded on a user pays basis if an individual or group of individuals directly receives benefits of the activity exclusively, and the costs of the activity can easily be attributed to that individual or groups of individuals."

As service connections is a relatively small activity the policy does not specifically address what proportion of the costs should be covered by user fees.

Service connection fees were considered in detail in 2017 and as a consequence restructured and increased.

### 3. PROPOSED FEES AND CHARGES

As there was a significant review in 2017 (including a simplification of the fee structure) it is proposed this year that fees be increased with an inflationary adjustment of 2.7% (rounded). A similar inflationary adjustment was made in 2018.

The proposed fees and charges are contained in following table:

**Palmerston North City Council  
Service Connection Fees**

Service required	Current Fees (\$) GST inclusive from 1 July 2018			Proposed Fees (\$) GST inclusive from 1 July 2019		
	Application Fee	Inspection Fee	Total Fee	Application Fee	Inspection Fee	Total Fee
One connection (water, wastewater or stormwater)	72.00	113.00	185.00	74.00	116.00	190.00
Two connections (water, wastewater or stormwater)	113.00	165.00	278.00	116.00	170.00	286.00
Three connections (water, wastewater or stormwater)	149.00	216.00	365.00	153.00	222.00	375.00

#### 4. DESCRIPTION OF OPTIONS

It is Council policy to review fees and charges on a yearly basis although a review of these particular fees and charges has been overlooked.

The options available are:

- no change being made to existing fees and charges,
- proceeding with the recommendations set out in this proposal; or
- changing fees by a different amount.

#### 5. FINANCIAL IMPLICATIONS

The fee income is not significant in the Council's overall budget ie it is less than \$20k pa.

## Fees & Charges for Recycling

### Appendix 9

#### 1. INTRODUCTION

The Council has obligations under the Waste Minimisation Act 2008 to 'promote effective and efficient waste management and minimisation'. Within its Rubbish and Recycling activity it operates a number of services and facilities designed with this aim in mind. This report focuses on fees and charges associated with some minor aspects of recycling.

#### 2. BACKGROUND

##### 2.1 Statutory Requirements

The Palmerston North Waste Management and Minimisation Bylaw outlines the Council may set fees for the use of services provided through the Bylaw (including the use of Council waste and diverted material services). However there is no prescribed process for the setting of fees other than those for any permit or licence in which case they must be set in accordance with Section 150 of the Local Government Act 2002 (the Act).

The setting of fees and charges for recycling is empowered by Section 12 of the Act i.e. the general power of competence to carry on any activity or business with associated rights, powers and privileges. As such, they can be set by Council resolution and do not require any special consultative procedures.

##### 2.2 Factors Impacting on Setting Fees and Charges

The Council's Revenue and Financing Policy (10 Year Plan 2018-28, pp211-231) outlines Council's views about the extent to which users should bear the cost of providing particular services. The policy outlines that "an activity should be funded on a user pays basis if an individual or group of individuals directly receives benefits of the activity exclusively, and the costs of the activity can easily be attributed to that individual or groups of individuals." It also says "Recycling costs should be funded as much as possible from the sale of recyclables but as the Council wishes to encourage recycling it is not desirable or practicable to charge individual users by volume. The residual cost should be funded from a targeted rate (set on a fixed annual charge basis)".

#### 3. PROPOSED FEES AND CHARGES

It is proposed to set fees for recycling of car seats and polystyrene.

**Car seats**

Following a successful trial it is proposed to formalise the fee for recycling of car seats at \$5 per car seat (GST incl.) During the 13 month period from January 2018 to February 2019 a total of 347 car seats have been recycled. This service was always a subsidised service (\$10.00 per car seat), but unfortunately after increased costs from the recycler it now costs PNCC \$20.00 per car seat to recycle. Leaving the fee at \$5.00 per car seat will encourage recycling of older car seats resulting in road safety and environmental benefits to our community.

**Polystyrene**

Polystyrene is one of the more difficult products to dispose of and there is currently no reliable recycling market. However it is proposed that the Council initiate a trial and during that period charge a fee of \$40 per cubic metre (GST incl.) to cover transport and processing costs.

While there is a limited domestic market for polystyrene and potential international markets, it needs to be recognised that if market conditions change the trial service to accept, process and recycle the polystyrene may be withdrawn. Officers are working with two recycling companies in an effort to build some resilience into the trial.

**4. DESCRIPTION OF OPTIONS**

It is Council policy to review fees and charges on a yearly basis.

The options available are:

- no change being made to existing fees and charges,
- proceeding with the recommendations set out in this proposal; or
- changing fees by a different amount

**5. FINANCIAL IMPLICATIONS**

The net cost of the car seat recycling activity is approximately \$5,000 pa based on present volumes.

The intention is to try to operate the polystyrene recycling activity on a break even basis.



## MEMORANDUM

**TO:** Finance and Performance Committee

**MEETING DATE:** 15 April 2019

**TITLE:** Quarterly Performance and Finance Report - Quarter Ending 31 March 2019

**DATE:** 9 April 2019

**PRESENTED BY:** Stuart McKinnon, Finance Manager, Finance  
Andrew Boyle, Head of Community Planning, Strategy and Planning

**APPROVED BY:** Grant Elliott, Chief Financial Officer  
Sheryl Bryant, General Manager - Strategy & Planning

### RECOMMENDATION(S) TO FINANCE AND PERFORMANCE COMMITTEE

1. That the Committee receives the March 2019 Quarterly Performance and Financial Report.

#### 1. ISSUE

- 1.1 To provide a quarterly update on the performance and financial achievements of the Council for the period ending 31 March 2019. This is the third quarterly report for the year.

#### 2. BACKGROUND




- 2.1 Details of operating and financial performance are included in the following sections. Reports are against the new goals as detailed in the 10 Year Plan 2018-28.

#### 3. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative	No

procedure?		
Is there funding in the current Annual Plan for these actions?		<b>No</b>
Are the recommendations inconsistent with any of Council's policies or plans?		<b>No</b>
The recommendations contribute to Goal 5: A Driven and Enabling Council		
The recommendations contribute to the outcomes of the Driven and Enabling Council Strategy		
The recommendations contribute to the achievement of action/actions in a plan under the Driven and Enabling Council Strategy		
The action is: to enable Council to exercise governance by reviewing financial performance and operating performance and provide accountability for these to the public.		
Contribution to strategic direction	As above.	

### **ATTACHMENTS**

1. March 2019 Quarterly Performance and Finance Report (Summary) [↓](#) 
2. March 2019 Quarterly Performance and Finance Report (Supplementary Materials) [↓](#) 
3. March 2019 Quarterly Performance and Finance Report (Performance Measures) [↓](#) 

## Quarterly Report to Council – March 2019

### Chief Executive's Quarterly Report to Council

#### For March 2019

#### Introduction

The city's vision, goals and guiding principles continue to inspire and challenge our organisation to be 'driven and enabling' through all our interactions so that we can enable the great lifestyle, education and business opportunities available to our residents and visitors in Palmerston North. By creating a high performing customer focused culture, we can empower our organisation to deliver great services and infrastructure to meet the demands of our communities. Economic data released this quarter confirms that our region is a growth story, and the significant investment planned in the region alongside our own capital programme will focus us to drive, service and enable a city on the go.

This quarterly report highlights how we are progressing on driving this focus to achieve the city's vision (*Small City Benefits, Big City Ambition*) and ambitious goals (*An Innovative & Growing, Creative & Exciting, Connected & Safe, Eco-city led by A Driven and Enabling Council*).

#### 10 Year Plan & Key Performance Indicators

The Council's 10 Year Plan outlines 99 key performance measures (KPI) that indicate achievement towards the city's vision, goals and guiding principles. Good progress continues to be made this quarter and all but four KPIs are either being achieved (83) or on track to be achieved (12) by the end of the financial year. Two of the areas currently not on track relate to resourcing issues associated with processing a high number of resource consents applications and requests for service, which are being addressed over the next quarter. The third area has a purposely reduced result to reflect the optimised and targeted approach for road resurfacing investment in line with NZTA expectations to prioritise funding based on condition and need. While the last area has delays in completion of water supply programmes due to contractor capacity constraints and equipment lead in times.

#### Financial

The capital new programme has continued to progress over the third quarter with a total of \$23.8M completed to date, from which \$6.9M of work was undertaken during the third quarter. However, the overall expenditure is currently 26% behind the year to date budget, with 46.3% of the total financial year budget being completed. Significant programmes contributing to this include CET Arena Speedway Relocation & Artificial Pitch, Library of the Future and Manawatu River Downstream Pedestrian/Cycle Bridge. Renewal expenditure totalling \$13.9M has been completed to date which is \$5.9M behind budget. Overall renewal expenditure completed is 52.9% of the total financial year budget. Three programmes that are contributing to being under-budget are road sealed pavement renewals, road resurfacing work and wastewater treatment plant replacement of inlet pumps, all of which are due for completion over the next quarter. An improved performance in March is projected to continue through to the last quarter for completion of both the capital new and renewal programmes. It is the priority focus for our Chief Infrastructure Officer over the remaining quarter.

It is pleasing though to report a surplus in our operational budget of \$1,097k, which has returned to a favourable position compared to the unfavourable result from the end of the last quarter. Overall

the operating surplus is due to higher revenue from rates (water, penalties & general rates), and lower interest expense. We will continue to monitor this expenditure closely over the final quarter.

### Catalyst projects

Highlights on some of the City's catalyst projects are outlined as follows:

- **'Streets for People' (City Centre Streetscape Plan and Redesign)** – Physical construction of Stage 1 (Square side of Square East - Plaza to Broadway) has progressed well and is nearing completion. Detailed design of Stage 2 (Business side of Square East – Plaza to Broadway) is now underway including ongoing engagement with businesses as a crucial component and procurement of works over the next quarter.
- **Central Library Upgrade** – A spatial needs analysis is underway to inform future options associated with the seismic assessment report.
- **Central Energy Trust Arena Masterplan and projects** – A review of the Masterplan design has been undertaken and steering group feedback is being sought in relation to the location of speedway pits, entrance plaza, sports administration building, south stand and potential alternatives linking the concourse to Arena 5. External funding options for elements of the project, including the South Stand and Artificial Turf, continue to be explored. Selection of the design team for the South Stand and landscape designers will occur in April.
- **Heritage Protection Package** – Queries are currently being answered from current and prospective building owners around investment and funding. Partnering options with Heritage EQUIP are being investigated now that the eligible list has been expanded, and a collaborative approach is being taken to new government funding opening up for earthquake strengthening in regional centres.
- **Central Energy Trust Wildbase Recovery Centre** – The Centre was opened to the public in mid-February, with over 8,000 visitors recorded in the first month, from which 5,000 entered the facility from Explore Esplanade Day held on the 3<sup>rd</sup> March 2019. A review of the soft opening with Massey University in the next quarter will be used to shape future services.
- **He Ara Kotahi & Shared Pathway** – The Manawatu River bridge is nearing completion, with deck, handrails and lighting now in place, and bridge approaches, installation of furniture, paving and sculptures planned over the next quarter. The shared pathway to Linton (stages 2 and 3) progressed well with completion of the suspension bridge across the Kahuterawa being the next phase. The Massey link (stage 4) of the shared path has been designed and priced, with commencement of work proposed over the next quarter. Council approved an increase in the overall programme funding (\$4M subject to external funding) to enable work to be completed for a June 2019 opening.
- **Manawatu River Shared Pathway (Ashhurst to City)** – Scoping and pricing of two routes for the pathway to be constructed around the quarry have been undertaken. Meetings are scheduled with landowners for April to discuss the options for progressing the project and finishing the long awaited Ashhurst to City link.
- **Manawatu River Framework (including Ahimate Park)** – This quarter saw the successful completion of Ahimate Park (with an official opening event planned in early April), the mountain bike rhythm section, and mobile exercise equipment prototype installed on Centennial Drive entrance to the River. Over the next quarter a consent application for the urban eels platform will be lodged, a 20m concrete path with luminescent spheres which will glow at night will be constructed, and river entranceways detailed design and

consenting will be undertaken. Ongoing surveys of river users are also proposed to establish success levels of the framework

- **Te Motu o Poutoa** – Establishment of the PNCC/Rangitāne Co-Management Committee occurred and is a positive move to a new co-management arrangement.
- **Wastewater Treatment Plant Upgrade** – A longlist of options (26x) was signed off with scoping and assessment work now substantially complete, legal advisors were engaged and have completed an initial review of planning work, nutrient trials commenced and the river monitoring work has advanced. Over the next quarter the longlist assessment work will be finalised and a recommended shortlist of options will be presented to Council, alongside further engagement and initial findings from monitoring work.
- **Infrastructure for Regional Growth** – Designs and layout plans are being finalised for Council's Whakarongo subdivision in preparation for consent application in early April. Submissions closed on the plan change proposal for Kikiwhenua (Racecourse) with hearings being held next quarter. A further revision of the Aokautere structure plan with landowner/stakeholder engagement is planned for next quarter.
- **Digital Transformation** – Some smart City initiatives (Smart Bin trials, Manawātū heritage tours mobile app, site preparation underway for Library makerspace and digital inclusion hub to activate the Library frontage onto The Square in what was formerly the Public Trust, and rollout of Snap, Send, Solve) and Council organisation projects (Office 365, creation of a video and image library, refresh of the intranet, and an ideation workshop) have been delivered. Key learnings from the Smart Cities Innovation Accelerator programme and DX 2019 Forum have been captured. Next quarter includes a focus on identifying priorities for the digital transformation programme, growing collaborative partnerships, delivering the digital transformation roadmap, and planning for internet of things infrastructure to inform development of Council services.
- **Three Waters Model** – Regional options for delivery of the three waters has been agreed by all Councils. The consultant engaged to undertake the study has prepared a multi-criteria analysis for option assessment and exploration of regional proposals over the next quarter. The region aims to proactively contribute to the Central Government three waters review.

### Organisational Transformation

The senior executive leadership team's focus this quarter has been on the development of our Culture Plan, Organisation Performance Plan and structure of individual units. These plans will be finalised with staff over the next quarter, ready for implementation from next financial year, and once implemented will enable us to shape a strategically-driven and focused organisation that improves delivery and builds capability and capacity towards delivering on Council's goal to become a *Driven and Enabling Council*.

### City Growth

Strong growth was confirmed with the release of regional economic data this quarter highlighting increased GDP growth (3.2% to Dec 2018 compared to 2.8% nationally) and housing growth (1,200 new houses in year to Dec 2018, compared to 536 in year to Dec 2015) across the region. Palmerston North also continued grow over this period with the increase in value of building consents rising by 21%. The longer-term outlook for the construction sector is remaining strong, with significant investment has already started and committed to for a number of major projects in the region - NZ Defence Force (\$469M), Mercury Energy (\$1billion wind farm development), Powerco (\$150M growth and security projects), MidCentral DHB (\$282m), KiwiRail (new freight hub), Massey University (\$184M) and the Manawatu Gorge replacement (\$450-\$500M). Along with our city's own capital programme, this work supports our ambitious goals to deliver on the city's vision '*Small City Benefits, Big City Ambition*'.

**Forward Focus**

The last period of this financial year will see a concerted focus on completion of the capital programme, alongside finalisation of the culture change and organisational performance plans, and a continuation of the ongoing process of organisational transformation that will gear us for the city's growth.

The city will also continue to host a number of wonderful community events during this time, including:

- Battle of the Bridges (9<sup>th</sup> April 2019) in The Square will see local secondary schools work together in teams with NZ Defence Force compete to design and build a 'bridge' to cross a variety of obstacles in a race to the finish line.
- Dinosaur Fest (Easter Holidays, 19<sup>th</sup> – 22<sup>nd</sup> April 2019), an exciting educational outdoor family event in the Esplanade for dinosaur fans.
- ANZAC Day Service (25<sup>th</sup> April 2019), with two services at The Cenotaph in The Square, the Dawn Service at 6am and a Civic Service at 9am, followed by a Mayoral breakfast and morning tea at the Palmerston North Conference & Function Centre following each service.

Heather Shotter  
CEO

## Are we on Track

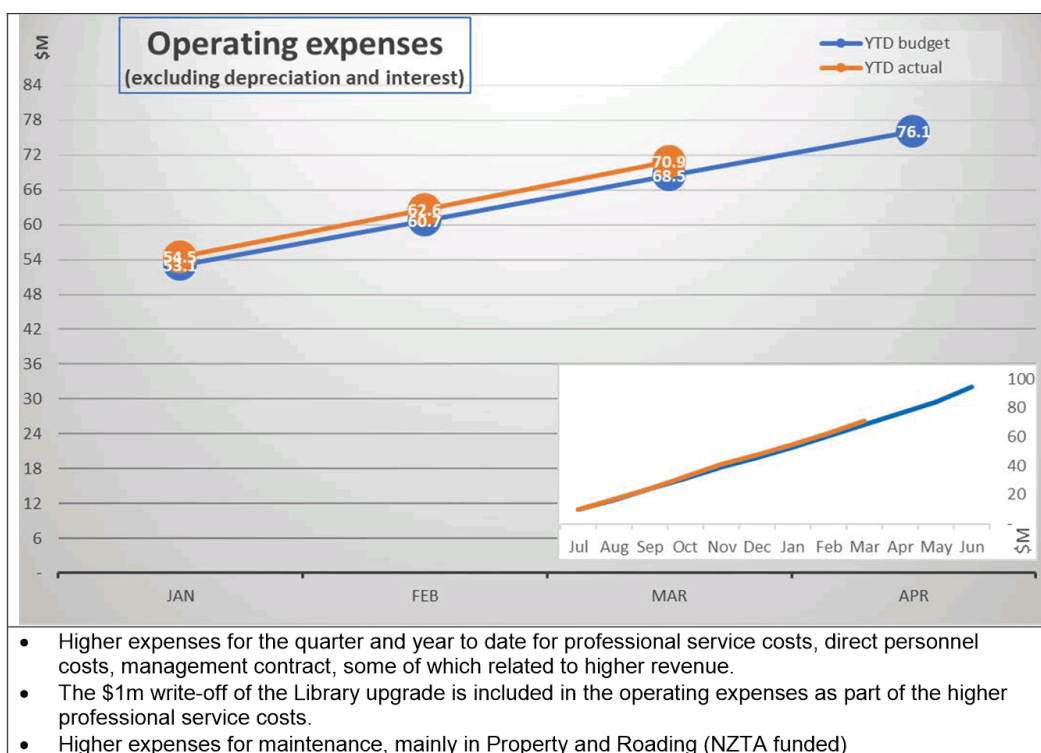
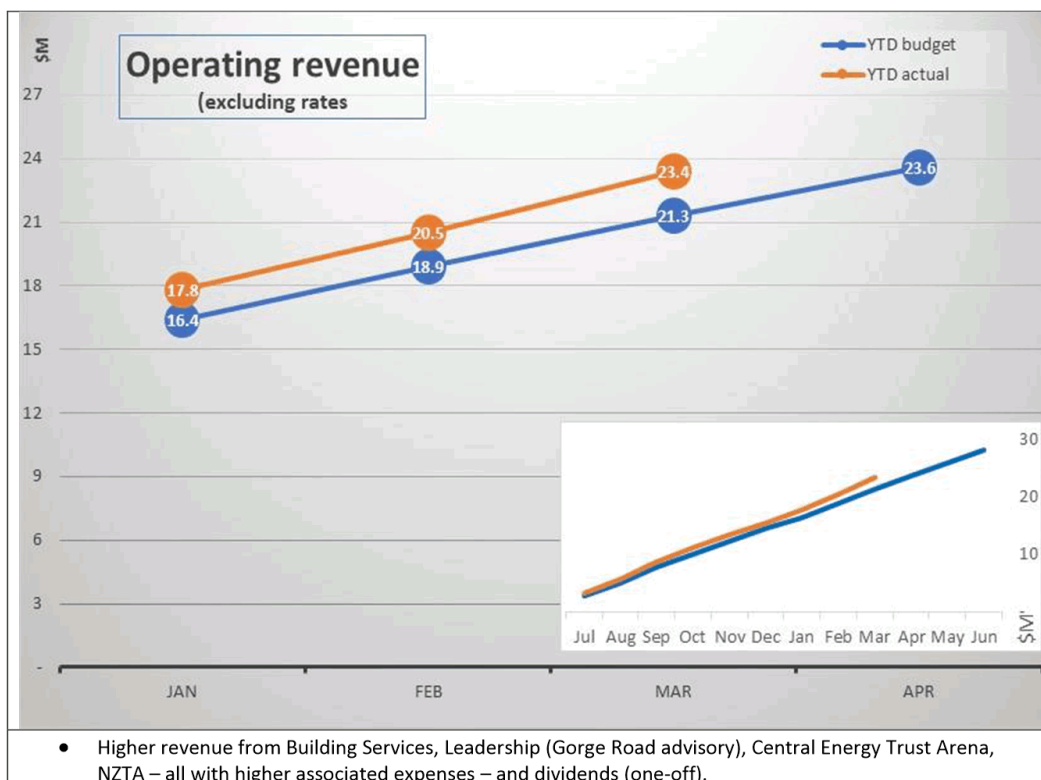
### Financial Summary to Budget

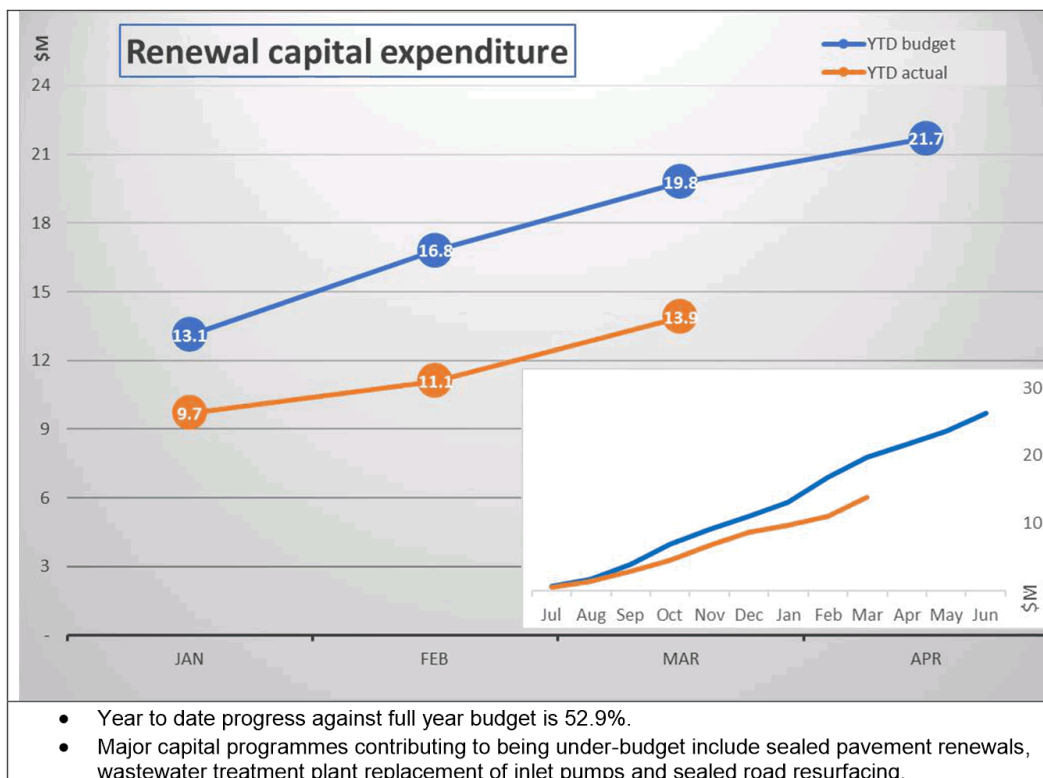
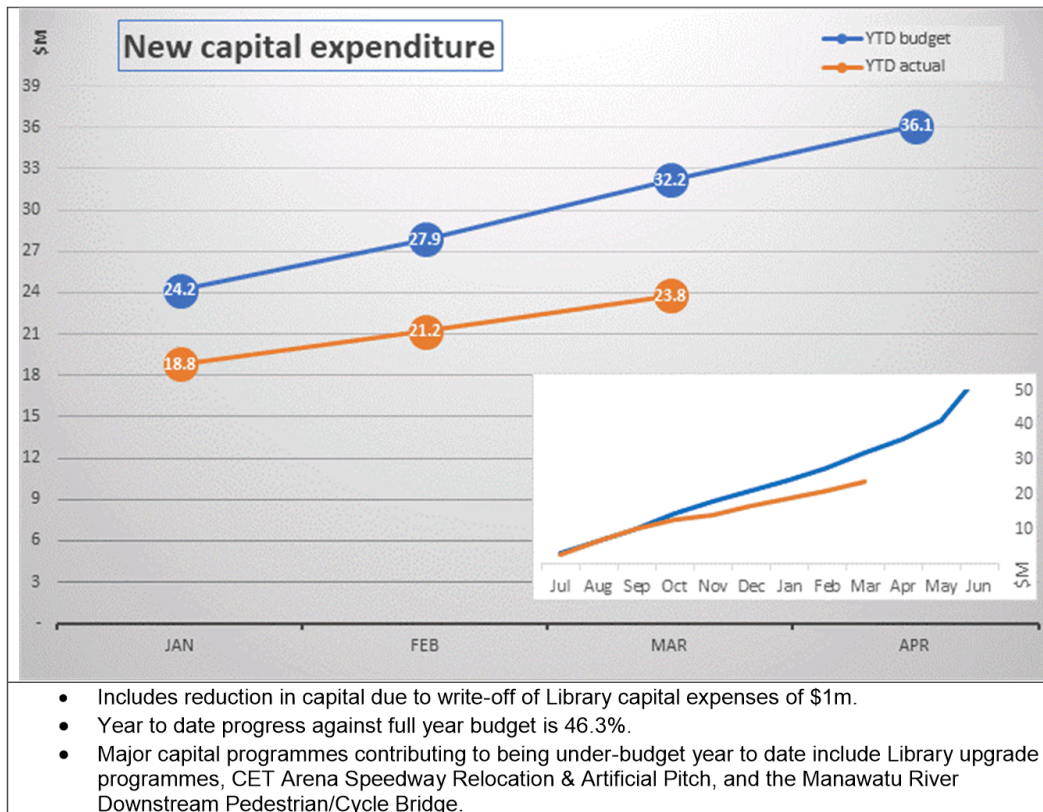
The following table of operating financial performance and graphs are compared to revised budget.

