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**PALMERSTON NORTH CITY COUNCIL**

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**AGENDA**

**FINANCE AND PERFORMANCE**

**COMMITTEE**

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**9AM, MONDAY 16 OCTOBER 2017**  
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)**

**Brent Barrett**

**Rachel Bowen**

**Adrian Broad**

**Gabrielle Bundy-Cooke**

**Vaughan Dennison**

**Lew Findlay QSM**

**Leonie Hapeta**

**Lorna Johnson**

**Duncan McCann**

**Karen Naylor**

**Bruno Petrenas**

**Aleisha Rutherford**

**Tangi Utikere**

**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**

16 October 2017

### **ORDER OF BUSINESS**

**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. 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.)

- 4. Confirmation of Minutes** Page 7

“That the minutes of the Finance and Performance Committee meeting of 18 September 2017 Part I Public be confirmed as a true and correct record.”
- 5. Forest Post Harvest Native Forest Revegetation** Page 15

Memorandum, dated 8 September 2017 from the Water & Waste Services Manager, Robert van Bentum and the Water Asset Engineer, Dora Luo.
- 6. Arena Masterplan Steering Group** Page 31

Memorandum, dated 29 September 2017 from the Manager - Venues PN, John Lynch.
- 7. Treasury Report for 3 months ended 30 September 2017** Page 37

Memorandum, dated 5 October 2017 from the Strategy Manager Finance, Steve Paterson.
- 8. Quarterly Performance and Finance Report - Quarter Ending 30 September 2017** Page 49

Memorandum, dated 6 October 2017 from the Financial Accountant, Keith Allan and the Head of Community Planning, Andrew Boyle.
- 9. Committee Work Schedule** Page 121
- 10. 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
11.	Minutes of the Finance and Performance Committee meeting - Part II Confidential - 18 September 2017	For the reasons setout in the Finance and Performance Committee minutes of 18 September 2017, held in public present.	
12.	Central Energy Trust Wildbase Recovery - Solar panel options	Third Party Commercial and Commercial Activities	s7(2)(b)(ii) and s7(2)(h)
13.	Purchase Arena Land	Third Party Commercial and Commercial Activities	s7(2)(b)(ii) and s7(2)(h)
14.	Purchase of Land to Extend Walkways Network	Third Party Commercial	s7(2)(b)(ii)
15.	Award of Contract 3377 - James Line Upgrade	Negotiations	s7(2)(i)

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), General Manager, City Enterprises (Ray McIndoe), General Manager, City Future (Sheryl Bryant), General Manager, City Networks (Ray Swadel), General Manager, Customer Services (Peter Eathorne), General Manager, Libraries and Community Services (Debbie Duncan), Human Resources Manager (Wayne Wilson) and Communications and Marketing Manager (or their representative (name)) 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 Management 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.

Governance and Support Team Leader (Kyle Whitfield) and Committee Administrators (Penny Odell, Carly Chang and Rachel Corser), because of their knowledge and ability to provide the meeting with procedural advice and

record the proceedings of the meeting.

Senior Property and Parks Planner (Aaron Phillips), Energy – Systems Support Officer (Eva Johnston), Property Officer (Bryce Hosking), Leisure Assets Officer (Bryan Way), Roading Manager (Jon Schwass) and Property and Park Manager (John Brenkley) because of their knowledge and ability to assist the meeting in speaking to their 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 September 2017, commencing at 9.02am**

**Members Present:** Councillor Susan Baty (in the Chair), The Mayor (Grant Smith) and Councillors Brent Barrett, Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

**Apologies:** Councillor Jim Jefferies (for lateness).

At the beginning of the meeting Councillor Rachel Bowen congratulated the 'Play Palmy' on behalf of the Council for it's award om the 'Right to Play' programme category at the International Play Association Conference in Calgary, Canada

Councillor Jim Jefferies entered the meeting at 9.42am during consideration of clause 58. He was not present for clauses 55 to 57 inclusive.

#### **55-17 Apologies**

Moved Susan Baty, seconded Leonie Hapeta.

#### **The COMMITTEE RESOLVED**

1. That the Committee receive the apologies.

Clause 55-17 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, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

#### **56-17 Confirmation of Minutes**

Moved Vaughan Dennison, seconded Gabrielle Bundy-Cooke.

#### **The COMMITTEE RESOLVED**

1. That the minutes of the Finance and Performance Committee meeting of 21 August 2017 Part I Public be confirmed as a true and correct record.

PALMERSTON NORTH CITY COUNCIL

Clause 56-17 above was carried 12 votes to 0, with 3 abstentions, 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, Lorna Johnson, Duncan McCann, Karen Naylor and Bruno Petrenas.

**Abstained:**

Councillors Leonie Hapeta, Aleisha Rutherford and Tangi Utikere.

**57-17**

**Palmerston North Airport Ltd - Comment on Annual Report for 12 months ended 30 June 2017 & Instructions Relating to Annual Meeting**

Memorandum, dated 31 August 2017 from the Strategy Manager Finance, Steve Paterson.

Moved Tangi Utikere, seconded Leonie Hapeta.

The **COMMITTEE RECOMMENDS**

1. That the Annual Report and Financial Statements of Palmerston North Airport Limited for the year ended 30 June 2017 be received.
2. That the Council shareholder representative be instructed to support the proposed resolutions to be considered at the Annual Meeting of Palmerston North Airport Limited to be conducted by way of resolution in writing.

Clause 57-17 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, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

**58-17**

**Recommendation for Adoption 2016/17 Annual Report**

Memorandum, dated 5 September 2017 from the Financial Accountant, Keith Allan.

Councillor Jim Jefferies entered to the meeting at 9:42am

During discussion Elected Members decided that in the public interest that the Councillor Portfolios be included in the "Year in Review" of the 2016/17 Annual Report.

Moved Vaughan Dennison, seconded Lew Findlay QSM.

The **COMMITTEE RECOMMENDS**

1. That the Committee recommend to Council that the 2016/17 Annual Report and 2016/17 Summary Annual Report be adopted.
2. That the Committee note that an Auditor's "opinion" from Audit New



Zealand would be expected to be received immediately following recommended adoption by Council on 25 September 2017 and Council signing of the reports.

3. That delegated authority is given to the Chairperson and Deputy Chairperson of the Finance and Performance Committee to make minor amendments to the 2016/17 Annual Report and 2016/17 Summary Annual Report.
4. That the Committee note that recommendation 2 be varied in that the Statement of Compliance and Responsibility will also be signed by Grant Elliott, Chief Financial Officer.

Clause 58-1 to 58-4 inclusive above were carried 16 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, Aleisha Rutherford and Tangi Utikere.

Moved Leonie Hapeta, seconded Brent Barrett.

5. That the Councillor Portfolios be included on page 9 of the "Year in Review".

Clause 58.5 above was carried 15 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, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

**Against:**

Councillor Karen Naylor.

**59-17**

**Capital New Programme Adjustments for 2017-18**

Memorandum, dated 14 August 2017 from the Water & Waste Services Manager, Robert van Bentum.

Elected Memembers decided that it would be useful for the Chief Executive to report back on a process around reallocating and prioritising underspend on programmes.

Moved Gabrielle Bundy-Cooke, seconded Jim Jefferies.

**The COMMITTEE RECOMMENDS**

1. That a new 2017/18 Rubbish and Recycling Capital New Programme called "Awapuni Lease Property Improvements" with a budget of \$40,000 be created by utilising savings of \$40,000 from Water Capital New Programme

610 – “Turitea Valley Road / Pacific Drive New Water Supply Link.”

2. That a new 2017/18 Water Capital New Programme called “Turitea WTP Access Road Retaining Wall” with a budget of \$180,000 be created by utilising savings of \$180,000 from Water Capital New Programme 610 – “Turitea Valley Road / Pacific Drive New Water Supply Link”.
3. That the budget for the 2017/18 Wastewater Capital New Programme “1048 Totara Road WWTP – Construction of New Food Waste Facilities” be revised from \$101,000 to \$150,000 by utilising savings of \$49,000 from Water Capital New Programme 610 – “Turitea Valley Road / Pacific Drive New Water Supply Link.”
4. That the budget for the 2017/18 Wastewater Capital New Programme “570 Totara Road WWTP – Replacement of Inlet Screens (Growth)” be revised from \$385,000 to \$475,000 by utilising savings of \$90,000 from Water Capital New Programme 610 – “Turitea Valley Road / Pacific Drive New Water Supply Link”.

Clause 59.1 to 59.4 inclusive above were carried 16 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, Aleisha Rutherford and Tangi Utikere.

Moved Lorna Johnson, seconded Leonie Hapeta.

5. That the Chief Executive report back on a process for reallocation and prioritisation of underspending on programmes.

Clause 59.5 above was carried 10 votes to 6, the voting being as follows:

**For:**

Councillors Rachel Bowen, Adrian Broad, Gabrielle Bundy-Cooke, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Lorna Johnson, Karen Naylor, Aleisha Rutherford and Tangi Utikere.

**Against:**

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Jim Jefferies, Duncan McCann and Bruno Petrenas.

**60-17**

**Victoria Esplanade Erosion**

Report, dated 17 August 2017 from the Parks & Property Manager, John Brenkley.

Moved Grant Smith, seconded Aleisha Rutherford.

**The COMMITTEE RECOMMENDS**

1. That Council contribute \$125,000 to Horizons RC to rock line the riverbank below the Victoria Esplanade to prevent further erosion occurring in this location as an accommodated operational cost within the City Reserves

General Activity. Furthermore it be noted that this contribution is unbudgeted and that the activity will be monitored and any likely overspend be reported back.

Clause 60-17 above was carried 14 votes to 2, 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, Aleisha Rutherford and Tangi Utikere.

**Against:**

Councillors Leonie Hapeta and Karen Naylor.

## 61-17 **Committee Work Schedule September 2017**

Moved Susan Baty, seconded Jim Jefferies.

The **COMMITTEE RESOLVED**

1. That the Finance and Performance Committee receive its Work Schedule dated September 2017.

Clause 61-17 above was carried 16 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, Aleisha Rutherford and Tangi Utikere.

## **EXCLUSION OF PUBLIC**

### 62-17 **Recommendation to Exclude Public**

Moved Susan Baty, seconded Aleisha Rutherford.

The **COMMITTEE RESOLVED**

“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:

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11.	Minutes of the Finance and Performance Committee meeting - Part II	For the reasons setout in the Finance and Performance Committee minutes of 21 August	

	<b>Confidential - 21 August 2017</b>	<b>2017, held in public present.</b>	
<b>12.</b>	<b>Increase in Leased Reserve Land for Hokowhitu School Pool</b>	<b>Commercial Activities</b>	<b>s7(2)(h)</b>
<b>13.</b>	<b>Sale of land - request to amend settlement date</b>	<b>Negotiations</b>	<b>s7(2)(i)</b>

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), General Manager, City Enterprises (Ray McIndoe), General Manager, City Future (Sheryl Bryant), General Manager, City Networks (Ray Swadel), General Manager, Customer Services (Peter Eathorne), General Manager, Libraries and Community Services (Debbie Duncan), Human Resources Manager (Wayne Wilson) and Communications Advisor (or their representative (Brigitte Marulli de Barletta) 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 Management 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.

Governance and Support Team Leader (Kyle Whitfield) and Committee Administrators (Penny Odell, Carly Chang and Rachel Corser), because of their knowledge and ability to provide the meeting with procedural advice and record the proceedings of the meeting.

Parks and Property Manager (John Brenkley), Property Officer (Bryce Hosking), Strategy Manager – Finance (Steve Paterson) , because of their knowledge and ability to assist the meeting in speaking to their report and answering questions, noting that such officer will be present at the meeting only for the item that relate to their respective report.

Clause 62-17 above was carried 16 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, Aleisha Rutherford and Tangi Utikere.

The public part of the meeting finished at 11.31am

Confirmed 16 October 2017

**Chairperson**



## MEMORANDUM

**TO:** Finance and Performance Committee

**MEETING DATE:** 16 October 2017

**TITLE:** Forest Post Harvest Native Forest Revegetation

**DATE:** 8 September 2017

**AUTHOR/S:** Robert van Bentum, Water & Waste Services Manager, City Networks  
Dora Luo, Water Asset Engineer, City Networks

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### RECOMMENDATION(S) TO COUNCIL

1. That Council note that an additional operational budget of \$36,000 spread over 5 years starting from the 2018/19 year following completion of the planned pine forest harvest operations in the Turitea Water Supply Catchment, will be presented for funding consideration in the 2018-28 Long Term Plan.

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### 1. ISSUE

- 1.1 At the Finance and Performance Committee meeting of 15 August 2016 and the subsequent Council August 2016 meeting, Council approved the harvest of pine trees from Stand 7 of Turitea West and the remainder of Turitea East with the land to be left to regenerate into native vegetation.
- 1.2 The Stand 7 forest is located within the Turitea water catchment and reserve. Stand 7 is over-mature and showing evidence of significant wind damage. Access issues and in particular concerns about potential damage to the water treatment plant access road and the pipeline below, had previously delayed the harvest.
- 1.3 Approval was given in August 2016 to proceed with the harvest however the very wet weather during the summer of 2016-17 resulted in the tree harvest being postponed until the summer of 2017-18. A further slip has occurred on the access road during the winter of 2017. Council at its 25th September 2017 meeting has approved a new programme to construct a retaining wall to repair the road, and enable forest harvest to proceed.

**ITEM 5**

- 1.4 The August 2016 Finance and Performance Committee meeting, made a further recommendation which was adopted by Council, "That a native seed replant be scoped, budgeted and engaged following harvest."

- 1.5 Officers engaged the consultants Groundtruth to assess the requirements for post-harvest intervention to ensure the native regrowth would be effective. The consultant's report has been completed and is attached to this memorandum. This memorandum outlines the key findings and recommendations.

## **2. BACKGROUND**

- 2.1 Groundtruth was engaged to provide an overview of the best approach to achieving rapid native forest regenerations and to assess the risks and advantages of different methods of achieving this outcome.

- 2.2 The key objectives of rapid native forest regeneration include ensuring soil stability following harvest to avoid soil loss and sediment loss in the catchment and to the dams, increasing the biodiversity values of the area and achieving rapid vegetation growth which suppresses weed growth. The work included several site visits as well as a desk based assessment.

- 2.3 Key observations reported on by Groundtruth in respect of the Turitea West Block include the extensive existing native species understorey, the presence of larger native trees in the Tutaewhare Stream gully and the presence of areas of gorse and Himalayan honeysuckle weeds which may slow but will not prevent native regeneration. The report notes that the greatest risk of pine regeneration will occur on the drier ridges however as the Turitea West Block is broadly south facing pine regeneration is likely to be less of an issue. The report identified the most significant erosion risk is an existing slip adjacent to the access road. Some intervention to reduce erosion in this area would be worthwhile.

- 2.4 Groundtruth assessed that provided harvest operations were carefully undertaken, growth of existing native species would be adequate in most areas. They recommend active management in some areas to control radiata pine regrowth through pulling or spraying from 6 months until 3 years after harvest. In addition they recommend spot weed control by spraying of dense patches of gorse, blackberry and other weeds, as well as some provision for planting of native species in areas where grasses have established and native vegetation is sparse. The suggested budget for the active management is \$36,000 spread over the 5 years following harvest. The assessment is that replanting across the whole area is not a sensible alternative and even the native planting that is proposed, is likely to quickly overtopped and replaced by naturally regenerated seedlings.

- 2.5 Officers have reviewed the report and recommendations and consider them practical. The additional work can be undertaken cost effectively by either City



Enterprises staff or existing contractors by way of variations to existing contracts and scopes of work.

### 3. NEXT STEPS

- 3.1 Officers are currently advancing work to repair the access road and plan for a summer tree harvest. Subject to Council approval, Officers propose to make provision for the additional cost in the Water Source Turitea Sub-activity within the 2018-28 Long Term Plan budgets.

### 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>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>No</b>
Are the recommendations inconsistent with any of Council's policies or plans?	

### ATTACHMENTS

1. Turitea West Native Forest Revegetation Report 20170630 [↓](#) 

Robert van Bentum  
Water & Waste Services  
Manager

Dora Luo  
Water Asset Engineer



# groundtruth

## TURITEA WEST FOREST

### Native Forest Restoration after Harvest

June 2017



A report for  
Palmerston North City Council.

PO Box 52, Paekakariki  
Kapiti Coast, New Zealand  
Ph 04 904 0876  
[www.groundtruth.co.nz](http://www.groundtruth.co.nz)



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<b>APPENDIX 2: PLANT SPECIES LIST FROM SITE ASSESSMENT</b>	<b>10</b>

## 1. BACKGROUND

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Harvesting of a mature radiata pine plantation in the west of the Turitea Reserve, close to the water supply reservoirs is planned for the summer of 2017-18 (see map in Appendix 1). This harvest has been approved by Council.

At the Finance and Performance Committee meeting where harvest was considered, additional information was sought about the regeneration of the land into native forest following harvest of pine forest. The area will not be replanted in pines and will instead be regenerated into native forest. This supports the long-term reserve management objectives of water supply and biodiversity restoration in line with the Turitea Reserve Management Plan.

Groundtruth were engaged to provide an overview of the best approach to achieving rapid native forest regeneration and the risks and advantages of different methods.

The objectives of regeneration into native forest can be identified as including:

- Soil stability following harvest and tree removal – and subsequent long term soil protection
- Biodiversity values: Increasing areas of native vegetation and habitat.
- Weed management: Rapid establishment of native vegetation to suppress problem weeds.
- Ensuring regeneration of forest cover and avoiding deforestation in the terms of the Emissions Trading Scheme

This report provides information on native forest revegetation methods, identifies different types of site across the harvest area and recommends a practical and cost-effective approach.

Site visits were undertaken in March and June 2017 to identify native species already present and broadly assess the site.

## 2. FORESTS, SOIL STABILITY AND REGENERATION

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### 2.1 Overview

Harvest of pine forest has occurred previously in this area in the 1970s. This involved ground based harvest machinery and significantly less sensitive harvest techniques than are used today. Assessment of the sedimentation risks to the water supply from harvest of this area was commented on in a harvest planning report by Forme Consulting Group in 1998. The small area of harvest relative to the catchment of the reservoirs means that erosion impact from this area is very small. This is combined with the fact that almost all areas of the forest are separated from the edge of the reservoir by a native forest buffer.

Forests protect soils and reduce erosion by two main processes. Firstly they keep soils drier because the forest canopy intercepts some rainfall that evaporates back into the atmosphere and the tree takes up moisture through its roots and transpires this into the atmosphere. Secondly tree roots physically bind the soil together. When a forest is harvested the drying effect is immediately removed. This begins to return as forest cover is re-established. The mechanical strength of roots is not immediately removed – as it takes some years for stumps and roots to rot and lose their strength. Radiata pine roots lose about half their strength after 18 months. As it always takes some time to re-establish a forest (whether it is pine or native forest) there is a period where roots from the previous forest have lost their strength, and the stabilising effect of the new forest has not replaced it because trees are still growing in size and forming a canopy cover.

Promoting rapid forest establishment keeps this “window of vulnerability” as narrow as possible. Restoring this area into permanent native forest will avoid future periods of erosion risk following harvest and also increase biodiversity value.



Groundtruth have significant experience assessing and managing areas of pine forest into permanent native forest following harvest. This includes local experience with PNCC forests on South Range Road and at Arapuke Forest Park. Some key findings from this work include:

- Plantation pine forests near to native forest will have major existing regeneration of native species in the understorey prior to harvest. This is particularly the case if pine stands have been pruned and thinned or have a greater proportion of gaps and edges.
- At harvest native species within the stand are crushed and damaged. However, most of the common species such as Mahoe (*Melcytus ramiflorus*), Pate (*Schlefera digitata*) and Pigeonwood (*Hedecarya arborea*) are able to re-sprout and grow rapidly following harvest. The combination of disturbance and the presence of existing native seed and seedlings means that a range of colonising native species regenerate rapidly.
- Gully areas, where crop trees are wherever possible pulled away from these areas to prevent damage, generally have more advanced regeneration and are less damaged during harvest – so provide rapid regeneration.
- Regeneration of pine seedlings will also occur. This is particularly a problem on warmer, drier northern faces. An annual programme of removing pine regeneration, mainly by hand pulling, is required.

Our work on these areas has shown that planting of native species is generally not warranted. In most cases it would be a waste of money as planted seedlings would soon be lost amongst large numbers of naturally regenerated seedlings.

## 2.2 Assessment of Turitea West Block

### Existing native forest regeneration

The Turitea West Block is close to, and often surrounded by, native forest. Consequently it has abundant regeneration in the understorey as shown in the photos below. A wide range of species are present in the pine forest as seedlings and saplings – both understorey species and long-lived canopy species such as tawa (see Appendix 2).



*Advanced regeneration of native species amongst pine forest.*

The main Tutaewhare Stream that leads into the lower reservoir has a gully area with some larger native trees and open canopy that has resulted in abundant native forest regeneration.



*Larger native forest vegetation in Tutaewhare stream*



*More native regeneration in gully areas in forest.*

Other moist small gully areas within the pine forest have greater and more developed native species regeneration (see photo above).

Overall, the forest area has a good level of native regeneration, particularly in areas that are wetter and have more open canopy.

### **Weeds**

Areas of gorse and also Himalayan honeysuckle are present. Native species can regenerate through these weeds over time. However, they slow the speed of regeneration as they rapidly form a dense canopy that suppresses native species for a number of years until natives overtop these weed species. A sensible approach is to keep an eye on the establishment of these weed species. If they occur as scattered small patches only, following harvest, they can potentially be ignored as native species will overtop and shade them out. If large dense areas of these weeds develop, localised spraying of them to encourage native regeneration could be considered.

### **Pine regeneration hotspots**

Following harvest there will be regeneration of pine seedlings. If these are not removed they will potentially dominate in some areas and result in the pine forest re-establishing. Bursting of pine cones and subsequent spread of seed is driven by temperature. Consequently, harvesting on warm north facing slopes over summer results in the greatest likelihood of large amounts of pine regeneration. The Turitea West block has a broadly southerly aspect so pine regeneration may not be as bad, as for example, has been experienced on the north faces of Arapuke Forest Park.

The greatest pine regeneration is likely to occur on the upper warm ridges, though scattered regeneration could occur throughout. Removal of regeneration will be required from approximately six months after harvest. Regenerating pines need to be big enough to easily hold to pull out, but not big enough to be hard to pull out (generally around 300 mm in height).

If very dense areas of pine regeneration occur, these can be sprayed out to reduce effort. A small number of stems that are missed in hand pulling can be cut. Generally a control program over approximately 3 years will be required with some final checks up to year 5. The first 1-2 years may require two visits per year to hand pull regen. By year 5 it will be an annual check to fell any small trees missed earlier.

#### **Erosion risk areas**

The most significant erosion area is likely to be a slip that is already present adjacent to the road above Tutaewhare Stream. This existing slip is shown on the map in Appendix 1.

It may be worth identifying if practical steps can be taken to drain water away from this slip area once the site is opened up at harvesting. This could help avoid any further de-stabilisation of the area due to wetter soils.

Careful harvesting to avoid new tracking in steep areas. Some small amounts of tracking proposed – but have been kept away from waterway areas.

Rapid regeneration is expected and should be monitored to confirm it is occurring. Simple photopoints are likely to be sufficient.

#### **Areas where native regeneration may be less rapid**

The key aspects that could affect regeneration include those covered above – weeds and pine regeneration. Management of those issues is discussed above and will need to occur to ensure rapid native forest regeneration.

One other area where regeneration may be slower is on some small areas of dry ridges. These occur on a number of small spurs on the northern farmland boundary. These areas may naturally establish in a cover of exotic grasses. This can slow regeneration as it is more difficult for seeds from native species to germinate and establish amongst dense grass cover. Depending on whether this establishment in grass does occur, simple management can be undertaken to promote regeneration in these areas. This would involve spot spraying grass regrowth and planting seedlings through these areas.



### 3. RESULTS

#### 4.1 Site and vegetation types

The site assessment and review of native regeneration suggests that there are large amounts of established native regeneration. This regeneration will be damaged at harvest, but a large portion will recover and result in fairly rapid regeneration of the site back into native species. The following broad vegetation / management sites can be identified:

- **Moist gully areas:** These have large amounts of regeneration and are also sensitive in terms of impact of the harvesting operation on water quality. Harvesting away from any gully areas, in line with normal forestry practice will reduce the damage on these sites and mean that these areas regenerate particularly rapidly. Crossing of these gully areas will be minimised and located on established tracks.
- **Warm north faces:** These areas have some existing native regeneration, but may be likely to see more pine regeneration following harvest, so will require particular attention for pine regeneration control.
- **Dry ridges:** There are a small number of dry ridge areas, particularly close to the northern edge of the forest. These areas may be colonised by grass following harvest and be slower to regenerate into native species. These areas should be examined a year after harvesting to see if grass control and possibly some localised planting is required to enhance native regeneration.

#### 4.2 Revegetation approaches

##### Expected outcome following harvest

From our experience and examination of this site we would expect the following to occur:

- Damage to small native trees, saplings and seedlings in harvest area during harvest
- Re-sprouting from broken stems of many damaged native tree species
- Growth of native seedlings once overhead pine canopy is removed.
- Germination and growth of pine seedlings, particularly in warmer dryer areas
- Growth of gorse and other weeds in localised areas where they were previously present
- Provided there is adequate control of pine regeneration and targeted other weed control, native species will rapidly dominate. Once they form a dense canopy over the site most weed species will be effectively suppressed and the native forest will continue to grow and mature with minimal management.

Given these expected outcomes, we do not consider that widespread planting of native species is warranted. Supporting natural regeneration from existing seedlings and subsequent bird spread seed appears to be the best pathway to restoring native forest.

##### Management requirements

We expect the following active management to be required:

- **Control of radiata pine regeneration:** Within 6 months of harvest pine seeds will germinate and seedlings begin to grow. An ongoing control programme is required to remove this regeneration over the first approximately 3 years following harvest. The most effective way to control pine regeneration is using the following mix of approaches:
  1. Leave regeneration to grow to around 30cm in height so it can be easily grasped in one hand and will pull out of the ground easily. This is likely to require around 6 months – until the first spring following harvest.
  2. Walk through areas of scattered regeneration hand pulling all the pine seedlings.
  3. Where there are very dense patches of pine seedlings use a knapsack sprayer to spot control



these areas of regeneration

4. Repeat hand pulling walking through the area twice a year. After the first two years this work will significantly reduce and may only require a check once a year.
  5. Do a final check through five years after harvest and fell any occasional individual pines that have missed earlier control.
- *Spot weed control:* During control of pine seedlings, identify any areas of dense patches of gorse, blackberry or other weeds. If these occur, undertake spray control. These areas can be controlled with a knapsack spray unit unless particularly large.
  - *Possible planting areas:* Inspect the whole area 3 years following harvest and identify if there are areas that are not regenerating into native species due to, for example, establishment of a dense grass cover. Develop a management approach for these areas potentially involving spot spraying and planting, if necessary.

#### Budget for native regeneration management

The suggested budget for supporting management back into native forest is as follows:

Task	Year1 (\$)	Year 2 (\$)	Year 3 (\$)	Year 4 (\$)	Year 5 (\$)
Control of pine regeneration	\$10,000	\$10,000	\$5,000	\$2,000	\$1,000
Spot weed control	\$2,000	\$2,000	\$1,000		
Localised planting (if needed)			\$3,000		
<b>TOTAL</b>	<b>\$12,000</b>	<b>\$12,000</b>	<b>\$9,000</b>	<b>\$2,000</b>	<b>\$1,000</b>

#### Replanting in native species as an alternative

The total harvest area at Turitea West is approximately 21 hectares. Usual planting approaches with native species can cost around \$3.50 per plant and if a re-vegetation stocking of 3500 plants per hectare was assumed this would amount to \$12,250 per hectare. This would give a total cost of \$257,250 for the whole area.

These planted native species are likely to be quickly overtopped and replaced by naturally regenerated seedlings and regrowth from broken native saplings. It seems clear that replanting across the whole area is not a sensible alternative.

## 5. DISCUSSION

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Native species are well established in the understorey of pine plantation areas to be harvested in Turitea West. Experience on a range of similar sites around the Manawatu suggests this area will regenerate very successfully into mature native forest. Fast growing colonising native species such as mahoe, pate, rangiora, tree fuchsia and kanono will grow rapidly and dominate the site. There are also seedlings of fast growing canopy species such as rewarewa, which will likely follow quickly. Important canopy species such as Tawa, miro, totara, black maire and pigeonwood are also already present and likely to establish relatively quickly, along with a range of tree ferns. Because of the large numbers of native seedling and sapling natives present a quick regeneration of native species is expected to occur.

Replanting of native species is unlikely to be warranted, except possibly in some small areas on dry ridges, particularly on the northern boundary.

Good management of the harvesting operation and active control of pine regeneration and other weeds following harvest will be required to ensure high quality native forest establishment as quickly as possible.

Re-establishment of the area into native forest in this way is aligned with the Turitea Reserve Management Plan and will ensure that the area has increased benefit for water supply and biodiversity protection in the long term.

## 6. RECOMMENDATIONS

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The following recommendations are made to ensure cost effective and rapid restoration of native forest cover on this site.

1. Ensure high quality harvest operations in line with good forestry practice. Wherever possible this should include:
  - Minimise soil disturbance
  - Sensible planning and placement of slash at landings: Slash should not be placed in problem areas where it will inhibit native regeneration. The maximum amount of merchantable wood should be removed. Wherever possible short "billet wood" should be removed.
2. Begin control of pine regeneration 6 months following completion of harvesting and undertake control approximately six monthly until the issue is removed.
3. Identify any dense weed patches that are likely to inhibit regeneration and apply control.
4. Identify any areas, particularly drier ridges where regeneration has not occurred and undertake localised grass control and planting if required.
5. Inspect and undertake pine regeneration control and other weed control as required until native regeneration has achieved a closed canopy and is suppressing weeds. This should be achieved by 3-5 years following harvest.

Widespread planting of native species is not considered necessary and is not recommended.

## REFERENCES

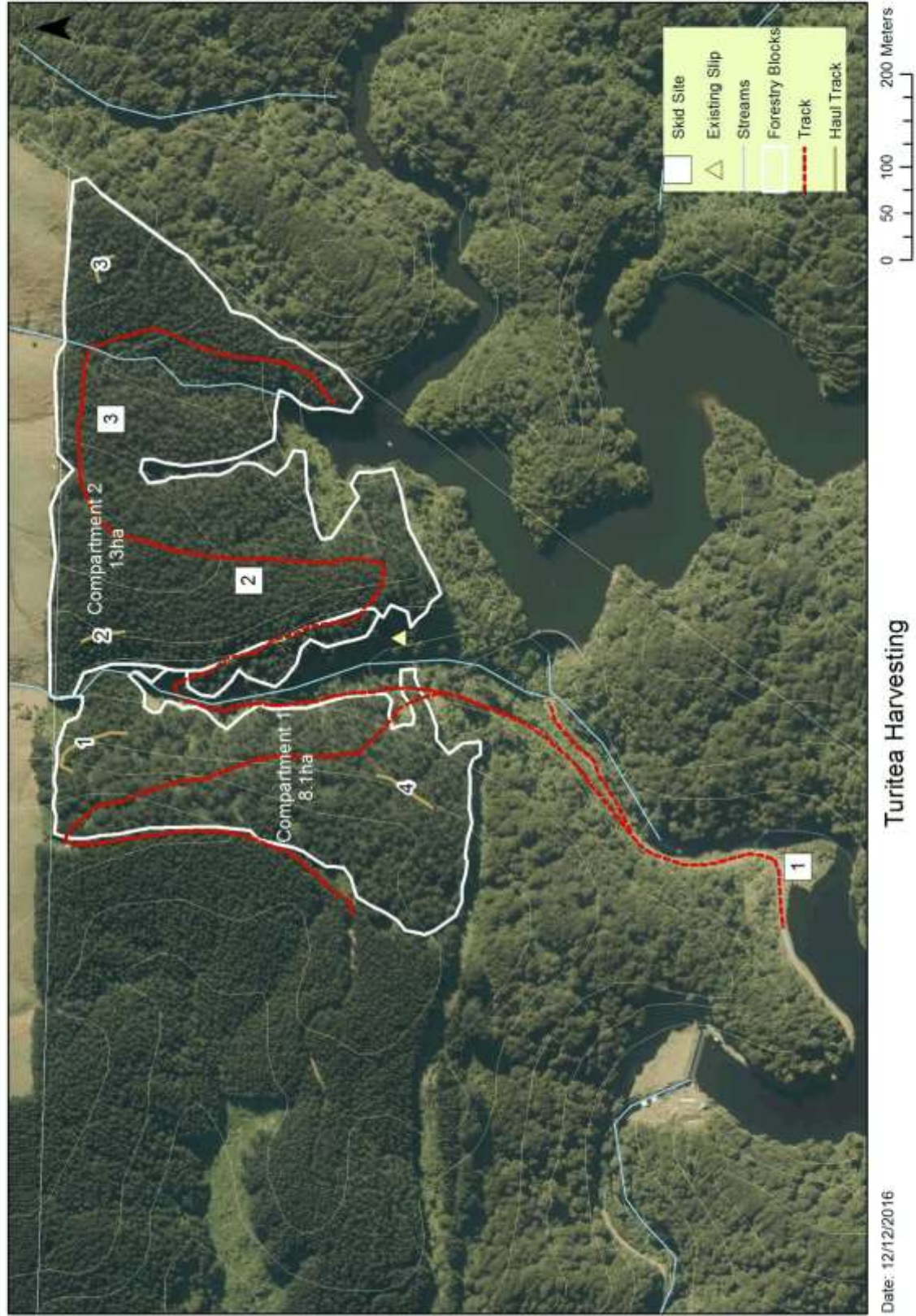
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APPENDIX 1



## APPENDIX 2: PLANT SPECIES LIST FROM SITE ASSESSMENT

## Native species

Common Name	Scientific Name
Kiokio	<i>Blechnum novae-zelandiae</i>
Mahoe	<i>Melicytus ramiflorus</i>
Kanono	<i>Coprosma grandifolia</i>
mamaku	<i>Cyathea medularis</i>
Rangiora	<i>Brachyglottis repanda</i>
Hangehange	<i>Geniostoma ligustrifolium</i>
Lancewood	<i>Pseudopanax crassifolius</i>
Bush lawyer Rubcis	<i>Rubus cissoides</i>
Koromiko	<i>Veronica stricta</i>
Toetoe	<i>Austroderia toetoe</i>
Kawakawa	<i>Piper excelsum</i> subsp <i>excelsum</i>
mapou	<i>Mysine australis</i>
Cyperus spp	Exotic cyperus
Heketara	<i>Olearia rani</i>
Marbleleaf	<i>Carpodetus serratus</i>
Wineberry	<i>Aristotelia serrata</i>
Pate	<i>Schefflera digitata</i>
Piupiu	<i>Pneumatopteris pennigera</i>
Pikopiko, Hen & Chicken fern	<i>Asplenium bulbiferum</i>
Rangiora	<i>Brachyglottis repanda</i>
Tree fuchsia	<i>Fuchsia excorticata</i>
Lemonwood	<i>Pittosporum eugenoides</i>
Poroporo	<i>Solanum aviculare</i>
Tasmanian Blackwood	<i>Acacia melanoxylon</i>
Rewarewa	<i>Knightia excelsa</i>
Ponga, silver fern	<i>Cyathea dealbata</i>
Hinau	<i>Elaeocarpus dentatus</i>
Wheki, rough tree fern	<i>Dicksonia squarrosa</i>
tawa	<i>Beilschmiedia tawa</i>
Pigeonwood, Porokaiwhiri	<i>Hedocarya arborea</i>
Kiwikiwi, creek fern	<i>Blechnum fluviatile</i>
Miro	<i>Prumnopitys ferruginea</i>
Rimu	<i>Dacrydium cupressinum</i>
Supplejack	<i>Ripogonum scandens</i>
Coprosma rhamnoides	<i>Coprosma rhamnoides</i>
Black maire	<i>Nestegis cunninghamii</i>
Red bidibid	<i>Acaena novae-zelandiae</i>
Bush rice grass	<i>Microlaena avenacea</i>
Hook grass	<i>Carex uncinata</i>
Kaikomako	<i>Pennantia corymbosa</i>
Kamahi	<i>Weinmannia racemosa</i>
Totara	<i>Podocarpus totara</i>
Kiekie	<i>Freycinetia banksia</i>
Mountain astelia	<i>Astelia nervosa</i>

**Exotic species**

<b>Common Name</b>	<b>Scientific Name</b>
Gorse	<i>Ulex europaeus</i>
Himalayan honeysuckle	<i>Leycesteria formosa</i>
Monterey pine	<i>Pinus radiata</i>
Tutsan	<i>Hypericum androsaemum</i>
Blackberry	<i>Rubus fruticosus</i>
Tasmanian Blackwood	<i>Acacia melanoxylon</i>
Foxglove	<i>Digitalis purpurea</i>
Monterey pine	<i>Pinus radiata</i>



## MEMORANDUM

**TO:** Finance and Performance Committee

**MEETING DATE:** 16 October 2017

**TITLE:** Arena Masterplan Steering Group

**DATE:** 29 September 2017

**AUTHOR/S:** John Lynch, Manager - Venues PN, City Enterprises

### RECOMMENDATION(S) TO COUNCIL

1. That the Arena Masterplan Steering Group be formed to provide direction, advice, feedback and endorsement to Arena Masterplan projects.
2. That the Terms of Reference for the Arena Masterplan Steering Group be approved.
3. That the membership of Arena Masterplan Steering Group be reviewed at the beginning of each election cycle.
4. That Nominations be sought from 2 elected members to join the Mayor on the Arena Masterplan Steering Group.

### 1. BACKGROUND

The original Arena Masterplan was adopted by Palmerston North City Council (PNCC) in 2014. It formed part of the current Long Term Plan.

In April 2016 an MOU between PNCC and Sport Manawatu was entered into to establish a relationship between the parties in order to;

- Collaborate to develop Central Energy Trust Arena as the city's central sports hub with development of Sports House and associated activities for the Manawatu at Central Energy Trust Arena;
- Recognise both parties' common interests;
- Develop mutual benefits from collaboration and co-operation to increase programmes and participation in recreation and the activation of the site;

This MOU recognises Sport Manawatu as a key stakeholder in delivery of the Arena Masterplan and projects moving forward as it was not envisaged in the original masterplan.

On 7 August 2017 a workshop with Councillors reviewed the Masterplan and options for inclusion in the Long Term Plan 2018-28. A preferred option was identified which includes Sports House located adjacent to Cuba Street in the Eastern corner of the precinct. Sports

# ITEM 6

House is very much a key priority in the updated Masterplan and the preferred option identified.

The Masterplan is currently being finalised with assistance from McIndoe Urban Architects to include the detailed requirements for Sports House. These are being worked through with the Sport Manawatu Board to ensure all parties are comfortable with the final plan. This work is expected to be complete by the end of October 2017. The final Masterplan will be presented to the Sport and Recreation Committee on 4 December 2017.

The Mayor has proposed a formalised Steering Group be established to keep some focus with key partners/ stakeholders and drive the external funding and investment that is critical to the success of the various projects in the Masterplan. With the anticipated adoption of the updated Arena Masterplan in November, the formation of the Arena Masterplan Steering Group and its Terms of Reference now will enable the Steering Group to be established ahead of the confirmation of the Masterplan in November.

The Terms of Reference outlines the purpose and scope of the Steering Group, roles and responsibilities. Key stakeholders have been identified as being pivotal to the success of the Masterplan and future developments at Central Energy Trust Arena

## 2. NEXT STEPS

Adopt the attached Arena Masterplan Steering Group Terms of Reference

## 3. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	No
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 procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No

## ATTACHMENTS

1. Arena Masterplan Steering Group (AMSG) Terms of Reference [↓](#) 

John Lynch  
Manager - Venues PN



## Arena Masterplan Steering Group (AMSG) Terms of Reference

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### Background

The original Arena Masterplan was adopted by Palmerston North City Council (PNCC) in 2014. It formed part of the current long term plan.

In April 2016 an MOU between PNCC and Sport Manawatu was entered into to establish a relationship between the parties in order to;

- Collaborate to develop Central Energy Trust Arena as the city's central sports hub with development of Sports House and associated activities for the Manawatu at Central Energy Trust Arena;
- Recognise both parties' common interests;
- Develop mutual benefits from collaboration and co-operation to increase programmes and participation in recreation and the activation of the site;

This MOU recognises Sport Manawatu as a key stakeholder in delivery of the Arena Masterplan and projects moving forward as it was not envisaged in the original masterplan.

A revised Masterplan incorporating Sports House has been developed by Council for inclusion in the new Long Term Plan 2018-28.

The Steering Group is established to keep focus with key partners/ stakeholders and to drive the external funding and investment that is critical to its success of the various projects in the Masterplan. Minor amendments to these terms of Reference can be made the AMSG.

### What is AMSG?

It is a collaborative Central Energy Trust Arena stakeholder working group, led by the Mayor.

### Aim of AMSG

To contribute to the implementation and delivery of the Arena Masterplan and development of the precinct through the specific projects identified.

### Purpose and Scope of AMSG

The purpose of the Master Plan Steering Group is to provide direction, advice, feedback and endorsement to the Arena Masterplan projects at key milestone points during the delivery of the Masterplan.

This includes providing feedback on the following Master Plan components:

1. To actively contribute to the Arena Masterplan and its vision.
2. To take a City/ Region/ Community-wide approach.
3. To build and successfully tenant Sports House as a priority.

4. Foster consensus among key stakeholders, including Arena users, neighbouring residents and businesses in Palmerston North City and the wider Manawatu region.
5. To be a mechanism through which consultation and community engagement happens with sectors including business, community, sport and Iwi.
6. To identify opportunities for collaborative innovation.
7. To provide input into the development and design of the Arena Masterplan components and to champion its projects.
8. To embrace a collaborative approach to Arena Masterplan projects.
9. To build effective coordination between Council and stakeholders.
10. To assist in external funding and investment of projects.
11. To support the delivery of the Arena Masterplan projects.

### Major Outcomes

1. Delivery of Arena Masterplan projects in line with the LTP 10 year plan.
2. Effective communication and engagement.
3. Championing of the Arena Masterplan within the community.

### Timeline

The AMSG will be set up in November 2017 and stay in place for the life of the Masterplan. The membership of the AMSG will be reviewed at the beginning of each election cycle.

### Meetings

Steering Group meetings will be convened on a regular basis at Central Energy Trust Arena as determined by the AMSG. Steering Group members will be invited to key meetings with stakeholders and any relevant project delivery meetings during the delivery of the projects.

The Steering Group will be provided with documentation and information relating to each step of any of the projects in advance of the meeting. Lengthy documentation will be posted to a common use secure web access site for use of Steering Group.

### Meeting Minutes

Meeting notes will be made for each Steering Group meeting and will be circulated to the Steering Group following each meeting for review and comment. Notes will be approved by the Steering Group at the following meeting.

Administration support for the Steering Group will be provided through the Venues Division of Council who manage Central Energy Trust Arena.

### Roles and Responsibilities of Steering Group Members

As a Steering Group member, each participant will:

- Liaise with the organisation each is representative of (as applicable) and bring forward advice, issues or comment from their respective group or representative to the Steering Group;
- Ensure that any matters that may affect other groups or departments within the organisation they are representative of are brought to the attention of the appropriate party and those persons views are communicated to the Steering Group;
- Consider any matters, issues or information referred to them by the Steering Group relating to the Arena Master Plan and provide advice, endorsement or recommendations as required;
- Identify other stakeholders or user groups and seek their input and views to ensure that these are available for consideration by the Steering Group;
- Strive to operate in a consensus mode, where participants openly discuss views and opinions, and seek to develop common ground and narrow areas of disagreement to the best of their ability;
- Ensure that the results of Steering Group discussions are accurately recorded in the meeting records or additional reports that members determine may be needed; and
- Ensure that the advice, endorsements, recommendations and consensus positions from the Steering Group are fully considered in the development of the preferred solution for projects within the Arena Masterplan.

### Masterplan Steering Group Membership

The Mayor will Chair the AMSG. Other members are drawn from Council, stakeholders and Iwi.

### Appointment Process

Nominations to be invited from but not limited to:

- PNCC Councillors (Mayor plus 2 Elected Members)
- PNCC City Enterprises (Unit Manager)
- Sport Manawatu (1 Board Representative)
- Robertson Holden International Speedway (1 Representative)
- Marist Sports Club (1 Representative)
- Central Energy Trust (1 Representative)
- Rangitane Iwi (1 Representative)
- Manawatu Rugby Union (1 Representative)
- Co-opted member(s) as required as necessary

The Steering Group will be supported by

- Sports Manawatu (Chief Executive)
- City Enterprises (Venues Manager)
- City Networks (Asset Manager)
- City Future (Urban Design Planner)
- City Corporate (Project Investment Coordinator)
- Robertson Holden Speedway (Operations Manager)

#### Criteria

1. Ability to take a city-wide approach
2. Ability to bring fresh thinking and innovation
3. Ability to influence and galvanise action within their organisation/ sector
4. Ability to bring resource to the table to implement projects
5. A passion for Central Energy Trust Arena
6. Strong networks in the community

Version 1 – October 2017

## MEMORANDUM

**TO:** Finance and Performance Committee

**MEETING DATE:** 16 October 2017

**TITLE:** Treasury Report for 3 months ended 30 September 2017

**DATE:** 5 October 2017

**AUTHOR/S:** Steve Paterson, Strategy Manager Finance, City Corporate

ITEM 7

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

1. That the performance of the treasury activity for the 3 months ending 30 September 2017 be noted.
2. That it be noted that as at 30 September 2017 the treasury policy targets were complied with except for the following:
  - a. the three to five year and five year plus fixed rate maturity profile band targets of 15% to 60%
  - b. The maximum investment with a registered bank not exceeding \$10m;
 and that as the level of non-compliance was minimal, and that it is expected the policy targets will be met by 31 December 2017 no specific action is intended at this stage.

### 1. ISSUE

To provide an update on the performance of the Investment Fund ("the Fund") and the Council's Term Debt portfolio for the 3 months ended 30 September 2017.

### 2. BACKGROUND

#### 2.1 Investment Fund

In November 2008 Council endorsed an orderly exit strategy for the Fund which embraced holding the investments in bonds to maturity or when they could be sold without realising a loss (ie if the yields fall below the purchase price).

This strategy has been encapsulated in subsequent 10 Year and Annual Plans and the realisation process is nearing an end. The bond portfolio is managed directly by the Council with the assistance of MCA Ltd as investment advisors.

## 2.2 Term Debt

The Council's Annual Budget for 2017/18 forecast additional debt of \$19m would need to be raised during the year to fund the \$39.5m of new capital expenditure programmes (including assumed carry forwards from 2016/17). In June 2017 the Council resolved to specifically authorise the raising of up to \$19m of additional debt.

Council's Financial Strategy (updated version adopted 24 June 2015) 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 175%
- 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) also contains a number of other criteria regarding debt management.