Summary of Financial Performance For the period to 31 March 2019	2018/19		\$000's		Full Year Revised Budget	Full Year Annual Budget
	Year to Date Actual	Budget	Variance \$000's	%		
Operating revenue	23,424	21,306	2,117	9.9%	28,128	28,128
Rates	71,486	70,956	529	0.7%	94,579	94,537
Total Revenue	94,909	92,263	2,647	2.9%	122,706	122,665
Operating Expenses	70,937	68,483	(2,454)	(3.6%)	94,539	94,469
Interest	4,285	5,189	905	17.4%	7,278	7,267
Total Expenses	75,222	73,672	(1,549)	(2.1%)	101,817	101,735
<b>Operating Controllable Surplus / (Deficit)</b>	<b>19,687</b>	<b>18,590</b>	<b>1,097</b>	<b>5.9%</b>	<b>20,889</b>	<b>20,930</b>
Depreciation	(24,001)	(25,970)	1,969		(34,627)	(34,627)
Non-operating revenue	8,801	13,512	(4,711)		17,663	16,436
Non-operating expenses	(2,424)	-	(2,424)		-	-
<b>Net Result</b>	<b>2,063</b>	<b>6,132</b>	<b>(4,069)</b>		<b>3,925</b>	<b>2,739</b>

#### Highlights:

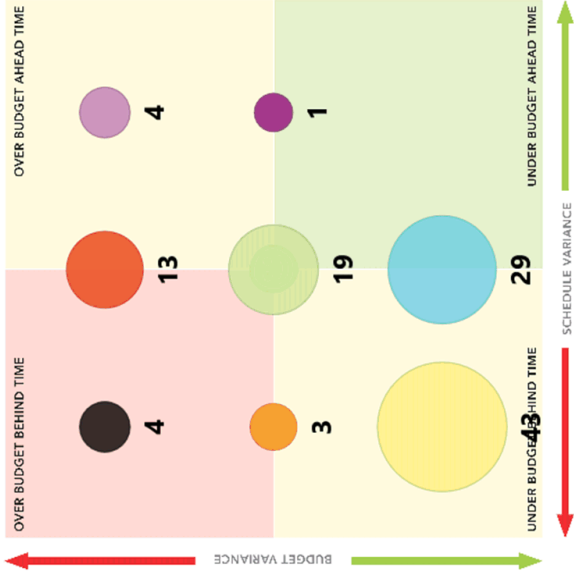
- After being unfavourable against budget at the end of the last quarter, the overall operating surplus has returned to a favourable position.
- Revenue includes higher rates revenue from water by meter, penalties and general rates.
- Other higher revenue comes from Building Services, Leadership (Gorge Road advisory), Central Energy Trust Arena, NZTA – all with higher associated expenses.
- Higher expenses year to date for professional service costs, management contract and maintenance, with parts of these expenses coming with associated revenue, offset by lower interest costs.





Capital New Work Summary for MARCH 2018/19

Capital Work Progress and Budget Summary



Financial Period  
MARCH 2018/19

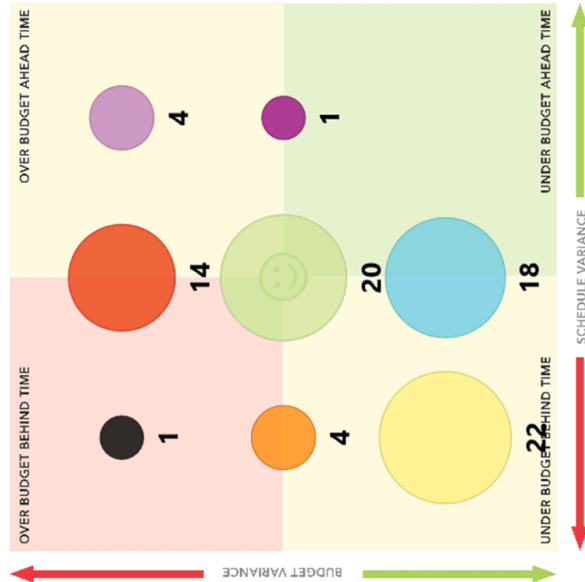
Description	Programme Count	Budget Health	Schedule Health	YTD Actuals	YTD Budget	Variance	Total Budget
Not Started	12			\$0	\$0	\$0	\$1,987,492
On Budget Ahead of Schedule	1	●	●	\$188,991	\$184,775	(\$4,216)	\$184,775
On Budget Behind Schedule	3	●	●	\$243,558	\$226,000	(\$17,558)	\$492,679
On Track	19	●	●	\$14,842,545	\$15,215,171	\$384,626	\$19,204,173
Over Budget Ahead of Schedule	4	●	●	\$124,215	\$29,028	(\$95,187)	\$299,740
Over Budget Behind Schedule	4	●	●	\$586,669	\$0	(\$586,669)	\$1,669,000
Over Budget On Schedule	13	●	●	\$4,595,053	\$2,861,553	(\$1,733,500)	\$7,097,252
Under Budget Behind Schedule	43	●	●	\$1,617,053	\$4,792,339	\$3,175,286	\$6,923,623
Under Budget On Schedule	29	●	●	\$2,572,190	\$8,880,158	\$6,307,968	\$16,547,597
Total	128			\$24,770,276	\$32,189,024	\$7,430,748	\$54,406,331

Description	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
Not Started									
On Budget Ahead of Schedule	1	5	7	7	5	4	6	4	1
On Budget Behind Schedule	3	2	1	1	2	7	7	8	3
On Track	69	48	33	40	41	18	18	14	19
Over Budget Ahead of Schedule	4	5	5	7	6	6	5	5	7
Over Budget Behind Schedule				1	1	1	3	9	4
Over Budget On Schedule	10	15	13	12	16	15	15	9	13
Under Budget Ahead of Schedule	3	4	4	4	3	2			
Under Budget Behind Schedule	1	8	8	16	21	31	31	36	43
Under Budget On Schedule	18	33	37	38	33	26	28	29	29
Total	102	108	109	126	127	128	128	128	128

Capital Renewal Work Summary for MARCH 2018/19

Financial Period  
MARCH 2018/19

Capital Work Progress and Budget Summary



Description	Programme Count	Budget Health	Schedule Health	YTD Actuals	YTD Budget	Variance	Total Budget
Not Started	6			\$0	\$0	\$0	\$1,210,135
On Budget Ahead of Schedule	1	●	●	\$603,271	\$574,246	(\$29,025)	\$1,067,544
On Budget Behind Schedule	4	●	●	\$73,184	\$73,027	(\$157)	\$90,543
On Track	20	●	●	\$6,685,530	\$7,085,952	\$400,422	\$8,903,510
Over Budget Ahead of Schedule	4	●	●	\$323,804	\$174,898	(\$148,906)	\$350,897
Over Budget Behind Schedule	1	●	●	\$1,003,427	\$23,934	(\$979,493)	\$1,075,000
Over Budget On Schedule	14	●	●	\$1,180,877	\$555,977	(\$624,900)	\$1,615,781
Under Budget Behind Schedule	22	●	●	\$2,127,748	\$6,892,705	\$4,764,957	\$7,133,724
Under Budget On Schedule	18	●	●	\$1,904,119	\$4,434,516	\$2,530,397	\$5,207,546
Total	90			\$13,901,961	\$19,815,255	\$5,913,294	\$26,654,680

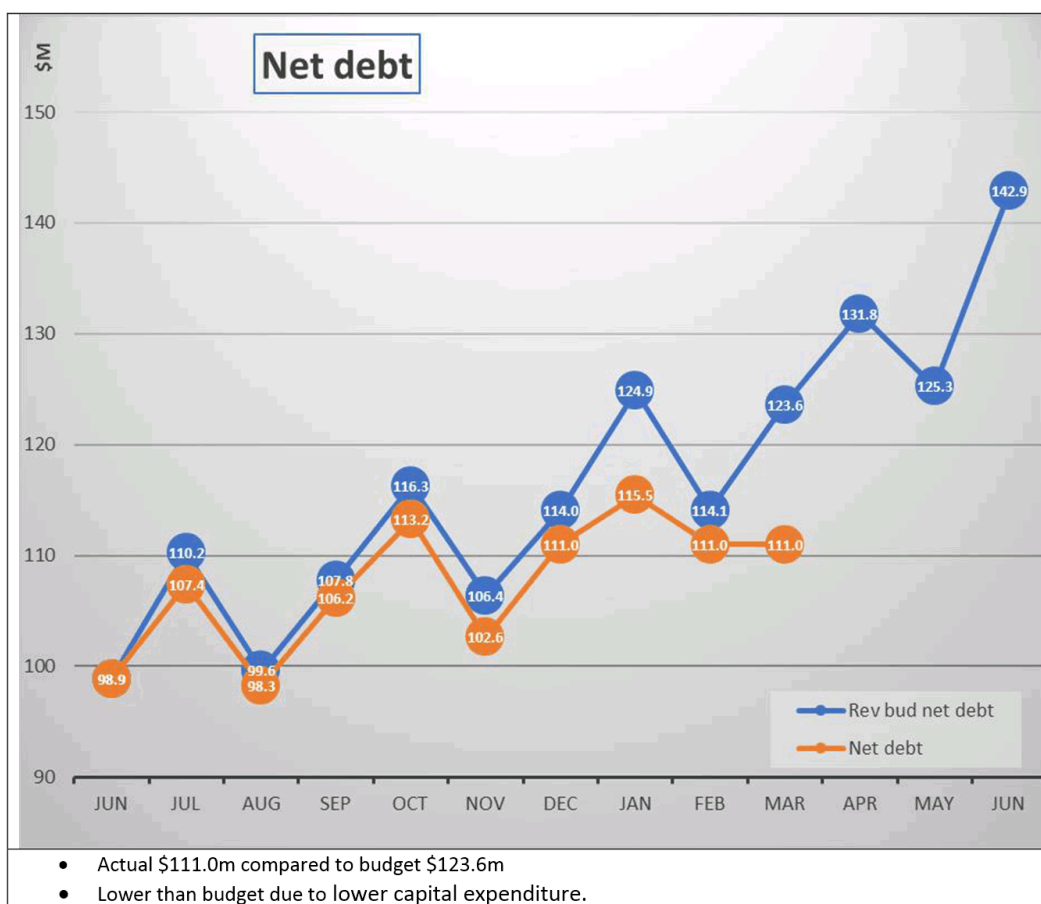
Description	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH
Not Started									
On Budget Ahead of Schedule	1		1				1	1	2
On Budget Behind Schedule	1		1				4	4	2
On Track	36	26	23	31	28	15	16	16	20
Over Budget Ahead of Schedule			1	3	10	8	9	7	4
Over Budget Behind Schedule			1	1	1	1	1	1	2
Over Budget On Schedule	11	16	13	15	11	11	11	11	14
Under Budget Ahead of Schedule			1	2	4	2			
Under Budget Behind Schedule	3	3	6	12	16	20	16	25	22
Under Budget On Schedule	15	17	18	22	21	14	20	15	18
Total	65	65	65	65	89	89	90	90	90

The 4 over budget, behind time capital new programmes are:

- 99-Council's Service Development - New Technology and Programmes
- 1183-Stoney Creek Road (School) Safety Upgrade
- 1384-Citywide - New water supply reservoirs to replace an earthquake prone reservoir and enhance supply storage through out the city
- 1570-UV Treatment for Papaioea Park Bore 3

The over budget, behind time capital renewal programmes are:

- 63-Council's Plant and Vehicles - Replacements



Borrowing	2018/19		\$000's		Full Year	
	Year to Date	Variance	Full Year	Full Year	Revised	Annual
For the period to 31 March 2019	Actual	Budget	\$000's	%	Budget	Budget
Gross debt	112.0	124.6	12.6	10.1%	143.9	138.6
Cash investments	1.0	1.0	-		1.0	1.0
Net Debt	111.0	123.6	12.6	10.2%	142.9	137.6

#### Highlights

- Weighted average cost of borrowing forecast at 5.2% (budget cost of borrowing 5.7%)
- Net debt is lower than budget due to lower capital expenditure than budgeted.

## 10 Year Plan Catalyst Projects Quarterly Updates (March 2019)

City Centre Transformation Catalyst Projects			
	What happened during the March Quarter	Alerts (if any)	What's Next
<b>'Streets for People' (City Centre Streetscape Plan and Redesign)</b>	<p>The construction of Stage 1 of Square East has occurred. This has delivered the first of section of the Streets for People programme. This will be fully open to traffic and parking the first week of April. Project was on budget.</p> <p>Ongoing engagement with the adjacent businesses occurred during construction, including weekly communications and fortnightly meetings.</p>	<p>Programme is behind schedule due to programming delays. Work will be tendered for Stage 2 to ensure an early start to construction to minimise the level of funding required to be carried forward into 2019-20.</p> <p>Square East is still planned to be delivered predominantly within the 2018/19 and 2019/20 financial years.</p>	<p>Detailed design of Stage 2 of Square East progresses. This is the section between Church St and Main St on the businesses side of the road. Procurement of a contractor for these works will occur. Stakeholder engagement to take place throughout.</p> <p>Continue work with Horizons Regional Council and NZ Transport Agency in the development of a business case for the Urban Bus Terminal.</p> <p>Continue programme wide planning and optimisation of delivery of all Streets for People programmes.</p>
<b>Te Manawa 2025 Redevelopment</b>	Business case (BC) team continuing to work with Te Manawa to determine development of BC. A spatial needs analysis is being carried out to feed into the business case.		Councillor briefing scheduled in June to update on BC progress.
<b>Central Library Upgrade</b>	A spatial needs analysis is currently underway.		Spatial needs analysis is due for completion early next month. This will then be reviewed to inform next steps.
<b>Central Energy Trust Arena Masterplan and projects</b>	<p><b>Sports House:</b> Sport Manawatu have notified PNCC that they wish to explore other options and venues for Sport House, including outside of the Arena. PNCC management are looking at a revised Masterplan with options to allow for a commercial 'sports house' type facility should this opportunity arise.</p> <p><b>Masterplan Design Review:</b> CPRW Fisher (designer) have undertaken a review of the Masterplan especially in relation to the location of the Speedway Pits, Entrance Plaza, Sports Administration Building, South Stand and potential alternatives allowing for a concourse linking the stadium and the Arena 5.</p>	<p><b>Resource Consent for Pits Relocation:</b> New Masterplan design review options through the entrance plaza and speedway pits could assist in the resource consent process.</p> <p><b>South Stand Funding:</b> South Stand trust funding sources continue to be explored.</p> <p>On average circa 40% of the project is reliant on external funding. New ways of managing the project are being explored to allow for progress on those elements less reliant on</p>	<p><b>Procurement of South Stand Design Team:</b> The RFP is out for the design team including structural, civil, building services and fire engineering. Selection will occur in April.</p> <p><b>Procurement of Landscape Design:</b> The RFP is out for the Professional Services for Landscape Design. This closes in mid-April and selection will occur later in April.</p> <p><b>Review budgets:</b> Review of costs and budget for all projects in the Masterplan and LTP.</p> <p><b>Culture and Heritage input</b> Masterplan heritage design palette stakeholder meetings.</p>

	<p>This has been presented in draft to the Steering Group seeking feedback.</p> <p><b>Artificial Turf:</b> Still working through the final external funding requirements and are hopeful for a start of construction prior to the end of the financial year. The contractor has confirmed they will hold their price until 30 June.</p>	external funding to start.	<b>Artificial Turf:</b> Secure remainder of external funding required for Artificial Turf so go ahead can be given for construction.
<b>Heritage Protection Package</b>	<p>Answering queries from current and prospective building owners about investment and funding.</p> <p>Heritage EQUIP have expanded the list of eligible funding projects. No Palmerston North projects have applied for funding yet.</p> <p>Heritage EQUIP are also open to partnering with PNCC on a project.</p>	New Govt funding made available to building owners for earthquake strengthening in regional centres. PNCC will work with owners to take a collaborative approach on this.	Assess applications and allocate heritage fund.

Manawatu River Network Catalyst Projects			
	What happened during the March Quarter	Alerts (if any)	What's Next
<b>Central Energy Trust Wildbase Recovery Centre</b>	<p>The first four weeks of our controlled opening through a booking process saw just over 8000 visitors to the centre. 5000 of these visitors were through on Explore Esplanade Day on March 3rd.</p> <p>The centre is now open to the public without the need for a booking. Wed – Fri 1:00pm – 4:00pm and Sat 10:00am – 4:00pm. This will build through our strategic phased approach. The education programme runs Mon – Fri in the mornings.</p> <p>The Hide wall has commenced construction. Estimated completion is due late April.</p>		<p>Jointly review phased opening successes and challenges with Massey to inform future operations.</p> <p>Hide wall enhancements completed.</p> <p>Programmed maintenance scheduling.</p> <p>Renewals planning revision.</p>
<b>Victoria Esplanade Masterplan and projects</b>	Working with stakeholders, including meeting with Esplanade User Group Forum.		Start detailed design on priority projects.
<b>He Ara Kotahi &amp; Shared Pathway</b>	Progress has continued with both the Manawatu River bridge and river pathway projects. The	The latest completion date for opening of the bridge and pathway has	The next quarter will see completion of the two Manawatu River bridge

	<p>bridge deck, handrails and lighting are largely complete. Work on the pathway stage 2 is also nearly complete. The only outstanding section of stage 3 is the suspension bridge across the Kahuterawa. Design and pricing work has been completed to enable a start on the Massey link (stage 4).</p> <p>Council approved an increase in overall programme funding of just over \$4 million to enable work to be completed by the end of June 2019</p>	<p>been amended until mid-June 2019, to ensure the bridge and pathway sections can be opened at the same time.</p>	<p>approaches, including installation of furniture, paving, sculptures and lighting. Work on the pathway will focus on completion of the suspension bridge over the Kahuterawa (stage 3), and the link to Massey (stage 4).</p>
<b>Manawatu River Shared Pathway (Ashhurst to City)</b>	<p>Work has progressed on scoping and pricing of two routes for the pathway around the quarry. Meetings with both Higgins Properties Ltd and Winstones have been scheduled for April.</p>		<p>Discussion on a potential easement over Higgins Properties land to facilitate the pathway and agreement on Winstones preferred option and funding contribution to the pathway.</p>
<b>Te Apiti Biodiversity and Recreation</b>	<p>Meetings and hui with key stakeholders, including Rangitāne, Ruakawa, and Ferry Reserve Domain Board.</p>		<p>Public engagement after NZTA Manawatu-Tararua Highway Hearing in mid-Apr.</p>
<b>Manawatu River Framework (incl Ahimate Park)</b>	<p>Ahimate Reserve dog park up and running and very successful.</p> <p>Mountain bike rhythm section complete and under budget.</p> <p>Mobile exercise equipment prototype installed at the Centennial Drive entrance to the river. Two new gyms being installed.</p> <p>Albert St hardstand pattern trial section is boxed and ready to pour.</p> <p>Ongoing survey of river users to establish the success levels of the Manawatu River Framework.</p> <p>ARC (Ahimate Reserve Community) are working with other volunteers to control noxious weeds in area.</p>	<p>Contractor (unknown) appears to have cut lock at Albert St and dumped 500m<sup>3</sup> of fill on river side. Have had to redirect some track building money to move it out. Have used as much as possible in track building to save money.</p> <p>Lighting design work for the Victoria Esplanade River and the End of Albert Street River Entranceway has been on hold until design work for He Ara Kotahi ramp and path to Massey is complete.</p>	<p>Dog Park opening event Sat 6<sup>th</sup> April. Will have best-dressed, agility competitions, etc.</p> <p>Urban Eels: lodge consent application for platform and prep for build. Build cannot occur until river is low (Dec 2019 to Feb 2020).</p> <p>Manawatu River Framework lighting project: Pour 20m section in concrete and luminescent spheres. See if it glows at night and can be seen from Te Motu o Poutoa. Lights are ordered and install is well underway.</p> <p>River entranceways due for detailed construction design and consenting coming financial 2019/20 for build in 2020/21.</p> <p>Begin design work for Ashhurst Bridge area – was put on hold after loss of bank.</p> <p>Natural play fort being built at Ahimate Reserve.</p>

<b>Te Motu o Poutoa</b>	Very positive feedback from Iwi, Councillors and Staff from the establishment of a PNCC/Rangitāne Co-Management Committee.		Establishing groundwork for the new co-management Committee.  Co-presenting with Rangitāne in Rotorua on co-management at SOLGM Forum.
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<b>Sustainable Growth Projects Catalyst Projects</b>			
	<b>What happened during the March Quarter</b>	<b>Alerts (if any)</b>	<b>What's Next</b>
<b>Wastewater Treatment Plant Upgrade</b>	<p>Council signed off on the longlist options. Scoping and assessment work has been substantially completed for the 26 options.</p> <p>Legal advisers have been engaged and they have completed an initial review of the planning work and presented to Project Steering Group (PSG).</p> <p>Nutrient trial has commenced and river monitoring work is well advanced. Proposed consultation approach with wider iwi has been agreed.</p>		<p>During the next quarter an extended group including the PSG will complete the traffic light assessment of the longlist options. The recommended short list will need to be confirmed by Council.</p> <p>A further round of engagement with target stakeholder groups will take place including engagement with wider iwi.</p> <p>Initial findings from the enhanced river monitoring work will be provided.</p> <p>Further technical work on future flows and loads assisted by an interactive tool.</p>
<b>Regional Ringroad, Rail, Airport and multi-modal infrastructure to enable Longburn and NEIZ industrial growth</b>	<p>NZTA's Joint Working Group, on which PNCC is represented, is still working on a Business Case for the PN Integrated Transport Initiative. The process is now awaiting KiwiRail confirmation of their preferred site for integrated rail freight transport hub.</p> <p>NZTA has given approval in principle for an initial package of works to occur as part of the FoodHQ initiative, while the more detailed business case assessment is being considered by NZTA. Formal agreement is being sought to advance the FoodHQ business case to allow physical works to commence. Work on short term measures to improve safety of existing infrastructure will commence in the fourth quarter of 2018/19.</p>	<p>The construction period for any safety works in Napier Road have yet to be scheduled by NZTA. The timetable will be confirmed once consenting and approvals of the preferred option is complete.</p> <p>The PN Integrated Transport Initiative is unlikely to confirm any construction works until beyond year 3 of the current LTP.</p>	<p>NZTA is expected to release the preferred option for Napier Rd, between Whakarongo and Keith St in the fourth quarter of 18/19.</p> <p>PNCC's submission to NZTA argued for 4-laning of Napier Road SH3 between Roberts Line and Keith St. Dependent on NZTA's decision this may become a significant issue if NZTA see things differently.</p>
<b>Infrastructure for Residential Growth:</b>	Whakarongo: Designs and layout plans are being finalised		Whakarongo: PNCC's consultants will be lodging

<b>Whakarongo, Aokautere, City West Urban Intensification, Ashhurst</b>	<p>along with the other areas required to be submitted for consent.</p> <p>Further submissions closed on Plan Change C Kikiwhenua.</p> <p>Further revision of Aokautere Structure Plan.</p>		<p>consent at end of March/ early April 2019.</p> <p>Plan Change C Kikiwhenua prepare evidence for hearing.</p> <p>Finalise Aokautere Structure Plan and initiate engage with landowners and then other stakeholders.</p>
<b>City-wide Stormwater Management</b>	<p>City-wide stormwater model has been extended to cover the area south to Longburn and the Whakarongo growth area.</p> <p>Reporting to Councillors on the flooding incidents which occurred in December 2018.</p> <p>Condition survey of around 50% of the open drain and stream network completed.</p> <p>Stormwater capital new and renewal programmes have been amended and updated to enable some additional minor works to be completed within the current financial year.</p>		<p>Develop a visual plan of the work done, planned and under investigation which can be shared with the community.</p> <p>Development of a stormwater communications plan to lift understanding of stormwater issues and communicate what is being undertaken by Council.</p> <p>Provide to Council an assessment of the significant backlog of maintenance work in the stream and open channel network to support a lift in budget funding.</p>
<b>City-wide Water Supply, Source and Storage Development</b>	<p>Construction and installation works on the replacement Keith Street bore was completed.</p> <p>Tenders for installation, building construction and commissioning of UV treatment at the Papaioea bore have been awarded.</p> <p>Construction of the Railway Road reservoir is well advanced, chemical and treatment works have been tendered and the work awarded.</p>	<p>Keith Street bore connection to the network delayed by requirement for 3 months clear water tests.</p> <p>Takaro bore taken off line following identification of a contamination risk due to aging valves and pipework.</p> <p>Contractor capacity limitations and long equipment lead times are delaying completion of work at Papaioea and Railway Road bores until later in 2019 – i.e. next financial year</p>	<p>Commission the Keith Street bore and connect to the network.</p> <p>Complete the rehabilitation of the Takaro bore to enable network supply to be resumed.</p> <p>Advance work on the construction and installation of the UV disinfection at Papaioea Bore.</p> <p>Complete the construction of the reservoir at Railway Road and advance the remaining treatment and pumping works.</p>