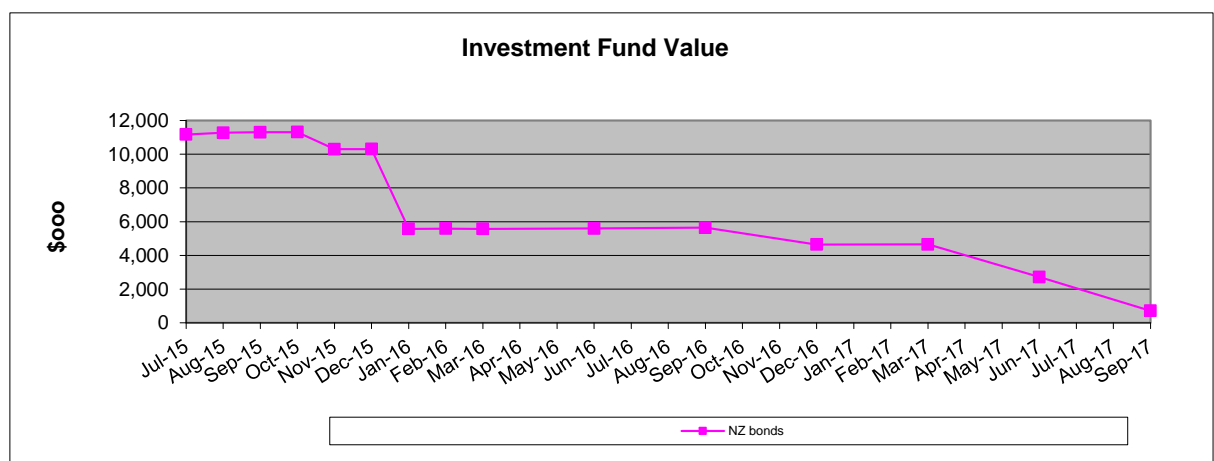
## 3. Performance

### 3.1 Investment Fund

Fund performance is monitored and reviewed by Council's investment advisor and Council's own staff. **Attached as schedule 4** is a consolidated report prepared by Council's investment advisor covering the period 1 July 2017 – 30 September 2017. The overall market value of the Fund is summarised in the following table:

	Market Value at 1 Jul 17 \$m	Market Value at 30 Sep 17 \$m
NZ Bonds	\$2.71	\$0.72

# - a \$2 million bond investment matured in August 2017 and was repaid to the Council





Realised Fund earnings from interest and dividends for the 3 months totalled \$21k. \$2.021m was distributed back to the Council during the period including \$2m of maturing investments.

## 3.2 Term Debt

**Schedule 1** attached shows the details of Council's debt as at 30 September 2017. Debt levels were within the policy parameters outlined in clause 2.2. of this report.

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

	Annual Budget for year (2017/18) \$000	Actual – 3 months (2017/18) \$000
Opening Debt Balance at 1 July 2017	101,600	97,000
New Debt #	19,000	12,000*
Debt repayments #		
Closing Balance	120,600	109,000
<u>Comprising:</u>		
Bank advance (on call)		
Commercial paper		
LGFA short term advance		10,000
LGFA & Council stock		99,000

# 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.

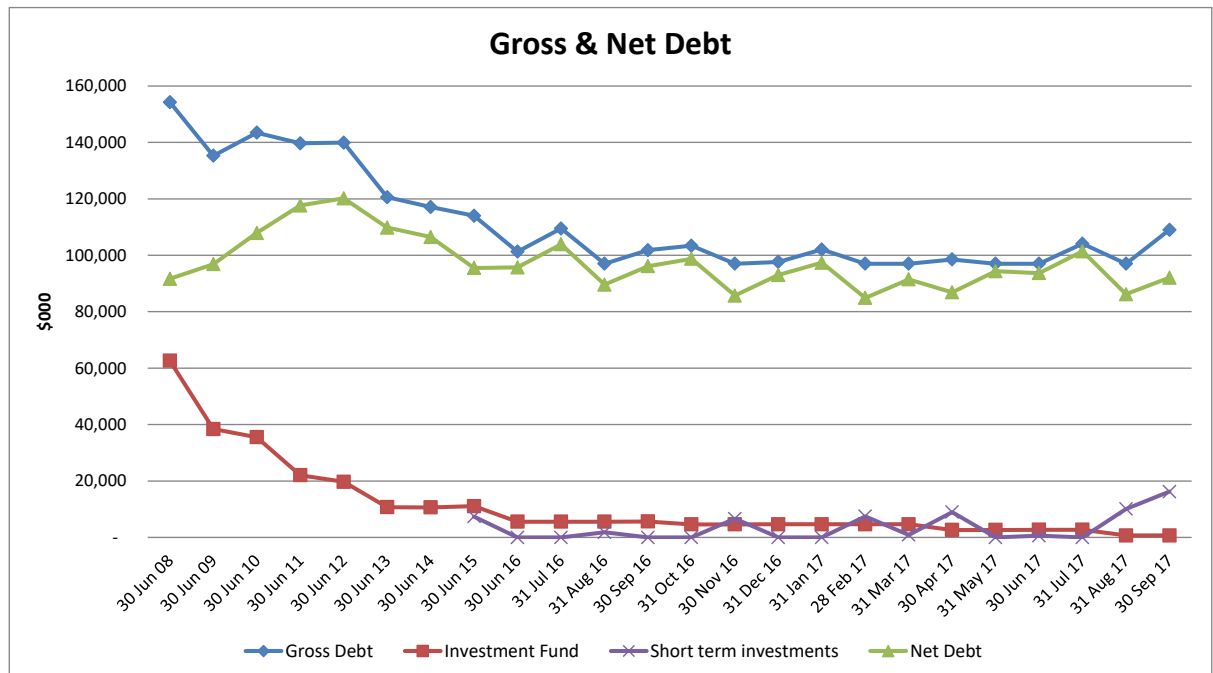
\* This \$12m new debt was raised to pre-fund debt maturing in December 2017. The sum has been placed on short term deposit (at 3.03% pa) in the interim. This return is higher than the cost of the borrowing during this period (\$6m @ 2.5586% and \$6m @ 2.506%).

Net debt at 30 September 2017 was \$92.75m (ie gross \$109m less investment fund of \$0.7m less short term deposits of \$13m and call investment of \$3.25m) compared with \$93.665m at 1 July 2017 (ie. gross \$97m less investment fund of \$2.71m and call investment of \$0.625m).

Council's Treasury Policy prescribes under the counterparty credit risk section that investments for any registered bank will not exceed \$10m. As at 30 September 2017 \$16.25m was invested with Westpac - \$12m of this relates to the pre-funding of debt maturing in December 2017. The investment level will therefore return within policy parameters before 31 December 2017.

Movements in recent years are shown in the following graph:

### Gross & Net Debt



Actual finance costs incurred during the 3 months (including interest, line fees & the effects of swaps) amounted to \$1.465m compared with the budget for the year of \$6.462m.

The Council has entered a number of 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” ie 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 30 September 2017 and show a decrease in book value of \$181k for the quarter.

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. At the present time we are using a rolling 12 month projection of \$105m for this assessment. This is considerably less than assumed in the Annual Budget and reflects that at the present time actual capital expenditure (and as a consequence total debt) is less than the budget assumption.

As at 30 September 2017 all of the policy targets except two had been met. The policy requires 15% to 60% of debt within the three to five year maturity band and 15% to 60% of the five year plus maturity band to be fixed. The actuals were 12% and 62% respectively.

The policy bands are considered still to be appropriate and the level of non-compliance is minimal. Following discussions with Council's advisors no specific action is being proposed at this stage as the position is expected to right itself by 31 December, though we continue to monitor market conditions.

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

#### 4. CONCLUSION & NEXT STEPS

Realised interest and dividends returns for the 3 months from the Fund of \$21k equates the budget.

Finance costs for the 3 month period (including interest, line fees & the effect of swaps) was \$1.465m compared with budget for the year of \$6.462m.


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

Following the latest annual review published on 18 April 2017 Council's S&P Global Rating's credit rating remains unchanged at AA / A-1+.

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

A further performance report will be provided after the end of the December 2017 quarter.

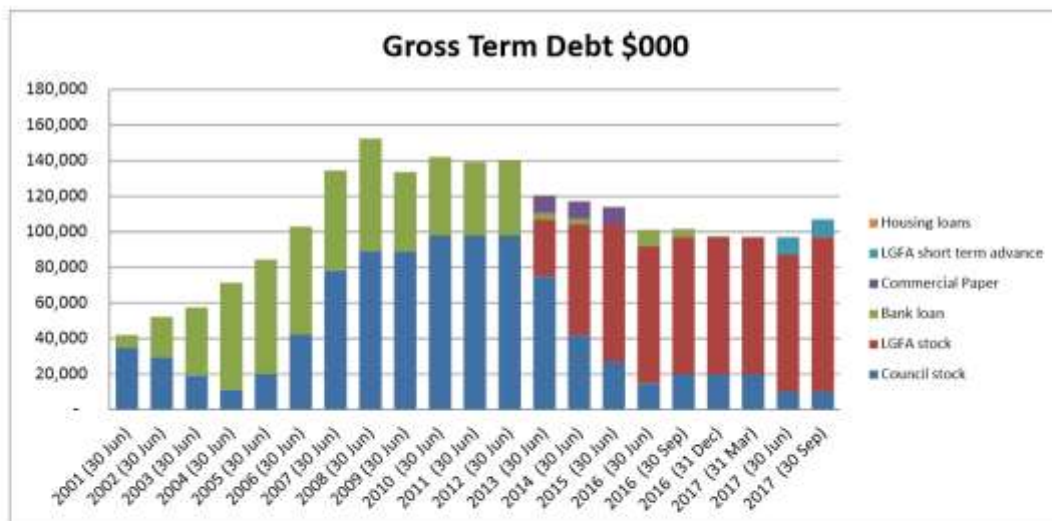
**ATTACHMENTS**

1. Schedules 1 - 4 [!\[\]\(31b03e46ee8a80a1f1467b8c03bd76e8\_img.jpg\)](#) 

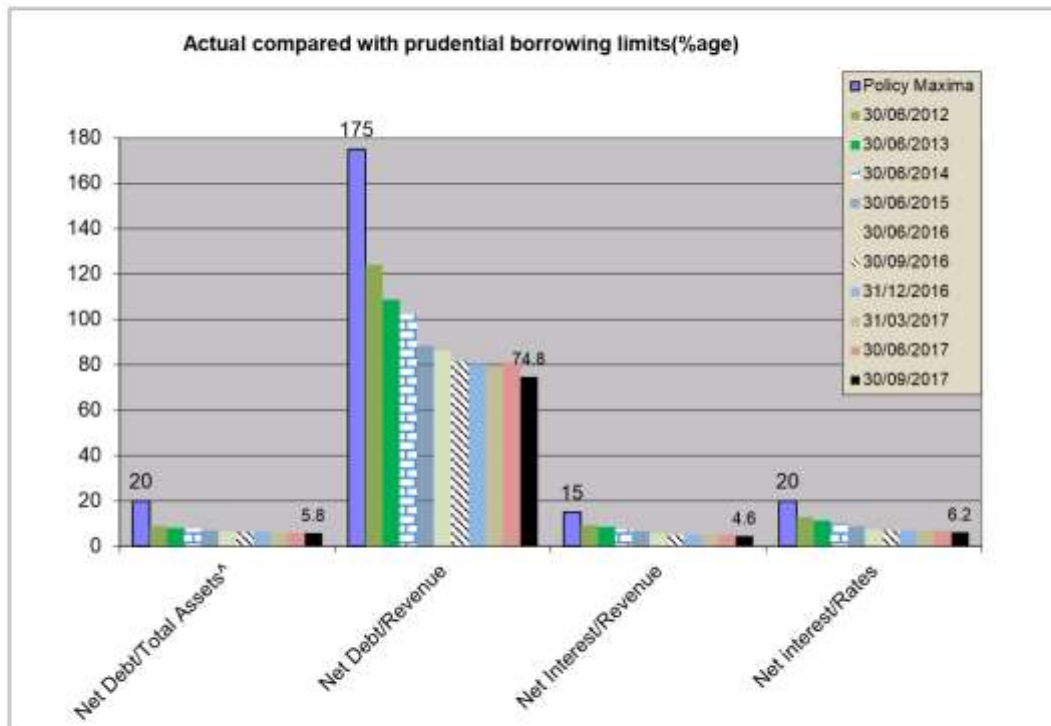
Steve Paterson  
**Strategy Manager Finance**

## Schedule 1 - Debt levels & Prudential Borrowing Ratios

Palmerston North City Council									
<b>Term Debt as at 30 September 2017</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 30/9/17</b>	<b>Interest Rate</b>	<b>Reset Date</b>	
FRN 15 May 14	4	5,000,000	0.2900%	2.2450%	15-May-2018	5,000,000	Floating Qtrly	15-Nov-17	
FRN 5 Aug 16	6	5,000,000	0.6300%	2.5800%	5-Aug-2022		Floating Qtrly	6-Nov-17	
		10,000,000							
<b>2. Loan Stock on Issue - Borrowed from LGFA</b>									
LGFA 25 Feb 13	5	5,000,000	0.6825%	2.6225%	15-Dec-2017	5,000,000	Floating Qtrly	15-Dec-17	
LGFA 24 Jun 13	4	7,000,000	0.5700%	2.5100%	15-Dec-2017	7,000,000	Floating Qtrly	15-Dec-17	
LGFA 17 Dec 12	7	10,000,000	0.9650%	2.9050%	15-Mar-2019		Floating Qtrly	15-Dec-17	
LGFA 25 Feb 13	6	5,000,000	0.7400%	2.6800%	15-Mar-2019		Floating Qtrly	15-Dec-17	
LGFA 20 May 13	8	5,000,000	0.6425%	2.5975%	15-May-2021		Floating Qtrly	15-Nov-17	
LGFA 24 Feb 14	7	10,000,000	0.5525%	2.5075%	15-May-2021		Floating Qtrly	15-Nov-17	
LGFA 19 May 14	7	5,000,000	0.6000%	2.5550%	15-May-2021		Floating Qtrly	15-Nov-17	
LGFA 13 Apr 15	7	10,000,000	0.3300%	2.3100%	5-Apr-2022		Floating Qtrly	5-Oct-17	
LGFA 18 Aug 14	9	10,000,000	0.6325%	2.5775%	15-Apr-2023		Floating Qtrly	16-Oct-17	
LGFA 6 Sep 17	7	6,000,000	0.6000%	2.5588%	15-Sep-2024		Floating Qtrly	15-Dec-17	
LGFA 6 Sep 17	8	6,000,000	0.6600%	2.5060%	15-Apr-2025		Floating Qtrly	16-Oct-17	
LGFA 16 Mar 15	12	5,000,000	0.4575%	2.4025%	15-Apr-2027		Floating Qtrly	16-Oct-17	
LGFA 8 Jun 15	12	5,000,000	0.4525%	2.3975%	15-Apr-2027		Floating Qtrly	16-Oct-17	
		89,000,000							
<b>3. Sums drawn from ANZ</b>									
As required					31-Mar-2020		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 18 May 17		10,000,000	9.00%	2.0463%	14-Nov-2017	10,000,000			
<b>Total as at 30 September 2017</b>									
		109,000,000				27,000,000			



**Note - \$12m of gross debt outstanding at 30 September 2017 has been drawn in advance to repay debt maturing on 15 December 2017 – it has been invested temporarily**



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.

<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.

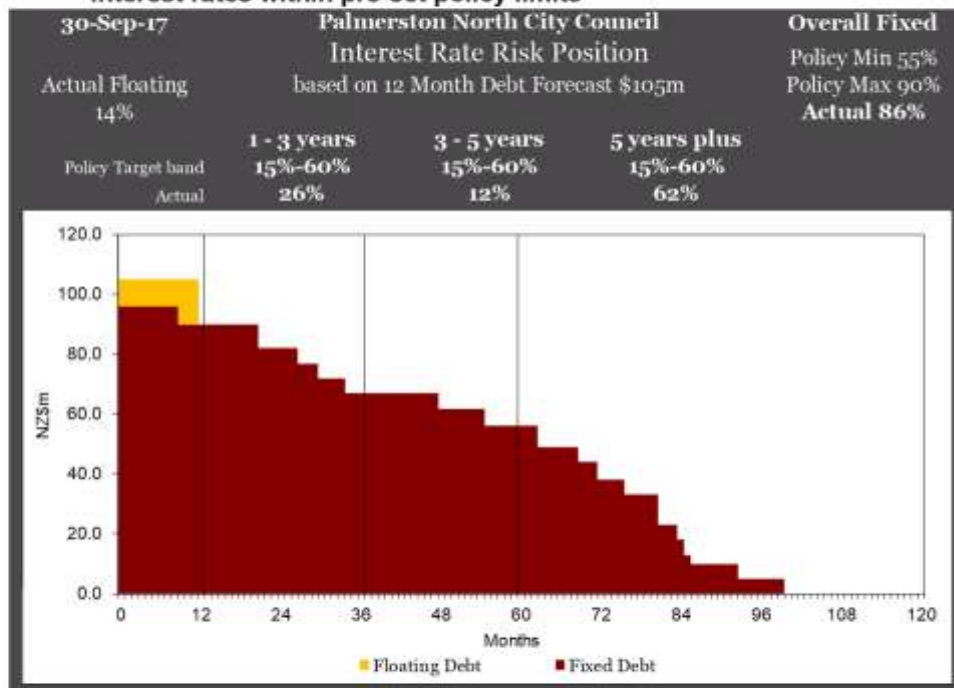
## Schedule 2 - Interest Rate Swaps

Palmerston North City Council										
<b>Interest Rate Swaps as at 30 September 2017</b>										
<b>Council pays fixed &amp; receives floating on a monthly basis</b>										
Bank	Trade Date	Deal No	Amount \$m	Start Date	Maturity	Fixed Interest rate	Current Floating rate	Reset date	Hedgebook Value at 30-Sep-17	Value Movement Jul-Sep
Westpac	12-Feb-13	2882838	5.0	11-Mar-13	9-Dec-20	4.61%	1.825%	9-Oct-17	(343,731)	
Active total at 30 Sep 17			5.0						(343,731)	(1,872)
<b>Council pays fixed &amp; receives floating on a quarterly basis</b>										
Bank	Trade Date	Deal No	Amount \$m	Start Date	Maturity	Fixed Interest rate	Current Floating rate	Reset date	Value at 30-Sep-17	
Westpac	10-Sep-09	1329748	6.0	21-Oct-09	22-Jul-19	5.8675%	1.935%	24-Oct-17	(437,831)	
Westpac	19-Aug-10	1656930	5.0	10-Oct-10	10-Jan-20	5.9375%	1.970%	10-Oct-17	(453,525)	
Westpac	19-Aug-10	1656928	5.0	10-Oct-10	10-Jul-20	5.9350%	1.970%	10-Oct-17	(526,793)	
Westpac	1-Oct-12	2668959	5.0	10-Oct-12	10-Apr-18	5.50%	1.970%	10-Oct-17	(131,563)	
Westpac	12-Feb-13	2882855	8.0	8-Mar-13	10-Jun-19	5.54%	1.940%	8-Dec-17	(486,498)	
Westpac	12-Feb-13	2882863	7.0	8-Mar-13	8-Jun-20	5.35%	1.940%	8-Dec-17	(565,462)	
ANZ	17-Dec-13	8539285	3.0	17-Feb-14	15-Nov-20	4.92%	1.955%	15-Nov-17	(237,437)	
Westpac	21-Feb-14	3540565	5.0	7-Mar-14	7-Sep-20	6.295%	1.945%	7-Dec-17	(569,176)	
Westpac	23-Mar-10	3672868	5.0	6-Jun-14	6-Dec-18	6.055%	1.955%	6-Dec-17	(246,583)	
Westpac	8-May-14	3673014	5.0	9-Jun-14	7-Sep-21	6.060%	1.945%	7-Dec-17	(670,256)	
Westpac	8-May-14	3672892	5.0	10-Jul-14	11-Apr-22	5.690%	1.970%	10-Oct-17	(691,484)	
Westpac	8-May-14	3672895	5.0	6-Jun-14	8-Jun-21	5.820%	1.955%	6-Dec-17	(594,139)	
ANZ	20-Jun-14	9572093	5.0	15-Dec-14	15-Jun-23	4.840%	1.940%	15-Dec-17	(543,165)	
Westpac	18-Jul-14	3787622	6.0	29-Sep-15	29-Sep-23	4.850%	1.960%	29-Dec-17	(665,782)	
ANZ	20-Feb-15	11260367	6.0	15-Jun-16	15-Jun-18	3.705%	1.940%	15-Dec-17	(76,595)	
Westpac	20-Feb-15	4211117	5.0	8-Mar-17	6-Mar-20	3.810%	1.955%	6-Dec-17	(186,737)	
Active total at 30 Sep 17			86.0						(7,063,026)	
ANZ	28-Nov-14	10730910	5.0	15-Dec-17	15-Jun-24	4.500%	0	15-Dec-17	(453,952)	
ANZ	28-Nov-14	10730993	5.0	10-Apr-18	10-Oct-24	4.515%	0	10-Apr-18	(427,748)	
Westpac	28-Nov-14	4040149	5.0	10-Jan-20	10-Jan-24	4.585%	0	10-Jan-20	(232,301)	
Westpac	28-Nov-14	4040489	7.0	8-Jun-20	8-Dec-22	4.5675%	0	8-Jun-20	(210,897)	
Westpac	20-Feb-15	4211119	5.0	6-Dec-18	6-Dec-19	3.875%	0	6-Dec-18	(68,784)	
Westpac	25-Feb-15	4218128	5.0	7-Sep-20	9-Sep-24	3.990%	0	7-Sep-20	(97,565)	
Westpac	25-Feb-15	4218131	5.0	8-Jun-21	10-Jun-24	3.990%	0	8-Jun-21	(64,337)	
ANZ	25-Feb-15	11281075	3.0	16-Nov-20	15-Nov-24	3.990%	0	16-Nov-20	(53,753)	
Westpac	18-Jan-16	4910927	5.0	9-Dec-20	9-Jun-25	3.970%	0	9-Dec-20	(85,503)	
Westpac	26-Feb-16	5013577	5.0	11-Apr-22	12-Jan-26	3.635%	0	11-Apr-22	13,606	
ANZ	3-May-17	15995740	6.0	22-Jul-19	21-Apr-22	3.350%	0	22-Jul-19	(52,784)	
Forward start total at 30 Sep 17			56.0						(1,734,018)	
									(8,797,044)	(178,877)
								Current	(208,158)	
								Term	(8,588,886)	
									(9,140,775)	

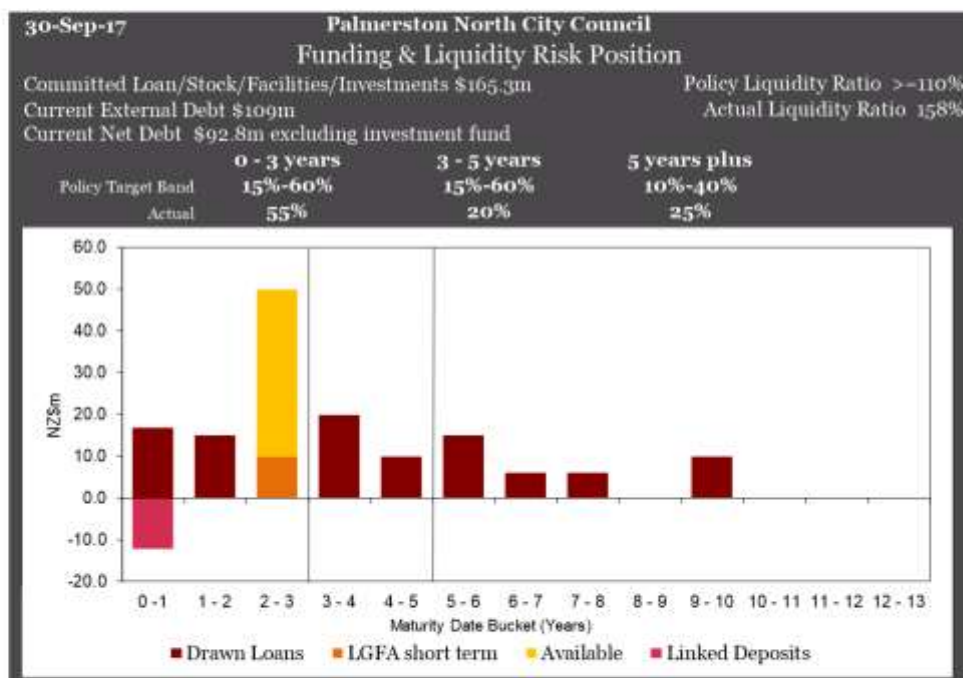


**Schedule 3 - Risk Exposure Position**

**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**



## Schedule 4 – Investment Fund Report



### Investment Fund



5 October 2017

#### Investment report as at 30 September 2017

This report summarises the value of the bond portfolio of the Council. The portfolio earned actual investment income of \$20,717 during the quarter. In addition, the market movement was \$1,027, making a total return of \$21,744 on a mark-to-market basis.