Major Internal Projects			
	What happened during the March Quarter	Alerts (if any)	What's Next
<b>Digital Transformation</b>	<p>Delivered the following smart city initiatives:</p> <ul style="list-style-type: none"> <li>• trial of smart bins in three locations</li> <li>• development of the the Manawatū Heritage Tours mobile app</li> <li>• Site preparation underway for Library makerspace and digital inclusion hub to activate the Library frontage onto The Square in what was formerly the Public Trust.</li> <li>• The rollout of Snap Send Solve.</li> </ul> <p>Established and/or delivered "inside Council" projects such as Office 365, Video and Image Library, Intranet Refresh, Ideation Workshops.</p> <p>Captured key learnings from the Smart Cities Innovation Accelerator and the DX 2019 Forum.</p>		<p>Partnering with Effectus to establish a governance model to determine priorities across the Digital Transformation programme.</p> <p>Growing the ecosystem of potential partners by collaborating with The Factory, IBM Garage, Tata Consulting Services, MidCentral DHB, NB Smart Cities, Spark, Auckland Council.</p> <p>Deliver the Digital Transformation RoadMap for sign-off by the Executive Leadership Team.</p> <p>Take advantage of key learnings about innovation and citizen engagement through City Labs, across NZ and Australia.</p> <p>Start to develop Internet of Things infrastructure to inform the development of Council services.</p>
<b>Three Waters Model</b>	<p>A consultant is engaged to work on a study of regional options for the delivery of three waters.</p> <p>Councils in the region met to confirm the inputs to the study and discuss service delivery options.</p> <p>Consultant is now preparing multi-criteria analysis for option assessment.</p>		<p>Continue with study so Councils in the Region can proactively contribute to the Central Govt three waters review.</p> <p>The Councils in the Region will undertake a multi-criteria analysis of identified options, and explore regional proposals.</p>

**Supplementary Material**

1. Groups of activities net result statement
2. Capital expenditure and funding source
3. Capital expenditure by groups of activities
4. Detailed capital expenditure report
5. Financial Statements
  - a. Summary of financial performance
  - b. Statement of financial position
  - c. Statement of cash flows
6. Revised budget amendments
7. Personnel

## Attachment 1 – Groups of Activities Net Result Statement

Group of Activities Net Result Statement	2018/19		\$000's		Full Year Revised Budget	Full Year Annual Budget
	Year to Date Actual	Budget	Bud. Var. \$000's	%		
For the period to 31 March 2019						
<b>Operating Result by Group of Activities</b>						
<b>Innovative &amp; Growing City</b>	<b>(4,004)</b>	<b>(4,074)</b>	<b>70</b>	<b>2%</b>	<b>(5,640)</b>	<b>(5,640)</b>
Revenue	4,371	3,809	562	15%	5,100	5,100
Expenses	8,375	7,883	(493)	-6%	10,741	10,741
<b>Creative &amp; Exciting City</b>	<b>(14,892)</b>	<b>(14,982)</b>	<b>89</b>	<b>1%</b>	<b>(19,652)</b>	<b>(19,651)</b>
Revenue	2,047	1,559	488	31%	2,097	2,097
Expenses	16,940	16,541	(399)	-2%	21,749	21,748
<b>Connected &amp; Safe Community</b>	<b>(9,316)</b>	<b>(8,356)</b>	<b>(960)</b>	<b>-11%</b>	<b>(11,264)</b>	<b>(11,309)</b>
Revenue	3,697	3,914	(217)	-6%	5,039	5,039
Expenses	13,013	12,270	(744)	-6%	16,303	16,348
<b>Eco-City</b>	<b>(2,779)</b>	<b>(3,251)</b>	<b>472</b>	<b>15%</b>	<b>(4,225)</b>	<b>(4,225)</b>
Revenue	2,415	2,216	199	9%	2,955	2,955
Expenses	5,194	5,467	274	5%	7,180	7,180
<b>Transport</b>	<b>(4,644)</b>	<b>(5,258)</b>	<b>614</b>	<b>12%</b>	<b>(7,249)</b>	<b>(7,249)</b>
Revenue	5,784	5,477	308	6%	7,391	7,391
Expenses	10,429	10,735	307	3%	14,640	14,640
<b>Water</b>	<b>(3,270)</b>	<b>(3,132)</b>	<b>(138)</b>	<b>-4%</b>	<b>(4,312)</b>	<b>(4,272)</b>
Revenue	31	27	5	18%	35	36
Expenses	3,301	3,159	(142)	-5%	4,347	4,307
<b>Wastewater</b>	<b>(3,820)</b>	<b>(3,691)</b>	<b>(128)</b>	<b>-3%</b>	<b>(5,060)</b>	<b>(5,060)</b>
Revenue	784	864	(80)	-9%	1,151	1,151
Expenses	4,604	4,555	(49)	-1%	6,212	6,212
<b>Stormwater</b>	<b>(1,347)</b>	<b>(1,211)</b>	<b>(136)</b>	<b>-11%</b>	<b>(1,747)</b>	<b>(1,747)</b>
Revenue	9	2	7	425%	2	2
Expenses	1,356	1,212	(143)	-12%	1,749	1,749
<b>Driven &amp; Enabling Council</b>	<b>(3,441)</b>	<b>(3,221)</b>	<b>(220)</b>	<b>-7%</b>	<b>(7,262)</b>	<b>(7,187)</b>
Revenue	4,285	3,440	845	25%	4,356	4,356
Expenses	7,726	6,661	(1,065)	-16%	11,618	11,543
<b>Group of Activities Surplus/ (Deficit)</b>	<b>(47,513)</b>	<b>(47,177)</b>	<b>(337)</b>	<b>-1%</b>	<b>(66,411)</b>	<b>(66,340)</b>
Rates	71,486	70,956	529	1%	94,579	94,537
Net Interest	(4,285)	(5,189)	905	17%	(7,278)	(7,267)
<b>Operating Controllable Surplus / (Deficit)</b>	<b>19,687</b>	<b>18,590</b>	<b>1,097</b>	<b>6%</b>	<b>20,889</b>	<b>20,930</b>
Depreciation	(24,001)	(25,970)	<b>1,969</b>	<b>8%</b>	(34,627)	(34,627)
Non-operating revenue	8,801	13,512	<b>(4,711)</b>	<b>-35%</b>	17,663	16,436
Non-operating expenses	(2,424)	0	<b>(2,424)</b>	<b>-100%</b>	0	0
<b>Net Result</b>	<b>2,063</b>	<b>6,132</b>	<b>(4,069)</b>	<b>-66%</b>	<b>3,925</b>	<b>2,739</b>

## Attachment 2 – Capital expenditure and funding source

Capital Expenditure and Funding Source	2018/19 \$000's					
	Year to Date		Variance		Full Year	Full Year
For the period to 31 March 2019	Actual	Budget	\$000's	%	Revised Budget	Annual Budget
Capital New	23,820	32,189	(8,369)	(26.0%)	54,406	47,890
Funded by:						
Borrowing	17,042	22,844	(5,802)	(25.4%)	41,620	36,330
External revenue	6,778	9,345	(2,567)	(27.5%)	12,786	11,560
Capital Renewal	13,896	19,815	(5,920)	(29.9%)	26,655	26,186
Funded by:						
Rates	12,906	17,148	(4,243)	(24.7%)	19,731	19,731
External revenue	990	2,667	(1,677)	(62.9%)	2,876	2,876
Three year averaging					3,579	3,579
Borrowing					469	-
Note for year to date renewal capital expenditure all is shown as funded by rates. Part will be funded by rates in other years (3 year averaging) and part by debt (carry forward from 2017/18 already rate funded, additional approvals). It is not meaningful to assign the budget amount for these to the year to date expenditure.						

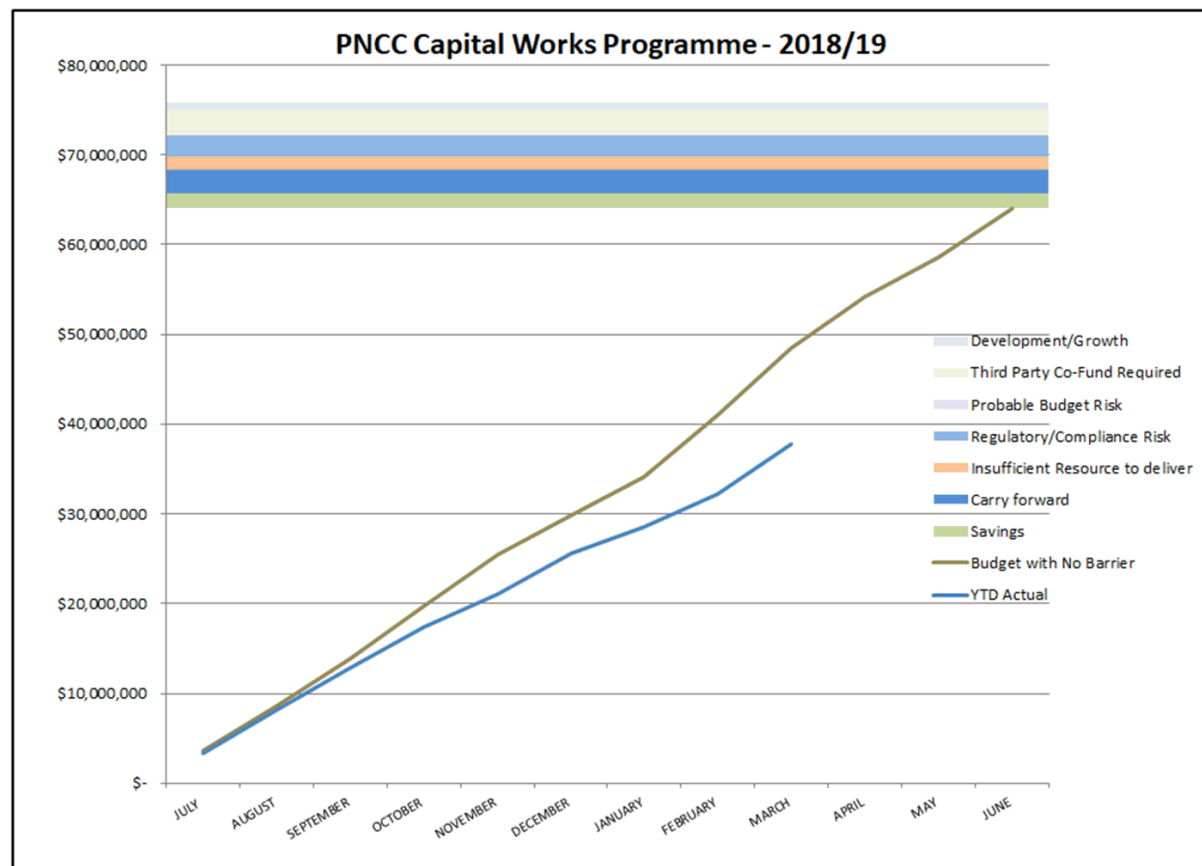
## Attachment 3 – Capital Expenditure by Group of Activities

Group of Activities - Capital Expenditure For the period to 31 March 2019	2018/19		\$000's		Full Year Revised Budget	Full Year Annual Budget
	Year to Date Actual	Budget	Variance \$000's	%		
<b>Capital New</b>	<b>23,820</b>	<b>32,189</b>	<b>(8,369)</b>	<b>(26.0%)</b>	<b>54,406</b>	<b>47,890</b>
Innovative & Growing City	(3)	7	(10)	(135.7%)	7	7
Creative & Exciting City	3,878	6,668	(2,790)	(41.8%)	11,966	11,242
Connected & Safe Community	3,319	5,853	(2,534)	(43.3%)	10,222	10,406
Eco-City	305	492	(187)	(38.1%)	603	645
Transport	13,599	16,032	(2,433)	(15.2%)	23,659	19,588
Water	1,802	1,913	(111)	(5.8%)	4,980	3,011
Wastewater	192	572	(380)	(66.5%)	1,136	1,183
Stormwater	577	607	(30)	(5.0%)	1,013	1,013
Driven & Enabling Council	151	45	106	237.0%	821	795
<b>Capital Renewal</b>	<b>13,896</b>	<b>19,815</b>	<b>(5,920)</b>	<b>(29.9%)</b>	<b>26,655</b>	<b>26,186</b>
Innovative & Growing City	343	345	(2)	(0.6%)	380	330
Creative & Exciting City	2,418	3,744	(1,326)	(35.4%)	4,713	4,530
Connected & Safe Community	715	1,514	(798)	(52.7%)	3,469	3,802
Eco-City	229	195	34	17.6%	362	362
Transport	4,373	5,952	(1,579)	(26.5%)	6,497	6,341
Water	2,801	2,791	10	0.4%	3,415	3,415
Wastewater	849	3,538	(2,688)	(76.0%)	3,994	4,112
Stormwater	118	435	(318)	(73.0%)	635	635
Driven & Enabling Council	2,050	1,303	747	57.4%	3,190	2,659

## Summary table

\$000	New Capital	Renewal Capital
Able to complete – completed year to date	23,726	13,896
Able to complete – to complete	16,620	9,889
Development/growth awaiting requirement determination	751	-
Third party funding required	2,989	-
Probable budget risk, delayed while extra funding is defined	-	-
Council, organisation decision required to proceed	4,657	533
Regulatory/compliance risk may delay	2,345	-
Insufficient resource to develop	1,438	-
Savings or budgets not required this year	443	1,163
Unallocated, carry forward	1,437	1,174
<b>Total</b>	<b>54,406</b>	<b>26,655</b>
<b>Total Capital Revised Budget</b>	<b>81,061</b>	





<b>Able to Complete</b>	<i>A programme which has no barriers to completing during 18/19 yr.</i>	
Programmes	\$ 64,131,908	X programmes which are proceeding as per the Annual Plan
<b>Development/Growth</b>	<i>A Programme pegged to local land development/growth, Progress will only occur when and if an external agency progresses their plans.</i>	
Programmes	\$ 750,590	
<b>Third Party Co-Fund Required</b>	<i>A Programme which relies on external funding (eg grants or communitiy funding). Progress will only occur when and if the total of Council and external funding equals the total amount required to complete the works.</i>	
Programmes	\$ 2,988,747	
<b>Probable Budget Risk</b>	<i>A Programme which, by leiu of current market forces, the budget is deemed to be inadequate and delays will occur while the extra funding is defined and sought from either/both Council or an external agency</i>	
Programmes	\$ -	
<b>Council/Organisation Decision Required</b>	<i>A programme which has been funded but still requires Council/Organisation go-ahead for reasons other than budget.</i>	
Programmes	\$ 5,189,688	
<b>Regulatory/Compliance Risk</b>	<i>A programme which may be delayed due to complex Regulatory/Compliance issues.</i>	
Programmes	\$ 2,345,143	
<b>Insufficient Resource to Deliver</b>	<i>A programme with a significant design (or other, inc. construction) component, for which resource (much of which may be specialist) is proving difficult to aquire.</i>	
Programmes	\$ 1,438,387	
<b>Carry Forward</b>	<i>A Programme (or part of) which is currently being recommended to Council for Carrying Forward.</i>	
Programmes	\$ 2,610,992	
<b>Savings</b>	<i>A programme (or part of) which will be surplus at year end, either because all works were completed for less than the budget or separate provision has been made for the same work in future years.</i>	
Programmes	\$ 1,605,554	

\*Programme to be part delivered. For Further comment see following pages.

#### Financial Position (Total - All Areas)

YTD Budget (Able to Complete)

YTD Actual

March	\$ 48,428,190
	\$ 37,621,732
Variance:	\$ 10,806,458

The Notable Differences are listed on Page 2. These are the subtotals

Note: This compares Council's budget YTD with actual expenditure and does not factor in "Able to Complete" adjustments as per the graph above.

Capital New Actual <i>Behind</i> Budget:	9,185,630
Capital New Actual <i>Ahead</i> of Budget:	2,133,952
Capital Renewal Actual <i>Behind</i> Budget:	6,763,377
Capital Renewal Actual <i>Ahead</i> of Budget:	1,238,952

	Actual Spend to Date	Actual Physical Progress	Savings
	Forecast Overbudget by more than 10%	Unlikely to be Complete by Year End	
		Programme Complete	Saving Identified

#### Purpose of Report

- \* This report provides an overview of the 2018/19 Capital Works programmes (Renewals & Capital New) regarding delivery during the financial year.
- \* Programmes where there is certainty of completion have been cashflowed over the financial year, against which actual expenditure is recorded.
- \* The first priority is to ensure these programmes are delivered.
- \* The report also groups programmes where there is uncertainty of delivery into six different categories.
- \* The second priority is to "barrier-bust" why programmes in these categories cannot be recategorised as "Able to Complete".
- \* When programmes are reclassified in this way the cashflow will be revised to reflect the change.
- \* Where programmes are grouped together (e.g. Library of the Future) the combined performance of these will be reported elsewhere.

Quadrant Position			
Work Not Started		Under Budget Ahead of Schedule	
On Track		Under Budget Behind Schedule	
On Budget Ahead of Schedule		Over Budget On Schedule	
On Budget Behind Schedule		Over Budget Ahead of Schedule	
Under Budget On Schedule		Over Budget Behind Schedule	

The colours depicted here match those used in the Quadrant Diagram



**Notable Differences - Capital New Programme (Greater than \$100,000)***Actual behind Budget*

1082-Central Energy Trust Arena Manawatu - Speedway Relocation & Artificial Pitch	-\$ 2,199,264	Council Timetable subject to third party funding target being met.
1101-The Library of the Future	-\$ 1,581,850	Council working through decision making process after being advised of seismic issues
57-Manawatu River - Downstream Pedestrian/Cycle Bridge Constr	-\$ 637,125	Bridge completion was slower than original schedule, but will be complete by year end
1518-Central Library Building Upgrade - Capital New	-\$ 525,000	Council working through decision making process after being advised of seismic issues
244-City Centre Streetscape Plan - Square East (Plaza to ANZ)	-\$ 508,710	The project was delayed while it was ensured that synergies with other CBD projects were being maximised
1121-Massey and Research Institutes Development (Food HQ) (sub	-\$ 481,490	Still awaiting approval from NZTA on substantive works
279-City-wide - Minor Road Safety Improvements	-\$ 418,845	A large portion of this programme is allocated to College Street Cycleway which had a difficult consultation process.
1306-Library HVAC Upgrade	-\$ 351,550	Council working through decision making process after being advised of seismic issues
1362-Roberts/Railway Road North Intersection Safety Realignmen	-\$ 342,927	Shortage of external design engineering resource in PN has slowed progress.
1488-Seal extension Rural Unsealed Road	-\$ 306,080	
1358-Footpath extensions city wide	-\$ 290,325	
985-Kelvin Grove Water Supply Zone - New Bore	-\$ 228,354	Project was delayed due to resource constraints of specialist contractor.
1389-City Wide - Second River Crossing and Emergency Supply	-\$ 195,000	This project is delayed while Massey completes a seismic assessment of their reservoir.
1381-Totara Rd WWTP - Biogas Generator Exhaust Heat Recovery	-\$ 193,000	Work tendered but offers received were considered too high. Revising procurement strategy to get better offer.
91-Turitea Water Treatment Plant - Construction of Duplicate Wat	-\$ 188,514	Project was delayed to allow forestry tree extraction. Work now underway and good progress being made
94-Walkways and Shared Path - Purchase of Land to Extend Network	-\$ 163,000	Desired Aokautere property not likely to be put up for sale this financial year.
1060-City-wide - Stormwater Improvement Works	-\$ 128,881	
651-City-wide - Seismic Strengthening of Water Structures	-\$ 122,785	
752-City Reserves - Manawatu River - Framework Implementation	-\$ 112,971	
25-Forest Hill Road - Seal Extension	-\$ 109,959	This project has been completed for less than the budget
1534-Central Energy Trust Arena - South Grandstand Stage 1	-\$ 100,000	Council Timetable subject to third party funding target being met.
	<b>- 9,185,630</b>	

*Actual Ahead of Budget*

368-Central Energy Trust Wildbase Recovery Centre (subject to pa	\$ 104,931	This project is substantially complete, but has exceeded original budget
593-Water Safety and Security Mitigation	\$ 131,505	
1570-UV Treatment for Papaioea Park Bore 3	\$ 177,144	
357-Social Housing - Papaioea Place Redevelopment	\$ 196,824	Project has exceeded progress targets, but is forecast to come in on budget.
1384-Citywide - New water supply reservoirs to replace an earthquake prone reservoir and enhance supply storage through out the city	\$ 317,102	Project ahead of programme, but final completion is being hampered by chemical treatment issues which are being resolved.
1086-City-wide - Street Lighting Upgrade to Current LEDs	\$ 417,349	This project is proceeding well, but has exceeded original budget
977-Manawatu River (Fitzherbert Bridge to Linton) - Cycle/Pedestr	\$ 789,097	This project is substantially complete, but has exceeded original budget
	<b>2,133,952</b>	

**Notable Differences - Capital Renewal Programme (Greater than \$100,000)***Actual behind Budget*

115-City-wide - Sealed Pavement Renewals	- 1,659,357	Contractor moved Council's work to March/April to enable adjacent Councils' work to also be completed during summer season
1068-Totara Road Wastewater Treatment Plant - Replacement of Inlet Pumps	- 786,661	Council in dispute as original construction did not meet design expectations
139-City-wide - Sealed Road Resurfacing	- 683,062	Contractor moved Council's work to March/April to enable adjacent Councils' work to also be completed during summer season
234-Sportsfields and Outdoor Courts - Changing Room Refurbishments	- 473,665	Priority changed so Colquhoun Park could be renovated prior to the Softball World Cup.
1051-Central Energy Trust Arena Manawatu - Combined Asset Refurbishment	- 390,782	Initial delay while work was reprioritised to increase multi year efficiency is now being overcome.
1059-Totara Road Wastewater Treatment Plant - Replacement of Grit Removal Systems	- 388,942	
1108-Cultural/Heritage Reserve - Hokowhitu Lagoon - Bank Renewal	- 385,714	
1067-Totara Road Wastewater Treatment Plant - Replacement of Security Fence and Gate	- 319,360	Inability to secure tree felling contractor early in the year hampered delivery, confident all work will be complete by year end
1062-City-wide - Stormwater Renewal Works	- 267,500	High workloads with both internal staff and contractors is causing delivery difficulties. Working to achieve programme by year end.
54-City-wide - Wastewater Pipe Renewal	- 213,901	High workloads with both internal staff and contractors is causing delivery difficulties. Working to achieve programme by year end.
213-Cultural Facilities - Replacement of Structures, Internal Fit Out and Services	- 194,452	Work in the Square Edge building has been deferred due to seismic issues. Other work at the Globe delayed to fit in with bookings.
122-City-wide - Road Drainage Replacements	- 147,520	
173-Citywide - Playground Renewals	- 143,244	Difficulties in procurement now being overcome. Full programme will be delivered by year end.
265-Citywide - Community Centre Refurbishments	- 135,516	Officers confident all works will be complete by year end.
596-Aquatics - Lido Pool - Asset Renewals	- 126,285	4/6 projects complete, final 2 rescheduled to May to minimise disruption of pool users.
664-Convention Centre - Renewals	- 118,270	Work rescheduled to late May to fit in with Centre Bookings
80-Council's Plant and Equipment - Replacement	- 118,191	Programme will be fully delivered by Year End
828-City-wide - Parking Meter Replacement	- 109,210	Asset Assessment concluded that replacements could be deferred without degradation of asset. This budget is surplus.
180-Social Housing - Citywide - Community Housing Refurbishments	- 101,744	4/6 projects complete, final 2 scheduled for April, there will be a good portion of this budget surplus.
	<b>- 6,763,377</b>	

*Actual Ahead of Budget*

1056-Totara Road Wastewater Treatment Plant - Replacement of Inlet Screens (Renewal)	259,459	Project work completed ahead of budget placement in last Quarter.
63-Council's Plant and Vehicles - Replacements	979,493	Programme completed ahead of period 12 budget placement
	<b>1,238,952</b>	



Programme	2018/19 Budget	Able to Complete			Savings	Quadrant Position	Risk Categories							Comments
		Full Year Forecast Spend	Actual Spend to date	Actual Physical Progress			Carry Forward	Development /Growth	Third Party Co-Fund Required	Probable Budget Risk	Council/Org. Decision Required	Regulatory /Compliance Risk	Insufficient Resource to Develop	
<b>PNCC Total Capital Works Programme</b>	<b>81,061,010</b>	<b>64,131,908</b>	<b>37,621,732</b>		<b>1,605,554</b>		<b>2,610,992</b>	<b>750,590</b>	<b>2,988,747</b>	-	<b>5,189,688</b>	<b>2,345,143</b>	<b>1,438,387</b>	
<b>Capital New</b>	<b>54,406,330</b>	<b>40,347,056</b>	<b>23,726,128</b>		<b>442,949</b>		<b>1,436,879</b>	<b>750,590</b>	<b>2,988,747</b>	-	<b>4,656,578</b>	<b>2,345,143</b>	<b>1,438,387</b>	
<i>Connected &amp; Safe Community</i>	<i>10,221,614</i>	<i>5,979,797</i>	<i>3,381,728</i>		-		<i>140,000</i>	-	<i>111,999</i>	-	<i>3,989,818</i>	-	-	
107-Cemeteries - Kelvin Grove - Ash Plot developments and Childrens area extension	37,528	37,528	4,444	4%	-		-	-	-	-	-	-	-	
147-Cemeteries - Kelvin Grove, Ashhurst and Bunnythorpe - New Burial Berms	122,880	122,880	42,040	52%	-		-	-	-	-	-	-	-	Work temporarily stalled to enable operational staff to advance other priorities. Parks management are addressing this to ensure completion
161-Public Toilets - Citywide programme	299,031	299,031	65,748	14%	-		-	-	-	-	-	-	-	Colquhoun Park to be constructed in 19/20 with main renovations.
357-Social Housing - Papaioea Place Redevelopment( 1277-C/fwd - Papaioea Place Community Ho )	4,631,640	4,631,640	4,069,608	76%	-		-	-	-	-	-	-	-	Project right on track and running to budget.
1101-The Library of the Future	3,522,797	620,717	601,850	100%	-		-	-	-	-	2,902,080	-	-	Council has accepted the Detailed Seismic Assessment. Officers are now preparing a plan to identify and evaluate the options, though it is certain the project will not proceed in its current form.
1137-Digital Technology to Support 21st Century Citizens and Serv	285,565	-	-	0%	-		-	-	-	-	285,565	-	-	See Programme 1101 Above.
1150-City Libraries - Building Security System Replacement	52,173	-	-	0%	-		-	-	-	-	52,173	-	-	See Programme 1101 Above.
1306-Library HVAC Upgrade			351,550	100%										
1413-Bunnythorpe Community Facility	240,000	128,001	75,839	45%	-		-	-	111,999	-	-	-	-	Design Underway, Community Group still Undertaking fundraising
1437-Dog Pound Quarantine Extension	60,000	60,000	25,350	92%	-		-	-	-	-	-	-	-	
1484-Purchase of wearable cameras for parking and animal contro	20,000	20,000	-	0%	-		-	-	-	-	-	-	-	
1513-New Emergency Operations Centre(EOC) Fit Out	200,000	60,000	52,099	75%	-		140,000	-	-	-	-	-	-	Design on revised schedule, but will still be complete as per original deadline. As this is a multi-agency project the timing was uncertain, residual budget will be needed next year.
1518-Central Library Building Upgrade - Capital New	750,000	-	-	0%	-		-	-	-	-	750,000	-	-	See Programme 1101 Above.
<i>Creative &amp; Exciting City</i>	<i>11,966,106</i>	<i>6,406,463</i>	<i>3,726,258</i>		<i>35,000</i>		<i>405,992</i>	<i>40,000</i>	<i>2,876,748</i>	-	<i>166,760</i>	<i>2,035,143</i>	-	
			-											
93-City Reserves - Memorial Park Reserve Development Plan Implementation	537,000	37,000	25,487	1%	-		-	-	500,000	-	-	-	-	Splash pad is subject to external funding contribution, which has not been secured for this year.
94-Walkways and Shared Path - Purchase of Land to Extend Network	395,000	270,000	135,000	67%	35,000		90,000	-	-	-	-	-	-	Proposed Aokautere Property is unlikely to be on the market during 18/19
95-Walkways and Shared Path - Construction	70,885	70,885	70,073	97%	-		-	-	-	-	-	-	-	
111-Neighbourhood Reserves - Roslyn - Edwards Pit Park Development	32,315	32,315	-	0%	-		-	-	-	-	-	-	-	Construction planned to start June as completion will require funding bridged over 2 yrs to enable completion.
158-Citywide - Safety Improvements to Reserves	34,400	34,400	5,953	34%	-		-	-	-	-	-	-	-	
160-Citywide - Improved Access to Reserves for Persons with Disabilities	37,528	37,528	26,921	100%	-		-	-	-	-	-	-	-	
165-Outdoor Adventure Reserves - Arapuke Forest Park/Kahuterawa Development	38,049	38,049	37,725	70%	-		-	-	-	-	-	-	-	
367-Public Sculptures/Art Funding	50,000	50,000	-	0%	-		-	-	-	-	-	-	-	
368-Central Energy Trust Wildbase Recovery Centre (subject to part external funding)	1,886,491	1,886,491	1,991,422	98%	-		-	-	-	-	-	-	-	
560-Te Motu o Poutoa / ANZAC Park Reserve Development			151	100%										
568-City Reserves - Manawatu River Framework - Waitoetoe Park Development	237,693	237,693	257,926	100%	-		-	-	-	-	-	-	-	Ahimate Reserve Carpark and dog park opening on Apl 6.
587-Neighbourhood Reserves - Kelvin Grove - Linklater Reserve Development	275,942	275,942	191,995	80%	-		-	-	-	-	-	-	-	The unanticipated extra work on the flying fox has forced the bike skills tracks project to be deferred.
697-Clearview Reserve Development	30,927	-	-	0%	-		-	-	-	-	30,927	-	-	Developer must complete earthworks before Council can execute project. This is not expected to happen during 18/19 year.
752-City Reserves - Manawatu River - Framework Implementation	282,135	282,135	122,029	46%	-		-	-	-	-	-	-	-	Mountain Bike Rhythm section complete.
902-Property - Seismic Strengthening of Council Owned Buildings	170,887	115,053	77,391	100%	-		-	-	-	-	55,834	-	-	Part of the overall review of seismic performance of Council buildings. Any further work will form part of an overall programme.



Programme	2018/19 Budget	Able to Complete			Savings	Quadrant Position	Risk Categories							Comments
		Full Year Forecast Spend	Actual Spend to date	Actual Physical Progress			Carry Forward	Development /Growth	Third Party Co-Fund Required	Probable Budget Risk	Council/Org. Decision Required	Regulatory /Compliance Risk	Insufficient Resource to Develop	
<i>Creative &amp; Exciting City - cont.</i>														
967-Citywide - Edibles Planting	5,212	5,212	5,116	100%	-		-	-	-	-	-	-	-	
1082-Central Energy Trust Arena Manawatu - Speedway Relocation & Artificial Pitch	4,700,000	288,109	55,736	0%	-		-	-	2,376,748	-	-	2,035,143	-	Construction preparations proceeding, but will require third party funding to be in place to proceed - currently reported to be on track. Pit relocation has significant RMA component which is looking likely to delay construction into 19/20 year.
1083-Central Energy Trust Arena Manawatu - Entrance Plaza & Western Concourse	1,100,000	1,100,000	-	0%	-		-	-	-	-	-	-	-	
1084-Central Energy Trust Arena - 17/18 Masterplan Projects			-	#N/A										Project completed last year, final charges in this year.
1097-Sportsfields - Drainage to Increased Capacity	174,080	174,080	78,730	55%	-		-	-	-	-	-	-	-	
1099-Parks and Reserves - Shade Development	26,240	26,240	26,898	100%	-		-	-	-	-	-	-	-	
1131-City Boundary Entrance Treatments	438,699	438,699	43,929	45%	-		-	-	-	-	-	-	-	On track for completion prior to June 30.
1127-City Reserves - Victoria Esplanade - Bonsai House	8,000	8,000	-	28%	-		-	-	-	-	-	-	-	Design brief under preparation, may combine with Lath House to improve outcomes
1174-Citywide - Outdoor Gyms (locations to be determined)	125,000	125,000	143,462	91%	-		-	-	-	-	-	-	-	
1175-Citywide - Shade Trees	10,000	10,000	1,970	65%	-		-	-	-	-	-	-	-	
1181-Sportsfields - Hokowhitu Lagoon Improvements	50,922	50,922	10,078	14%	-		-	-	-	-	-	-	-	
1182-Citywide - Recreation spaces - Improved Lighting	20,849	20,849	17,087	96%	-		-	-	-	-	-	-	-	
1282-Panieri Park - Purchase of Adjacent Land	40,000	-	-	0%	-		-	40,000	-	-	-	-	-	
1320-Sportsfields - Hokowhitu Lagoon Supplementary Water Take from River Canoe Polo	181,265	181,265	115,744	64%	-		-	-	-	-	-	-	-	
1330-Placemaking Co-created Project	15,000	15,000	-	65%	-		-	-	-	-	-	-	-	
1342-Fitzherbert Park - Cricket Ground Enhancements (subject to part external funding)	265,854	60,262	60,262	5%	-		205,592	-	-	-	-	-	-	Manawatu Cricket still fundraising their share of this project. Construction now likely to be during 19/20.
1391-Urban Growth - City West South of Pioneer Highway - Walkways Development	74,400	-	-	0%	-		74,400	-	-	-	-	-	-	Project on hold while awaiting Racecourse to carry out sub-division of land.
1411-Sportsfields - Skogland park Irrigation	6,000	6,000	-	74%	-		-	-	-	-	-	-	-	Works Underway, Contractor invoice not received before period end
1414-Vautier Park Power Supply	100,000	64,000	56,238	4%	-		36,000	-	-	-	-	-	-	Easement gained and a Contract signed with Scanpower. Netball Manawatu seeking funding for their share. Expect completion early 19/20.
1439-Culture/Heritage - Urban Eels Project Contribution	22,000	22,000	10,475	66%	-		-	-	-	-	-	-	-	Design brief under preparation, may combine with Lath House to improve outcomes
1446-City Centre Flagtrax installation on street light columns	210,000	210,000	158,461	66%	-		-	-	-	-	-	-	-	
1449-Events and Festivals equipment purchase	15,000	15,000	-	0%	-		-	-	-	-	-	-	-	
1468-Heritage Archive Shelving	10,000	10,000	-	0%	-		-	-	-	-	-	-	-	
1476-City Centre Laneways Programme	20,000	20,000	-	51%	-		-	-	-	-	-	-	-	Works Underway, Contractor invoice not received before period end
1523-Ashhurst Pool Enhancements	83,333	83,333	-	46%	-		-	-	-	-	-	-	-	Works Underway, Contractor invoice not received before period end
1534-Central Energy Trust Arena - South Grandstand Stage 1( 1540-C/fwd - Central Energy Trust Arena )	165,000	85,001	-	0%	-		-	-	-	-	79,999	-	-	RFP has been issued for design work for south Stand and Western Concourse.
1566-Railway wheels for Railway land	20,000	20,000	-	0%	-		-	-	-	-	-	-	-	



Programme	2018/19 Budget	Able to Complete			Savings	Quadrant Position	Risk Categories							Comments
		Full Year Forecast Spend	Actual Spend to date	Actual Physical Progress			Carry Forward	Development /Growth	Third Party Co-Fund Required	Probable Budget Risk	Council/Org. Decision Required	Regulatory /Compliance Risk	Insufficient Resource to Develop	
<i>Driven and Enabling Council</i>	820,679	675,679	161,094		145,000		-	-	-	-	-	-	-	
60-Information Management Strategic Plan Project - New Software Applications	104,140	104,140	30,500	40%	-		-	-	-	-	-	-	-	
99-Council's Service Development - New Technology and Programmes	289,000	144,000	88,632	30%	145,000		-	-	-	-	-	-	-	Additional mowing equipment for new areas being considered. Currently no other call on this budget in this year.
245-Gordon Kear Forest - Development of Internal Roding	45,939	45,939	41,962	85%	-		-	-	-	-	-	-	-	
1185-Non-Financial Reporting System	205,000	205,000	-	0%	-		-	-	-	-	-	-	-	
1187-PNCC Website Customisation	101,600	101,600	-	0%	-		-	-	-	-	-	-	-	
1188-Land Use Monitoring	75,000	75,000	-	0%	-		-	-	-	-	-	-	-	
<i>Eco-city</i>	602,944	469,944	336,115		73,000		-	-	-	-	-	-	60,000	
506-City Wide Public Space Rubbish & Recycling Bins	68,000	50,000	10,120	15%	18,000		-	-	-	-	-	-	-	
657-Recycling - City Wide Wheelie Bins and Crates to Additional Properties	55,945	55,945	36,542	75%	-		-	-	-	-	-	-	-	
721-Awapuni Landfill - Landscaping	17,000	17,000	16,339	79%	-		-	-	-	-	-	-	-	This project is demand driven by the needs of the landfill. Budget will not be overspent at year end.
1077-Citywide - Biodiversity Enhancement Through Native Planting	20,372	20,372	2,085	13%	-		-	-	-	-	-	-	-	This project will be on budget at year end
1106-Recycling - Install RFID Tags on Existing Recycling Wheelie Bins	202,127	202,127	224,179	100%	-		-	-	-	-	-	-	-	Report being prepared to reallocate savings for this overspend from other Capital New programmes in Waste.
1217-City-wide Shared Pathways - New Rubbish/Recycling Bins	25,500	25,500	16,967	65%	-		-	-	-	-	-	-	-	
1371-Closed Landfills and Transfer Stations - Site Infrastructure	55,000	-	-	5%	55,000		-	-	-	-	-	-	-	
1373-City Wide Public Recycling Facilities	49,000	49,000	-	3%	-		-	-	-	-	-	-	-	
1451-Council Facilities LED Lighting Upgrades	60,000	-	-	0%	-		-	-	-	-	-	-	60,000	
1533-Materials Recovery Facility - Air Quality Improvements	50,000	50,000	29,883	61%	-		-	-	-	-	-	-	-	
<i>Innovative &amp; Growing City</i>	7,000	7,000	-		-		-	-	-	-	-	-	-	
1535-City-Wide - Campervan Dump Stations	7,000	7,000	-	10%	-		-	-	-	-	-	-	-	
<i>Stormwater</i>	1,013,000	783,000	576,688		-		-	230,000	-	-	-	-	-	
51-City-wide - Stormwater Subdivision Contributions	50,000	-	-	0%	-		-	50,000	-	-	-	-	-	
197-Urban Growth - North East Industrial Park Stormwater	20,000	-	-	0%	-		-	20,000	-	-	-	-	-	
1001-Urban Growth - Whakarongo - Installation of Stormwater Systems( 1284-C/fwd - Urban Growth - Whakarongo - )	380,000	220,000	218,569	58%	-		-	160,000	-	-	-	-	-	
1060-City-wide - Stormwater Improvement Works	563,000	563,000	358,119	79%	-		-	-	-	-	-	-	-	



Programme	2018/19 Budget	Able to Complete			Savings	Quadrant Position	Risk Categories							Comments
		Full Year Forecast Spend	Actual Spend to date	Actual Physical Progress			Carry Forward	Development /Growth	Third Party Co Fund Required	Probable Budget Risk	Council/Org. Decision Required	Regulatory /Compliance Risk	Insufficient Resource to Develop	
Public Transport	23,659,076	21,752,082	13,581,436		128,607		100,000	-	-	-	300,000	-	1,378,387	
25-Forest Hill Road - Seal Extension	363,087	363,087	253,128	100%	-		-	-	-	-	-	-	-	
57-Manawatu River - Downstream Pedestrian/Cycle Bridge Construction (subject to part external funding)( 1275-C/fwd -	8,599,629	8,599,629	5,833,881	83%	-		-	-	-	-	-	-	-	Good progress, Opening ammended to mid-June to sync with pathways. Council has approved additional funding to allow completion.
114-City-wide - New Cycle Stands and Shelters	30,000	30,000	13,987	57%	-		-	-	-	-	-	-	-	Sites identified after extensive public consultation
148-City-wide - Bus Stop Improvements	63,000	63,000	46,683	51%	-		-	-	-	-	-	-	-	Sites identified, construction to be completed in April
163-City-wide - New Street Tree Planting( 1542-C/fwd - City-wide - New Street Tree )	88,959	88,959	79,050	88%	-		-	-	-	-	-	-	-	
167-Urban Growth - Whakarongo - James Line Upgrade - Stage 4( 1287-C/fwd - Urban Growth - Whakarongo - )	1,203,347	1,203,347	1,124,662	95%	-		-	-	-	-	-	-	-	
201-City-wide - Roading Subdivision Contributions	166,000	166,000	30,074	11%	-		-	-	-	-	-	-	-	
243-City Centre Streetscape Plan - Main Street East (Bus Terminal & Canopies)	137,856	137,856	-	16%	-		-	-	-	-	-	-	-	Work under this budget is being carried out in conjunction with Programme 244 below
244-City Centre Streetscape Plan - Square East (Plaza to ANZ)( 900-C/fwd - The Square East Side - Stree )	2,852,719	1,474,332	951,190	39%	-		-	-	-	-	-	-	1,378,387	Programme delayed and now 2 months behind original programme. Should not materially delay final completion of multi-year programme.
279-City-wide - Minor Road Safety Improvements	830,000	830,000	216,010	59%	-		-	-	-	-	-	-	-	The majority of the funding is dedicated to College Street Cycleway, which is out to tender.
636-Aokautere Drive Pedestrian Cycle Improvements	50,000	50,000	-	72%	-		-	-	-	-	-	-	-	
732-Summerhill Drive - Pedestrian and Cycle Improvements	181,492	181,492	4,987	5%	-		-	-	-	-	-	-	-	
829-City-wide - Undergrounding of Power and Telecom Cables( 713-C/fwd - City-wide - Undergrounding o )	285,607	192,000	158,781	61%	93,607		-	-	-	-	-	-	-	Powerco & Chorus have committed to \$190K, Council approved a reduction in this budget to reflect the agencies reluctance to partner in this programme.
977-Manawatu River (Fitzherbert Bridge to Linton) - Cycle/Pedestrian Pathway (subject to part external funding)( 1229-C/fwd - Manawatu River (Fitzherbert )	3,297,371	3,297,371	2,174,038	83%	-		-	-	-	-	-	-	-	Project on Track - Stages 2 almost complete, Stages 3&4 well underway. Council has approving funding to enable completion.
1003-Urban Growth - Whakarongo - Intersection Upgrades	184,775	184,775	188,991	100%	-		-	-	-	-	-	-	-	
1007-Urban Growth - Whakarongo - Internal Roads	30,420	30,420	30,420	100%	-		-	-	-	-	-	-	-	
1086-City-wide - Street Lighting Upgrade to Current LEDs	2,393,989	2,393,989	1,644,916	79%	-		-	-	-	-	-	-	-	Council has approved additional funding, good progress being made.
1089-Industrial Growth - NEIZ - Richardsons Line Upgrade	100,000	100,000	-	10%	-		-	-	-	-	-	-	-	
1090-Industrial Growth - NEIZ - Roberts/Richardsons Line Intersection Upgrades	46,000	46,000	-	8%	-		-	-	-	-	-	-	-	
1121-Massey and Research Institutes Development (Food HQ) (subject to part external funding)	500,000	200,000	18,510	14%	-		-	-	-	-	300,000	-	-	The multi-year NZTA funding is still subject to approval, but they have just approved some minor preparatory work.
1155-City-wide - Street Seats	11,000	11,000	10,957	90%	-		-	-	-	-	-	-	-	
1183-Stoney Creek Road (School) Safety Upgrade	80,000	80,000	3,790	29%	-		-	-	-	-	-	-	-	Behind Schedule, confident work complete by year end.
1216-City-wide - Additional Cycle Lanes	102,000	102,000	53,590	41%	-		-	-	-	-	-	-	-	A major Portion of this programme is Dedicated to College Street Cycleway.
1314-Manawatu River Shared Pathway - Behavioural Awareness Signage			3,045	100%										
1315-Walker's Road - New Shared Pathway	122,700	122,700	87,714	100%	-		-	-	-	-	-	-	-	
1354-Walkways and Shared Paths - City Loop Wayfinding	2,500	2,500	1,800	49%	-		-	-	-	-	-	-	-	
1358-Footpath extensions city wide	350,000	350,000	30,675	25%	-		-	-	-	-	-	-	-	
1362-Roberts/Railway Road North Intersection Safety Realignment	350,625	250,625	7,698	19%	-		100,000	-	-	-	-	-	-	Evolving Scope changes resulted in delays on getting design completed which will defer completion into 19/20.
1363-Turitea Road Drainage Improvements (above Water Works Rd)	100,000	65,000	60,939	100%	35,000		-	-	-	-	-	-	-	
1367-Street Light Infill Improvements	446,000	446,000	307,191	67%	-		-	-	-	-	-	-	-	Tenders sought, but deemed to be too high, so Officers are currently discussing this with tenderers.
1440-Cuba Street urban streetscape improvements - Rangitikei to George Street	40,000	40,000	2,520	19%	-		-	-	-	-	-	-	-	On Track for construction in 19/20.
1444-Shared path resilience improvements - Limestone to concrete	150,000	150,000	58,264	32%	-		-	-	-	-	-	-	-	Project is being delayed to co-ordinate in with the construction of the pedestrian/cycle bridge.
1488-Seal extension Rural Unsealed Road	500,000	500,000	193,920	86%	-		-	-	-	-	-	-	-	



Programme	2018/19 Budget	Able to Complete			Savings	Quadrant Position	Risk Categories							Comments
		Full Year Forecast	Actual Spend to date	Actual Physical			Carry Forward	Development /Growth	Third Party Co-Fund	Probable Budget Risk	Council/Org. Decision	Regulatory /Compliance	Insufficient Resource to	
<b>Wastewater</b>	1,136,007	742,164	192,029		7,038		193,000	193,804	-	-	-	-	-	
73-City-wide - Wastewater Subdivision Contributions	100,000	39,229	22,224	39%	-		-	60,771	-	-	-	-	-	
210-Urban Growth - Installation of Wastewater Systems for New Industrial Areas - NEIZ Extension Area	135,007	51,974	12,902	10%	-		-	83,033	-	-	-	-	-	
630-City-wide - Seismic Strengthening to Wastewater Structures	64,538	57,500	13,944	15%	7,038		-	-	-	-	-	-	-	
906-Bunnythorpe Wastewater Connection to Palmerston North	1		-	100%										Project completed last year, final charges in this year.
1000-Urban Growth - Whakarongo - Installation of Wastewater Systems( 1307-C/fwd - Urban Growth - Whakarongo - )	257,179	257,179	68,130	52%	-		-	-	-	-	-	-	-	Majority of remaining funds committed to pump station for lower terrace.
1043-Totara Road Wastewater Treatment Plant - Inlet Main Duplication	50,000	50,000	34,978	75%	-		-	-	-	-	-	-	-	
1048-Totara Road Wastewater Treatment Plant - Construction of New Food Waste Facilities	174,282	174,282	26,000	19%	-		-	-	-	-	-	-	-	
1055-Urban Growth - City West - Installation of Wastewater Systems	50,000	-	-	0%	-		-	50,000	-	-	-	-	-	
1074-Totara Road Wastewater Treatment Plant - Earthquake Strengthening of Civil Structures	112,000	112,000	13,852	30%	-		-	-	-	-	-	-	-	
1381-Totara Rd WWTP - Biogas Generator Exhaust Heat Recovery	193,000	-	-	0%	-		193,000	-	-	-	-	-	-	Project Tendered but offers thought to be excessive. Officers seeking to find more cost effective solutions.
<b>Water</b>	4,979,904	3,530,927	1,770,779		54,304		597,887	286,786	-	-	200,000	310,000	-	
91-Turitea Water Treatment Plant - Construction of Duplicate Water Pipeline from Lower Dam to Harts Road Reservoirs( 1544-	646,654	360,000	81,498	8%	-		286,654	-	-	-	-	-	-	Unforeseen difficulties at the design stage delayed project. Now being fast tracked to try and make up lost time.
246-City-wide - Water Subdivision Contributions	50,000	-	27,760	0%	-		-	50,000	-	-	-	-	-	
592-Turitea Water Treatment Plant - Sludge Handling and Disposal Improvements	54,304	-	1,038	5%	54,304		-	-	-	-	-	-	-	
593-Water Safety and Security Mitigation	264,449	264,449	154,454	65%	-		-	-	-	-	-	-	-	
651-City-wide - Seismic Strengthening of Water Structures	413,789	413,789	231,004	71%	-		-	-	-	-	-	-	-	
985-Kelvin Grove Water Supply Zone - New Bore	886,922	576,922	115,932	19%	-		-	-	-	-	-	310,000	-	Final design and tender of chemical treatment and building is being finalised.
1004-Urban Growth - Whakarongo - Installation of Water Supply Systems( 1285-C/fwd - Urban Growth - Whakarongo - )	516,786	280,000	259,340	54%	-		-	236,786	-	-	-	-	-	
1005-Industrial Growth - Installation of Water Supply Systems to an Expanded North East Industrial Zone( 1286-C/fwd - Urban	284,000	284,000	297,665	93%	-		-	-	-	-	-	-	-	
1384-Citywide - New water supply reservoirs to replace an earthquake prone reservoir and enhance supply storage through out the city	750,000	550,000	317,102	47%	-		200,000	-	-	-	-	-	-	Delays in designing and constructing the chemical treatment plant associated with Railway Road bore has delayed progress.
1385-Water Telemetry Disaster Resilience Additional Microwave Link	203,000	203,000	76,889	21%	-		-	-	-	-	-	-	-	Tower Contract awarded, civil constructon complete, work progressing after some difficulty designing the technical solution.
1386-Ashhurst water supply upgrade to address fire fighting shortfalls and cater for growth	160,000	160,000	30,953	10%	-		-	-	-	-	-	-	-	Programme scheduled to occur at end of year as a result of trying to maximise internal resource optimisation.
1389-City Wide - Second River Crossing and Emergency Supply	200,000	-	-	0%	-		-	-	-	-	200,000	-	-	Project delay while Massey finishes seismic assessment of reservoir.
1570-UV Treatment for Papaioea Park Bore 3	550,000	438,767	177,144	33%	-		111,233	-	-	-	-	-	-	Contract now awarded, but earlier difficulties in finding a tenderer has meant completion of this work will not be completed until 19/20.