#### Assets

	Value 30 June 2017	Value 31 August 2017	Value 30 September 2017
NZ bonds	2,711,473	712,500	712,500

#### Returns

The investment returns were:

	Quarter-to-date 1 Jul 2017 to 30 Sep 2017	2017/18 year 1 Jul 2017 to 30 Sep 2017	Since inception (% p.a.) 1 Jul 2001 to 30 Sep 2017
NZ bonds	3.92%	3.92%	6.88%

#### Investment movement

From 1 July 2017 to 30 September 2017 (3 months)

	Quarter		Year
Assets as at 1 July 2017	2,711,473	Assets as at 1 July 2017	2,711,473
Net Investment Income		Net Investment Income	
+ interest	20,717	+ interest	20,717
+ realised gain/(losses)	-	+ realised gain/(losses)	-
+ unrealised gain/(losses)	1,027	+ unrealised gain/(losses)	1,027
	21,744		21,744
+ Capital movements	(2,020,717)	+ Capital movements	(2,020,717)
Net change in market value	(1,998,973)	Net change in market value	(1,998,973)
Assets as at 30 September 2017	712,500	Assets as at 30 September 2017	712,500
Returns	3.92%	Returns	3.92%



PALMERSTON NORTH CITY COUNCIL

**Palmerston North City Council**  
**Bond Portfolio valuation as at 30 September 2017**



Issuer	S&P rating	Purchase date	Maturity date	Face value	Coupon	Purchase price	Currency	Annual gross income	Yield to maturity		Market value	
									Yield	Value	Yield	Value
Credit AG (CASHA) - perp*	BB+	18/12/2007	19/12/2017	750,000	5.04%	750,000	NZD	37,800	5.04%	751,136		712,500
Totals				750,000	5.04%	750,000		37,800	5.04%	751,136		712,500
Number of securities/average	1											
										Total		712,500

\* Credit AG perp (CASHA) is a perpetual bond and has no maturity date. The next reset date is shown in italics. Following the December 2012 reset, the Coupon rate was reset to the 5 year swap rate 7.39% + Factor (1/1000) matured on 4 April 2017.

**Maturity and coupon forecast over the next 12 months**

Issuer	Maturity date - coupon freq	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
Credit AG (CASHA) - perp				759,450									
Totals				759,450									

\* The forecast for Credit AG perp (CASHA) assumes a redemption or maturity on the next reset date of 19 December 2017, but this is not guaranteed.



## MEMORANDUM

**TO:** Finance and Performance Committee

**MEETING DATE:** 16 October 2017

**TITLE:** Quarterly Performance and Finance Report - Quarter Ending 30 September 2017

**DATE:** 6 October 2017

**AUTHOR/S:** Keith Allan, Financial Accountant, City Corporate  
Andrew Boyle, Head of Community Planning, City Future

### RECOMMENDATIONS TO Finance and Performance Committee

1. That the Committee receive the September 2017 Quarterly Performance and Financial Report and note:
  - a. The September 2017 financial performance and operating performance.
  - b. The September 2017 capital expenditure programme progress together with those programmes identified as unlikely to be completed this financial year.

### 1. ISSUE

To provide a quarterly update on performance and financial achievements for the period ending 30 September 2017. This is the first quarterly report for the year.

### 2. BACKGROUND

#### Synopsis

Cost of services delivered year to date: <ul style="list-style-type: none"> <li>- Operating-controllable variance</li> <li>- With interest and rates included</li> </ul>	\$1.1m fav \$1.5m fav	Services are being delivered within budget with some higher revenues received, part with higher offsetting costs, and a reduced call for some service delivery costs.
Percent of full year capital expenditure budget completed: <ul style="list-style-type: none"> <li>- Renewal</li> <li>- New</li> </ul>	12.5% 5.3%	Compares with amounts completed same time in 2016/17: 14.8% 10.4%

Operating cash flows variance to budget	\$2.3m fav	Favourable to budget with favourable operating variance plus a favourable working capital requirement.
Increase in net debt	\$5.9m fav	Lower due to favourable operating variance and lower capital expenditure.


### 3. NEXT STEPS

Details of operating and financial performance are included in the following sections.

### 4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	<b>Yes</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>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>

### ATTACHMENTS

1. Section one and two September 2017 Finance report [↓](#) 
2. Section three September 2017 Finance Report [↓](#) 

Keith Allan  
Financial Accountant

Andrew Boyle  
Head of Community  
Planning

## Quarterly Performance and Financial Report – September 2017

### Section One: What's happening out there?

Economic growth is continuing to improve in Palmerston North, supported by strong growth in spending by visitors and residents and strong growth in residential building activity.

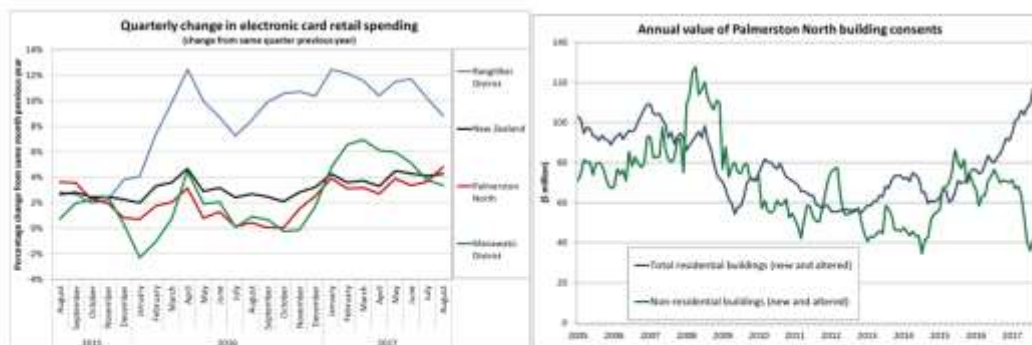
The value of electronic card retail spending in Palmerston North increased by 4.8% in the three months ended August 2017 compared with the same period last year, while there was an increase of 4.3% for New Zealand. Appliance store spending in Palmerston North was down 33% in the three months ended August compared with 2016 (New Zealand decline of 1.2%), while furniture and flooring sales were down by 17% (New Zealand decline of 10%). However, department store spending increased by 13.3% compared with a decline of 0.9% for New Zealand. Electronic card retail spending in Palmerston North was \$1,084 million in the year to August 2017, increasing by 3.2% from 2016.

Domestic visitor spending in the City in the year to August 2017 was \$327 million, an increase of 4.4% from the previous year (domestic visitor spending in New Zealand increased by 3.8%). International visitor spending was \$61 million, an increase of 7.2% from the previous year (New Zealand increase of 10.3%).

Building consent values in the City increased by 5% in the three months ended August compared with the same period last year, while national consents increased by 3%. The value of consents for new dwellings in the City increased by 75% in the three months ended August, consents for residential additions and alterations increased 39% and non-residential consents declined by 52%. The total value of consents issued in the 12 months ended August 2017 was \$159 million, an increase of 2% from the previous year.

Consents were issued for the construction of 326 new residential dwellings in the City in the year to August 2017 compared with 237 a year earlier, an increase of 38% from the previous year. The rate of growth has slowed in other local authorities in the region but is still well ahead of the national growth rate of 3% - Manawatu District (165 dwellings in year to August 2017, 18% increase), Horowhenua (226 dwellings, 25% increase), Whanganui (120 dwellings, 32% increase) and Rangitikei (28 dwellings, 33% increase).

There was a 29% increase in new car registrations in the Palmerston North postal region in the three months ended August compared with the same period in 2016, a useful indicator of business confidence in the City (New Zealand registrations increased by 2%). The number of ex-overseas registered cars in the Palmerston North postal region increased by 16% in the three months ended August, resulting in a 21% increase in the total number of cars registered in the region (New Zealand registrations increased by 8%).



Net overseas migration to Palmerston North declined slightly from a net gain of 682 people in the year ended August 2016 to a net gain of 676 people in the year to August 2017. The number of people moving overseas from the City on a long-term or permanent basis increased by 9% over the last year while the number of people arriving in the City increased by 4%. Total departures from New Zealand increased by 8% while arrivals increased by 6%.

A more detailed analysis of economic trends will be provided in the next Manawatu Region Economic Monitor report for the September quarter, which will be reported to Economic Development Committee on 11 December.

Text finalised 2 October 2017

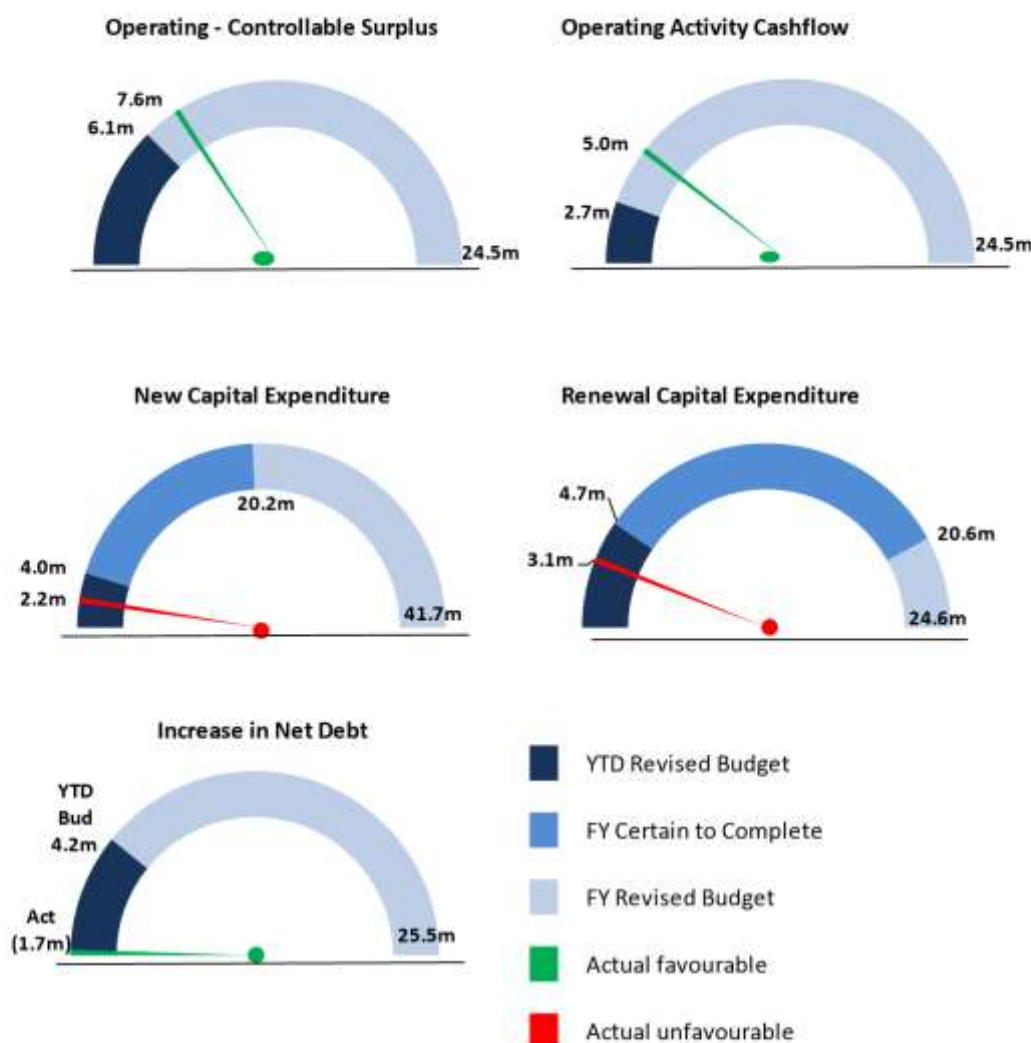
## Section Two: What's happening in here?

### Background

The section contains a financial review of the twelve months to 30 September 2017 to show how we have used our financial resources during the year to provide services to the residents.

### Financial Overview

#### Synopsis



Financial performance is summarised in the following table compared to revised budget. Key aspects are then focused on in the following graphs.

\$ million	September YTD Actual	September YTD Rev Budget	Sept Var YTD Bud			Full Year Revised Budget
<b>Operating – Controllable</b>						
Operating Revenue	8.0	7.3	0.7	●		26.4
Operating Expenses	(21.7)	(22.1)	0.4	●		(85.3)
<b>Operating – Controllable Management Units</b>	(13.7)	(14.8)	1.1	●		(58.9)
Rates	22.8	22.5	0.3	●		89.9
Interest Expense	(1.5)	(1.6)	0.1	●		(6.5)
<b>Operating - Controllable Surplus/(Deficit)</b>	7.6	6.1	1.5	●		24.5
<b>Operating – Non- controllable</b>						
Depreciation	(7.4)	(7.6)	0.2	●		(30.3)
Gain/(loss) on sale of fixed assets	-	-	-			-
Investment Fund Valuation	-	-	-			-
Derivative financial instrument valuation	(0.2)	-	(0.2)	●		-
<b>Net Operating Result – Surplus(Deficit)</b>	-	(1.5)	1.5	●		(5.8)
Non-Operating Revenue	2.9	2.5	0.4	●		19.4
<b>Net Result</b>	2.9	1.0	1.9	●		13.6

#### Comments on Financial Performance

- Capital expenditure spend start to the year has been slow and behind last year – overall 8.0% of full year budget incurred compared to 12.2% last year when 63% of the full year budget was achieved.
- Controllable operating variance is similar to last month with favourable revenue increases offsetting unfavourable expense increases. Major items included the following.
- Adjustments have been made for unbudgeted operating costs, including:
  - Central Energy Trust Arena remedial work for fire protection requirements \$366k with a further small amount to be incurred
  - City Enterprises Operations Building Trades redundancies \$80k included with further cost in October
- The operating variance includes one-off variances to budgets, including:
  - Dividend from PNAL \$219k more than budget
  - Insurance cost for the year likely to be \$169k less than budget





Higher revenue from:

- ↑ Regulatory
- ↑ Wastewater collection fees
- ↑ Parking
- ↑ NZTA opex

Lower revenue from:

- Rubbish collection bags
- value of recycling material sales.

Year to date:

Actual \$8.0m  
Budget \$7.3m  
Variance \$0.7



Lower expenses for:

- ↓ employee direct costs
- ↑ insurance.

Higher expenses for:

- ↓ professional service costs
- ↓ maintenance, service delivery costs
- ↓ grants.

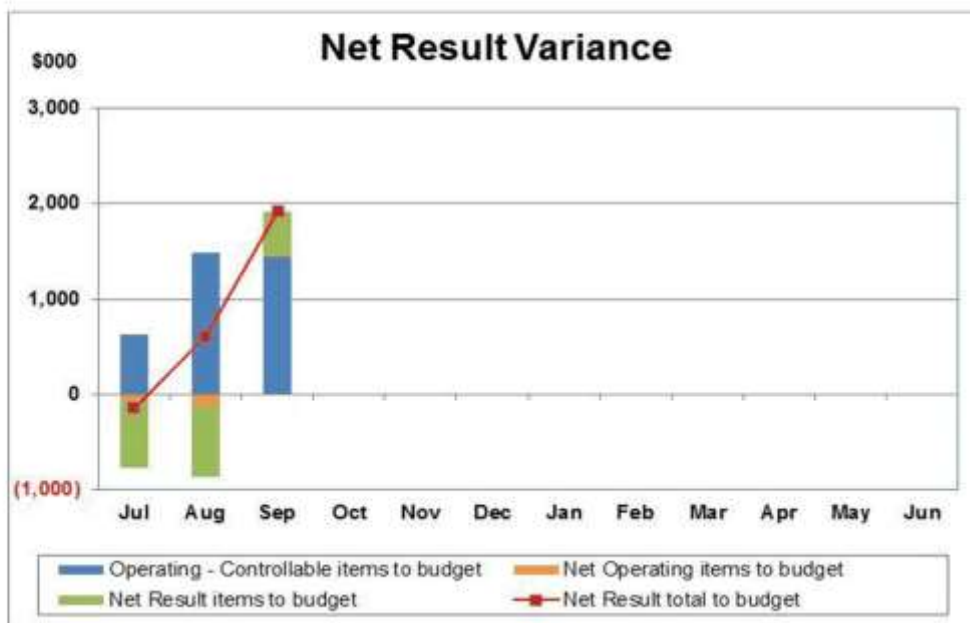
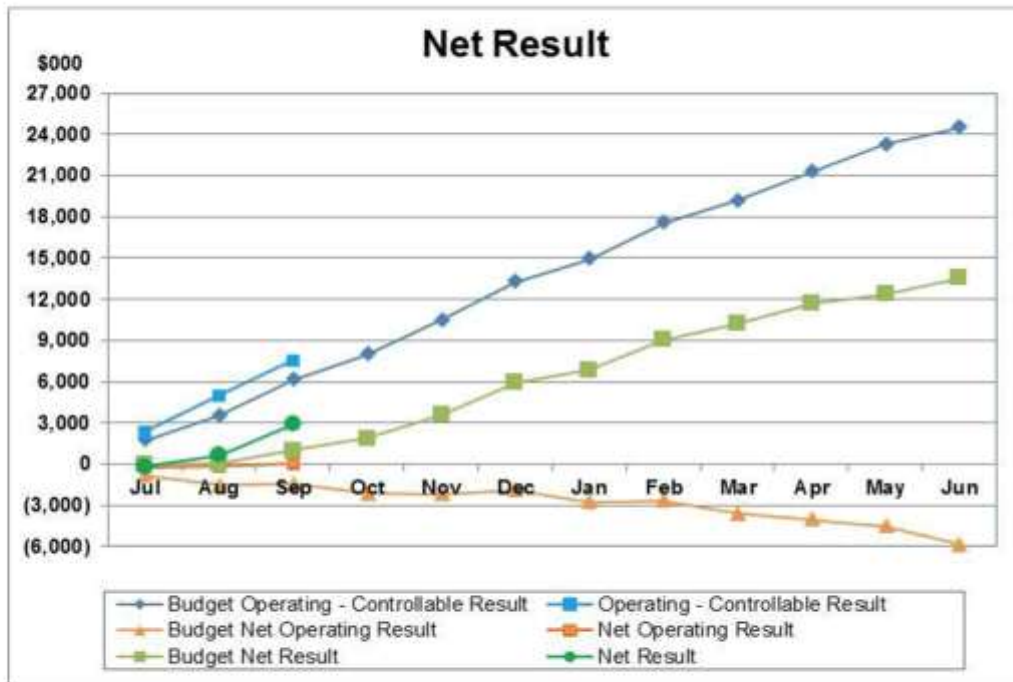
Year to date:

Actual \$21.7m  
Budget \$22.1m  
Variance \$0.4m

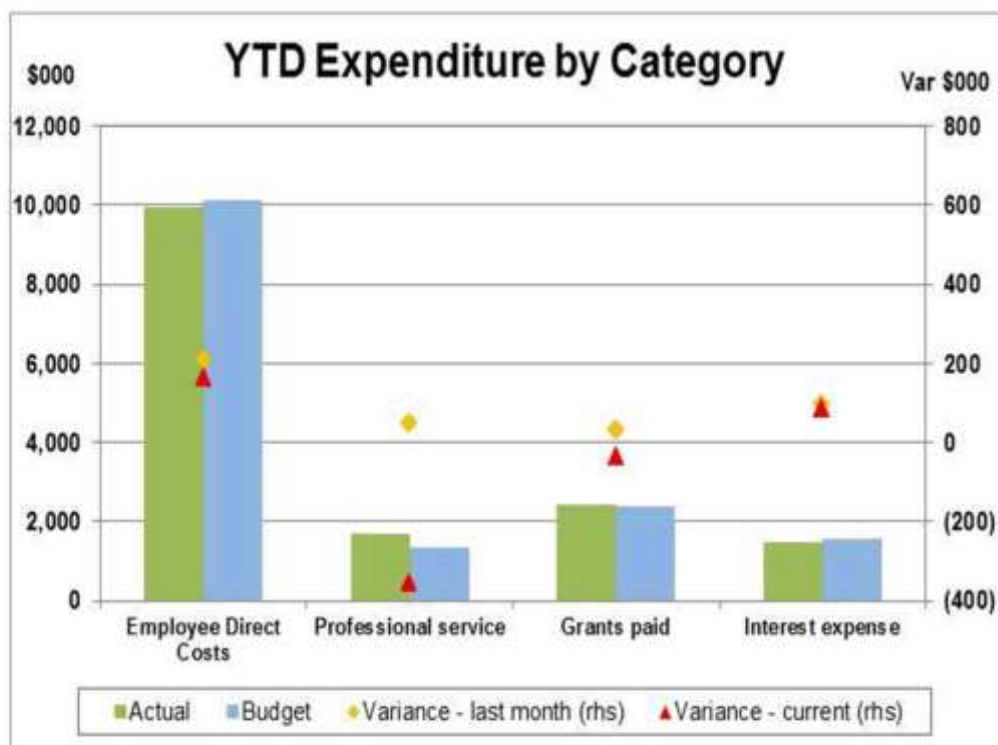
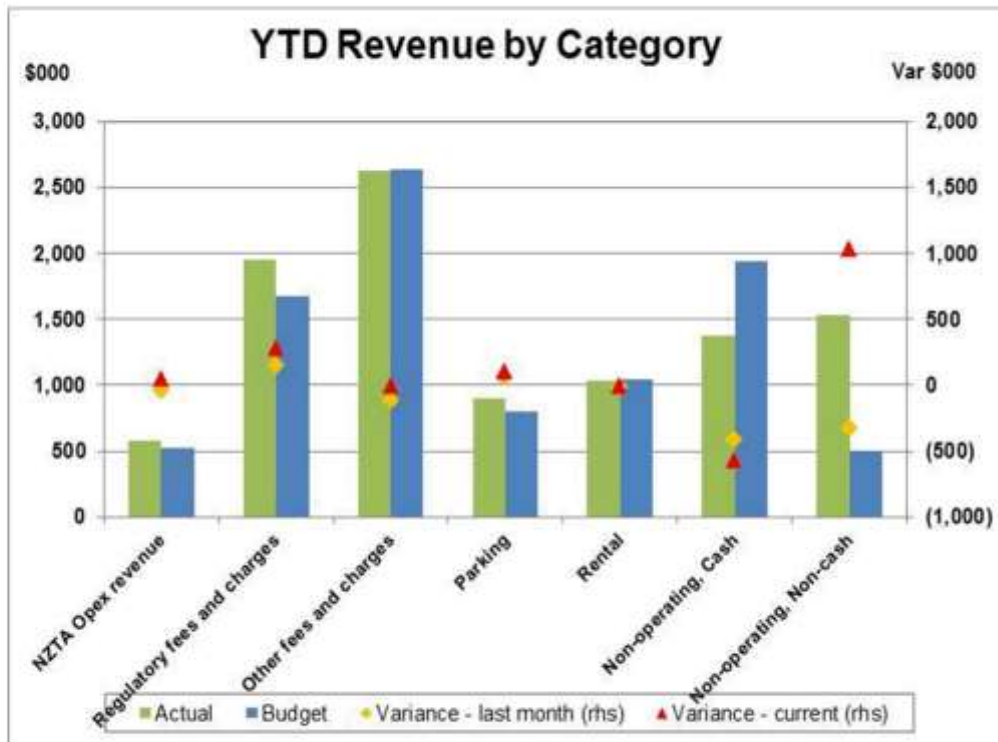
Note – on all variances a positive number is favourable, negative is unfavourable. In the text boxes the heading describes the year to date variance effect with the following symbols reflecting:

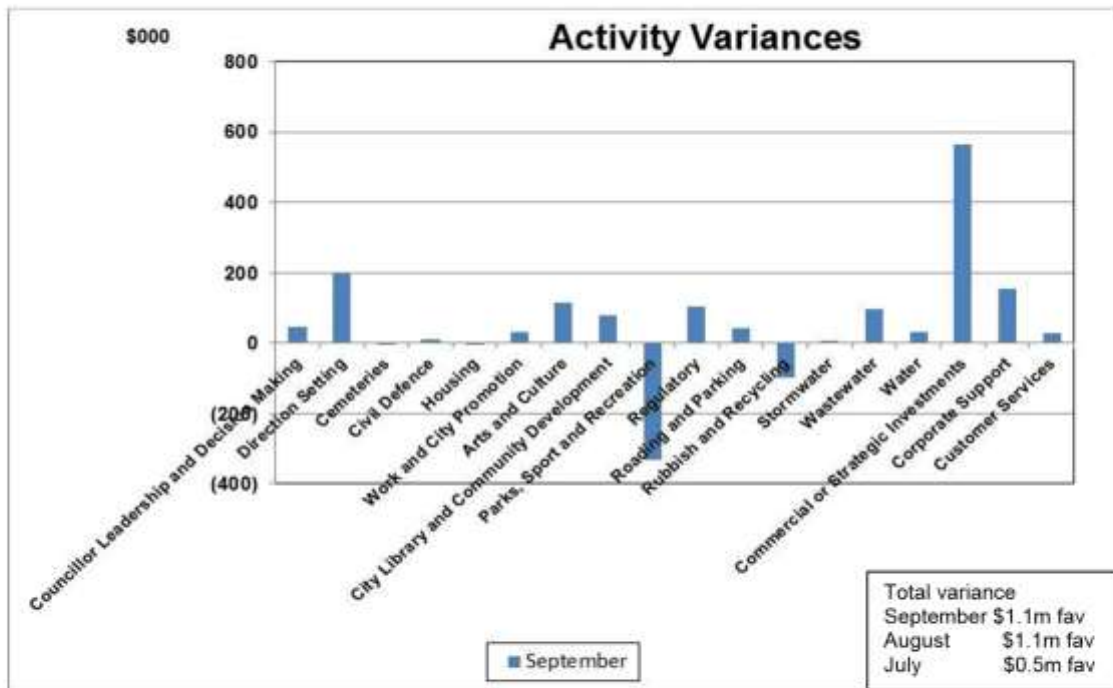
- ↑ Favourable movement in the month
- ↓ Unfavourable movement in the month



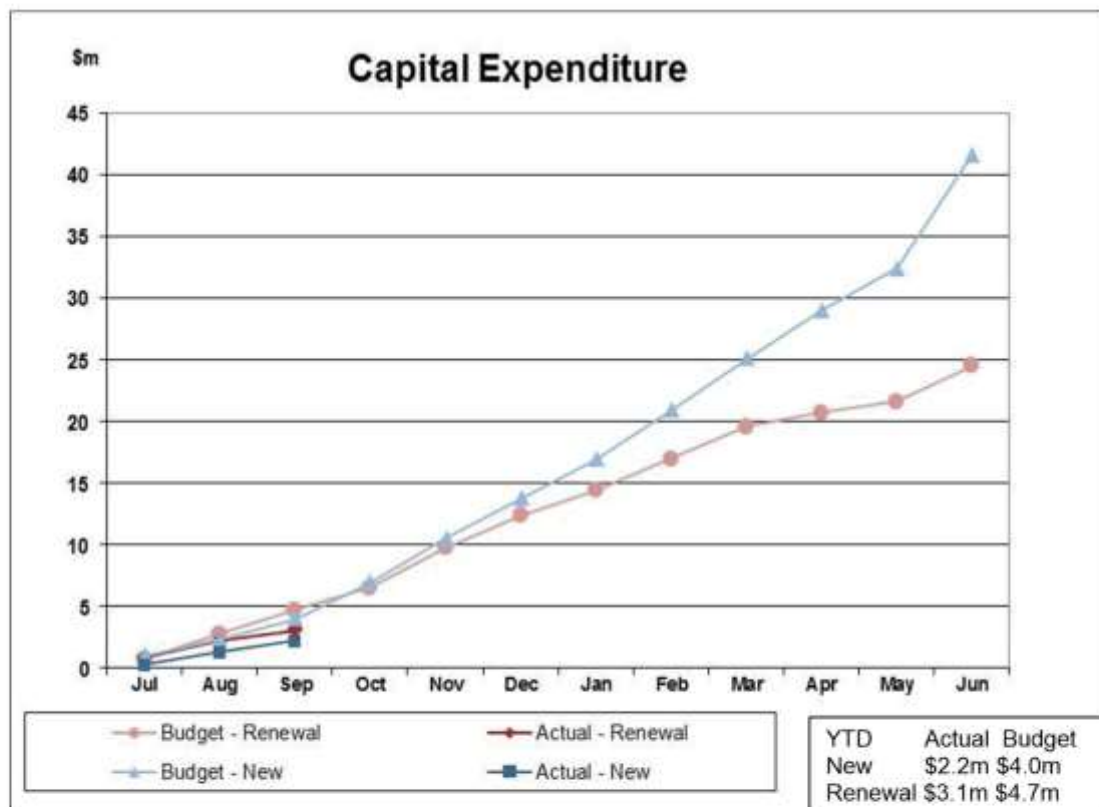


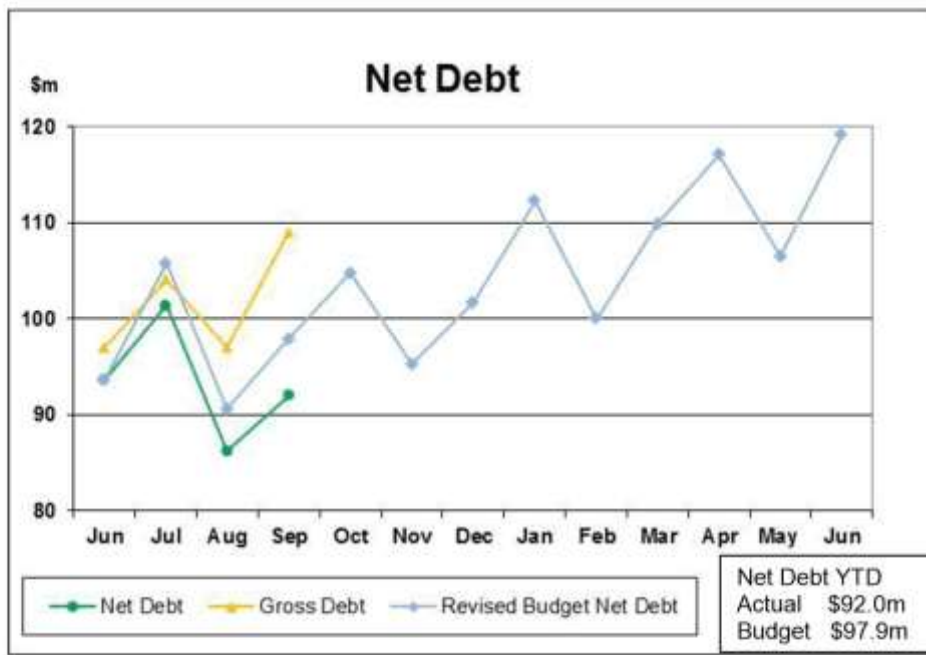
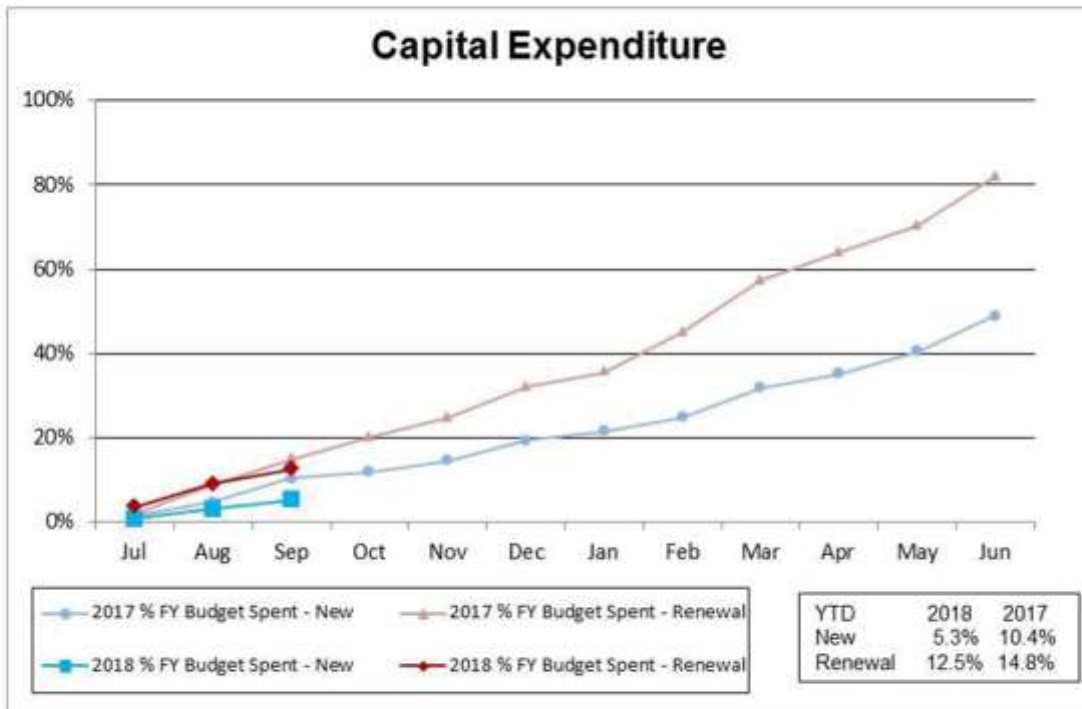
- Operating – controllable surplus items are favourable with the items then included to net operating result similar to budget (depreciation fav, swap valuation unfav). Those items included to the net result are favourable (higher vested assets, lower development contributions, revenue for capex, NZTA capex revenue). Items in the net result are difficult to budget.
- Overall the favourable Operating – Controllable surplus is slightly increased by the favourable movements within the Net Operating Result and further increased by the favourable Net Result movement to give an overall favourable variance to budget.

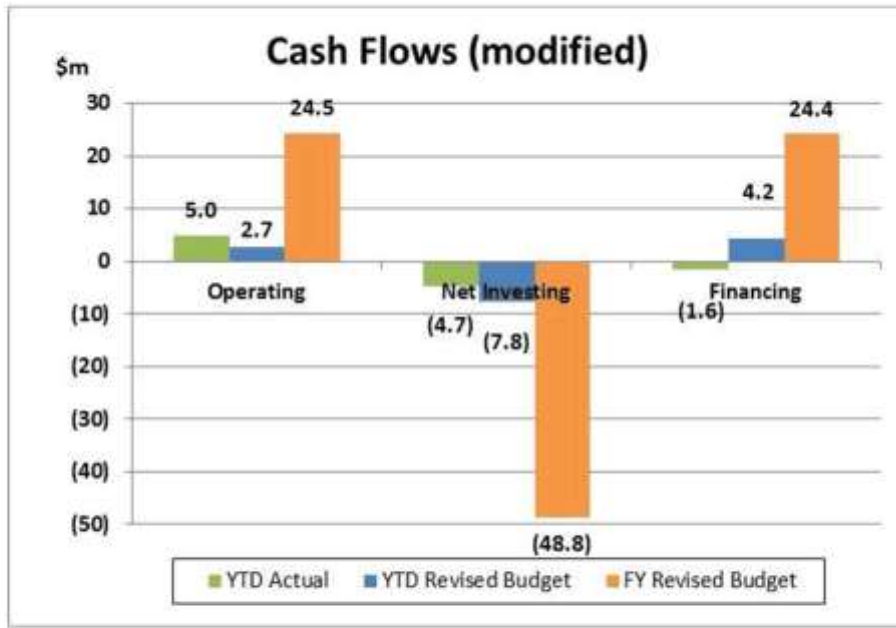




Refer Attachment 1 for activity variance explanations.

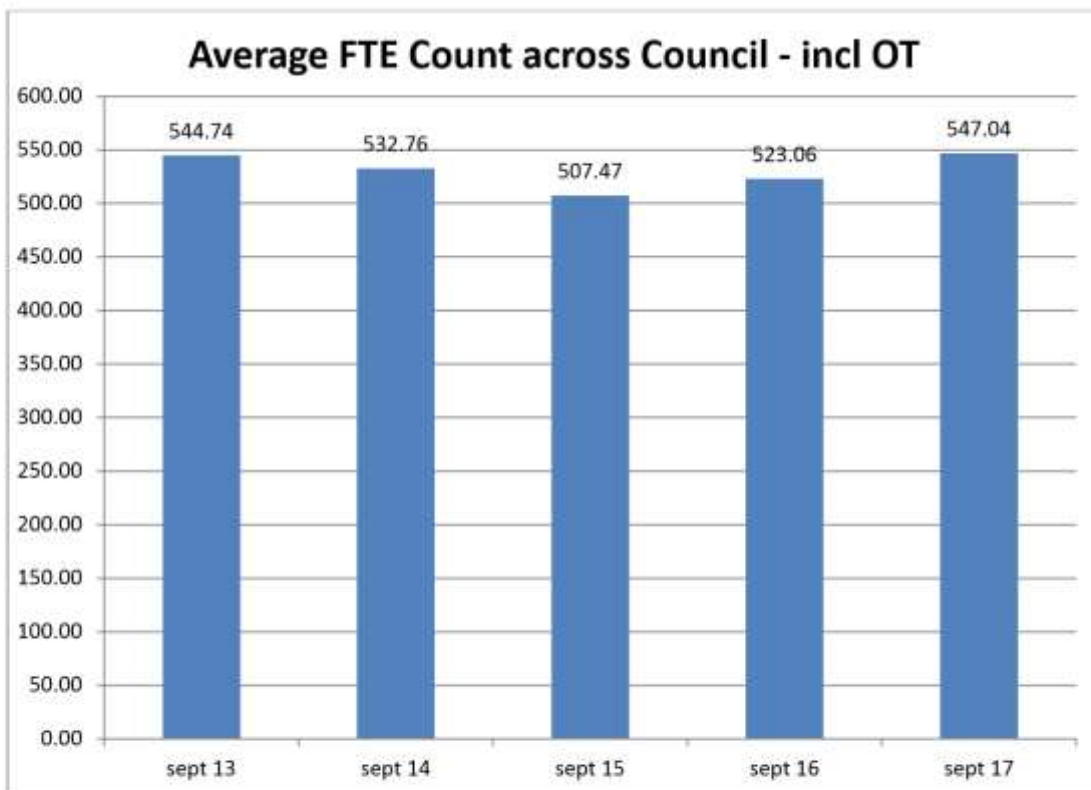






**Personnel**

The following graph shows the movement each year of monthly average standard full time equivalent employees. This includes all labour paid through the payroll system but excludes labour hire, for example through agencies, contractors.



**Asset Management**

The 2017 Asset Management Plans are currently being prepared and will incorporate the direction given through the Council Strategies and Plans.

The AMP programmes will feed into the 10 Year Plan process. It is expected that completed AMPs will be reported to the Council for adoption around October / November 2017.

**Attachments**

1. Activity variance explanation
2. Groups of Activities, Net Result Statement
3. Capital Expenditure
4. Net Debt
5. Financial Position and Cash Flow

**Attachment 1 - Activity Variance Explanation  
September 2017**

The following table identifies and explains significant Activity operating -controllable revenue and expense variances from budget.

Criteria - 5% variance to budget on either revenue or expenses for each activity, minimum \$30k variance to December, \$50k from January.

Activity	Variance \$000	% Favourable, unfavourable, timing	Revenue or expense	Variance Category	Explanation
Direction Setting	49	99% Unfav	Revenue	Planning revenue.	Minimal with no private plan change requests received, offset by lower expenses.
	245	18% Fav	Expenses	Professional service, operating costs.	Lower costs incurred to date, partly relating to the lower revenue.
Work & City Promotion	40	18% Fav	Revenue	Revenue.	Higher revenue to date received by Conference & Function Centre.
Arts & Culture	113	7% Fav	Expenses	Service delivery, net personnel costs.	Lower costs incurred to date.
Parks, Sport & Recreation	304	10% Unfav	Expenses	Operating costs, remedial work.	Remedial fire compliance work at Central Energy Trust Arena has been required to be treated as an unbudgeted operating cost, offset partly by lower operating costs to date.
Regulatory	396	24% Fav	Revenue	Revenue.	Higher revenues, associated with the higher number of building consents submitted and cost recovery.
	293	15% Unfav	Expenses	Professional service costs.	Higher costs incurred, partly relating to processing of consents with higher revenue, some costs able to be recovered, partly offset by lower operating costs to date.
Roading & Parking	115	8% Fav	Revenue	Parking.	Higher parking revenues received to date.
Rubbish and Recycling	92	12% Unfav	Revenue	Rubbish bags, recycling materials.	Lower revenue from sales with recycling materials partly due to June 2017 stock reversal until sold.
Commercial or Strategic Investments	209	19% Fav	Revenue	Dividend.	Higher dividend received from PNAL than budgeted.
	354	82% Fav	Expenses	Operating costs.	Overall lower net operating cost incurred to date on providing internal services to operating units. Note part of this will be allocated to those related activities from the December quarter.
Corporate Support	54	14% Fav	Revenue	Interest received.	Higher general interest received than budgeted.
	102	250% Fav	Expenses	Professional service costs, operating costs.	Lower costs incurred to date, likely some annual costs budgeted yet to be incurred.



## Attachment 2 - Groups of Activities, Net Result Statement

Following is the detailed Net Result by Group of Activities. The table includes that most Groups of Activities had favourable variances for the period to September 2017, with two showing unfavourable variances. Year to date these unfavourable variances are currently offset by favourable variances in other activities.

The unfavourable variances may result in the related area of that management unit having similar variances. These are offset by favourable variances within that or other management units so that overall budget operating-controllable result is being achieved.

Details of these variance explanations are in Attachment 1 with the favourable variances currently offsetting the unfavourable variances. The following comments relate to specific items expected to affect full year performance:

- Rubbish and Recycling activity is unfavourable due to unbudgeted expenditure related to lease site cleansing and reversal of year end recycling stocks until sales are realised.
- Leisure includes the cost of unbudgeted Central Energy Trust Arena remedial work for fire protection requirements as this is required to be maintenance and operating.
- There have been favourable variances for items that should remain unchanged for the remainder of the year:
  - Dividend from PNAL \$219k more than budget
  - Insurance cost for the year likely to be \$169k less than budget
- Rates variance includes favourable variances for penalties, \$107k with water by meter similar to budget.

The result for each Group of Activities includes the direct results of that Group. Within Support Services, External Contracts includes operating service units providing services to the other Groups of Activities. From December the net variance from budget of these activities are allocated to underlying activities to reflect a more accurate cost of each activity. This allocation will then occur each quarter. Support Services also includes Customer Services which is budgeted to be fully allocated to other activities. The net variance of this will be allocated to those other activities at year end.

The full year revised budget will also be amended to include Council approved variations to the 2017/18 Annual Budget. These are included in the full year revised budget column in the Activity Net Result Statement following and comprise:

	\$000
Annual plan net result	13,362
Caccia Birch grant increase	(4)
Capital grant for skate park	250
Te Manawa concept plan	(40)
Revised budget net result	<u>13,568</u>

Palmerston North City Council Detailed Groups of Activities	ACTIVITY STATEMENT									
	NET RESULT - Surplus/(Deficit)									
	2017/18 \$000's									
For the three months ending 30 September 2017	ACTUAL - Year to Date					REVISED BUDGET - Year to Date				
	Revenue	Expenses	Net Surplus / (Deficit)	Revenue	Expenses	Net Surplus / (Deficit)	Variance Actual to Budget: fav / (unfav)	Revised Budget Net Surplus / (Deficit)	Annual Plan Budget Net Surplus / (Deficit)	
Leadership	12	1,925	(1,913)	52	2,208	(2,156)	243	(8,812)	(8,812)	
Community Support	768	959	(191)	756	953	(197)	6	(98)	(106)	
Work and City Promotion	260	972	(712)	220	963	(743)	31	(2,988)	(2,982)	
Leisure	637	8,088	(7,451)	686	7,999	(7,313)	(139)	(27,841)	(27,834)	
Regulatory	2,023	2,208	(185)	1,627	1,915	(288)	103	(2,902)	(2,902)	
Roading and Parking	1,622	3,104	(1,482)	1,507	3,030	(1,523)	41	(6,703)	(6,703)	
Rubbish and Recycling	650	1,566	(915)	742	1,558	(816)	(99)	(3,107)	(3,107)	
Stormwater	2	416	(415)	1	421	(421)	6	(1,457)	(1,457)	
Wastewater	246	1,397	(1,151)	220	1,466	(1,246)	95	(4,568)	(4,568)	
Water	16	1,106	(1,090)	6	1,126	(1,120)	30	(4,281)	(4,281)	
Support Services	1,771	(14)	1,785	1,508	469	1,039	746	3,839	3,929	
<b>TOTAL GROUP OF ACTIVITIES</b>	<b>8,007</b>	<b>21,727</b>	<b>(13,720)</b>	<b>7,325</b>	<b>22,108</b>	<b>(14,782)</b>	<b>1,063</b>	<b>(58,898)</b>	<b>(58,823)</b>	
Total Rates	22,744	-	22,744	22,460	-	22,460	283	89,842	89,795	
Interest	-	1,465	(1,465)	-	1,557	(1,557)	92	(6,477)	(6,462)	
<b>OPERATING - CONTROLLABLE RESULT - Surplus/(Deficit)</b>	<b>30,750</b>	<b>23,192</b>	<b>7,559</b>	<b>29,786</b>	<b>23,665</b>	<b>6,121</b>	<b>1,438</b>	<b>24,467</b>	<b>24,511</b>	
Plus Non-controllable operating	-	-	-	-	-	-	-	-	-	
Depreciation	-	7,403	(7,403)	-	7,580	(7,580)	177	(30,321)	(30,321)	
Gain/(Loss) on disposal of Fixed Assets	21	-	21	-	-	-	21	-	-	
Investment Fund revaluation	-	-	-	-	-	-	-	-	-	
Derivative financial instrument valuation	-	178	(178)	-	-	-	(178)	-	-	
<b>NET OPERATING RESULT - Surplus/(Deficit)</b>	<b>30,772</b>	<b>30,772</b>	<b>(1)</b>	<b>29,786</b>	<b>31,244</b>	<b>(1,459)</b>	<b>1,458</b>	<b>(5,854)</b>	<b>(5,810)</b>	
Plus Non-operating revenue	-	-	-	-	-	-	-	-	-	
Vested Assets	1,531	-	1,531	500	-	500	1,031	2,000	2,000	
Development Contributions	420	-	420	433	-	433	(13)	1,731	1,731	
Revenues for capex	700	-	700	1,062	-	1,062	(363)	4,672	7,103	
NZTA for capex	254	-	254	449	-	449	(195)	11,019	8,338	
Taxation Losses Received	-	-	-	-	-	-	-	-	-	
<b>NET RESULT - Surplus/(Deficit)</b>	<b>33,676</b>	<b>30,772</b>	<b>2,904</b>	<b>32,229</b>	<b>31,244</b>	<b>985</b>	<b>1,919</b>	<b>13,568</b>	<b>13,362</b>	
The revised budget is after adjusting the 2017/18 Annual Plan budget for the following Council approved changes:										
Annual Plan Net Result		13,362								
Caccia Birch grant increase		(4)								
Capital grant skate park		250								
Te Manawa concept plan		(40)								
Revised Budget Net Result		13,568								

**Attachment 3 - Capital Expenditure****Actual Result**

Capital expenditure:	<u>YTD</u>	<u>FY</u>
YTD actual	\$5.3m	
YTD Revised budget	\$8.7m	\$66.2m
Annual plan budget		\$63.3m

The year to date actual capital expenditure includes only those amounts where liability for payment has been accepted for work completed. At any time there will be substantial additional commitments for future work to be completed pursuant to contracted obligations.