Programme	2018/19 Budget	Able to Complete			Savings	Quadrant Position	Risk Categories							Comments
		Full Year Forecast Spend	Actual Spend to date	Actual Physical Progress			Carry Forward	Development /Growth	Third Party Co-Fund Required	Probable Budget Risk	Council/Org. Decision Required	Regulatory /Compliance Risk	Insufficient Resource to Develop	
<b>Capital Renewal</b>	<b>26,654,680</b>	<b>23,784,852</b>	<b>13,895,604</b>		<b>1,162,605</b>		<b>1,174,113</b>	-	-	-	<b>533,110</b>	-	-	
<i>Connected &amp; Safe Community</i>	<i>3,468,697</i>	<i>2,515,432</i>	<i>1,131,954</i>		<i>471,920</i>		-	-	-	-	<i>481,345</i>	-	-	
37-Cemeteries - Terrace End - Site Enhancements	9,216	9,216	-	28%	-		-	-	-	-	-	-	-	
178-Central Library Replacement of Shelving, Furniture and Fittings	868,370	868,370	-	0%	-		-	-	-	-	-	-	-	
180-Social Housing - Citywide - Community Housing Refurbishments	147,435	147,435	45,691	92%	-		-	-	-	-	-	-	-	
186-Public Toilets - Refurbishments and Replacements	88,000	88,000	88,297	100%	-		-	-	-	-	-	-	-	Work Complete
188-City Library Replacement and Purchase of Library Materials	824,583	824,583	646,789	65%	-		-	-	-	-	-	-	-	
202-Central Library Interior Design Renewals	197,000	-	-	0%	-		-	-	-	-	197,000	-	-	Council has accepted the Detailed Seismic Assessment. Officers are now preparing a plan to identify and evaluate the options, though it is certain the project will not proceed in its current form.
203-Interior Design of Community Libraries, Youth Space, and Mobile Library	32,000	32,000	25	0%	-		-	-	-	-	-	-	-	
265-Citywide - Community Centre Refurbishments	135,516	135,516	-	3%	-		-	-	-	-	-	-	-	
278-Cemeteries - Kelvin Grove - Roading and Footpath Refurbishment	66,716	66,716	-	7%	-		-	-	-	-	-	-	-	
1120-Ashhurst and Te Patikitiki Community Library Renewals	102,500	7,500	-	4%	-		-	-	-	-	95,000	-	-	Building Repairs awaiting outcome of library management decision on partnership scheme with other libraries.
1138-Digital Technology to Support 21st Century Citizens and Service (Renewal)	35,000	-	-	0%	-		-	-	-	-	35,000	-	-	See Programme 202 above
1139-Radio Frequency Identification (RFID) Materials Management	104,345	-	-	0%	-		-	-	-	-	104,345	-	-	See Programme 202 above
1151-City Libraries - Building Security System Renewal	50,000	-	-	0%	-		-	-	-	-	50,000	-	-	See Programme 202 above
1269-Bylaw Signage - Replacement	6,096	6,096	1,508	30%	-		-	-	-	-	-	-	-	
1291-Library Roof and HVAC Replacement	771,920	300,000	349,644	50%	471,920		-	-	-	-	-	-	-	WT Partnership are using this programme to undertake essential building maintenance at the library in accordance with the assessment report.
1512-CCTV replacements	30,000	30,000	-	17%	-		-	-	-	-	-	-	-	Working with NZ Police to determine need. Project temporarily on hold.
<i>Creative &amp; Exciting City</i>	<i>4,713,448</i>	<i>3,539,335</i>	<i>2,090,414</i>		-		<i>1,174,113</i>	-	-	-	-	-	-	
98-Citywide Reserves - Renewals (Victoria Esplanade, Memorial	240,000	240,000	214,197	81%	-		-	-	-	-	-	-	-	
173-Citywide - Playground Renewals	269,000	269,000	121,756	67%	-		-	-	-	-	-	-	-	
174-Citywide - Replacement of Furniture on Reserves	124,000	124,000	97,437	71%	-		-	-	-	-	-	-	-	
177-Citywide - Replacement of Gardens on Reserves	31,273	31,273	16,155	55%	-		-	-	-	-	-	-	-	
184-Walkways and Shared Paths - Refurbishments and	45,867	45,867	54,319	82%	-		-	-	-	-	-	-	-	
190-Citywide - Replacement of Trees on Reserves	13,030	13,030	13,800	100%	-		-	-	-	-	-	-	-	
194-Citywide - Renewal of Bridges on Reserves			6,176	100%	-		-	-	-	-	-	-	-	
195-Citywide - Renewal of Hardsurface Areas on Reserves	139,000	139,000	149,705	81%	-		-	-	-	-	-	-	-	
213-Cultural Facilities - Replacement of Structures, Internal Fit Out and Services	404,999	404,999	210,547	68%	-		-	-	-	-	-	-	-	
234-Sportsfields and Outdoor Courts - Changing Room Refurbishments	965,588	105,632	30,696	1%	-		859,956	-	-	-	-	-	-	Colquhoun Park proceeding to link in with Softball Junior World Cup. Design and Tenders complete 18/19 & Construction early 19/20. Currently undertaking asbestos removal.
254-City-wide - Sportsfield Carpark and Hardsurface Area Resurfacing			1,056	100%	-		-	-	-	-	-	-	-	
258-Citywide - Refurbishment and Replacement of Boundary Fences on Reserves	45,867	45,867	58,553	100%	-		-	-	-	-	-	-	-	This is demand driven and often gets ahead as neighbours replace fences over Christmas break
267-Sportsfields and Outdoor Courts - Fitzherbert/Manawaroa/Ongley Parks - Cricket Wicket	12,288	12,288	-	0%	-		-	-	-	-	-	-	-	
269-Sportsfields and Outdoor Courts - Vautier Park - Synthetic Court Refurbishments (Plexipave)	45,000	45,000	44,985	100%	-		-	-	-	-	-	-	-	



Programme	2018/19 Budget	Able to Complete			Savings	Quadrant Position	Risk Categories							Comments
		Full Year Forecast Spend	Actual Spend to date	Actual Physical Progress			Carry Forward	Development /Growth	Third Party Co-Fund Required	Probable Budget Risk	Council/Org. Decision Required	Regulatory /Compliance Risk	Insufficient Resource to Develop	
<i>Creative &amp; Exciting City</i>														
271-Sportsfields and Outdoor courts - Awapuni Tennis Court	52,000	52,000	37,254	96%	-		-	-	-	-	-	-	-	
596-Aquatics - Lido Pool - Asset Renewals	349,381	349,381	188,715	52%	-		-	-	-	-	-	-	-	
598-Aquatics - Freyberg Community Pool - Asset Renewals	70,000	70,000	4,222	12%	-		-	-	-	-	-	-	-	
819-Central Energy Trust Arena - Replacement of Equipment	44,151	44,151	36,480	15%	-		-	-	-	-	-	-	-	
826-BC - Bunnythorpe Sports Domain - Renewals	31,765	31,765	-	0%	-		-	-	-	-	-	-	-	
1051-Central Energy Trust Arena Manawatu - Combined Asset Refurbishment	1,105,000	1,105,000	707,818	58%	-		-	-	-	-	-	-	-	Work from next year brought forward and will be completed. This will enable previously unplanned sprinkler work to be designed, along with the scheduled lights and ceiling work for construction in 19/20 yr.
1108-Cultural/Heritage Reserve - Hokowhitu Lagoon - Bank Renewal( 1531-C/fwd - Cultural/Heritage Reserve - )	401,739	141,582	16,025	4%	-		260,157	-	-	-	-	-	-	Design & consents achieved in 18/19, construction will proceed in 19/20
1144-Manawatu Heritage (Archives Digital Repository) Renewal	10,000	10,000	-	0%	-		-	-	-	-	-	-	-	
1406-City Reserves - The Square - Te Marae O Hine - Pouwhenua	186,500	186,500	90,000	31%	-		-	-	-	-	-	-	-	
1474-City-wide - Renewal of park buildings and structures	50,000	50,000	4,982	0%	-		-	-	-	-	-	-	-	
1490-i-Site LED screen renewal	54,000	-	-	0%	-		54,000	-	-	-	-	-	-	
1496-Replacement of Street Flags	23,000	23,000	-	0%	-		-	-	-	-	-	-	-	
<i>Driven &amp; Enabling Council</i>	3,190,308	3,190,308	2,148,667		-		-	-	-	-	-	-	-	
53-Computer Replacement - Rolling Replacements	475,000	475,000	296,281	65%	-		-	-	-	-	-	-	-	
58-Network Additions and Upgrades	40,707	40,707	-	0%	-		-	-	-	-	-	-	-	
63-Council's Plant and Vehicles - Replacements	1,075,000	1,075,000	1,003,427	90%	-		-	-	-	-	-	-	-	Over YTD budget, due to early purchase of 2 trucks, will meet budget at year end.
68-Aerial Photography	27,729	27,729	21,874	75%	-		-	-	-	-	-	-	-	
80-Council's Plant and Equipment - Replacement	166,368	166,368	131,361	85%	-		-	-	-	-	-	-	-	
85-Council's Depot Buildings and Structures( 1532-C/fwd - Council's Depot Buildings a )	42,000	42,000	17,146	16%	-		-	-	-	-	-	-	-	
86-Council Wide - Furniture Replacements	10,270	10,270	12,594	100%	-		-	-	-	-	-	-	-	
221-Print Synergy - Replacement of Print Synergy Machinery	4,000	4,000	-	0%	-		-	-	-	-	-	-	-	
272-Staff Cafeteria - Replacement of Equipment	5,690	5,690	1,866	40%	-		-	-	-	-	-	-	-	
281-Operational Property -Civic Administration Building - Refurbishments	1,067,544	1,067,544	603,271	95%	-		-	-	-	-	-	-	-	
318-Telecommunications Replacement - Council Buildings	91,000	91,000	36,095	35%	-		-	-	-	-	-	-	-	
755-Replacement of Parking Enforcement Hand Helds and iPhone	55,000	55,000	-	0%	-		-	-	-	-	-	-	-	
784-Replacement of Council's Photocopiers/Printers	130,000	130,000	28,484	20%	-		-	-	-	-	-	-	-	
<i>Eco-City</i>	361,650	334,084	228,913		27,566		-	-	-	-	-	-	-	
185-Closed Landfills and Transfer Stations - Site Infrastructure Renewals	140,684	140,684	131,752	84%	-		-	-	-	-	-	-	-	
612-Recycling - City Wide Wheelie Bin and Crate Renewals	73,566	46,000	35,803	55%	27,566		-	-	-	-	-	-	-	Forecast annual bin replacements should not require the full budget.
649-Recycling - Materials Recovery Facility Renewals	131,400	131,400	50,522	36%	-		-	-	-	-	-	-	-	
1368-City Wide Public Space Rubbish & Recycling Bins Renewals	15,000	15,000	10,835	34%	-		-	-	-	-	-	-	-	
1374-City Wide Public Recycling Facilities Renewals	1,000	1,000	-	0%	-		-	-	-	-	-	-	-	
<i>Innovative &amp; Growing City</i>	379,939	379,939	244,607		-		-	-	-	-	-	-	-	
251-Convention Centre - Replacement of Equipment	34,958	34,958	23,448	30%	-		-	-	-	-	-	-	-	
270-Investment Properties - Holiday Park - Renewals	191,231	191,231	185,680	96%	-		-	-	-	-	-	-	-	
664-Convention Centre - Renewals	153,750	153,750	35,480	85%	-		-	-	-	-	-	-	-	



Programme	2018/19 Budget	Able to Complete			Savings	Quadrant Position	Risk Categories							Comments
		Full Year Forecast Spend	Actual Spend to date	Actual Physical Progress			Carry Forward	Development /Growth	Third Party Co-Fund Required	Probable Budget Risk	Council/Org. Decision Required	Regulatory /Compliance Risk	Insufficient Resource to Develop	
<b>Stormwater</b>	634,647	634,647	117,648		-		-	-	-	-	-	-	-	
20-City-wide - Stormwater Pump Station Renewals	70,000	70,000	-	11%	-		-	-	-	-	-	-	-	
1062-City-wide - Stormwater Renewal Works	564,647	564,647	117,648	40%	-		-	-	-	-	-	-	-	Early Delays should be caught up in the good weather
<b>Transport</b>	6,496,909	6,261,274	3,212,575		183,870		-	-	-	-	51,765	-	-	
64-City-wide - Footpath Renewals and Replacements( 1546-	961,767	889,897	818,531	82%	71,870		-	-	-	-	-	-	-	
74-City-wide - Street Light Replacements	135,000	135,000	79,368	100%	-		-	-	-	-	-	-	-	
82-City-wide - Off Street Parking Resurfacing, Remarking and Signage Replacement	10,000	10,000	-	53%	-		-	-	-	-	-	-	-	
115-City-wide - Sealed Pavement Renewals	2,514,897	2,514,897	626,627	64%	-		-	-	-	-	-	-	-	
122-City-wide - Road Drainage Replacements	374,007	374,007	197,961	65%	-		-	-	-	-	-	-	-	
139-City-wide - Sealed Road Resurfacing	1,756,392	1,756,392	1,016,938	85%	-		-	-	-	-	-	-	-	
155-City-wide - Street Tree Replacements	60,000	60,000	44,921	87%	-		-	-	-	-	-	-	-	
162-City-wide - Vehicle Crossing Replacements( 1547-C/fwd - City-wide - Vehicle Crossin )	476,081	476,081	393,965	62%	-		-	-	-	-	-	-	-	
175-City-wide - Traffic Signals Renewals			2,125	100%										
181-City-wide - Bus Shelter Upgrades and Replacements	34,000	34,000	33,600	55%	-		-	-	-	-	-	-	-	
742-Campbells Road - Bridge Renewal	51,765	-	-	0%	-		-	-	-	-	51,765	-	-	Currently on hold while ring road is finalised. Council disagrees with NZTA that the replacement bridge should only be 70% of class One
648-City-wide - Replacement of Deteriorating Cycle Stands	11,000	11,000	-	6%	-		-	-	-	-	-	-	-	
828-City-wide - Parking Meter Replacement	112,000	-	2,790	0%	112,000		-	-	-	-	-	-	-	Asset condition leads officers to conclude only a small number require replacement.
<b>Wastewater</b>	3,993,634	3,616,808	1,920,242		376,826		-	-	-	-	-	-	-	
54-City-wide - Wastewater Pipe Renewal	1,600,000	1,579,194	1,044,211	66%	20,806		-	-	-	-	-	-	-	Work on Schedule, estimate full budget not required
65-City-wide - Wastewater Pump Station Renewal	150,000	150,000	55,503	53%	-		-	-	-	-	-	-	-	
179-Totara Road Wastewater Treatment Plant - Minor Equipment Renewals	130,000	130,000	132,209	83%	-		-	-	-	-	-	-	-	
621-Totara Road Wastewater Treatment Plant - Digester Lids Refurbishment	17,433	17,433	18,356	100%	-									
1050-Totara Road Wastewater Treatment Plant - Replacement of PLCs and SCADA			3,000											
1056-Totara Road Wastewater Treatment Plant - Replacement of Inlet Screens (Renewal)( 1555-C/fwd - Totara Road Wastewater Trea )	415,489	415,489	288,536	81%	-		-	-	-	-	-	-	-	Council has approved additional budget, but this is currently phased into the later months, hence the continued "Over Budget" warning in the quadrant report.
1059-Totara Road Wastewater Treatment Plant - Replacement of Grit Removal Systems	635,000	366,977	121,058	26%	268,023		-	-	-	-	-	-	-	
1067-Totara Road Wastewater Treatment Plant - Replacement of Security Fence and Gate	350,000	300,000	30,660	36%	50,000		-	-	-	-	-	-	-	
1068-Totara Road Wastewater Treatment Plant - Replacement of Inlet Pumps	545,712	507,715	156,339	35%	37,997		-	-	-	-	-	-	-	Final design modelling did not support initial design that suggested cost effective improvements could be made to channel. Reduced project scope on track to finish as per original project.
1380-Totara Rd WWTP - Biogas Generator Major Overhauls	150,000	150,000	70,370	70%	-		-	-	-	-	-	-	-	Contractor has been commissioned
<b>Water</b>	3,415,448	3,313,025	2,800,584		102,423		-	-	-	-	-	-	-	
199-City-wide - Water Bore Headworks and stations Renewal	282,903	282,903	235,532	87%	-		-	-	-	-	-	-	-	
207-Turitea Water Treatment Plant - Equipment and Facility Renewals	196,641	196,641	155,461	92%	-		-	-	-	-	-	-	-	
214-City-wide - Water Toby and Meter Replacements	170,904	170,904	163,345	66%	-		-	-	-	-	-	-	-	
218-City-wide - Water Pipe Replacements	2,015,000	1,912,577	1,484,297	73%	102,423		-	-	-	-	-	-	-	Work and finance on track, estimate all tasks will be completed with a surplus.
663-Ashhurst - Bore to Reservoir Pipe Replacement	600,000	600,000	616,396	82%	-		-	-	-	-	-	-	-	
1058-City-wide - Groundwater Bores Renewal	150,000	150,000	145,553	97%	-		-	-	-	-	-	-	-	Keith Street Bore connection delayed to allow 3 months of clear water tests.



**Attachment 4 – Financial Statements**

**Palmerston North City Council**  
**Summary of Financial Performance**  
**Year to Date Period Ended March 2019**

	Year to Date			Full Year	
	Actual	Budget	Actual	Revised	Annual
	\$000	\$000	Prior Year \$000	Budget \$000	Budget \$000
<b>OPERATING REVENUE</b>					
Rates revenue	71,486	70,956	67,891	94,579	94,537
Interest and dividends	895	513	754	517	517
Other revenue	20,067	18,440	18,920	24,421	24,421
Operating subsidies and grants	2,768	2,366	2,090	3,207	3,207
<b>TOTAL OPERATING REVENUE</b>	<b>95,216</b>	<b>92,275</b>	<b>89,655</b>	<b>122,723</b>	<b>122,682</b>
<b>CAPITAL REVENUE</b>					
Capital subsidies and grants	6,404	11,215	8,034	14,600	13,373
Development contributions	1,365	797	1,959	1,063	1,063
Vested assets	1,032	1,500	3,156	2,000	2,000
<b>TOTAL CAPITAL REVENUE</b>	<b>8,801</b>	<b>13,512</b>	<b>13,149</b>	<b>17,663</b>	<b>16,436</b>
<b>TOTAL REVENUE</b>	<b>104,017</b>	<b>105,787</b>	<b>102,804</b>	<b>140,386</b>	<b>139,119</b>
<b>EXPENSES</b>					
Employee and elected member remuneration	(32,927)	(32,136)	(30,672)	(42,907)	(42,743)
Depreciation and amortisation	(24,001)	(25,970)	(24,364)	(34,627)	(34,627)
Interest	(4,531)	(5,202)	(4,392)	(7,295)	(7,284)
Professional service costs	(8,966)	(6,752)	(5,901)	(9,677)	(9,650)
Other expenses	(31,529)	(29,594)	(26,653)	(41,954)	(42,076)
<b>TOTAL EXPENSES</b>	<b>(101,954)</b>	<b>(99,655)</b>	<b>(91,982)</b>	<b>(136,461)</b>	<b>(136,379)</b>
<b>NET SURPLUS/(DEFICIT) BEFORE TAX</b>	<b>2,063</b>	<b>6,132</b>	<b>10,822</b>	<b>3,925</b>	<b>2,739</b>

Palmerston North City Council  
Statement of Financial Position  
as at 31 March 2019

	2018/19			2017/18
	as at 31 March 2019		Full Year	As at 30 June 2018
	Actual \$000s	YTD Rev Budget \$000s	Rev Budget \$000s	Actual \$000s
<b>Current Assets</b>				
Cash & Short Term Deposits	1,747	1,643	1,643	1,643
Trade and other receivables	8,015	10,646	11,021	11,051
Inventory	5,138	512	512	512
Derivative financial instruments	-	-	-	-
Non-current assets held for sale	-	-	-	-
<b>Total Current Assets</b>	<b>14,900</b>	<b>12,801</b>	<b>13,176</b>	<b>13,206</b>
<b>Non-Current Assets</b>				
Property, plant and equipment	1,568,612	1,586,143	1,617,390	1,558,609
Intangible Assets	1,276	1,572	1,572	1,572
Biological Assets	1,431	1,432	989	1,432
Investment Properties	5,335	5,515	5,515	5,515
Investments & Advance	13,570	13,409	13,409	13,409
Derivative financial instruments	-	-	-	-
<b>Total Non-Current Assets</b>	<b>1,590,225</b>	<b>1,608,071</b>	<b>1,638,875</b>	<b>1,580,537</b>
<b>Total Assets</b>	<b>1,605,125</b>	<b>1,620,872</b>	<b>1,652,051</b>	<b>1,593,743</b>
<b>Current Liabilities</b>				
Bank overdraft	-	-	-	-
Trade and other payables	16,323	18,290	21,910	21,910
Provisions	970	1,491	1,491	1,491
Current Employee Entitlements	5,805	5,019	5,071	5,071
Current Portion - Term Liab	10,000	25,000	25,000	25,000
Derivative financial instruments	462	346	346	346
<b>Total Current Liabilities</b>	<b>33,560</b>	<b>50,146</b>	<b>53,818</b>	<b>53,818</b>
<b>Non-Current Liabilities</b>				
Provisions	665	665	665	665
Term Employee Entitlements	1,467	1,368	1,368	1,368
Term Liabilities	102,000	100,307	119,857	74,875
Derivative financial instruments	10,427	8,075	8,075	8,075
<b>Total Non-Current Liabilities</b>	<b>114,559</b>	<b>110,415</b>	<b>129,965</b>	<b>84,983</b>
<b>Total Liabilities</b>	<b>148,119</b>	<b>160,561</b>	<b>183,783</b>	<b>138,801</b>
<b>Assets less Liabilities</b>	<b>1,457,007</b>	<b>1,460,311</b>	<b>1,468,268</b>	<b>1,454,942</b>
<b>Public Equity</b>				
Retained earnings	1,049,093	1,049,515	1,047,362	1,043,437
Other reserves	407,913	411,505	421,852	411,505
<b>Total Public Equity</b>	<b>1,457,007</b>	<b>1,461,020</b>	<b>1,469,214</b>	<b>1,454,942</b>

**Palmerston North City Council**  
**Statement of Cash Flows**  
**Year to Date Period Ended March 2019**

	Year to Date		Full Year	
	Actual	Revised Budget	Revised Budget	Annual Budget
<b>Cash Flows From Operating Activities</b>				
Receipts from rates revenues	71,184	71,402	94,537	94,537
Interest received	246	13	17	17
Dividends received	649	500	500	500
Operating subsidies and grants	2,768	2,366	3,207	3,207
Receipts from other revenue	21,329	17,626	24,421	24,421
Capital subsidies and grants	9,131	12,515	13,399	13,373
Development contributions	1,365	797	1,063	1,063
Receipts from tax losses	-	-	-	-
Interest paid	(4,531)	(5,210)	(7,284)	(7,284)
Payments to suppliers and employees	(80,557)	(73,170)	(94,508)	(94,468)
Goods and Services Tax (net)	4,025	474	-	-
	25,609	27,312	35,352	35,366
<b>Cash Flows From Investing Activities</b>				
Proceeds from sale of property	248	-	-	-
Proceeds from sale of biological assets	-	-	442	-
Purchase of property, plant and equipment - new	(23,820)	(32,189)	(51,402)	(47,890)
Purchase of property, plant and equipment - renewal	(13,896)	(19,815)	(26,341)	(26,186)
Net other advances repayment received/(made)	196	22	30	-
Net increase in investments	(240)	-	-	-
	(37,512)	(51,982)	(77,271)	(74,076)
<b>Cash Flows From Financing Activities</b>				
Investment fund reductions	(117)	-	-	-
Net borrowing proceeds/(repaid)	12,125	24,794	41,919	38,710
Repayment of borrowings	-	-	-	-
Repayment of leases	-	-	-	-
	12,008	24,794	41,919	38,710
<b>Net Increase</b>	104	124	-	-
<b>Cash at Beginning</b>	1,643	1,279	1,279	1,279
<b>Cash at Month End</b>	1,747	1,403	1,279	1,279

**Attachment 5 – Revised budget amendments****Revised Budget Amendments**

The revised budget is after adjusting the 2018/19 Annual Budget for the following changes authorised by Council. These also impact the level of debt required.

<b>Operating</b>	<b>\$000</b>
Annual budget Net Result	2,739
Changes authorised by Council:	
1086-City-wide Street Lighting upgrade increase in external capital revenue	1,200
Other changes:	
Inclusion of Warmup Palmy targeted rate	(14)
Revised Budget Net Result	3,925

<b>Capital Expenditure</b>	<b>Programme</b>	<b>\$000</b>
Annual Budget total capital expenditure		74,076
Changes authorised by Council:		
Adjust budget carry forwards to actual		674
Pedestrian/cycle bridge (To be offset by reallocations from other programmes)		1,210
Water source and security (to be added)	985, 592, 1005, 246,1404,1384, 593, 1570	1,412
Walkways purchase of land (amend to carryforward)	94	145
Emergency operations centre	1513	200
Replacement community signage options	1490	54
GK forest new roads	245	26
He Ara Kotahi - Downstream Pedestrian/Cycle Bridget Construction	57	1,248
Manawatu River(Fitzherbert Bridge to Linton) Cycle Pedestrian Pathway	977	1,767
City Wide Undergrounding of Power and Telecom Cables	829	(900)
City Wide Street Lighting Upgrade to Current LEDs	1086	889
Operational Property - Civic Administration Building - Refurbishments	281	260
<b>Annual Budget total capital expenditure</b>		<b>81,061</b>

### Variations of Budgets

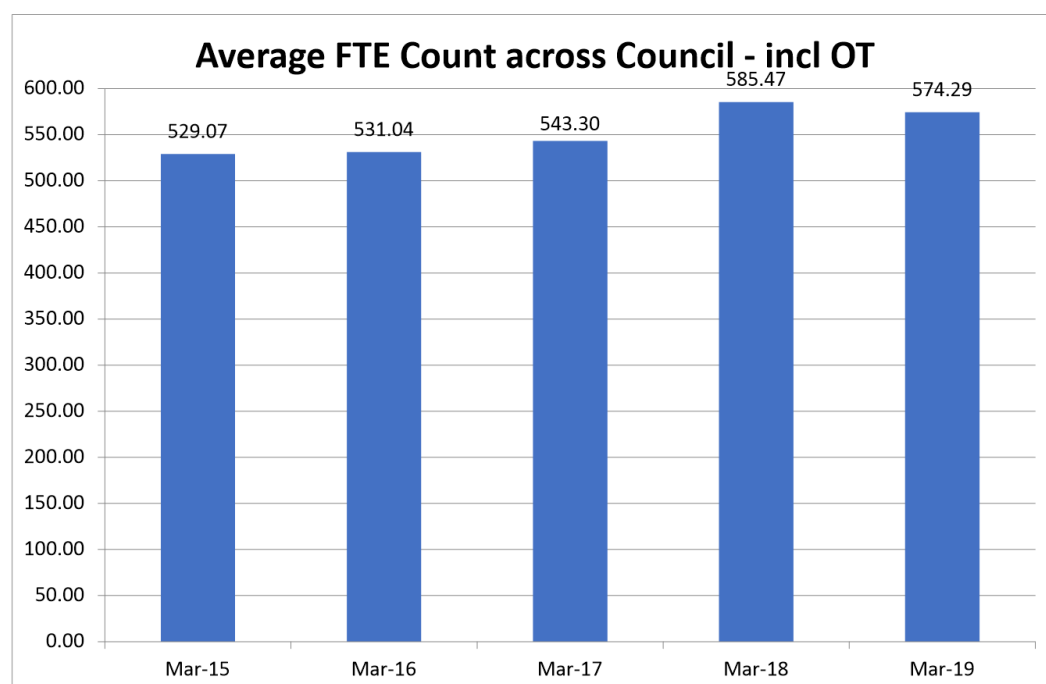
The Delegations Manual provides that the Chief Executive may approve transfers of budgets where this will best achieve the outcome intended and savings can be made to offset the authorised increase. Amounts authorised are required to be reported quarterly to the Finance and Performance Committee.