The table below summarises capital expenditure for the year together with how that expenditure is to be funded.

\$000's	YTD Actual	YTD Revised Budget	FY Revised Budget	FY Annual Plan Budget
<b>Renewal Capital Expenditure</b>				
Incurred to date	3,078	4,721	24,560	23,763
Additional expenditure				
Funded by:				
Borrowing				
External revenue	(102)	(200)	(2,199)	(2,199)
Cash effect of three year averaging			(3,424)	(2,627)
Net funded by rates	2,976	4,521	18,937	18,937
<b>New Capital Expenditure</b>				
Incurred to date	2,225	4,005	41,161	39,505
Additional expenditure			525	
Funded by:				
External revenue	(1,271)	(1,744)	(15,223)	(14,973)
Net funded by borrowing	954	2,261	26,463	24,532

Included in external revenue for new capital expenditure are amounts received for development contributions. These development contributions are to enable city growth and primarily relate to new capital expenditure incurred in prior years.

The revised budget incorporates:

- Update to carry forward programmes from 2016/17 to:
  - For programmes in the 2017/18 Annual Budget adjustment of that amount to the actual budget available being the programme budget less actual expenditure or, if lower, the carry forward requested
  - For other programmes the actual budget available where estimated expenditure had been less to June 2017, as reported to Finance & Performance Committee
  - These are included in the full year revised budget "Incurred to date" total.

- Additional expenditure approved by Council.

The capital budget includes some programmes that required either further approvals, pre-requisite events or external funding to be obtained. Until these are satisfied those programmes cannot be completed. The following table summarises the current expectation for programmes included in the 2017/18 annual budget with the effect that significant programmes may not be completed by 30 June 2018, totalling \$25,077k. This could impact on the amount of capital revenues to be received compared to budget.

Further details by programme are in the following "Capital Works Programme" schedules. These also summarise the current progress status of programmes underway with this report replacing the previous project progress report. This report remains under development.

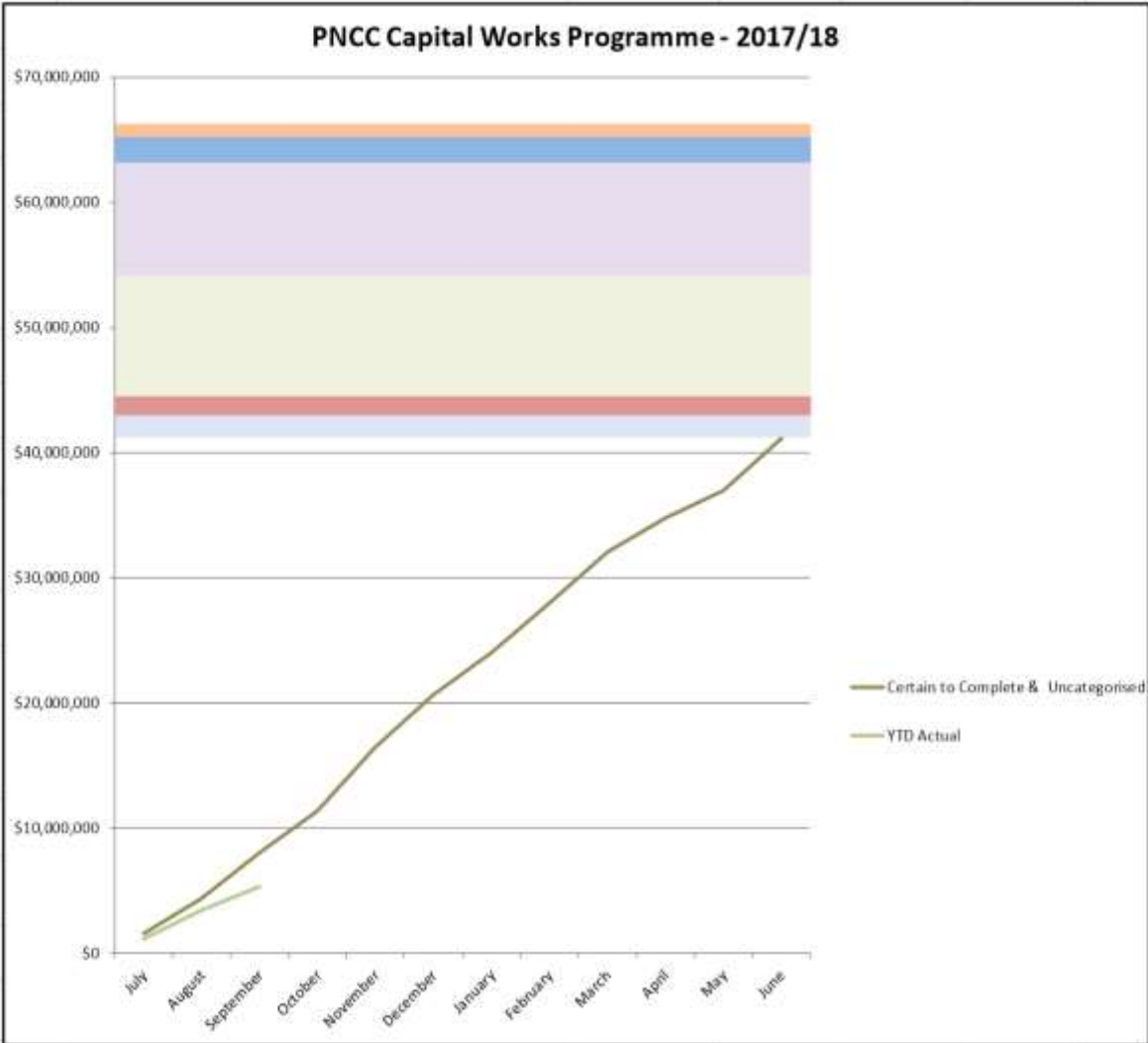
	Revised Budget \$000
<b>New Capital</b>	
Certain to complete – completed year to date	2,225
Certain to complete – to complete	17,985
Development/growth awaiting requirement determination	1,806
Third party funding required	1,562
Probable budget risk, delayed while extra funding is defined	8,737
Council, organisation decision required to proceed	5,928
Regulatory/compliance risk may delay	2,088
Insufficient resource to develop	1,023
Uncategorised	332
<b>Total New Capital Revised Budget</b>	<b>41,686</b>
<b>Renewal Capital</b>	
Certain to complete – completed year to date	3,078
Certain to complete – to complete	17,526
Development/growth awaiting requirement determination	
Third party funding required	
Probable budget risk, delayed while extra funding is defined	782
Council, organisation decision required to proceed	3,151
Regulatory/compliance risk may delay	
Insufficient resource to develop	
Uncategorised	23
<b>Total Renewal Capital Revised Budget</b>	<b>24,560</b>
<b>Total Capital Revised Budget</b>	<b>66,246</b>

### Programme Variances

The Capital Works Programme section following includes details of programme progress. Current year expenditure to date shows no significant unfavourable variances to revised budget, except for the following programmes.

Description	Prog ID		FY 2017 Budget \$000	YTD 2017 Actual \$000	Explanation of Variance
Mangaone Stream shared path – underpass at Botanical Road	1037	New	nil	\$27k	Additional work required to prevent storm/flood water from scouring out the newly created embankments.
Mangaone Stream shared path – underpass at Highbury Ave	1038	New	nil	\$28k	





Certain to Complete	A programme which has no barriers to completing during 17/18 yr.
Programmes	X programmes which are proceeding as per the Annual Plan
Development/Growth	A Programme pegged to local land development/growth, Progress will only occur when and if an external agency progresses their plans.
Programmes	51-City-wide - Stormwater Subdivision Contributions, 73-City-wide - Wastewater Subdivision Contributions, 201-City-wide - Roadway Subdivision Contributions, 210-Urban Growth - Installation of Wastewater Systems for New Industrial Areas - NEIZ Extension Area, 246-City-wide - Water Subdivision Contributions, 1000-Urban Growth - Whakarongo - Installation of Wastewater Systems, 1001-Urban Growth - Whakarongo - Installation of Stormwater Systems, 1003-Urban Growth - Whakarongo - Intersection Upgrades, 1004-Urban Growth - Whakarongo - Installation of Water Supply Systems, 1005-Urban Growth - Installation of Water Supply Systems to an Expanded North East Industrial Zone
Third Party Co-Fund Required	A Programme which relies on external funding (eg grants or community funding). Progress will only occur when and if the total of Council and external funding equals the total amount required to complete the works.
Programmes	990-Central Energy Trust Arena Manawatu - Covered Embankment, 829-City-wide - Undergrounding of Power and Telecom Cables, 1315-Walker's Road - New Shared Pathway
Probable Budget Risk	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
Programmes	57-Manawatu River - Downstream Pedestrian/Cycle Bridge Construction, 175-City-wide - Traffic Signals Renewals, 649-Recycling - Materials Recovery Facility Renewals, 977-Manawatu River (Fitzherbert Bridge to Linton) - Cycle/Pedestrian Pathway, 1106-Recycling - Install RFID Tags on Existing Recycling Wheelie Bins, 1282-Panieri Park - Purchase of Adjacent Land,
Council/Organisation Decision Required	A programme which has been funded but still requires Council/Organisation go-ahead for reasons other than budget.
Programmes	85-Council's Depot Buildings and Structures - Replacement of Components as Required, 93-City Reserves - Memorial Park Reserve Development Plan Implementation, 139-City-wide - Sealed Road Resurfacing, 167-Urban Growth - Whakarongo - James Line Upgrade - Stage 3, 243-City Centre - Major Upgrade of Main Bus Terminal, 281-Civic Administration Building - Refurbishments, 564-Crematorium - Replacement of Crematorium Refractory Brick Lining, 742-Campbells Road - Bridge Renewal, 1086-City-wide - Street Lighting Upgrade to Current LEDs, 1108-Hokowhitu Lagoon - Bank Renewal, 1131-City Boundary Entrance Treatments, 1291-Library Roof and HVAC Replacement, 1306-Library HVAC Upgrade, 1330-Placemaking Co-created Project
Regulatory/Compliance Risk	A programme which may be delayed due to complex Regulatory/Compliance issues.
Programmes	25-Forest Hill Road - Seal Extension, 752-Manawatu River - Framework Implementation, 1084-Central Energy Trust Arena - Masterplan Priority 1 Projects, 1100-Waitoetoe Dog Socialisation Area, 1176-Globe Theatre - Mobility Access to Main Auditorium,
Insufficient Resource to Deliver	A programme with a significant design (or other, inc. construction) component, for which resource (much of which may be specialist) is proving difficult to acquire.
Programmes	902-Property - Seismic Strengthening of Council Owned Buildings, 985-Kelvin Grove Water Supply Zone - New Bore, 1060-City-wide - Stormwater Improvement Works,

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

YTD Budget (Uncategorised & Certain to Complete)	\$	8,005,716
YTD Actual	\$	5,303,541
Variance:	\$	2,702,175

**Notable Differences by Project**

<b>Actual behind Budget</b>		
732-Summerhill Drive	\$	250,000 Difficulties with getting external design consultants has delayed progress
281-CAB Refurbishments	\$	1,100,000 Fire Protection tender let for keen price, but Contractor cannot start until November (\$1M)
368-Wildbase	\$	590,000 Flat cashflow does not accurately represent project
63-Council's Plant and Vehicle Replacements	\$	215,000 Flat cashflow does not accurately represent spend pattern, currently procuring \$250K vehicle.
<b>Actual ahead of Budget</b>		
1101-Library of the Future	-\$	85,000
234-Changing Room Refurbishments	-\$	80,000
218-City Wide Water Pipe Replacements	-\$	210,000

**Purpose of Report**

- \* This report provides an overview of the 2017/18 Capital Works programmes (Renewals & Capital New) regarding delivery during the financial year.
- \* Those programmes where there is certainty of completion have been cashflowed over the financial year against which actual expenditure is being 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 reclassified as "Certain to Complete".
- \* When programmes are reclassified in this way the cashflow will be revised to reflect the change.
- \* Where programmes are packaged together to form a larger project (e.g. Library of the Future) the combined performance of these will be reported elsewhere.

**Project Performance Indicators**

	Project not yet budgeted to begin
	Actual expenditure more than 10% less than Budget YTD (& Var. >\$20K).
	Actual expenditure within 10% less than YTD Budget (and/or Var. <\$20K)
	Actual expenditure greater than Budget YTD



Programme	2017/18 Budget	Uncategorised	Certain to Complete	Development /Growth	Third Party Co-Fund Required	Risk Categories				Delivery Assurance	Comments
						Probable Budget Risk	Council/Org. Decision Required	/Compliance Risk	Insufficient Resource to Develop		
<b>PNCC Total Capital Works Programme</b>	\$ 66,246,248	\$ 355,620	\$ 40,813,029	\$ 1,805,885	\$ 1,561,528	\$ 9,519,740	\$ 9,079,070	\$ 2,088,302	\$ 1,023,074		
<b>Capital New</b>	\$ 41,685,875	\$ 332,259	\$ 20,209,421	\$ 1,805,885	\$ 1,561,528	\$ 8,737,076	\$ 5,928,330	\$ 2,088,302	\$ 1,023,074		
<i>Cemeteries</i>	\$ 111,767	\$ -	\$ 111,767	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
107-Cemeteries - Kelvin Grove - Ash Plot developments and Child	\$ 37,528		\$ 37,528								
147-Cemeteries - Kelvin Grove, Ashhurst and Bunnythorpe New B	\$ 74,239		\$ 74,239								
<i>Housing</i>	\$ 1,583,026	\$ -	\$ 1,583,026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
357-Social Housing - Papaioea Place Redevelopment	\$ 1,583,026		\$ 1,583,026								The first part of the year is dedicated to gaining Resource Consent and Building Consent. An urban design review is part of the Resource Consent, this has been done the design team are reviewing this. Construction will start in January 2018.
<i>Arts and Culture</i>	\$ 414,348	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 143,360	\$ 170,988		
902-Property - Seismic Strengthening of Council Owned Buildings	\$ 270,988		\$ 100,000						\$ 170,988		
1176-Globe Theatre - Mobility Access to Main Auditorium (subject	\$ 143,360							\$ 143,360			
<i>City Library and Community Development</i>	\$ 4,254,513	\$ -	\$ 52,173	\$ -	\$ -	\$ 4,052,183	\$ 150,157	\$ -	\$ -		
336-City Archives - Additional Storage	\$ 470,998					\$ 470,998					Part of LOTF. See Prog. 1101
1101-The Library of the Future	\$ 3,295,620					\$ 3,295,620					Negotiations are underway with preferred tenderer
1137-Digital Technology to Support 21st Century Citizens	\$ 102,961					\$ 102,961					Part of LOTF. See Prog. 1101
1141-Community Learning and Transformation Space	\$ 182,604					\$ 182,604					Part of LOTF. See Prog. 1101
1150-City Libraries - Building Security System Replacement	\$ 52,173		\$ 52,173								
1306-Library HVAC Upgrade	\$ 150,157						\$ 150,157				Tied to Programme 1101 - the Library Of The Future. If this project is delayed a decision will have to be made on whether it is prudent to proceed
<i>Parks sport and Recreation</i>	\$ 9,391,669	\$ -	\$ 7,254,655	\$ -	\$ 499,950	\$ 40,000	\$ 52,122	\$ 1,544,942	\$ -		
92-Ashhurst Domain - Upgrade of Entrance	\$ 40,000		\$ 40,000								
93-City Reserves - Memorial Park Reserve Development Plan Impl	\$ 52,122						\$ 52,122				
94-Walkways and Shared Path - Purchase of Land to Extend Netwo	\$ 65,673		\$ 65,673								
95-Walkways and Shared Path - Construction	\$ 70,885		\$ 70,885								
111-Neighbourhood Reserves - Roslyn - Edwards Pit Park Develop	\$ 52,122		\$ 52,122								
157-Citywide - Playground Development	\$ 166,789		\$ 166,789								Delayed as ground conditions have limited heavy vehicle use.
158-Citywide - Safety Improvements to Reserves	\$ 34,400		\$ 34,400								
160-Citywide - Improved Access to Reserves for Persons with Disa	\$ 37,528		\$ 37,528								
161-Public Toilets - Citywide programme	\$ 344,003		\$ 344,003								
165-Outdoor Adventure Reserves - Arapuke Forest Park/Kahutera	\$ 44,303		\$ 44,303								
285-Freyberg Pool - Modifications to Toddler Pool	\$ 231,701		\$ 231,701								
368-Central Energy Trust Wildbase Recovery Centre (subject to pa	\$ 4,305,856		\$ 4,305,856								Delivery Assured, though Actual expenditure is running \$590K less than budget YTD.
587-Neighbourhood Reserves - Kelvin Grove - Linklater Reserve D	\$ 292,320		\$ 292,320								
697-Clearview Reserve Development	\$ 31,577		\$ 31,577								
738-Skateboard Facility	\$ 250,000		\$ 250,000								
752-Manawatu River - Framework Implementation	\$ 275,942		\$ 190,000					\$ 145,942			
967-Edibles Planting	\$ 5,212		\$ 5,212								
990-Central Energy Trust Arena Manawatu - Covered Embankment	\$ 499,950				\$ 499,950						A new masterplan just being finalised may delay the substantive work. At that point a decision will be made whether it is prudent to continue with the project.
1077-Citywide - Biodiversity Enhancement Through Native Plantin	\$ 20,369		\$ 20,369								
1084-Central Energy Trust Arena - Masterplan Priority 1 Project	\$ 1,300,000							\$ 1,300,000			Project currently on track, but there is a tight critical path which makes the project sensitive to delays.
1100-Waitoetoe Dog Socialisation Area	\$ 99,000							\$ 99,000			
1171-City-wide - Increased Smokefree Signage	\$ 10,424		\$ 10,424								
1172-Drinking Fountains at Recreational Facilities	\$ 36,573		\$ 36,573								
1175-Citywide - Shade Trees	\$ 26,061		\$ 26,061								
1076-Junior Road Safety Park (New Community Project) (subject t	\$ 432,156		\$ 432,156								
1182-Citywide - Recreation spaces - Improved Lighting	\$ 20,849		\$ 20,849								
1282-Panieri Park - Purchase of Adjacent Land	\$ 40,000					\$ 40,000					
1318-Central Energy Trust Arena - New Generator	\$ 120,000		\$ 120,000								
1320-Sportsfields - Hokowhitu Lagoon Supplementary Water Take	\$ 220,000		\$ 220,000								
1342-Fitzherbert Park - Cricket Ground Enhancements (subject to	\$ 265,854		\$ 265,854								Working with Manawatu Cricket. Getting design for nets through a third party.



Programme	2017/18 Budget	Uncategorised	Certain to Complete	Development /Growth	Third Party Co-Fund Required	Risk Categories				Delivery Assurance	Comments
						Probable Budget Risk	Council/Org. Decision Required	/Compliance Risk	Insufficient Resource to Develop		
<b>Roading and Parking</b>	\$ 18,975,542	\$ -	\$ 7,110,166	\$ 332,854	\$ 1,061,578	\$ 4,344,893	\$ 5,726,051	\$ 400,000	\$ -		
25-Forest Hill Road - Seal Extension	\$ 500,000		\$ 100,000					\$ 400,000			
57-Manawatu River - Downstream Pedestrian/Cycle Bridge Constr	\$ 5,544,730		\$ 3,000,000			\$ 2,544,730					Delivery Assured to programme, \$3m this year, balance to complete next year.
114-City-wide - New Cycle Stands and Shelters	\$ 17,600		\$ 17,600								
148-City-wide - Bus Stop Improvements	\$ 36,235		\$ 36,235								
163-City-wide - New Street Tree Planting	\$ 27,953		\$ 27,953								
167-Urban Growth - Whakarongo - James Line Upgrade - Stage 3	\$ 2,626,066						\$ 2,626,066				
201-City-wide - Roading Subdivision Contributions	\$ 165,647			\$ 165,647							
243-City Centre - Major Upgrade of Main Bus Terminal (Urban and	\$ 166,819						\$ 166,819				
279-City-wide - Minor Road Projects	\$ 1,048,796		\$ 1,048,796								Resources issues with the external consultant carrying out the design has caused a delay to some projects.
506-City-wide - Split Rubbish/Recycling Bins	\$ 22,010		\$ 22,010								
674-Church/Ruahine Streets - Roundabout Safety Improvements	\$ 558,000		\$ 558,000								
732-Summerhill Drive - Pedestrian and Cycle Improvements	\$ 253,500		\$ 253,500								
829-City-wide - Undergrounding of Power and Telecom Cables	\$ 1,211,578		\$ 250,000		\$ 961,578						\$250K - Delivery Assured. Rest subject to council report.
977-Manawatu River (Fitzherbert Bridge to Linton) - Cycle/Pedest	\$ 1,800,163					\$ 1,800,163					Delivery assured.
1003-Urban Growth - Whakarongo - Intersection Upgrades	\$ 167,207			\$ 167,207							
1086-City-wide - Street Lighting Upgrade to Current LEDs	\$ 3,922,411		\$ 1,500,000				\$ 2,422,411				\$1.4m Delivery Assured, Balance subject to Council Report, Actual YTD currently \$2m behind Budget as Cashflow had been set prior to Council placing a temporary hold on the project.
1131-City Boundary Entrance Treatments	\$ 495,755						\$ 495,755				
1155-City-wide - Street Seats	\$ 11,388		\$ 11,388								
1216-City-wide - Additional Cycle Lanes	\$ 102,100		\$ 102,100								
1257-City-wide - Cycle Phases at Intersections	\$ 40,840		\$ 40,840								
1259-Broadway Avenue Upgrade	\$ 141,744		\$ 141,744								
1315-Walker's Road - New Shared Pathway (subject to part extern	\$ 100,000				\$ 100,000						
1330-Placemaking Co-created Project	\$ 15,000						\$ 15,000				
<b>Rubbish &amp; Recycling</b>	\$ 534,014	-	234,014	-	-	300,000	-	-	-		
18-Waste Minimisation - Introduction of Recycling Wheelie Bins	\$ 38,428		\$ 38,428								
375-Awapuni Landfill - Commercial lease site Development	\$ 40,000		\$ 40,000								
561-Events Waste Management & Minimisation	\$ 35,000		\$ 35,000								
657-Recycling - Wheelie Bins and Crates to Additional Properties	\$ 36,700		\$ 36,700								
721-Awapuni Landfill - Cover and Landscape	\$ 83,886		\$ 83,886								
1106-Recycling - Install RFID Tags on Existing Recycling Wheelie Bi	\$ 300,000					\$ 300,000					
<b>Stormwater</b>	\$ 1,164,215	-	700,000	256,187	-	-	-	-	208,028		
51-City-wide - Stormwater Subdivision Contributions	\$ 106,187			\$ 106,187							
1001-Urban Growth - Whakarongo - Installation of Stormwater Sys	\$ 350,000		\$ 200,000	\$ 150,000							Delivery Assured with main project.
1060-City-wide - Stormwater Improvement Works	\$ 708,028		\$ 500,000						\$ 208,028		
<b>Wastewater</b>	\$ 1,700,874	-	1,104,687	596,187	-	-	-	-	-		
73-City-wide - Wastewater Subdivision Contributions	\$ 106,187			\$ 106,187							
198-City-wide Pump Stations - Flow Capacity Improvements	\$ 25,014		\$ 25,014								
210-Urban Growth - Installation of Wastewater Systems for New I	\$ 200,000		\$ 80,000	\$ 120,000							The work to extend services in the road easement requires design and consultation prior to physical construction in Q3 and Q4 of the financial year.
570-Totara Road Wastewater Treatment Plant - Replacement of In	\$ 474,606		\$ 474,606								
572-Totara Road Wastewater Treatment Plant - Replacement of G	\$ 10,189		\$ 10,189								
630-City-wide - Seismic Strengthening to Wastewater Structures	\$ 100,000		\$ 100,000								Design for replacement above ground superstructure on College St P5 delayed by external design capacity
906-Bunnythorpe Wastewater Connection to Palmerston North	\$ 115,000		\$ 115,000								Design for replacement above ground superstructure on College St P5 delayed by external design capacity
1000-Urban Growth - Whakarongo - Installation of Wastewater Sys	\$ 520,000		\$ 150,000	\$ 370,000							Delivery Assured with main project
1048-Totara Road Wastewater Treatment Plant - Construction of N	\$ 149,878		\$ 149,878								



Programme	2017/18 Budget	Uncategorised	Certain to Complete	Development /Growth	Third Party Co-Fund Required	Risk Categories				Delivery Assurance	Comments
						Probable Budget Risk	Council/Org. Decision Required	/Compliance Risk	Insufficient Resource to Develop		
<i>Water</i>	\$ 3,223,648	\$ -	\$ 1,958,933	\$ 620,657	\$ -	\$ -	\$ -	\$ -	\$ 644,058		
91-Turitea Water Treatment Plant - Construction of Duplicate Water	\$ 200,000		\$ 200,000								
246-City-wide - Water Subdivision Contributions	\$ 220,657			\$ 220,657							
592-Turitea Water Treatment Plant - Sludge Handling and Disposal	\$ 200,000		\$ 200,000								
593-Water Safety and Security Mitigation	\$ 170,838		\$ 170,838								
610-Turitea Valley Road/Pacific Drive - New Water Supply Link Pipe	\$ 199,076		\$ 199,076								Final preparations for operation of the new reservoir are being made.
651-City-wide - Seismic Strengthening of Water Structures	\$ 558,030		\$ 558,030								
794-BC - Longburn - Water Collection Source and Storage Improvement	\$ 25,000		\$ 25,000								
893-Turitea Water Treatment Plant - New retaining walls	\$ 180,000		\$ 180,000								
985-Kelvin Grove Water Supply Zone - New Bore	\$ 644,058								\$ 644,058		
986-Turitea Upper Dam - Installation of Aeration Facility	\$ 25,989		\$ 25,989								
1004-Urban Growth - Whakarongo - Installation of Water Supply Systems	\$ 600,000		\$ 250,000	\$ 350,000							The timing of this work is dependent on the adjacent development. At this stage none of the various landowners who are within the development area have confirmed their intention to commence.
1005-Urban Growth - Installation of Water Supply Systems to an Extension	\$ 150,000		\$ 100,000	\$ 50,000							The work to extend services in the road easement requires design and consultation prior to physical construction in Q3 and Q4 of the financial year.
1331-Fluoridation for Bunnythorpe and Longburn water schemes	\$ 50,000		\$ 50,000								Supply of equipment is delaying installation as the sole supplier in the New Zealand market cannot supply.
<i>Commercial or Strategic Investments</i>	23,119	23,119	-	-	-	-	-	-	-		
245-Gordon Kear Forest - Development of Internal Roading	23,119	23,119									
<i>Corporate Support</i>	309,140	309,140	0	0	0	0	0	0	0		
60-Information Management Strategic plan - New software Application	104,140	104,140									
1185-Non Financial Reporting System	205,000	205,000									

Programme	2017/18 Budget	Uncategorised	Certain to Complete	Development /Growth	Third Party Co-Fund Required	Risk Categories				Delivery Assurance	Comments
						Probable Budget Risk	Council/Org. Decision Required	/Compliance Risk	Insufficient Resource to Develop		
<b>Capital Renewal</b>	<b>\$ 24,560,373</b>	<b>\$ 23,361</b>	<b>\$ 20,603,608</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 782,664</b>	<b>\$ 3,150,740</b>	<b>\$ -</b>	<b>\$ -</b>		
<i>Cemeteries</i>	<i>\$ 196,853</i>	<i>\$ -</i>	<i>\$ 80,101</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 116,752</i>	<i>\$ -</i>	<i>\$ -</i>		
37-Cemeteries - Terrace End - Site Enhancements	\$ 9,216		\$ 9,216								
278-Kelvin Grove Cemetery - Roading and Footpath Refurbishment	\$ 70,885		\$ 70,885								
564-Crematorium - Replacement of Cremator Refractory Brick Lining	\$ 116,752						\$ 116,752				
<i>Housing</i>	<i>\$ 738,554</i>	<i>\$ -</i>	<i>\$ 738,554</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>		
180-Social Housing - Citywide - Community Housing Refurbishment	\$ 654,143		\$ 654,143								
304-Public Rental Housing - Replacement of Structures, Internal Fitouts	\$ 84,411		\$ 84,411								
<i>Work and City Promotion</i>	<i>\$ 162,280</i>	<i>\$ -</i>	<i>\$ 162,280</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>		
251-Convention Centre - Replacement of Equipment	\$ 34,958		\$ 34,958								
989-Venues Manawatu - Replacement of Booking system	\$ 80,505		\$ 80,505								
1166-Convention Centre - Equipment Purchases	\$ 46,817		\$ 46,817								
<i>Arts and Culture</i>	<i>\$ 133,798</i>	<i>\$ -</i>	<i>\$ 133,798</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>		
213-Cultural Facilities - Replacement of Structures, Internal Fitouts	\$ 133,798		\$ 133,798								
<i>City Library and Community Development</i>	<i>\$ 2,710,875</i>	<i>\$ -</i>	<i>\$ 1,027,107</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 584,370</i>	<i>\$ 1,099,398</i>	<i>\$ -</i>	<i>\$ -</i>		
178-Central Library Replacement of Furniture and Fittings	\$ 175,620					\$ 175,620					Part of LOTF. See Prog. 1101
188-Replacement and Purchase of New Library Materials	\$ 767,918		\$ 767,918								
202-Central Library Interior Design Renewals	\$ 304,405					\$ 304,405					Part of LOTF. See Prog. 1101
203-Interior Design of Community Libraries, Youth Space & Mobile Library	\$ 52,122		\$ 52,122								
265-City-wide - Community Centre Refurbishments	\$ 40,115		\$ 40,115								
1138-Digital Technology to Support 21st Century Citizens	\$ 104,345					\$ 104,345					Part of LOTF. See Prog. 1101
1139-Radio Frequency Identification (RFID) Materials Management	\$ 104,345		\$ 104,345								
1143-Pataka Ipurangi (Archives Digital Library)	\$ 62,607		\$ 62,607								
1291-Library Roof and HVAC Replacement	\$ 1,099,398						\$ 1,099,398				Tied to Programme 1101 - the Library Of The Future. If this project is delayed a decision will have to be made on whether it is prudent to proceed
<i>Parks, Sport and Recreation</i>	<i>\$ 3,345,975</i>	<i>\$ -</i>	<i>\$ 3,137,489</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 208,486</i>	<i>\$ -</i>	<i>\$ -</i>		
98-Citywide Reserves - Renewals (Victoria Esplanade, Memorial Park)	\$ 250,184		\$ 250,184								
173-City-wide - Playground Renewals	\$ 260,608		\$ 260,608								
174-Citywide - Replacement of Furniture on Reserves	\$ 60,461		\$ 60,461								
177-Citywide - Replacement of Gardens on Reserves	\$ 31,273		\$ 31,273								
184-City-wide - Walkway Renewals	\$ 45,867		\$ 45,867								
190-City-wide - Replacement of Trees on Reserves	\$ 13,030		\$ 13,030								
194-City-wide - Renewal of Bridges on Reserves	\$ 72,970		\$ 72,970								
195-City-wide - Renewal of Hardsurface Areas on Reserves	\$ 66,716		\$ 66,716								
234-Sportsfields Changing Room Refurbishments	\$ 212,997		\$ 212,997								
254-City-wide - Sportsfield Carpark and Hardsurface Area Resurfacing	\$ 192,850		\$ 192,850								
257-Fitzherbert/Manawaroa/Ongley Parks - Cricket Block Replacement	\$ 46,909		\$ 46,909								
258-City-wide - Refurbishment and Replacement of Boundary Fencing	\$ 45,867		\$ 45,867								
266-Fitzherbert Park - Hockey Turf Refurbishment	\$ 536,852		\$ 536,852								
271-Sportsfields Hardsurfaces - Awapuni Court Renewals	\$ 52,122		\$ 52,122								
596-Lido Pool - Asset Renewals	\$ 278,127		\$ 278,127								
598-Freyberg Community Pool - Renewal of Capital Plant and Equipment	\$ 63,453		\$ 63,453								
819-Central Energy Trust Arena - Replacement of Equipment	\$ 44,151		\$ 44,151								
1051-Central Energy Trust Arena - Combined Asset Refurbishment	\$ 863,052		\$ 863,052								All 17 projects proceeding smoothly and delivery is assured
1108-Hokowhitu Lagoon - Bank Renewal	\$ 208,486						\$ 208,486				
<i>Regulatory</i>	<i>\$ 6,096</i>	<i>\$ -</i>	<i>\$ 6,096</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ -</i>		
1269-By-Law Signage - Replacement	\$ 6,096		\$ 6,096								



Programme	2017/18 Budget	Uncategorised	Certain to Complete	Development /Growth	Third Party Co-Fund Required	Risk Categories				Delivery Assurance	Comments
						Probable Budget Risk	Council/Org. Decision Required	/Compliance Risk	Insufficient Resource to Develop		
<b>Roading and Parking</b>	\$ 5,945,708	\$ -	\$ 5,113,455	\$ -	\$ -	\$ 102,294	\$ 729,959	\$ -	\$ -		
64-City-wide - Footpath Renewals and Replacements	\$ 1,074,097		\$ 1,074,097								Delivery Assured - Currently Tendering with no negative indications.
74-City-wide - Street Light Replacements	\$ 134,588		\$ 134,588								
82-City-wide - Off Street Parking Resurfacing, Remarketing and Signs	\$ 10,353		\$ 10,353								
115-City-wide - Sealed Pavement Renewals	\$ 1,418,266		\$ 1,418,266								
122-City-wide - Road Drainage Replacements	\$ 479,565		\$ 479,565								
139-City-wide - Sealed Road Resurfacing	\$ 1,778,194		\$ 1,100,000				\$ 678,194				
155-City-wide - Street Tree Replacements	\$ 62,118		\$ 62,118								
162-City-wide - Vehicle Crossing Replacements	\$ 459,919		\$ 459,919								
175-City-wide - Traffic Signals Renewals	\$ 432,294		\$ 330,000			\$ 102,294					
181-City-wide - Bus Shelter Upgrades and Replacements	\$ 33,544		\$ 33,544								
648-City-wide - Replacement of Deteriorating Cycle Stands	\$ 11,005		\$ 11,005								
742-Campbells Road - Bridge Renewal	\$ 51,765						\$ 51,765				
<b>Rubbish &amp; Recycling</b>	\$317,562	-	221,562	-	-	96,000	-	-	-		
185-Awapuni Resource Recovery Park and Rubbish Transfer Station	\$ 125,062		\$ 125,062								A re-assessment of the environmental hazards (given the new tenant's line of work) means there is a need to install an oil interceptor, Interceptor due to be installed in October
612-Recycling - Wheelie Bin and Crate Replacements	\$ 50,000		\$ 50,000								
649-Recycling - Materials Recovery Facility Renewals	\$ 131,000		\$ 35,000			\$ 96,000					
1085-Awapuni Resource Recovery Park - Replacement of Access Gates	\$ 11,500		\$ 11,500								
<b>Stormwater</b>	\$266,207	0	\$266,207	0	0	0	0	0	0		
1062-City-wide - Stormwater Renewal Works	\$ 266,207		\$ 266,207								
<b>Wastewater</b>	\$3,510,458	-	3,510,458	-	-	-	-	-	-		
54-City-wide - Wastewater Pipe Renewal	\$ 1,442,949		\$ 1,442,949								
65-City-wide - Wastewater Pump Station Renewal	\$ 144,784		\$ 144,784								
179-Totara Road Wastewater Treatment Plant - Minor Equipment	\$ 63,712		\$ 63,712								Delays from equipment supplier
621-Totara Road Wastewater Treatment Plant - Digester Lids Refurbishment	\$ 500,000		\$ 500,000								
1050-Totara Road Wastewater Treatment Plant - Replacement of Influent Pipes	\$ 27,418		\$ 27,418								
1056-Totara Road Wastewater Treatment Plant - Replacement of Influent Pipes	\$ 1,289,666		\$ 1,289,666								
1059-Totara Road Wastewater Treatment Plant - Replacement of Outfall Pipes	\$ 41,929		\$ 41,929								
<b>Water</b>	\$3,275,786	-	3,275,786	-	-	-	-	-	-		
199-City-wide - Water Bores and Headworks Renewal	\$ 200,000		\$ 200,000								
207-Turitea Water Treatment Plant - Equipment and Facility Renewal	\$ 160,000		\$ 160,000								
214-City-wide - Water Taps and Meter Replacements	\$ 160,000		\$ 160,000								
218-City-wide - Water Pipe Replacements	\$ 2,076,193		\$ 2,076,193								
625-Water Safety and Security Renewal Projects	\$ 99,362		\$ 99,362								
1058-City-wide - Water Bores Renewals and Redevelopment	\$ 554,469		\$ 554,469								
1063-Turitea Water Treatment Plant - Replacement of SCADA System	\$ 25,762		\$ 25,762								
<b>Commercial or Strategic Investments</b>	\$ 1,367,880	\$ 23,361	\$ 1,344,519	-	-	-	-	-	-		
63-Council's Plant & Vehicles - Replacements	\$ 1,002,958		\$ 1,002,958								Flat Cashflow does not represent "lumpy" nature of project. Currently evaluating purchase of \$250K vehicle.
80-Council's Plant and Equipment	\$ 166,368		\$ 166,368								
86-Council Wide - Furniture Replacements	\$ 10,270		\$ 10,270								
270-Holiday Park - Renewal of Facilities	\$ 62,423		\$ 62,423								
311-Gordon Kear Forest Replant	\$ 23,361	\$ 23,361									
784-Replacement of Council's Photocopiers/Printers	\$ 102,500		\$ 102,500								
<b>Corporate Support</b>	\$2,582,341	-	1,586,196	-	-	-	\$ 996,145	-	-		
53-Computer Replacements	\$463,001		\$ 463,001								
58-Network Additions and Upgrades	\$40,707		\$ 40,707								
68-Aerial Photography	\$197,000		\$ 197,000								
85-Council's Depot Buildings and Structures - Replacement of Concrete	\$ 88,433						\$ 88,433				
272-Staff Cafeteria - Replacement of Equipment	\$5,690		\$ 5,690								
281-Civic Administration Building - Refurbishments	\$ 1,707,712		\$ 800,000				\$ 907,712				Delivery Assured, though the actuals for the fire safety upgrades are behind budget as the tendering process became protracted. The tender is now let. Contractor cannot start until November.
318-Telecommunications Replacement - Council Buildings	\$ 79,798		\$ 79,798								





**Summary of Programmes Spanning Multiple Years as at 30 September 2017**

The following summarises capital programmes which were intended to span more than one year and be viewed in total. As such expenditure is ongoing with the programmes to be viewed against both past and future budgets. Variances reflect the difference to budget at a point in time and not the full programme or what may ultimately occur. Included below are the full year budgets for each year and actual expenditure. For the current year actual expenditure is year to date with work to be completed within the full year budget shown in the "Current Year Available" column. In previous years budgeted work in some cases has been unable to be completed with remaining budget carried forward forward to subsequent years or to be completed in the following year within that budget. In these instances the budget is shown in the initial year approved and if carried forward that part of the "Prior Years Variance" will be applied against subsequent programme expenditure. Refer to the comments below for explanation of the status of each programme.

Assumptions:

1. Includes those programmes scheduled to be completed over multiple years to report total cost.
2. Includes "new" programmes only. Renewal programmes are excluded as these relate to renewals each year and are not a cumulative, ongoing programme.
3. Budget includes adjustment for carry forward amounts to exclude these and include the approved annual plan budget only, less any budget transferred to another programme.
4. Excludes programmes which span a year purely due to not being completed by year end and requiring carry forward to complete. These are managed by adjusting revised budget to remaining budget with any material overspend reported as part of programmes over budget.
5. Excludes those programmes which are continuous in nature and managed on an annual basis, for example subdivision contribution programmes.
6. Includes costs incurred to the date of the report above.

Programme Name	ID	\$000 Actual Cost (from 2014)						Actual Total	Annual Plan Budget (from 2014)					Annual Plan Budget Total	Prior Years Variance	Current Year Available	Total Budget Available
		2014	2015	2016	2017	2018			2014	2015	2016	2017	2018				
<b>New</b>																	
Community Housing - Papaioea Place eco friendly unit replacements	357	-	-	-	54	3	139		2,573	(3,066)	250	-	1,387	1,719	196	1,384	1,580
Victoria Esplanade-New Aviary	368	142	91	-	578	400	1,337		737	(478)	2,675	(533)	2,743	5,243	1,563	2,343	3,906
Central Energy Trust Arena - Masterplan Priority Rooding - Manawatu River - Ashhurst to Riverside Drive cycle/pedestrian pathway	1084			263	260	2	525				250	256	1,300	1,806	(17)	1,298	1,281
Manawatu River - downstream pedestrian/cycle bridge	1225	205	29	(288)	322	-	1,035		378	575	-	-	-	1,671	636	-	636
Manawatu River Fitzherbert Bridge to Linton pedestrian/cycle pathway	57	-	-	-	505	135	641		-	-	850	-	5,200	6,050	345	5,065	5,409
City Wide - street lighting upgrade to LED	977	-	-	419	481	51	950		-	400	1,000	500	800	2,700	1,000	749	1,750
Turitea Valley Rd/Pacific Dr new water supply and reservoir	1086	-	-	69	2,100	146	2,314		-	-	2,530	1,000	2,561	6,091	1,361	2,415	3,777
The Library of the Future	127, 610	52	398	2,301	1,909	125	4,831		208	1,740	709	2,257	(255)	4,905	454	(379)	74
The Square - streetscape upgrade	1101				600	43	643					961	2,935	3,896	361	2,892	3,253
The Square East Side - Streetscape Upgrade	244				8	6	14					193	-	193	185	(6)	179
<b>Whakarongo urban growth</b>																	
Whakarongo, James Line upgrade (2016 on)	167			181	143	2	326				2,247	703	-	2,950	2,626	(2)	2,624
Urban Growth Whakarongo installation of wastewater	1000	-	18	-	-	-	18		-	18	30	190	300	538	220	300	520
Urban Growth Whakarongo installation of stormwater	1001	-	-	-	-	-	-		-	-	350	-	-	350	350	-	350
Urban Growth Whakarongo installation of water supply	1004	-	-	-	-	-	-		-	-	502	98	-	600	600	-	600
Urban Growth installation of water supply north-east industrial	1005	-	-	-	-	-	-		-	-	150	-	-	150	150	-	150
<b>Total</b>		400	536	2,944	6,959	911	12,771		3,895	(811)	11,542	5,625	16,970	38,862	10,031	16,059	26,090

**Comments****Community Housing - Papaioea Place eco friendly unit replacements**

2011, 2012, 2013, 2014 - feasibility studies continuing. Budget carried forward to 2012, 2013 and 2014 however 2013 c/f limited to \$500k, so budget reduced to this.

From 2015/16 new budget amount applicable for all expenditure from 1 July 2015.

**Victoria Esplanade-New Aviary**

At 1/7/15 remaining budget \$5,414k with \$4,916k by external funding. To 30/6/15 was net budget, from 1/7/15 grossed up so reduced to budget available. \$533k carried forward to future year.

**Rooding - major upgrade of main bus terminal**

Balance of programme applied to fund Ngahere Rd bridge additional approval.

**City Wide - street lighting upgrade to LED**

\$170k of programme transferred to fund additional approval undergrounding of cables.

**Turitea Valley Rd/Pacific Dr new water supply and reservoir**

Prog 127 c/fwd 2013 limited to \$235k, 2015 to \$1,698k, so budget reduced to this, then combined with prog 610. Net of part programme surplus, transferred to other programmes. In 2017/18 budget \$104k with \$359k transferred to other programmes, including from c/fwd.

**Urban Growth installation of water supply north-east industrial**

Prog 1001 had \$460k carried forward to future year.

Prog 1005 had \$500k transferred to prog for new water bore, \$172k carried forward to future year.





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Summary of Programmes Applied to an Overall Project September 2017					
The following shows the source programmes or part of that programme applied to a common project and the current progress compared to budget assigned to that project.					
Project	Annual Budget Programmes sourced from	Type	Actual costs YTD \$	Revised Budget YTD \$	Revised Budget FY \$
<b>Cuba Street refurbishment</b>					
	64-City-wide - Footpath Renewals and Replacements	Renewal	-	-	221,696
	115-City-wide - Sealed Pavement Renewals	Renewal	18,415	18,000	417,332
	122-City-wide - Road Drainage Replacements	Renewal	-	-	156,979
	<b>Total</b>		<b>18,415</b>	<b>18,000</b>	<b>796,007</b>
<b>Edgeware Road</b>					
	64-City-wide - Footpath Renewals and Replacements	Renewal	16,000	38,628	38,628
	162-City-wide - Vehicle Crossing Replacements	Renewal	13,612	49,075	49,075
	122-City-wide - Road Drainage Replacements	Renewal	105,313	125,471	125,471
	<b>Total</b>		<b>134,925</b>	<b>213,174</b>	<b>213,174</b>
<b>James Line reconstruction</b>					
	167-Urban Growth - Whakarongo - James Line Upgrade - Stage 4	New	7,975	20,000	2,626,066
	1000-Urban Growth - Whakarongo - Installation of Wastewater Systems	New	-	-	185,000
	1001-Urban Growth - Whakarongo - Installation of Stormwater Systems	New	-	-	200,000
	1003-Urban Growth - Whakarongo - Intersection Upgrades	New	-	-	167,207
	1004-Urban Growth - Whakarongo - Installation of Water Supply Systems	New	-	-	255,000
	<b>Total</b>		<b>7,975</b>	<b>20,000</b>	<b>3,433,273</b>
<b>Walkers Road pathway</b>					
	1315-Walker's Road - New Shared Pathway (subject to part external funding)	New	-	-	100,000
	279-City Wide - Minor Road Safety Improvements	New	-	-	150,000
	<b>Total</b>		<b>-</b>	<b>-</b>	<b>250,000</b>
<b>Totara Road Wastewater Treatment Plant - Inlet Screens</b>					
	1056-Totara Road Wastewater Treatment Plant - Replacement of Inlet Screens (Renewal)	Renewal	60,051	136,372	1,289,666
	570-Totara Road Wastewater Treatment Plant - Replacement of Inlet Screens (Growth)	New	10,455	40,000	474,606
	<b>Total</b>		<b>70,506</b>	<b>176,372</b>	<b>1,764,272</b>
<b>The Library of the Future</b>					
	1101-The Library of the Future	New	87,674	-	3,295,620
	1137-Digital Technology to Support 21st Century Citizens and Services	New	-	-	102,961
	1141-Community Learning and Transformation Space	New	-	-	182,604
	336-City Archives - Additional Storage	New	-	-	470,998
	178-Central Library Replacement of Furniture and Fittings	Renewal	-	-	175,620
	1138-Digital Technology to Support 21st Century Citizens and Service	Renewal	-	-	104,345
	202-Central Library Interior Design Renewals	Renewal	-	-	304,405
	1306-Library HVAC Upgrade	New	-	-	150,157
	1291-Library Roof and HVAC Replacement	Renewal	3,685	-	1,099,398
	<b>Total</b>		<b>91,359</b>	<b>-</b>	<b>5,886,108</b>

#### Attachment 4 - Net Debt

The table following summarises the net debt movement year to date with "Net Debt" being gross debt less the investment fund.