Operating	Budget	Variation	
Activity	\$000	\$000	%
Sculptures maintenance (internal transfer of programme across activities)	5	-	
1480 Sponsorship opportunities with economic benefits (internal transfer of programme)	50	-	
Maori advisory (internal transfer of operating costs across activity)	45		
Turitea Forest harvest brought forward, cash beneficial (net of capital revenue and write-off	Capital Rev 26 Write off (40)	(14)	

Capital Expenditure	Programme	Type	Budget	Variation	
			\$000	\$000	%
Investment Properties - Holiday Park	270	Renewal	141	50	35
Public toilets	186	Renewal	100	(12)	(12)
Council's depot and buildings	85	Renewal	80	(38)	(48)
Public sculptures (internal transfer of programme across activities)	367	New	50	-	
'Seismic strengthening of wastewater structures	630	New	177	(112)	(63)
'Totara Rd - seismic strengthening of civil structures	1074	New	100	12	12
'City Centre Flagtrax installation	1446	New	150	60	40
Water telemetry disaster resilience microwave link	1385	New	163	40	25

Attachment 6 – Personnel

**FTE Count Across Council – As at March 2018**



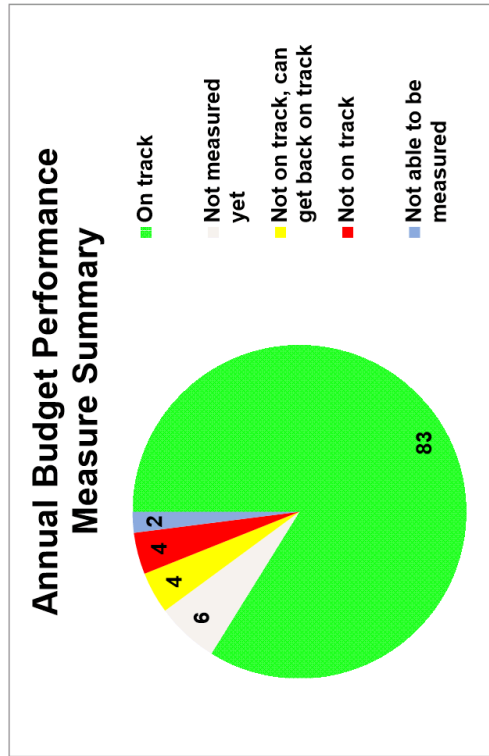
## Quarterly Performance and Financial Report - March 2019

### 10 Year Plan KPIs

This part of the report looks at how well the Council is delivering on the performance measures, and whether services and projects are being provided within budget.

The performance measures have been updated in accordance with the 10 Year Plan 2018-28. The report is organised by Activities. Each Activity page has "traffic lights" to show progress towards the 10 Year Plan:

W	Not measured yet
G	On track
Y	Not on track, can get back on track
R	Not on track, unlikely to get back on track
B	Not able to be measured or completed, due to circumstances outside of Council's control



#### Synopsis and common themes

- There are 99 10 Year Plan performance measures and the majority of these are green. That means Council is on track to achieve a significant number of its objectives.
- There are 83 measures, or 92%, that are being achieved of those that have been measured.
- There are currently 4 red measures meaning the objective is unlikely to be achieved, and 4 measures not being achieved which are believed to be capable of getting back on track.

## Goal 1: An Innovative and Growing City

### City Development Activity

2

Performance Measures (Page 44 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
01. There is a continual supply of land for at least 1,900 greenfield residential sections.	Kikiwhenua Residential Area proposed. Developing structure plan for expanded Aokautere Area. Identified preferred options for housing at Ashhurst. Progressing rezoning at Napier Road Flyers Line in collaboration with landowners. Finalising business and housing needs assessment.	G	G	G	
02. Ratio of lower quartile home price to median household income. (This measures whether a household that is renting can afford to buy a home. It is part of the MBIE set of indicators and will allow comparisons with other Councils. It is a new measure so Council has no target set yet.)	Finalising Business and Housing Capacity assessment. 79.4% of renting households in Palmerston North in March 2018 were not able to feasibly afford to own a lower quartile house. The ratio was 79.8% in December 2017 and 79.4% in March 2017. (Note: March 2018 is the latest quarter available)	B	G	W	
03. At least 95% of resource consent applications are processed within statutory timeframes.	Of the 331 consents processed year to date, 285 (86%) have been processed within timeframes. Reasons for the target being unlikely to be achieved include, extremely high numbers of consent have been lodged, staff shortages and holds up in receiving assessments and feedback from infrastructure and other technical experts. Additional planning resources are being hired to help deal with the high number of consents, which is expected to continue.	Y	Y	R	
04. At least 95% of building consent applications are processed within statutory timeframes.	Of the 293 building consent applications processed, 279 (95%) were processed within statutory timeframes. YTD total processed: 903. YTD average processed within statutory timeframes: 97%	G	G	G	
05. Council keeps its status as an accredited building consent authority.	Maintained. Next assessment due 1 - 5 April 2019.	G	G	G	
06. At least three years of housing and business land with services is immediately available.	Three years land is available and will be detailed in the Housing Needs Assessment (due May 2019)	G	G	G	

Performance Measures (Page 44 of the 10 Year Plan)		Comments	Sept	Dec	Mar	June
07. Council development projects reflect principles of good urban design. (Narrative measure)		Master plans and design review informing catalyst projects	Y	G	G	
08. Building Services: Major services and projects are provided within budget.		<p><b>Building Services:</b> Building Services results are favourable, although exceed budget due to higher than expected revenue, partly offset by corresponding expenses.</p> <p><b>Planning Services - Private:</b> Due to workloads and staff shortage many consents have been processed by consultants which increases private expenditure. This is mostly off set by the consultants charges being on charged to customers. Additional planning resources being hired should help address this.</p> <p><b>Planning Services - Public:</b> On budget.</p> <p><b>Urban Design:</b> Services provided and on budget.</p> <p><b>Heritage Management:</b> Services provided and on budget.</p>	G	G	G	

## Strategic Transport (Roading) Activity

Performance Measures (Page 48 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
01. Percentage of requests for service relating to roads and footpaths responded to (with at least an initial formal response) within three working days. (greater than 95%)	1517 RFs relating to the roading activity were received during the quarter. For 85.5% (1297) of these responses were provided to the caller within three working days. Officers are working with external consultants to amend requirements in the current contract to address performance in this area and meet the KPI in the coming financial year.	Y	Y	R	
02. The average quality of ride on the sealed local road network, measured by smooth travel exposure. (STE greater than 80%)	The quality of ride on the sealed road network is measured every two years. Data from the latest drive over in late 2018, confirms an average of 84% of the network meets or exceeds the target. While the low volume residential portion of the network exceeds the 80% target standard, the arterial and collector road portion of the network is below the 80% standard. On average 95% of rural roads meet or exceed the standard.	W	W	G	
03. The change in the number of fatal and serious injury crashes from the previous financial year on the city's local roading network. (Reduction in five-yearly rolling average)	The five year rolling average indicates an increase of 9 or 6% in serious and fatal crashes (157 from 148) for the period ending June 2018 compared to June 2017. The increase is heavily influenced by 2017/18 which recorded 35 serious crashes and 5 fatal crashes. The increase is consistent with trends occurring in other urban areas in New Zealand.	W	W	B	
04. Percentage of sealed roads that are resurfaced each year. (Greater than 3.5%)	For the 2018-19 financial year, 11.4 km of the 515 km or 2.3% of the road network will be resealed. Lower reseal lengths reflect an optimised and targeted approach to renewals investment. Reseal cycles are being extended to 18 to 20 years for low volume roads, to enable funding to be redirected to pavement renewals in the major arterials. Lower linear reseal lengths also reflects wider treatment widths with kerb to kerb treatments used rather than concentrating on the traffic lanes. The target KPI will not be met in the current year or in the foreseeable future. The approach being taken is in line with NZTA expectations to prioritise funding based on condition and need.	W	W	R	

Performance Measures (Page 48 of the 10 Year Plan)		Comments	Sept	Dec	Mar	June
05. The percentage of footpaths that meet Council standard. (Note: Council is developing an improved system for monitoring footpath standards. It is based on IPWEA (Institute of Public Works Engineering Australasia). Footpath Condition Rating Standard, and will be a much more robust way of measuring and prioritizing footpath maintenance and renewals. The results in the first year of its use will be used to set new targets for subsequent years.)		Council completed a city wide footpath condition survey. The raw fault data indicates 90.7% of footpaths met Council's standard (Grade 1 to 3) while 9.3% of the footpaths are very poor (2% - Grade 5) or poor (7.3 - Grade 4). The grade 4 and 5 faults are being progressively assessed in the period to 30 June 2019 to confirm the specific treatment lengths and quantum of work to be undertaken. This will enable planning and budgeting for addressing the defects over the next two years.	G	G	W	
06. A 30-year Asset Management Plan is in place for strategic transport and roading, and major AMP projects approved in the 10 Year Plan are achieved. [Specific projects will be listed in the Plan] (Renewals as a group: see note in 10 Year Plan pg. 48)		The Roding Asset Management Plan was completed and adopted by Council prior to adoption of the current 2018-28 LTP. Work has been progressing on improvements particularly in condition assessment of critical assets to better inform future programmes of work.	G	G	G	
07. Strategic Transport (Roading) and Active and Public Transport: Major services and projects provided within budget.		Routine capital new transport safety and pavement and footpath renewal programmes of work are on track to be delivered. A range of key transport projects such as Food HQ and Napier Road Safety Improvements are still awaiting NZTA business case processes and approvals. He Ara Kotahi and the associated river pathway to Linton and Massey are on track to be completed by the end of May, following Council approval of an increase to the programme budgets. The urban cycleway programme of work for the year is focussed largely on upgrades to College Street, and this programme is on track to be delivered by year end.	G	Y	G	

## Economic Development Activity

Performance Measures (Page 58 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
01. Funding is distributed and the contract deliverables achieved with the funding will be described. (Narrative measure)	Funding distributed as per contract. Highlights include: launch of Te Aho Tāmaka leadership alumni programme; Work Ready Portfolio and Awesome Summer Jobs programmes; revamp of the ManawatuNZ.co.nz; "Face of Manawatu" campaign. In addition there has been an 11% increase in new student visas for year end 31 December 2018 and a significant increase in engagement with Māori business.	G	G	G	
02. Conference and Function Centre: Major services and projects are provided within budget.	There are no major projects planned for the Conference & Function Centre during this current financial year. Some asset renewal works are planned or have been undertaken such as replacing sound proof dividing doors in the Conference Room and upgrade of the main switchboard located in the basement of the CAB building. Business for the Conference & Function Centre is strong with a high level of continual enquiries and bookings in to the future.	G	G	G	
03. Major services and projects are provided within budget for the Economic Development Activity	<p><b>Economic Development</b> Services being provided within budget.</p> <p><b>International Relations:</b> Services are being delivered within budget, including successful Sister City Conference and delegation visits.</p>	G	G	G	

## Goal 2: Creative and Exciting City

### Active Public Space Activity

7

Performance Measures (Pages 65-66 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
01. Projects from the City Centre Streetscape Plan are implemented on time and budget. (Narrative measure)	The Square East portion of the City Centre Streetscape Programme scheduled for this year is on budget. Stage 1 of Square East is programmed for completion in early April, while Stage 2 which was originally programmed to be delivered this financial year (2018/19) will be only partially complete. Design, material procurement and contractor procurement for Stage 2 will occur this financial year, while the construction phase is now due to occur in next financial year from July to October 2019. Stage 2 was impacted by the delay in securing a contractor for stage 1, and internal personnel capacity constraints to undertake project planning and design. Future Square East stages of work are programmed to be delivered within the existing programme timeframes in 2019/20.	G	R	Y	
02. Projects from the Manawatu River Framework are implemented on time and budget. (Narrative measure)	The dog agility park at Ahimate Reserve has been completed and is proving to be popular. The natural new carparking area is now open for use.	G	G	G	
03. Description of the range of public space projects and their outcomes. (Narrative measure)	Cuba Street upgrade complete and Square East underway. A variety of placemaking projects undertaken including: The Square Unbox (15 groups partnered, with increased usage of The Square during non-event times); two different mobile gyms launched with positive engagement in both The Square and Manawatu River; seven mural projects completed, partnering with the arts, LGBT, youth and business communities; two new little free libraries and one new sharing cupboard; one pop-up art mart activating a vacant shop and exhibiting local arts and crafts.	G	G	G	

Performance Measures (Pages 65-66 of the 10 Year Plan)		Comments				Sept	Dec	Mar	June
04. Description of the range of community events and initiatives. (Narrative measure)		The quarter from January to March is the prime events season with a full programme including: Gravel & Tar Cycling event (Jan), Speedway Team Champs (Feb), Waitangi Day (Feb), Grand Prix (Feb), Hurricanes v Brumbies activations (Mar), Explore Esplanade Day (Mar), Rural Games (Mar), Festival of Cultures (Mar), and Gold Cup Festival (Mar). Planning is underway to repurpose the Tattoo Wrap around events in the first week of April prior to the ANZAC day Commemorations. There is significant work being undertaken in managing the postponement of the NZ Tattoo and confirming a new date the event.				G	G	G	
05. Funding for economic events is distributed and the contract deliverables achieved with the funding are described. (Narrative measure)		Event budget for 2018/19 is fully allocated. Funded events delivered during the period include Gravel & Tar (Jan), and Rural Games (Mar). Contract deliverables (KPIs) for these events are due to be reviewed in the following quarter.				G	G	G	
06. Active and Public Space: Major services and projects are provided within budget.		Events Van has been sourced and arrives this month. Events tracking under budget. Isite LED replacement screen is on track under budget and to be installed this week.				G	G	G	

## Arts, Culture & Heritage Activity

9

Performance Measures (Page 71 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
01. Funding is distributed and the key objectives achieved with the funding are described. (Narrative measure)	Creative Community Funding rounds are progressing, with the latest to be completed in April. The "Arts Powerhouse" stakeholder group have had their first meeting of 2019 and have agreed that their immediate focus is: - the development of a scheduling tool for arts events; and - a marketing plan for the promotion of arts activities beyond the city.	G	G	G	
02. Sites of significance to Rangitane are identified, protected or acknowledged. (Narrative measure)	Cultural impact assessments completed for new development.	G	G	G	
03. Increase in the number of scheduled heritage features contained in the District Plan. (Current numbers are 7 Sites of Significance to Tangata Whenua, 89 Buildings & Objects, 2 Heritage Areas, 117 Notable Tree and Groups of Tree, and 15 Habitats of Local Significance).	The project scope for the review of notable trees in the District Plan is currently being developed.	G	G	G	
04. Increase in investment in earthquake-prone heritage buildings. (Narrative measure)	Supporting a number of owners to work towards works via the heritage fund. About to allocated heritage fund applications.	G	G	G	

Performance Measures (Page 71 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
05. Major services and projects are provided within budget for the Arts, Culture & Heritage Activity	<p><b>Other Cultural Facilities: (The Regent, Globe, Caccia Birch, Creative Sounds)</b></p> <p>Projects to be delivered in 2018/19 year, all within budgets:- Toilet Replacement - Square Edge Building- LED Light Replacement - The Regent- New Heating/ Cooling System - The Globe- Deck Replacement - Te Manawa School Hall.</p> <p><b>Support to arts, culture &amp; heritage groups:</b></p> <p>All budgets are on track.</p> <p><b>Te Manawa:</b></p> <p>The 6 month report has been received - and services have been provided within budget.</p>	G	G	G	

### Active Community Activity

11

Performance Measures (Page 76 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
01. A 30-year Asset Management Plan is in place for sports facilities and major AMP projects approved in the 10 Year Plan are achieved. [Specific projects will be listed in the Plan.] (Renewals as a group and Central Energy Trust Arena projects.)	Asset Management Plans were adopted by Council in June 2018 and are being implemented as per 2018-2028 10 Year Plan. The Infrastructure Unit is currently developing a programme for the update of the plan.	G	G	G	
02. Sports fields are available for weekend organised use. (At least 85%)	There have been no ground closures during the period	G	G	G	
03. Swimming pool annual usage: Lido - more than 330,000 people Freyberg - more than 110,000 people	The number of users of the Lido to the end of February 2019, was 259,175. This is 4% down on the same period last year. The number using the Freyberg was 114,361, this is up 31% on the same period last year.	G	G	G	
04. Funding is distributed (for external recreation organisations to help increase levels of participation in sport and active recreation) and the key objectives achieved with the funding are described. (Narrative measure)	Funding distribution has continued through Sport Manawatu, as detailed in their six monthly report to the March meeting of Rec and Sport Committee.	G	G	G	

Performance Measures (Page 76 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
05. Major services and projects are provided within budget for the Active Community Activity	<p>There is currently a degree of uncertainty around these programmes and budgets. We have changed the Project Manager to WT Partnership. Council is reviewing the programme of work around the Arena development. This includes:- Reviewing the masterplan and overall layout- Rescoping the delivery timeframes for each component and what year they will be delivered and the priorities- reviewing the budgets for each of the projects. The Artificial Turf project is still on hold as remainder of required funding is sourced. It is hoped the project will start construction before the end of the financial year. The selected contractor has held their price until 30 June 2019. Arena asset renewal projects that were scheduled for Fly Palmy Arena such as the LED light and acoustic tile replacement have been rescheduled to the next financial year due to the issues encountered with the floor. Timeframes and availability mean this work has been moved to Christmas time and other renewal projects bought forward into this financial year. Delivery of services has been challenging due to the Fly Palmy Arena floor issue and having to juggle and in some cases cancel bookings but this has been managed as best as possible in the circumstances and forward bookings are strong for the venue.</p>	G	G	B	

Performance Measures (Page 76 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
06. City-Wide Reserves: Major services and projects are provided within budget.	<p><b>City Wide Reserves</b> Heavy rainfall in late December caused significant damage to walkway tracks within the Aokautere area. Resources have been redirected towards repairs, from the overall City Reserves budget provision. The Linklater log scramble play area has been completed, and the Flying Fox reopened. Design work is progressing for the placement of the old 22lb gun in Memorial Park. The Esplanade User Forum met for the first time on 18th March, to discuss implementation of the Masterplan. Individual projects are now being scoped, starting with the Bonsai house and the renewal of the lath house, which are funded in 2019/2020. Replacement of the irrigation in the Esplanade rose gardens is underway.</p> <p><b>Local Reserves</b> Services and projects have been provided within budget during the period, with associated KPIs being met.</p> <p><b>Sportsfields</b> The drainage project at Ongley Park has been completed. Planning is well underway for the sportsfield upgrades at Colquhoun Park, ahead of the Men's Junior Softball World Cup.</p> <p><b>Support to recreation groups</b> All funding as per 2018-2028 10 Year Plan has been distributed as in accordance with the plan to major sporting providers.</p> <p><b>Swimming Pools</b> Renewals at Freyberg and Lido pools are nearing completion. The Ashhurst pool has been repainted and filled with water. Testing of the plant is underway. The pool is due to reopen in April.</p>	G	G	G	

## Goal 3: Connected & Safe Community

### Connected Communities Activity

14

Performance Measures (Pages 93-94 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
01. Library visitor numbers. (More than 800,000 connections a year)	685,111 physical visits YTD to the seven Library locations. (An increase of 62,129 visits over same period last year). 350,990 Library website sessions. 37,668 Manawatū Heritage website sessions. 76,539 PC sessions. 115,244 WIFI sessions (WIFI sessions do not include March as statistics were not available for reporting.)	G	G	G	
02. Use of physical collections. (Average use per item per year is at least 4)	Physical item use is holding steady. Items are used an average of 5.23 times per year. For comparison, the national average is 3.42 times per year.	G	G	G	
03. Use of digital collections. (Narrative measure)	eBook and eAudiobook use continues to increase as the collections and offerings are increased. (Use has increased 32% over same period last year). Use of the digital databases and eResources continues to strengthen. A unique addition to the Library's digital offering this quarter is the Haynes Manuals, an online library of car and motorcycle repair manuals. A highlight for this quarter was the addition of the digitised versions of the Manawatū Standard up to 1945 on Papers Past. This has been made possible by a 8 year digitisation partnership between the City Library and the National Library.	G	G	G	

Performance Measures (Pages 93-94 of the 10 Year Plan)		Comments				Sept	Dec	Mar	June
04. Description of the range of programmes and events. (Narrative measure)		Programmes delivered are aligned to the following categories: Creative Expression, Cultural Expression, Digital Inclusion, Heritage, Informational Literacy, Lifelong Learning, Literacy, Social Connectivity, Employment, Health & Wellbeing. Some key programmes with positive outcomes this quarter were: Summer Reading and iReads programmes centred on encouraging the joy of reading continued to grow this year with 764 total children and youth participating in 14 different languages. Pasifika Youth Mentoring Programme weekend - The first of its kind in the country. Pasifika Secondary School Rangatahi attended a three day full-immersion weekend to empower and connect to traditional knowledge and expertise. This initiative was facilitated by Youth Space with support across the City Council, UCOL, Massey University, Sport Manawatu, Oranga Tamariki & TWoA.				G	G	G	

Performance Measures (Pages 93-94 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
05. Public toilets are accessible, appropriately located and gender neutral. (Narrative measure)	Planning underway for new toilets at He Ara Kotahi bridge. They will be installed once bridge construction is complete (after April 2019). All toilet renewals and new installations are accessible and gender neutral, and located in areas of need.	G	G	G	
06. A 30-year Asset Management Plan is in place for community centres and hubs and major AMP projects approved in the 10 Year Plan are achieved. (Renewals as a group)	Asset Management Plans were adopted by Council in June 2018 and are being implemented as per 2018-2028 10 Year Plan.	G	G	G	
07. Levels of community centre use. (Narrative measure, including use of at least 1400 hours per centre per year)	Milson Community Centre had their first successful Open Day dedicated to Neighbours Day, this was to celebrate the upgrades at the centre, reconnect with the local community and the shopping centre. Most Community Centres will achieve or have already exceeded the target of 1,400 usage hours pa. Counts to date: Ashhurst 995, Awapuni 2002, Highbury Whanau Centre 1422, Kelvin Grove 1349, PN Community Leisure 1341, Milson 1160, Pasifika / Westbrook 846 and Rangiora 1840.	G	G	G	
08. A 30-year Asset Management Plan is in place for the cemeteries and major AMP projects approved in the 10 Year Plan are achieved. (Renewals as a group)	Asset Management Plans were adopted by Council in June 2018 and are being implemented as per 2018-2028 10 Year Plan. A programme is currently being developed for the review of the AMP.	G	G	G	
09. Cemetery provision meets legislative requirements.	All resource consent conditions, and provisions of the Burial and Cremation Act continue to be met.	G	G	G	
10. Council housing is tenanted. (At least 95%, excluding units not available due to renovations)	Average occupancy for January to March 2019 is 97%. Overall tenant satisfaction when survey was last completed in 2017 was also 97%. Survey is due to be completed again this year.	G	G	G	
11. Council tenants are satisfied with the standard of housing (two-yearly survey). (At least 90%)	The next round of surveys are scheduled to begin in May 2019.	G	G	G	
12. Units meet the Otago Medical School He Kainga Oranga Rental Warrant of Fitness Standard.	On track and meeting requirements of the WOF standards.	G	G	G	

<b>Performance Measures</b> (Pages 93-94 of the 10 Year Plan)	<b>Comments</b>	<b>Sept</b>	<b>Dec</b>	<b>Mar</b>	<b>June</b>
13. A 30-year Asset Management Plan is in place for community housing and major AMP projects approved in the 10 Year Plan are achieved. (Renewals as a group, see note in 10 Year Plan, pg 94)	Asset Management Plans were adopted by Council in June 2018 and are being implemented as per 2018-2028 10 Year Plan.	G	G	G	
14. Funding is distributed according to Council's Community Funding Policy and the key objectives achieved with the funding are described. (Narrative measure)	The Strategic Priority Grants funding round was carried out allocating \$1.3m to community groups. Creative Communities funding round was open during March and the decision process will be carried out during April.	G	G	G	
15. Positive feedback from residents on Council's community engagement. (Narrative measure)	Questions on satisfaction with Council's community engagement will be included in the Annual Residents' Survey in April-May.	G	W	W	
16. Description of the range of engagement techniques used by Council. (Narrative measure)	Emphasis is on using social media and on-line techniques including encouraging residents to sign up for information and updates about Council's consultations, on-line polls, and digital submission forms; plus "in-person engagement" such as the Nature Calls Open Day at the Wastewater Treatment Plant.	G	G	G	

Performance Measures (Pages 93-94 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
17. Major services and projects are provided within budget for the Connected Community Activity.	<p><b>Cemeteries</b> Major services and projects are provided within budget.</p> <p><b>Community Centres</b> Bunnythorpe Community Centre - Project team established including community representatives. Architect appointed and draft concept plans have been prepared</p> <p><b>Libraries</b> All planned CAPEX works are on track for completion by March 2019. This also includes the resealing of the pools and replacing the filtration ring. The level 3 roof repair works will be completed by April 2019.</p> <p><b>Public Toilets</b> Programme 161 Citywide New Public Toilets and Programme 186 Renewal of Public Toilets are both on track for current financial year.</p> <p><b>Social Housing</b> First 30 units of Stage 1 at Papaioea Place development are complete. The second 20 units are due for completion in December 2019.</p> <p><b>Support to Community Groups</b> All scheduled programmes of work are on track to be completed this financial year.</p>	G	G	G	

## Safe Communities Activity

19

Performance Measures (Page 101 of the 10 Year Plan)		Comments	Sept	Dec	Mar	June
01. The range of SAB initiatives and the outcomes they achieve. (Narrative measure)		The focus for this quarter has been on preparing for reaccreditation, which was completed on 19 March with a visit from the Safe Communities Foundation NZ review team. Feedback included the following: "SCFNZ and the review team were extremely impressed with the effort put into producing the application and the ongoing commitment of the PN Safety Advisory Board and partner organisations".	G	G	G	
02. Palmerston North retains its accreditation as a Safe City.		Palmerston North achieved its reaccreditation as a Safe City in March.	G	G	G	
03. Council works with local communities to get people prepared for emergencies. (Narrative measure)		Council is currently preparing Community Response Plans for Linton and Ashhurst. This is being done in conjunction with the community. It is also planned for similar plans for Longburn, Bunnythorpe and Aokautere to be completed in 2019. Testing of some of these plans is to be completed in 2019.	G	G	G	
04. Three dog education campaigns and / or community events attended.		Animal Control Officer (ACO) presentation to Linton community with 30 attendees. ACOs attended two days of Rural Games and unofficial opening of Ahimate Dog Park.	G	G	G	
05. Council is an accredited Food Act verifier. (99% of verifications are conducted within statutory timeframes)		Recognised Agency Surveillance assessment carried by Joint Accreditation System - Australia and New Zealand in March 2019. Recommendation made to MPI that Council continues to be a Recognised Agency to conduct verification services under the Food Act 2014.	G	G	G	
06. 99% of verifications are conducted within statutory timeframes.		100% of verifications completed within statutory timeframe.	G	G	G	
07. Description of healthy lifestyle initiatives. (Narrative measure)		Smokefree Outdoors Policy and Sugar Sweetened Beverages Policy: PNCC Events Team is actively promoting smokefree events and encouraging event food trucks to make non-sugary drinks available.	G	G	G	

Performance Measures (Page 101 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
08. Major services and projects are provided within budget for the Safe Communities Activity.	<p><b>Animal Control:</b> Required services delivered within budget.</p> <p><b>Civil Defence:</b> All current service delivery is within budget. The Emergency Operation Centre project in Victoria Avenue, due for completion in October 2019, is meeting the CAPEX budget.</p> <p><b>Public Health:</b> Required services delivered within budget.</p> <p><b>Safer Community Initiatives:</b> Achieved within budget.</p>	Y	G	G	

## Goal 4: Eco-City

### Rubbish & Recycling Activity

21

Performance Measures (Page 108 of the 10 Year Plan)		Comments	Sept	Dec	Mar	June
01. Rubbish and recycling placed in Council's official bags or bins are collected on the stated day. (At least 98%)		99.92% Rubbish and recycling placed in Council's official bags and bins were collected on the stated day. There were total of 410 missed Recycling Bins and Crate (YTD on 27th of March) and 160 Total Missed Rubbish Collection (YTD on 27th of March) .	G	G	G	
02. Compliance with resource consents for the Rubbish and Recycling Activity measures by the number of:- Abatement notices (zero)- Infringement notices (zero)- Enforcement orders (zero)- Convictions (zero)		Complete compliance with resource consent conditions during the period.	G	G	G	
03. A 30-year Asset Management Plan is in place for rubbish and recycling and major AMP projects approved in the 10 Year Plan are achieved. (Renewals as a group)		AMP in place for Rubbish and Recycling Service and Major AMP projects approved in the 10 Year Plan on schedule.	G	G	G	
04. Major services and projects are provided within budget for the Rubbish & Recycling Activity.		Capital and renewal projects are on schedule and major services within budget.	G	G	G	

## Biodiversity and Sustainable Practices Activity

Performance Measures (Page 113 of the 10 Year Plan)		Comments	Sept	Dec	Mar	June
01. 15,000 green corridors trees planted per year.		New contractor and preparing for planting season. Full quota of trees expected to be planted.	G	G	G	
02. Number and description of sustainable practices campaigns. (Narrative measure)		An organisation wide sustainability framework has been developed and adopted by Management Team. Work is continuing on a range of key initiatives under the three waters sustainable practices programme including: Preparation of a first draft of content for elements of an integrated web based conservation and sustainability site for three waters; Initial planning for the repeat of the hazardous waste drop-off day at Arena Manawatu; Delivery of internal awareness raising sessions for event team staff to improve implementation of sustainable waste management at events and development of video content to support a range of sustainability initiatives in the waste and water conservation behaviour change space.	G	G	G	
03. Number and description of Eco Design home consultations. (Narrative measure)		For the 2nd quarter, the Eco Design Adviser (EDA) service conducted 34 in-home consultations, made five community presentations and attended seven government industry based workshops/meetings. In addition, there were four engagements with media.	G	G	G	

Performance Measures (Page 113 of the 10 Year Plan)		Sept	Dec	Mar	June
04. Major services and projects are provided within budget for the Biodiversity and Sustainable Practices Activity	<p><b>Comments</b></p> <p><b><u>Biodiversity:</u></b> Environmental initiatives have continued during the period, with support from the Freshwater Fund. The urban eels project is an integral part of the overall concept design for the preservation of the area of cultural significance where the Turitea Stream meets the Manawatu River.</p> <p><b><u>Support to Environmental Groups:</u></b> On track. Environment grant funding is managed through PN Environment Trust.</p> <p><b><u>Sustainable Practices:</u></b> The financial position of the EDA service is favourable to budget and forecast.</p>	G	G	G	

## Stormwater Activity

24

Performance Measures (Page 117 of the 10 Year Plan)		Comments					Sept	Dec	Mar	June
01. The number of flood events per year resulting in stormwater from Council's stormwater system entering a habitable floor in an urban area. (No more than 5)		To date there have been three recorded events on December 13th, 20th and 25th 2018 which have resulted in flooding of habitable buildings advised to Council.					G	G	G	
02. The number of habitable floors per 1,000 properties within urban stormwater service areas affected by a flood event. (No more than 2)		Council have received advice of stormwater flooding of habitable floors in 9 properties for the year to date. This is equivalent of 0.12 habitable floors per 1000 properties. The data represents only those property flooding events reported to Council.					G	G	G	
03. Median time to attend a flooding event. (Less than 2 hours) (Note: A flooding event is one resulting in stormwater entering a habitable building.)		In all cases of stormwater flooding of habitable floors in buildings, notification to Council occurred after the response period for the event had elapsed. In addition, Council's policy is to respond to event only when there is a public safety or health risk rather than flood damage impacts.					G	G	W	
04. The number of complaints received about the performance of Council's stormwater system per 1,000 properties connected. (No more than 15)		To date a total of 413 complaints have been received for the year or 12.6 complaints per 1000 properties connected. The complaints to date include 43 related to sump/grate problems, 93 associated with pipe/underground services damage, 19 cases of property flooding or drainage problems; 244 cases related to roadside ponding and 14 complaints related to waterway or open drain problems. The data has been based on information for the period to 27th March. Based on current complaint levels, it is likely total complaints will exceed the annual target at year end.					G	G	Y	
05. Compliance with resource consents for discharge from Council's stormwater system measured by the number of:- Abatement notices (zero)- Infringement notices (zero)- Enforcement orders (zero)- Convictions (zero) in relation to stormwater resource consents		All Stormwater consents have been fully complied with such that no convictions, abatement, infringement or enforcement orders have been received.					G	G	G	

Performance Measures (Page 117 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
06. A 30-year Asset Management Plan is in place for stormwater and major AMP projects approved in the 10 Year Plan are achieved. (Renewals as a group. City-wide Stormwater Improvement Works (programme 1060))	A 30 year AMP for Stormwater was adopted by Council in June 2018 prior to adopting the 2018-28 LTP. Work is on-going with the development of 5 year detailed renewal and capital new programmes. Work is continuing with collecting improved information on the condition and performance of the piped stormwater network. A condition and performance assessment of around 50% of the open drains and streams network has been completed. Information collected to date is being used to inform planning and budgeting for maintenance and renewals for years 2 and 3 of the LTP.	G	G	G	
07. Major services and projects are provided within budget for the Stormwater Activity	Major services and projects are provided within budget.	G	Y	G	

### Wastewater Activity

Performance Measures (Page 123 of the 10 Year Plan)		Sept	Dec	Mar	June
01. Number of dry weather wastewater overflows from Council's wastewater system per 1,000 connections per year. (No more than 1)	To date there have been 17 incidents of wastewater overflow to the environment or stormwater network, which is an average of 0.53 overflows per 1000 connections. The majority of overflows have occurred during wet weather events and have been due to stormwater inflows to the network resulting in surcharging.	G	G	G	
02. Complaints per 1,000 connections about:- Wastewater odour (No more than 1)- Wastewater system faults (No more than 3)- Wastewater system blockages (No more than 10)- Council's response to issues with the wastewater system. (No more than 1), (total target: no more than 15)	A total of 289 complaints have been received for the year to date, or an average of 8.9 complaints per 1000 connections. Of this total 137 complaints (47%) were attributable to service issues and resulted in a work order being issued and work being undertaken. Complaints included 10 for wastewater odour (0.3 per 1000 connections), 74 manhole faults (2.29 per 1000 connections) and 199 related to network blocks or leaks (6.34 per 1000 connections). Based on total complaints the target measure is likely to be exceeded in the final quarter of the year, although complaints attributable to the performance of Council assets and system is tracking at around 50% of the total and well below the target.	G	G	G	
03. Median time for attending to overflows resulting from blockages or other faults. (Less than 1.5 hours)	Median time for attending to an overflow resulting from a blockage is 0.435 hours. Maximum time for attending to an overflow resulting from a blockage is 73.08 hours. The current system does not separately record the time taken to attend a fault (response time). Changes were made in October 2018 to enable the period taken to attend an overflow incident to be recorded, however these changes are too late to influence current year monitoring data. Response time data will be available in the next financial year. There is no evidence that the response time targets will not be met.	G	G	G	

Performance Measures (Page 123 of the 10 Year Plan)		Comments	Sept	Dec	Mar	June
04. Median time for resolution of overflows resulting from blockages or other faults. (Less than 8 hours) (Attendance and resolution is less than 9.5 in total)		The median time for resolution of an overflow resulting from blockages or other faults is 2.88 hours. The maximum time for resolution of overflows resulting from blockages or other faults 183.5 hours. Note that in the absence of specific data on the period taken to attend a blockage incident, it is not possible to detail the attendance period separately from resolution. There is no evidence that that response times will not be achieved.	G	G	G	
05. Compliance with resource consents for discharge from Council's wastewater system as measured by the number of:- Abatement notices (zero)- Infringement notices (zero)- Enforcement notices (zero)- Convictions received by Council in relation to resource consents (zero)		No further non-compliances were recorded during the period, however a decision is still awaited on the potential non-compliance associated with missing Dissolved Oxygen measurements associated the Ashhurst Wastewater Storage Pond consent.	G	Y	Y	
06. A 30-year Asset Management Plan is in place for wastewater and major AMP projects approved in the 10 Year Plan are achieved. (Renewals as a group)		A 30 year Asset Management Plan was adopted by Council in June 2018 ahead of approval of the 2018-28 LTP. Major upgrade projects at the Wastewater Treatment Plant such as screen replacement, grit removal systems and inlet pump replacement are substantially complete or well advanced through design. Some work will now not occur until the next financial year due to construction and procurement delays not previously anticipated.	G	G	G	
07. Major services and projects are provided within budget for the Wastewater Activity.		All major programmes are expected to be delivered within available budgets. In several cases surpluses have been identified and these have been reallocated to programmes in the same activity with significant budget shortfalls. Operations and maintenance expenditure is tracking close to budget.	Y	G	G	

## Water Supply Activity

Performance Measures (Pages 130-131 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
01. Compliance with Part 4 (bacteria compliance criteria) of the Public Health Act 1956 (as amended by the Health (Drinking Water) Amendment Act 2007). (100%)	All PNCC bore sources and the Turitea surface water supply are currently compliant with bore security and drinking water quality requirements of the legislation.	W	W	G	
02. Compliance with Part 5 (protozoal compliance criteria) of the Public Health Act 1956 (as amended by the Health (Drinking Water) Amendment Act 2007). (100%)	All monitoring data received to date indicates full compliance with all legislative requirements including the Drinking Water Standards of New Zealand. Final compliance cannot be confirmed until Mid-Central Public Health have completed final reporting in September 2019.	W	W	G	
03. The number of complaints per 1,000 connections relating to clarity, taste, odour, continuity of water supply, drinking water pressure or flow, and Council's response to any of these issues (no more than 40).	Total of 1150 complaints received for the year or 38.7 complaints per 1000 connections (YTD to 27th of March). These included 65 burst mains, 26 low pressure issues, 73 for continuity of water supply, 33 for meter faults, 546 toby faults, 7 for bad smell, 58 for discoloured water, 4 water taste issues, and 338 other issues. A significant number of complaints relate to matters not related to Council service performance. The number of complaints will exceed the target by year end.	G	G	Y	
04. Average consumption of drinking water per day per resident. (no more than 360 litres per person per day)	Average daily water consumption has been modest due to the late start to the summer dry period, such that it is expected to be below the performance target. Average water consumption is calculated annually at the end of the financial year.	W	W	G	
05. Median response time for urgent call-out attendance. (2 hours or less)	The median response time for the 14 of the 74 call-outs for which resolution is recorded is 0.235 hours. The maximum response time is 0.47 hours. The 60 call-outs for which no response time is recorded are all incidents from the first half of the year, when response times were not being recorded. With the change in the data recording protocol response time data for all events will be available for the next financial year.	W	G	G	

Performance Measures (Pages 130-131 of the 10 Year Plan)		Comments	Sept	Dec	Mar	June
06. Median response time for resolution of urgent call-outs. (7 hours or less)		The median resolution time for the 46 of the 74 call-outs for which resolution is recorded is 0.965 hours. The maximum resolution time for the 46 call outs is 16 hours. As the protocols for recording response times have been altered, data on response times for all urgent call-outs will be available in the next financial year.	G	G	G	
07. Median response time for non-urgent call-out attendance. (10 hours or less)		The median response time for the 504 of 1159 non-urgent call outs for which a response time is recorded is 1.64 hours. The maximum recorded response time for the same 504 call outs is 64.35 hours. Response time data was not available for call-outs during the first quarter, but will be available for the full reporting period in the next financial year.	G	G	G	
08. Median response time for resolution of non-urgent call-outs. (75 hours or less)		Median resolution time for non-urgent call out is 4.02 hours for the 1001 out of 1159 call outs for which response time is recorded. Maximum recorded response time is 474 hours.	G	G	G	
09. Percentage of real water loss from the water reticulation network. (Less than 20%)		The assessment of water losses from the water reticulation network is completed annually.	W	W	W	
10. A 30-year Asset Management Plan is in place for water and major AMP projects approved in the 10 Year Plan are achieved. (Renewals as a group)		An Asset Management Plan was adopted by Council in June 2018 following approval of the 2018-28 LTP. Work is on-going to develop more robust and strategic pipe renewal, bore and treatment plant renewal programmes. All renewal programmes of work are well advanced and on track to be completed by year end. Some unforeseen pipe and valve condition issues have emerged which has required reallocation of budgets between the renewal programmes of work.	G	G	G	
11. Major services and projects are provided within budget for the Water Supply Activity		Major capital new programmes of work are still within budget, however significant contractor capacity constraints and equipment lead times will delay completion of new and replacement bore works at Railway Road and Papaioea Park until the 2019-20 financial year.	Y	G	R	

## Goal 5: Driven & Enabling Council

### Leadership Activity

30

Performance Measures (Page 138 of the 10 Year Plan)	Comments	Sept	Dec	Mar	June
01. Positive feedback from residents on Council's community engagement. (Narrative measure)	Questions on satisfaction with Council's community engagement will be included in the Annual Residents' Survey in April-May.	G	W	W	
02. Description of the range of engagement techniques used by Council. (Narrative measure)	Emphasis is on using social media and on-line techniques including encouraging residents to sign up for information and updates about Council's consultations, on-line polls, and digital submission forms; plus "in-person engagement" such as the Nature Calls Open Day at the Wastewater Treatment Plant	G	G	G	
03. Strategies, Plans and Policies are in place, monitored and reviewed. (Narrative measure)	The overall strategic direction was adopted alongside the 10 Year Plan in June 2018. This included the suite of five strategies and 28 plans. Council has also agreed the development or review of a number of policies within these plans, and all these projects are on schedule. Monitoring report is due in August/ September 2019.	G	G	G	
04. Councillor meetings and administration: Major services and projects are provided within budget.	Services provided within budget.	G	G	G	
05. Major services and projects are provided within budget for the Leadership Activity.	<p><b>Direction Setting:</b> Services provided on budget.</p> <p><b>Elections:</b> Services provided within budget.</p> <p><b>Mayor and Chief Executive's Office:</b> Overhead allocations to be actioned.</p>	G	G	G	

## MEMORANDUM

**TO:** Finance and Performance Committee

**MEETING DATE:** 15 April 2019

**TITLE:** Treasury Report - 9 months ended 31 March 2019

**DATE:** 3 April 2019

**PRESENTED BY:** Steve Paterson, Strategy Manager Finance, Finance

**APPROVED BY:** Grant Elliott, Chief Financial Officer

### RECOMMENDATION(S) TO FINANCE AND PERFORMANCE COMMITTEE

1. That the performance of the treasury activity for the 9 months ended 31 March 2019 be noted.

#### 1. ISSUE

To provide an update on the Council's treasury activity for the 9 months ended 31 March 2019.

#### 2. BACKGROUND

The Council's 10 Year Plan Budget for 2018/19 forecast additional debt of \$38.71m would need to be raised during the year to fund the \$47.89m of new capital expenditure programmes (including assumed carry forwards from 2017/18). In June 2018 the Council resolved to specifically authorise the raising of up to \$39m of additional debt.

Council's Financial Strategy (updated version adopted 25 June 2018) contains the following ratios which the Council has determined to be prudent maxima:

- Net debt as a percentage of total assets not exceeding 20%
- Net debt as a percentage of total revenue not exceeding 200%
- Net interest as a percentage of total revenue not exceeding 15%
- Net interest as a percentage of annual rates income not exceeding 20%

The Treasury Policy (embracing the Liability Management and Investment Policy), adopted in December 2017 and updated on 25 June 2018, also contains a number of other criteria regarding debt management.

### 3. PERFORMANCE

Following the latest annual review published on 9 April 2018 Council's S&P Global Rating's credit rating remained unchanged at AA / A-1+. Following a review of the New Zealand rating outlook from stable to positive the Council's long-term rating was similarly increased from stable to positive in a release published on 31 January 2019.

**Schedule 1** attached shows the details of Council's debt as at 31 March 2019. Debt levels were within the policy parameters outlined in section 2 of this report.

The summarised gross term debt movements are shown in the following table:

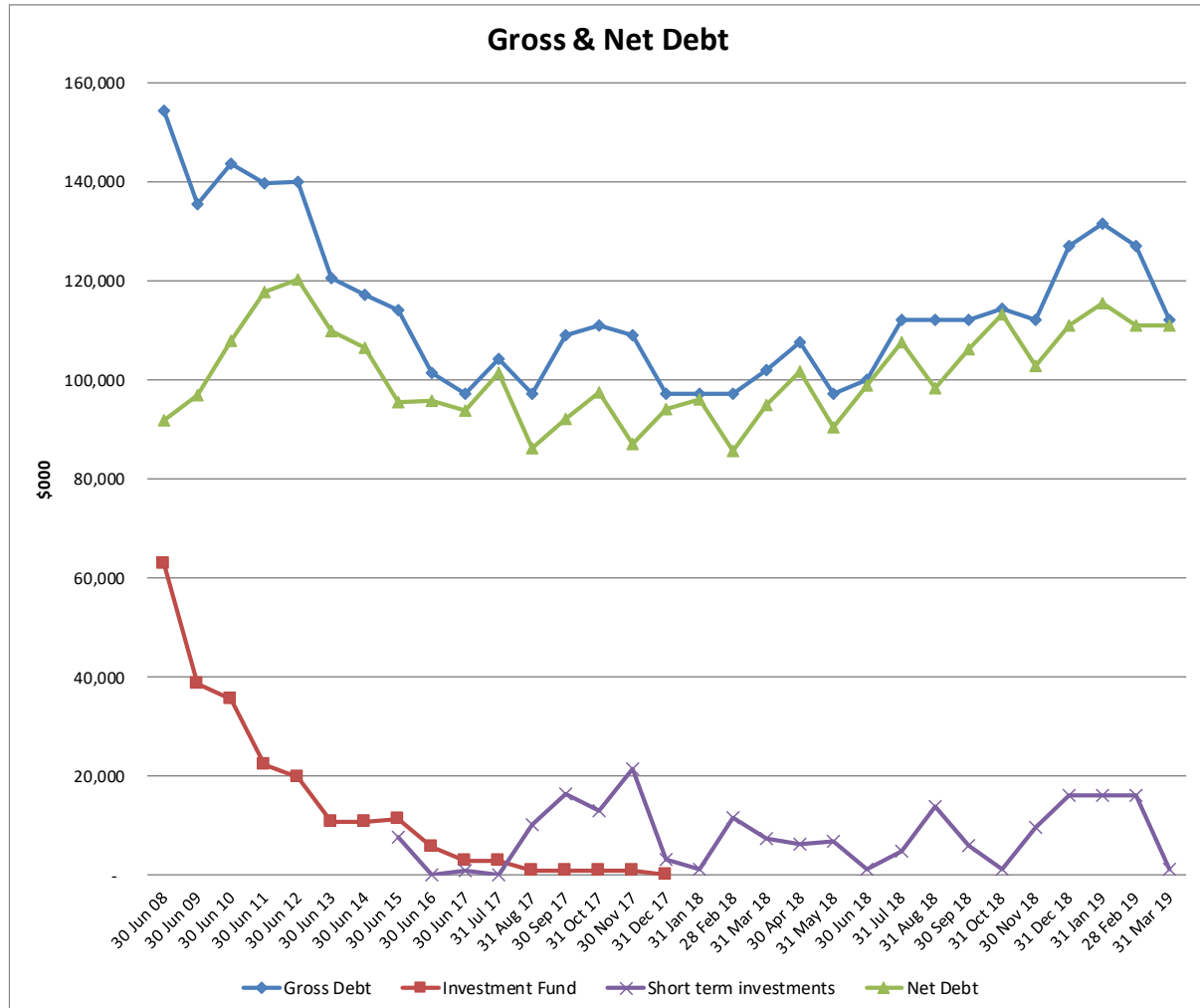
	10 Year Plan Budget for year (2018/19) \$000	Actual – 3 months (2018/19) \$000	Actual – 6 months (2018/19) \$000	Actual – 9 months (2018/19) \$000
Debt Balance at 1 July 2018	106,153	99,875	99,875	99,875
New Debt #*	38,710	15,000	30,000	30,000
Debt repayments #		(2,875)	(2,875)	(17,875)
Closing Balance	144,863	112,000	127,000	112,000
<u>Comprising:</u>				
Bank advance (on call)				
LGFA short term advance		10,000	10,000	10,000
LGFA & Council stock		102,000	117,000	102,000

# A portion of the Council's debt is drawn on a daily basis – daily drawdowns & repayments are not included in these figures but the net draw or repayment for the year to date is shown as part of new debt or debt repayment as appropriate.

\* \$15m new debt was raised in July originally to pre-fund debt maturing in March 2019, however later used to fund capital expenditure undertaken in the latter part of last year and paid for early this year. A further \$15m of new debt was raised in December 2018 to pre-fund maturing debt in March 2019. This sum was placed on short term deposit until March 2019 at an interest rate that more than covered the cost of borrowing.

Net debt at 31 March 2019 was \$111m (i.e. gross \$112m less short-term deposits of \$1m compared with \$98.875m at 1 July 2018 (i.e. gross \$99.875m less short-term deposits of \$1.0m).

Movements in recent years are shown in the following graph:



Actual finance costs incurred during the 9 months (including interest, line fees & the effects of swaps) amounted to \$4.53m compared with the budget for the year of \$7.284m.

The Council has entered financial instruments related to its debt portfolio utilising swap trading lines established with Westpac and ANZ. The details of these are shown in **Schedule 2 attached**.

The value of these instruments is measured in terms of its “mark-to-market” i.e. the difference between the value at which the interest rate was fixed and the current market value of the transaction. Each of these transactions was valued at the date they were fixed and again at the reporting date. Financial reporting standards require the movement in values to be recorded through the Council’s Statement of Comprehensive Income (Profit & Loss Account). They have been revalued as at 31 March 2019 and show a decrease in book value of \$1.77m for the quarter and \$2.47m for the year to date.

## PALMERSTON NORTH CITY COUNCIL

The Council's Treasury Policy contains guidelines regarding the measurement of treasury risk as follows:

- Interest rate risk is managed by the Council maintaining the ratio of debt that is subject to floating versus fixed interest rates within pre-set limits.
- Funding and liquidity risk is managed by the Council maintaining a pre-set portion of its debt in a range of maturity periods eg < 1 year, 1 – 3 years, 5 years +.

The position compared to the policy is illustrated in the graphs in **Schedule 3**. The overall ratio of fixed v floating interest rate debt is based on the assessed level of total debt in 12 months' time.

The interest rate risk position graph shows that as at 31 March one of the target policy sub-limits is not being met. However this will self-correct during April. Such an outcome is contemplated and permitted by the policy.

As at 31 March 2019 all remaining policy targets had been met.

Council's credit lines with the banks include a \$18m four-year credit facility with Westpac Bank (maturing 31 July 2020) and a revolving \$25m three-year facility with ANZ Bank (maturing 31 March 2021).

#### 4. CONCLUSION & NEXT STEPS

Finance costs for the 9 month period (including interest, line fees & the effect of swaps) was \$4.53m compared with budget for the year of \$7.284m.

In conjunction with Council's treasury advisors hedging instruments are regularly reviewed in an effort to ensure the instruments are being utilised to best advantage as market conditions change. The level of hedging cover is also reviewed as the forecasts of future debt levels are revised.

Council's borrowing strategy is continually reviewed, in conjunction with Council's treasury advisors, to ensure best advantage is taken of Council's quality credit rating.

A further performance report will be provided after the end of the June 2019 quarter.

#### 5. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	<b>Yes</b>
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>No</b>

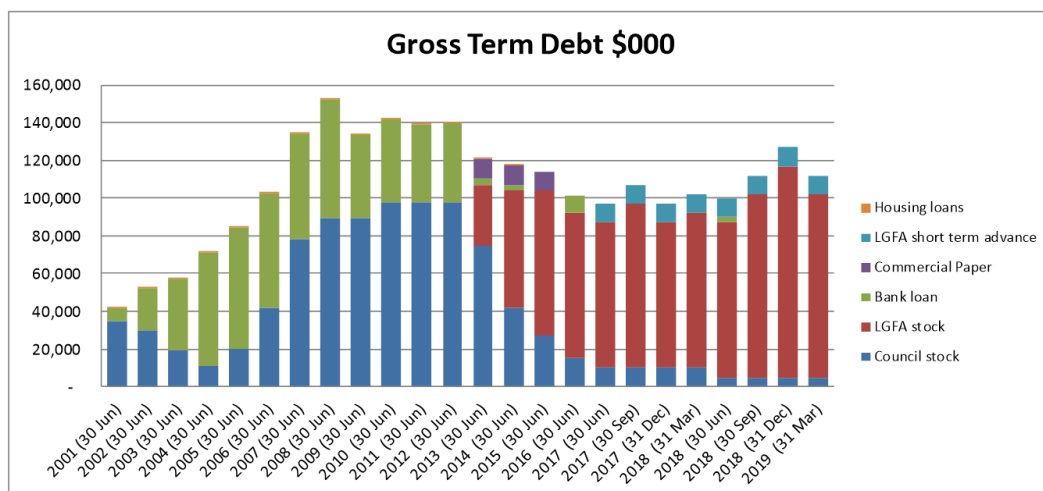
Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>Yes</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
The recommendations contribute to Goal 5: A Driven and Enabling Council	
The recommendations contribute to the outcomes of the Driven and Enabling Council Strategy	
The recommendations contribute to the achievement of action/actions in Not Applicable This report outlines the outcomes of a fundamental administrative activity of the Council.	
Contribution to strategic direction	Managing the Council's treasury activity is a fundamental component of day to day administration of the Council.

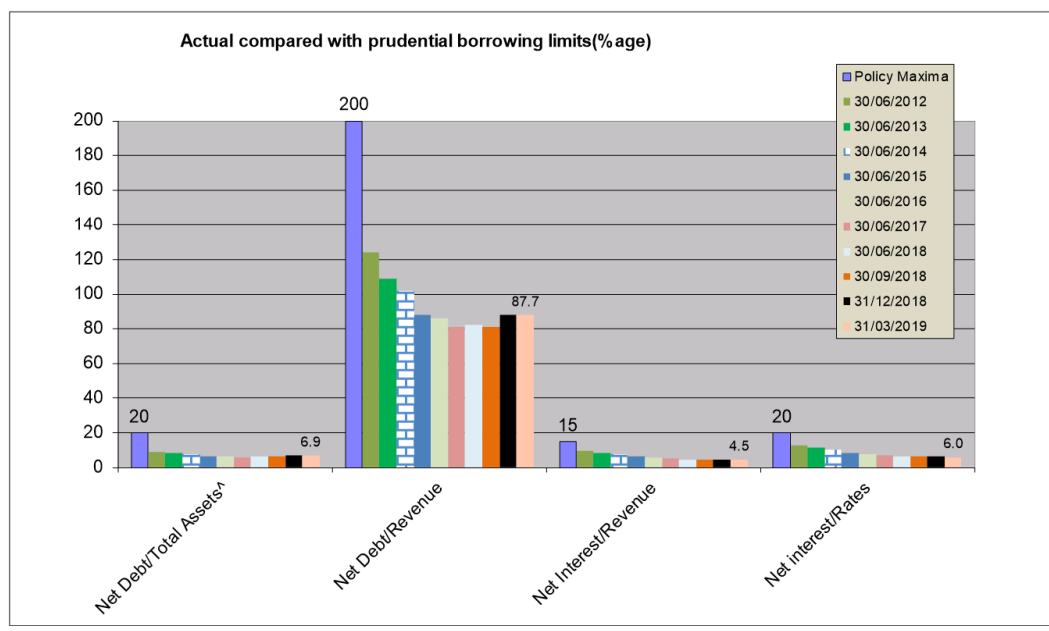
## **ATTACHMENTS**

1. Schedules 1 - 3  

**Schedule 1 - Debt levels & Prudential Borrowing Ratios**

Palmerston North City Council								
<b>Term Debt as at 31 March 2019</b>								
<b>1. Loan Stock on Issue - Council debentures</b>						<b>Current</b>		
<b>Issue Date</b>	<b>Term</b>	<b>Principal</b>	<b>Margin over BKBM</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>as at 31/03/2019</b>	<b>Interest Rate</b>	<b>Reset Date</b>
FRN 5 Aug 16	6	5,000,000	0.6300%	2.5450%	5-Aug-2022		Floating Qtrly	6-May-19
		5,000,000						
<b>2. Loan Stock on Issue - Borrowed from LGFA</b>								
LGFA 20 May 13	8	5,000,000	0.6425%	2.5425%	15-May-2021		Floating Qtrly	15-May-19
LGFA 24 Feb 14	7	10,000,000	0.5525%	2.4525%	15-May-2021		Floating Qtrly	15-May-19
LGFA 19 May 14	7	5,000,000	0.6000%	2.5000%	15-May-2021		Floating Qtrly	15-May-19
LGFA 13 Apr 15	7	10,000,000	0.3300%	2.2600%	5-Apr-2022		Floating Qtrly	5-Apr-19
LGFA 18 Aug 14	9	10,000,000	0.6325%	2.5425%	15-Apr-2023		Floating Qtrly	15-Apr-19
LGFA 23 Jul 18	6	15,000,000	0.5525%	2.4625%	15-Apr-2024		Floating Qtrly	15-Apr-19
LGFA 6 Sep 17	7	6,000,000	0.6000%	2.4800%	15-Sep-2024		Floating Qtrly	17-Jun-19
LGFA 6 Sep 17	8	6,000,000	0.6600%	2.5700%	15-Apr-2025		Floating Qtrly	15-Apr-19
LGFA 22 Mar 18	8	5,000,000	0.7250%	2.6350%	15-Apr-2026		Floating Qtrly	15-Apr-19
LGFA 16 Mar 15	12	5,000,000	0.4575%	2.3675%	15-Apr-2027		Floating Qtrly	15-Apr-19
LGFA 8 Jun 15	12	5,000,000	0.4525%	2.3625%	15-Apr-2027		Floating Qtrly	15-Apr-19
LGFA 17 Dec 18	10	5,000,000	0.7875%	2.6975%	15-Apr-2028		Floating Qtrly	15-Apr-19
LGFA 17 Dec 18	11	10,000,000	0.8225%	2.7325%	15-Apr-2029		Floating Qtrly	15-Apr-19
		97,000,000						
<b>3. Sums drawn from ANZ</b>								
As required					31-Mar-2021		Reset at any time	
					* plus line fee of 0.22%			
<b>4. Sums drawn from Westpac</b>								
On call - variable amount				2.805%	31-Jul-2020		Reset at any time	
					* plus line fee of 0.27%			
<b>5. Short term facility from LGFA</b>								
LGFA 11 Feb 19		10,000,000	0.11%	2.015%	13-May-2019	10,000,000		
<b>Total as at 31 March 2019</b>		<b>112,000,000</b>				<b>10,000,000</b>		





The Financial Strategy contains a series of prudential borrowing ratios. The chart above shows the actual results for since 2011/12 compared to those ratios.

The net debt/revenue policy ratio limit was reduced from 180% to 175% with the adoption of the updated policy on 27 June 2012. The 2018-28 Financial Strategy incorporates a new policy maximum of 200%.

<sup>^</sup> The Net Debt/Total Assets ratio became effective from 1 July 2015. Previously the ratio used was Net Debt/Equity and the actuals for the previous ratio are shown in this report for information.

**Schedule 2 - Interest Rate Swaps**

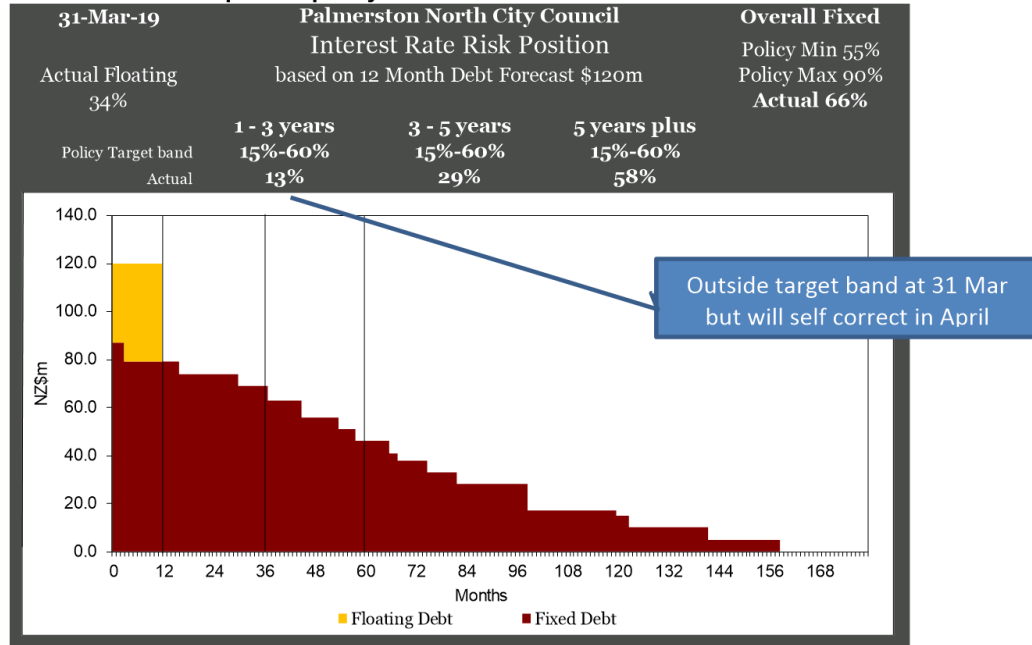
Palmerston North City Council									
<b>Interest Rate Swaps as at 31 March 2019</b>									
<b>Council pays fixed &amp; receives floating on a monthly basis</b>								<b>Current</b>	<b>Hedgebook Value at</b>
<b>Bank</b>	<b>Trade Date</b>	<b>Deal No</b>	<b>Amount</b>	<b>Start Date</b>	<b>Maturity</b>	<b>Fixed Interest rate</b>	<b>Floating rate</b>	<b>Reset date</b>	<b>31-Mar-19</b>
			<b>\$m</b>						
Westpac	12-Feb-13	2882838	5.0	11-Mar-13	9-Dec-20	4.61%	1.860%	9-Apr-19	(256,043)
Active total at 31 Mar 19			5.0						(256,043)
								Current	0
								Term	(256,043)
<b>Council pays fixed &amp; receives floating on a quarterly basis</b>								<b>Current</b>	<b>Value at</b>
<b>Bank</b>	<b>Trade Date</b>	<b>Deal No</b>	<b>Amount</b>	<b>Start Date</b>	<b>Maturity</b>	<b>Fixed Interest rate</b>	<b>Floating rate</b>	<b>Reset date</b>	<b>31-Mar-19</b>
			<b>\$m</b>						
Westpac	10-Sep-09	1329748	6.0	21-Oct-09	22-Jul-19	5.8675%	1.885%	23-Apr-19	(119,053)
Westpac	19-Aug-10	1656930	5.0	10-Oct-10	10-Jan-20	5.9375%	1.930%	10-Apr-19	(206,014)
Westpac	19-Aug-10	1656928	5.0	10-Oct-10	10-Jul-20	5.9350%	1.930%	10-Apr-19	(313,229)
Westpac	12-Feb-13	2882855	8.0	8-Mar-13	10-Jun-19	5.54%	1.880%	10-Jun-19	(72,712)
Westpac	12-Feb-13	2882863	7.0	8-Mar-13	8-Jun-20	5.35%	1.880%	10-Jun-19	(318,013)
ANZ	17-Dec-13	8539285	3.0	17-Feb-14	15-Nov-20	4.92%	1.900%	15-May-19	(169,087)
Westpac	21-Feb-14	3540565	5.0	7-Mar-14	7-Sep-20	6.295%	1.900%	7-Jun-19	(344,282)
Westpac	23-Mar-10	3672868	5.0	6-Jun-14	6-Dec-18	6.055%	matured 6 December 2018		
Westpac	8-May-14	3673014	5.0	9-Jun-14	7-Sep-21	6.060%	1.900%	7-Jun-19	(543,704)
Westpac	8-May-14	3672892	5.0	10-Jul-14	11-Apr-22	5.690%	1.930%	10-Apr-19	(638,297)
Westpac	8-May-14	3672895	5.0	6-Jun-14	8-Jun-21	5.820%	1.910%	6-Jun-19	(463,957)
ANZ	20-Jun-14	9572093	5.0	15-Dec-14	15-Jun-23	4.840%	1.880%	17-Jun-19	(643,275)
Westpac	18-Jul-14	3787822	6.0	29-Sep-15	29-Sep-23	4.850%	1.850%	28-Jun-19	(813,140)
Westpac	20-Feb-15	4211117	5.0	8-Mar-17	6-Mar-20	3.810%	1.910%	6-Jun-19	(103,339)
ANZ	28-Nov-14	10730910	5.0	15-Dec-17	15-Jun-24	4.500%	1.880%	17-Jun-19	(683,789)
ANZ	28-Nov-14	10730993	5.0	10-Apr-18	10-Oct-24	4.515%	1.930%	10-Apr-19	(742,574)
Westpac	20-Feb-15	4211119	5.0	6-Dec-18	6-Dec-19	3.875%	1.910%	6-Jun-19	(78,515)
Active total at 31 Mar 19			85.0						(6,252,980)
Westpac	28-Nov-14	4040149	5.0	10-Jan-20	10-Jan-24	4.585%	0	10-Jan-20	(541,159)
Westpac	28-Nov-14	4040489	7.0	8-Jun-20	8-Dec-22	4.5675%	0	8-Jun-20	(486,924)
Westpac	25-Feb-15	4218128	5.0	7-Sep-20	9-Sep-24	3.990%	0	7-Sep-20	(403,346)
Westpac	25-Feb-15	4218131	5.0	8-Jun-21	10-Jun-24	3.990%	0	8-Jun-21	(294,639)
ANZ	25-Feb-15	11281075	3.0	16-Nov-20	15-Nov-24	3.990%	0	16-Nov-20	(236,613)
Westpac	18-Jan-16	4910927	5.0	9-Dec-20	9-Jun-25	3.970%	0	9-Dec-20	(424,745)
Westpac	26-Feb-16	5013577	5.0	11-Apr-22	12-Jan-26	3.635%	0	11-Apr-22	(256,275)
ANZ	3-May-17	15995740	6.0	22-Jul-19	21-Apr-22	3.350%	0	22-Jul-19	(276,930)
ANZ	27-Nov-17	17029213	5.0	15-Jun-23	15-Jun-27	3.7675%	0	15-Jun-23	(245,918)
ANZ	27-Nov-17	17029223	6.0	29-Sep-23	29-Jun-27	3.7875%	0	29-Sep-23	(273,151)
ANZ	27-Mar-18	17670250	5.0	15-Jun-24	15-Jun-29	3.840%	0	15-Jun-24	(261,878)
ANZ	27-Mar-18	17670276	5.0	10-Oct-24	10-Jan-31	3.920%	0	10-Oct-24	(311,075)
ANZ	27-Mar-18	17670295	5.0	10-Jun-24	10-Jun-32	3.935%	0	10-Jun-24	(387,624)
ANZ	29-Nov-18	18984011	5.0	6-Dec-19	6-Sep-23	2.555%	0	6-Dec-19	(151,849)
ANZ	29-Nov-18	18984258	2.0	6-Mar-20	6-Mar-29	3.095%	0	6-Mar-20	(146,084)
Forward start total at 31 Mar 19			74.0						(4,698,210)
									(10,951,190)
								Current	(579,633)
								Term	(10,371,557)
									(11,207,233)



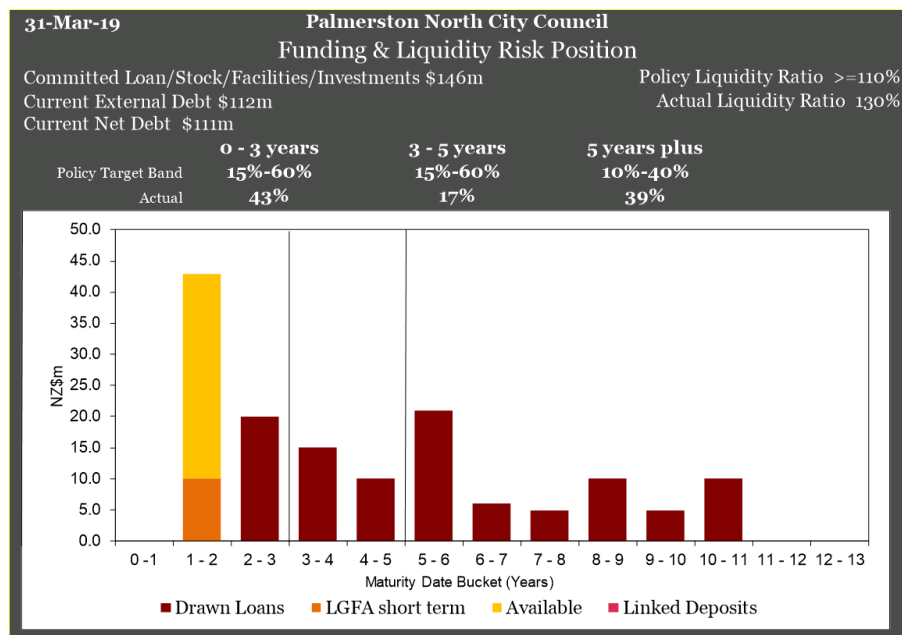
PALMERSTON NORTH CITY COUNCIL

**Schedule 3 - Risk Exposure Position**

**Interest Rate Risk Position – proportions of Debt subject to floating versus fixed interest rates within pre-set policy limits**



**Funding & Liquidity Risk Position – proportions of Debt within pre-set maturity bands**





## MEMORANDUM

**TO:** Finance and Performance Committee

**MEETING DATE:** 15 April 2019

**TITLE:** External Fundraising Update

**DATE:** 29 March 2019

**PRESENTED BY:** Fiona Dredge, Commercial Advisory Manager, Finance

**APPROVED BY:** Grant Elliott, Chief Financial Officer

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### RECOMMENDATION(S) TO COUNCIL

1. That this external funding update is received for information.
- 

#### 1. ISSUE

During consideration of the Quarterly Performance and Finance Report at the Finance and Performance Committee meeting held on 18 February 2019 an update was requested on the current status of external fundraising.

#### 2. BACKGROUND

External fundraising expectations are taken from Council's 10 Year Plan as amended by the Annual Budget where applicable and from Council resolutions.

Where a project in the 10 Year Plan is contingent on external funding being raised, this effectively means that the decision about whether the project goes ahead sits with the funder/s. While every effort is made to obtain external funding and to align it with the timeframes in the 10 Year Plan, the final decision about when and if funding is successful is at the funder's discretion.

Funding applications for specific projects or activities need to be matched with the appropriate funder in terms of the funder's objectives and areas of interest. Funding rounds vary and may be, for example, monthly or annually depending on the funder. In some cases, Council is excluded from applying for specific funds or grants because it is a local authority.

Generally, only one application from Council will be considered by a funder at any one time and funders may limit the number of successful grant applications that Council can make

## PALMERSTON NORTH CITY COUNCIL

over a specific period, for instance one successful grant application every 12 months. Therefore, it is vitally important that funding applications are coordinated and are not set up to compete against each other.

The Chief Executive, in conjunction with a group of senior managers from across the organisation, oversees the coordination and prioritisation of fundraising efforts and monitors progress on a monthly basis. Authorisation is required from the internal fundraising group prior to any funding applications being submitted.

In the last four years, nearly \$10 million dollars of external funding has been raised. Over half of that funding has been from the Central Energy Trust and relates to various projects including Wildbase Recovery, the Arena partnership and the He Ara Kotahi bridge lighting. From a project perspective, approximately 50% of the total external funding raised over that period has been for Wildbase.

Below is a table showing the current status of external fundraising:

<b>Project</b>	<b>Total Fundraising Component (from 10 YP)</b>	<b>Confirmed Funding Raised</b>	<b>Remainder Left to Fundraise</b>
He Ara Kotahi Bridge Lighting	\$700,000	\$350,000	\$350,000
Arena Artificial Pitch	\$700,000	\$350,000	\$350,000
Arena Speedway Pits move	\$1 Million	Nil	\$1 Million
Arena South Grand Stand	\$6 Million	Nil	\$6 Million
Bunnythorpe Community Centre	\$700,000	Nil	\$700,000
Memorial Park Splash Pad	\$250,000	Nil	\$250,000
Memorial Park Skate Park Lights	\$40,000	Nil	\$40,000

### **He Ara Kotahi Bridge Lighting**

Half of the total funding component has been raised to date. Plans are underway to make a sponsorship pitch to an external party for the remainder. Initial discussions were held with that third party in March.

### **Arena Artificial Pitch**

Two successful funding applications have been made to date for \$350,000 in total. After initial indications of higher funding being granted, one of those successful applications was for half of the amount applied for. Two other applications have been declined. There are two additional applications currently being submitted to external funders for a total \$140,000.

### Arena Speedway Pits move

This project is currently being reviewed as part of the Arena Masterplan. A significant portion of this could be funded from the Central Energy Trust partnership agreement if the energy-related component of the project meets the criteria.

### Arena South Grand Stand

This project is not expected to meet philanthropic funding requirements and external fundraising will be difficult, especially at the level assumed in the 10 Year Plan.

### Bunnythorpe Community Centre

This project is being led by the Bunnythorpe Community Centre Trust with fundraising advice and support from Council. This approach is deemed appropriate and fundraising should not be brought in-house as it will otherwise compete for funding against other PNCC projects.

### Memorial Park Splash Pad

Funding applications for this project are being held back until external funding for the Arena artificial pitch has been successfully raised and accountability is complete.

### Memorial Park Skate Park Lights

Council has other priority funding requirements for the most likely funder of this project. To have the best chance of success it is recommended that the external supporters of this project lead any applications for external funding, with advice and support from Council if required.

## 3. NEXT STEPS

Continue external fundraising efforts with immediate priority given to the Arena artificial pitch and He Ara Kotahi Bridge Lighting.

## 4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	<b>No</b>
If Yes quote relevant clause(s) from Delegations Manual <Enter clause>	
Are the decisions significant?	<b>No</b>
If they are significant do they affect land or a body of water?	<b>N/A</b>

## PALMERSTON NORTH CITY COUNCIL

Can this decision only be made through a 10 Year Plan?	<b>No</b>
Does this decision require consultation through the Special Consultative procedure?	<b>No</b>
Is there funding in the current Annual Plan for these actions?	<b>N/A</b>
Are the recommendations inconsistent with any of Council's policies or plans?	<b>No</b>
The recommendations contribute to Goal 5: A Driven and Enabling Council	
The recommendations contribute to the outcomes of the Driven and Enabling Council Strategy	
The recommendations contribute to the achievement of action/actions in a plan under the Driven and Enabling Council Strategy	
Contribution to strategic direction	This update is provided to ensure that Council has access to good information that enables it to excel in good governance.

**ATTACHMENTS**

Nil

## COMMITTEE WORK SCHEDULE

TO: Finance and Performance Committee

MEETING DATE: 15 April 2019

TITLE: Committee Work Schedule

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### RECOMMENDATION(S) TO FINANCE AND PERFORMANCE COMMITTEE

1. That the Finance and Performance Committee receive its Work Schedule dated April 2019.

### ATTACHMENTS

1. Committee Work Schedule  

## FINANCE AND PERFORMANCE COMMITTEE

PART ICOMMITTEE WORK SCHEDULE – APRIL 2019

Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
1	February March 2019	Cost of free swimming for children under 5 years old at the Lido and Freyberg Aquatic Facilities	Chief Infrastructure Officer	Awaiting further information from CLM	19 November 2018 Clause 85.4
2	TBA April 2019	Property Portfolio (Huia Street Reserve)	Chief Infrastructure Officer	Workshop 11 February 2019	21 February 2011 Clause 10-11
3	April 2019	Quarterly Performance and Finance Report	Chief Financial Officer		
4	April 2019	Report back on current status of external fundraising	Chief Financial Officer	On track	18 February 2019 (No formal resolution made)
5	May 2019	Investigate a buy local policy	Chief Financial Officer		18 February 2019 clause 9.2 (Part II, subsequently transferred to Part I)
6	June 2019	Aquatic Facilities – free admission of under five year olds	Chief Infrastructure Officer		18 March 2019 clause 19.2
7	August 2019	Update on infill lighting required to achieve compliance in P and V categories	Chief Infrastructure Officer	On track	19 November 2018
8	August 2019	E-Waste recycling reduced fees update	Chief Infrastructure Officer		18 February 2019 (No formal resolution made)
9	TBA	Whakarongo Residential Development update	Chief Infrastructure Officer		18 March 2019 (No formal resolution made)