\$M	September 2017	September 2017 Revised Budget	August 2017	June 2017	Full Year Revised Budget	Full Year Annual Budget
Gross Debt	(109.0)	(98.6)	(97.0)	(97.0)	(119.2)	(115.3)
Investment Fund	0.7	0.7	0.7	2.7	-	-
Cash and investments	16.3		10.1	0.6		
Cash Movement Net Debt	(92.0)	(97.9)	(86.2)	(93.7)	(119.2)	(115.3)
Investment Fund: - Revaluation	-		-	-		-
Net Debt	(92.0)	(97.9)	(86.2)	(93.7)	(119.2)	(115.3)

Note full year budget is budget movement added to the actual opening balances.

Council in June 2017 approved the increase in net debt as required in the 2017/18 annual budget and shown in the full year annual budget column above. Since that time Council has approved increases in operating expenditure and capital expenditure which may require additional debt as reflected above in the full year revised budget column, should all budgeted costs and capital expenditure be incurred.

At September 2017 net debt is lower than June 2017 year end. Debt is lower than budgeted due to the favourable operating variance, a working capital requirement lower than budgeted, and lower capital expenditure incurred.

The budget includes that during the year there will be an increase in net debt required to fund new capital expenditure, less planned debt repayment included in rates. Net debt during the year is also influenced by:

- Operating cashflow generated and working capital requirements. Operating cashflow is used to fund renewal capital expenditure and debt repayment. Operating cashflow is above budget due to the favourable YTD operating variance with net working capital balances lower than budgeted.
- Renewal capital expenditure less capex revenue, funded by operating cashflows. Net renewal capital expenditure is lower than budget.
- New capital expenditure less capex revenue with the net funded by borrowing. Net new capital expenditure is lower than budget.

Overall the effect of these is that year to date cash movement net debt is lower than that budgeted.

To conform with PBE accounting standards the Long Term Investment Fund and interest rate swap derivative instruments are revalued quarterly, the last being as at 30 September 2017. Management have limited control over these and they are included in the net operating result. As non-cash items neither were intended to affect rates with budgets including no allowance for revaluation.

Council utilises the interest rate swap agreements to manage interest rates over a period of years so as to provide certainty of cashflows, and minimise the overall cost over the period of years while removing the volatility that changes in interest rates could create on rates (including targeted rates) required from ratepayers. The effective cash incurred interest rates are incorporated in budgets and the LTP.

### **Attachment 5 - Financial Position and Cash Flow for the Period**

Following are a Statement of Financial Position and Statement of Cash Flows for the year to date, with the latter including a full year revised budget to reflect the requirements of approvals subsequent to the 2017/18 annual budget.

The statement of financial position is similar to at June 2017 with movements reflecting changes in working capital, capital expenditure, plus associated movement in net borrowing required.

Net trade receivables are lower than June 2017 with payables substantially lower, as is normal for this time of the year. Overall this reduces net working capital with increase in debt resulting.

The year to date budget amounts in the Statement of Cash Flows incorporates estimated cash receipt and payment timing differences from the amounts recorded for accrual accounting purposes using timings as applied in previous years.

Operating cash flows for the period are higher than the phased budget reflecting:

- higher rates received mainly due to an increase in rates prepaid, increasing operating cash flows
- other revenues received lower than budget
- level of interest paid similar to budget
- lower level of expenses paid than budgeted, increasing operating cash flows.

Cash flows show a cash flow surplus from operating activities of \$5.0m for the period (excluding GST and capital revenues), compared to a budgeted surplus of \$2.7m. This is required to fund operating costs plus over the year property, plant and equipment renewal expenditure and planned debt repayment. Current year rates collections are slightly behind that expected with the amount outstanding slightly higher than same time last year. The amount of penalties charged year to date is higher than last year.

#### **Receivables**

The following table summarises the total trade and rates receivables at the end of the period with comparison to the same month last year.

At 30 September 2017:

\$000	Current	1 Month	2 Months	3 Months	Unallocated	Total
<b>Trade Receivables</b>						
Current Year	1,382	418	37	1,426	(123)	3,140
	44.0%	13.3%	1.2%	45.4%	(3.9%)	
Prior Year	1,289	296	86	1,222	(220)	2,673
	48.3%	11.1%	3.2%	45.7%	(8.3%)	
<b>Rates Receivables</b>	Current Year	1 year	2 years	> 2 years		
Current Year	1,497	614	33	9		2,153
Prior Year	1,356	542	35	2		1,935

Rates are as at 2 October each year.



Palmerston North City Council				
Statement of Financial Position				
as at 30 September 2017				
	2017/18			2016/17
	as at 30 September 2017		Full Year	As at 30 June 2017
	Actual	YTD Rev Budget	Rev Budget	Actual
	\$,000s	\$,000s	\$,000s	\$,000s
<b>Current Assets</b>				
Cash & Short Term Deposits	16,383	1,279	1,279	1,279
Trade and other receivables	7,299	6,720	7,619	7,650
Inventory	350	528	528	528
Derivative financial instruments	-	-	-	-
Non-current assets held for sale	-	-	-	-
<b>Total Current Assets</b>	24,032	8,527	9,426	9,457
<b>Non-Current Assets</b>				
Property, plant and equipment	1,535,932	1,538,015	1,574,294	1,536,369
Intangible Assets	1,509	1,644	1,644	1,644
Biological Assets	1,248	1,248	1,248	1,248
Investment Properties	5,335	5,335	5,335	5,335
Investments & Advances	14,241	14,055	13,464	16,055
Derivative financial instruments	14	33	33	33
<b>Total Non-Current Assets</b>	1,558,279	1,560,330	1,596,018	1,560,684
<b>Total Assets</b>	<b>1,582,310</b>	<b>1,568,856</b>	<b>1,605,443</b>	<b>1,570,141</b>
<b>Current Liabilities</b>				
Bank overdraft	-	-	-	-
Trade and other payables	12,585	11,491	14,961	16,101
Provisions	1,471	1,531	1,531	1,531
Current Employee Entitlements	5,471	4,946	4,821	4,821
Current Portion - Term Liab	27,000	27,000	27,000	27,000
Derivative financial instruments	164	226	226	226
<b>Total Current Liabilities</b>	46,691	45,194	48,539	49,679
<b>Non-Current Liabilities</b>				
Provisions	714	713	713	713
Term Employee Entitlements	1,313	1,310	1,310	1,310
Term Liabilities	82,000	72,216	92,875	70,000
Derivative financial instruments	8,660	8,439	8,439	8,439
<b>Total Non-Current Liabilities</b>	92,687	82,678	103,337	80,462
<b>Total Liabilities</b>	<b>139,378</b>	<b>127,871</b>	<b>151,876</b>	<b>130,141</b>
<b>Assets less Liabilities</b>	<b>1,442,933</b>	<b>1,440,985</b>	<b>1,453,568</b>	<b>1,440,000</b>
<b>Public Equity</b>				
Retained earnings	1,030,843	1,028,923	1,041,506	1,027,938
Other reserves	412,090	412,062	412,062	412,062
<b>Total Public Equity</b>	<b>1,442,933</b>	<b>1,440,985</b>	<b>1,453,568</b>	<b>1,440,000</b>

Palmerston North City Council					
Statement of Cash Flows					
Year to Date Period Ended September 2017					
		Year to Date		Full Year	
		Actual	Budget	Revised Budget	Annual Budget
<b>Cash Flows From Operating Activities</b>					
Receipts from rates revenues		23,996	23,418	89,842	89,795
Interest received		64	25	40	40
Dividends received		525	300	300	300
Operating subsidies and grants		750	702	2,757	2,757
Receipts from other revenue		6,479	6,692	23,265	23,265
Capital subsidies and grants		300	507	14,551	15,441
Development contributions		420	433	1,731	1,731
Receipts from tax losses		-	-	-	-
Interest paid		(1,417)	(1,497)	(6,462)	(6,462)
Payments to suppliers and employees		(25,427)	(26,985)	(85,275)	(85,184)
Goods and Services Tax (net)		850	909	-	-
		6,541	4,503	40,749	41,683
<b>Cash Flows From Investing Activities</b>					
Proceeds from sale of property		52	-	-	-
Proceeds from sale of biological assets		-	-	-	-
Purchase of property, plant and equipment - new		(2,225)	(4,005)	(41,685)	(39,504)
Purchase of property, plant and equipment - renewal		(3,078)	(4,721)	(24,561)	(23,764)
Net other advances repayment received/(made)		6	8	-	-
Net increase in investments		(192)	-	-	-
		(5,438)	(8,718)	(66,246)	(63,268)
<b>Cash Flows From Financing Activities</b>					
Investment fund reductions		2,000	2,000	2,591	2,591
Net borrowing proceeds/(repaid)		12,000	2,216	22,906	18,994
Repayment of borrowings		-	-	-	-
Repayment of leases		-	-	-	-
		14,000	4,216	25,497	21,585
<b>Net Increase</b>		15,103	-	-	-
<b>Cash at Beginning</b>		1,279	679	679	679
<b>Cash at Month End</b>		16,382	679	679	679

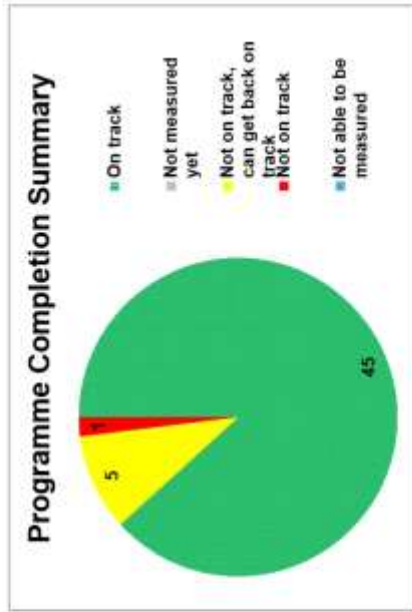
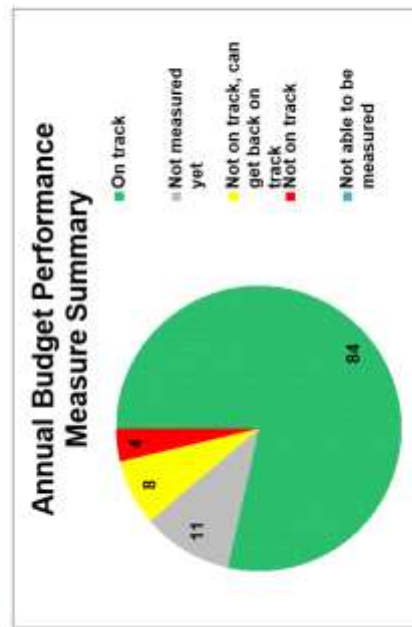
### Section Three : What difference are we making out there?

This part of the report looks at how well the Council is delivering on the performance measures, major projects and whether services are being provided within the budgeted annual operating work programme.

The performance measures and major projects have been updated in accordance with the 10 Year Plan 2015-25 and subsequent annual budgets. For programmes comment has also been added for the focus for the next period.

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, Manager 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





2

**Synopsis and common themes**

There are over 150 10 Year Plan indicators (performance measures and programmes/major projects) and the majority of these are green. That means Council is on track to achieve a significant number of its objectives.

Within the 10 Year Plan performance measures (i.e. excluding programmes and major projects) there are 81 measures that have been achieved or 85% of those that have been measured.

There are 4 red KPI indicators. All relate to response to requests or service completion.

There is one programme red indicator relating to a programme which may not be able to be completed. There are however several similar yellow programmes.

Note programmes are measured based on the groupings detailed and therefore do not include all individual programmes.

## LEADERSHIP

3

### Councillor Leadership and Decision Making

Performance Measures (Page 86 of Annual Budget)		Comments		Sept	Dec	Mar	June
1. Decision Making Council prepares an Annual Report on its Significance and Engagement Policy. (Report prepared and key outcomes described.)		Report is due in third quarter		W			
	2. Decision Making Council holds at least 20 "Let's Talk with a Councillor" meetings each year.			G			
	3. Cost Effectiveness 10 Year Plan levels of service and programmes are achieved within budget.	Services provided within budget.		G			

## Direction Setting

4

Performance Measures (Pages 87-88 of Annual Budget)		Comments		Sept	Dec	Mar	June
1. 10 Year Plan A 10 Year Plan that gives effect to Council's strategic direction is adopted every three years. In the other years an Annual Plan is adopted.		The focus of the first quarter has been on confirming Council's strategic direction and developing draft Plans that would implement this. The focus for the next quarter for Elected Members is to prioritise the actions in these Plans.	G				
2. District Plan The District Plan is reviewed in a way that gives effect to Council's strategic direction. (Plan reviewed. Specific projects will be identified from the Annual Plan.)		The Sectional District Plan review is coming to a close. Mediation is occurring on PC15, 20 and 21. Preparing for hearing on PC23 and finalising preparation of PC22. Preparing a programme for District Plan to be updated to reflect new vision, goals and strategies.	G				
3. Strategic Direction City strategies are reviewed and monitored in a way that gives effect to Council's strategic direction. (Strategies reviewed. Specific strategies will be identified from the Annual Plan.)		All strategies are now in final draft form (as per new strategic framework).	G				
4. Strategy Monitoring An Annual Strategy Monitoring Report is prepared. (Report prepared and key outcomes described.)		A new strategic monitoring framework is being developed.	G				
5. Regional Networking Council participates in Regional InterAgency Network (RIN) Meetings. (Meetings attended. Council will describe the Network's key achievements.)		Council participated in this quarter's RIN meeting, which was to re-establish regular meetings and to reconfirm its purpose of understanding the strategic issues and policy settings of central and local government, sharing data and trend information, and ensuring a co-ordinated approach to central and local government social and economic activities. The Mayor is RIN's Deputy Chair.	G				
6. Urban Design Major projects include urban design principles and design review processes. (Specific projects will be identified from the Annual Plan.)		Cuba Street and Papaioea Place design reviews. Working through parking design issues for Square East. Business rules will be established for monitoring this KPI.	G				
7. Advocacy Council advocates on relevant issues. (Council will describe topics it has advocated on.)		No formal advocacy, but Council is involved in issues like the Manawatu Gorge alternative routes.	G				
8. Cost Effectiveness 10 Year Plan levels of service and programmes are achieved within budget.		Services provided within budget.	G				

Programmes or Major Projects (Pages 27-28 of Annual Budget)	YTD Progress	Focus for Next Quarter	Budget	Sept	Dec	Mar	June
9. District Plan Review (OP)	Sectional District Plan Review coming to a close. Mediation occurring on PC15, 20 and 21.	Preparing for hearing on PC23 and finalising preparation of PC22. Preparing a programme for District Plan to be updated to reflect new vision, goals and strategies.		G			
10. Residential Growth (OP)	Addressed in new City Development Strategy. Agreed to high growth scenario years 1-10. Progressing Hokowhitu Residential Area.	Initiate rezoning and structure plan work for Racecourse, Napier Road and Aokautere.		G			
11. Strategy/Plans Review (OP)	All strategies are now in final draft form (as per new strategic framework).	Finalising strategies as per the new strategic framework.		G			
12. Completion of all other operating programmes	The Massey University Living Lab Sustainability partnership has completed two research papers on barriers to active transport in Palmerston North. The research will be presented in October. The Delivering Change programme has assisted with funding reviews on a variety of residential and commercial developments.	Develop a new research focus for the Living Lab. Continue to work with development community to achieve positive urban design outcomes.	\$93k	G			

## COMMUNITY SUPPORT

6

## Cemeteries

Performance Measures (Page 89 of Annual Budget)		Comments	Sept	Dec	Mar	June
1. Asset Management Plan A 30 year asset management plan is in place for the cemeteries. The plan is reviewed three-yearly, with the next review due by June 2018.	YTD Progress	Asset Management Plans were adopted by the Council in December 2014 and are currently being reviewed for the 2018 10 Year Plan.	G			
	Cost Effectiveness 10 Year Plan levels of service and programmes are achieved within budget.	Services provided in line with budget.	G			

Programmes or Major Projects (Pages 29-30 of Annual Budget)	YTD Progress	Focus for Next Quarter	Budget	Sept	Dec	Mar	June
4. Completion of all capital programmes	Programme 37 Terrace End Cemetery Site Enhancements	Minor capital works within Terrace End Cemetery. Paving renewals.	\$9K	G			
	Programme 278 Kelvin Grove Road and Footpath Refurbishment. Planning underway, to be incorporated into the resal programme.	Implementation of programme.	\$71K				
	Programme 564 Crematorium Replacement of Cremator Refractory Brick Lining. Work deferred until 2018/19 FY due to recent maintenance which has delayed the urgency of this work.	On hold.	\$117K				
	Programme 107 Kelvin Grove Cemetery Ash Plot Developments.	Niche wall construction.	\$38K				
	Programme 1336 Carry Forward New Burial Berms. No work started due to wet conditions.	Commence beam construction.	\$74K				

## Civil Defence

7

Plan Performance Measures (Page 90 of Annual Budget)		Comments	Sept	Dec	Mar	June
1. Legislative Compliance - Civil Defence Plan The Council's Civil Defence Plan is consistent with the Manawatu-Wanganui Civil Defence and Emergency Management Group Plan. Key annual actions described. (Plans consistent. Priorities will be set once the Group Plan is reviewed.)		PNCC continues to work with the Group Plan and all other ancillary plans attached to the Group Plan. This includes the Annual Business Plan, Welfare Plan and Group Recovery Plan.	G			
2. Volunteers The Council has trained volunteers able to respond to emergencies. (At least 90 emergency operating centre (EOC), rural fire and REST (Rescue Emergency Support Team) volunteers.)		Current numbers are below the 90 members required to manage and man the EOC. Training programmes are planned to carry out EOC, EMIS and Integrated Foundation training.	Y			
3. Preparedness Council engages residents and organisations on civil defence preparedness through presentations, events and other information. (Engagement techniques will be described.)		This is a continuous progress of community engagement which includes significant displays at the Manawatu Home Show and the Linton Camp Health Expo.	G			
4. Regional and City Meeting Participation Council participates in Coordinating Executive Group (CEG) and Emergency Management Committee (EMC) meetings attended. (Meetings attended. Council will describe the Group's key achievements.)		Regular meetings are held with participation in EMC where regular updates are supplied, and CEG where approval is given to the Business Plan for the year. Also the Mayor attends the Joint Standing Committee meetings. Current matters of interest are the Directors Guidelines on Recovery and the establishment of a purpose-built emergency operation centre.	G			
5. Cost Effectiveness 10 Year Plan levels of service and programmes are achieved within budget.		Services provided within budget. Review has been made to rationalise and include new staff, the transfer of rural fire to Fire Emergency New Zealand and the costings for the new emergency operations centre.	G			



## Housing

8

Performance Measures (Page 91 of Annual Budget)		Comments	Sept	Dec	Mar	June
1. Provision Units are in demand and tenanted. (At least 95% of available Units are tenanted.)		Performance measure has been met for all units, excluding Papaioea Place. This complex currently has 8 vacant units being held to relocate tenants in anticipation of work beginning on the site's redevelopment.	G			
2. Warrant of Fitness Standards Units meet University of Otago Medical School Supported Warrant of Fitness standards. (All Units meet standards.)		All properties assessed to date meet the criteria excluding Papaioea Place. Redevelopment of that property is expected to commence in the 2017/18 year.	R			
3. Asset Management Plan A 30 year asset management plan is in place for community housing. The plan is reviewed three-yearly, with the next review due by June 2018.		Asset Management Plans were adopted by the Council in December 2014 and are currently being reviewed for the 2018 10 Year Plan.	G			
4. Cost Effectiveness 10 Year Plan levels of service and programmes are achieved within budget.		Services provided in line with budget.	G			

Programmes or Major Projects (Pages 32-33 of Annual Budget)		YTD Progress	Focus for Next Quarter	Budget	Sept	Dec	Mar	June
5. Papaioea Place Community Housing (CN-357 and 1277)		Registration of Interest process complete. Preferred tenderer selected. Currently in the resource consent stage of the process.	Detailed design and documentation.	\$1,583k	G			
6. Completion of all other capital programmes		Programme 180 Citywide Community Housing Refurbishments. Andrew Avenue bedsit conversion design underway. Programme 304 Public Rental Housing Replacement of Structures, Internal Fit-out and Services. Wood St villa upgrade, work underway.	To complete detailed design and documentation and put the project out to tender. Completion of work on Wood St Villa.	\$654K \$84K	G			



## WORK AND CITY PROMOTION

9

Performance Measures (Page 92 of Annual Budget)		Comments	Sept	Dec	Mar	June
1. Contracted Organisations - Support Priority Economic Areas CEDA reports against the achievements of its Statement of Intent every six months. (SOI focusses on supporting business growth, growing education and skills, and enhancing the reputation of the region.)	2. Contracted Organisations - Achieve Economic Development Objectives KPI and target to be set through negotiation with the new Economic Development CCO. (CEDA reports six monthly.)	Statement of Intent agreed in August 2017. 6-monthly report due to Committee at the beginning of 2018.	G			
		6-monthly report due to Committee at the beginning of 2018	G			
		Services provided within budget.	G			
3. Cost Effectiveness 10 Year Plan levels of service and programmes are achieved within budget.						

Programmes or Major Projects (Pages 34-35 of Annual Budget)		YTD Progress	Focus for Next Quarter	Budget	Sept	Dec	Mar	June
4. Palmy Unleashed (OP-1273)	New Coordinator started. Marketing and promotional material now updated and printed. Facebook and Instagram presence established Internal processes finalised Participated in Spring Festival event in Coleman Mall	Launch event for community arranged for mid Oct	\$165k		G			
5. Completion of all other operating programmes.	Delivered Manawatu Businesses in Asia Forum. Mayoral-led delegation to Asia, and follow up work.	Continued follow up work with international partner cities. Participation in NZ-China Forum. Public seminar on delegation.	\$346k		G			
6. Completion of all capital programmes			\$162k		Y			

## LEISURE

10

## Arts and Culture

Performance Measures (Page 93 of Annual Budget)		Comments	Sept	Dec	Mar	June
1. Arts Strategy Major projects from the Arts Strategy are implemented. Networking opportunities are provided. (Annual projects and networking opportunities and their outcomes will be described.)		The memorandum on the asset management of Palmerston North Public art and Register of Council owned artwork was presented to the August Arts, Culture and Heritage Committee. Three meetings of the managers of arts sector COOs with Council Venues, CEDA staff and other arts fee for service representatives encouraged collaboration between the organisations and coordination of events. Arts sector organisations participation in the 2017 Heritage Open Days and proposed 2018 Winter Arts Festival projects was enabled through a series of planning meetings and communication with the managers of each organisation.	G			
2. External Organisations - Funding Arts and Culture Funding is distributed. The Council will report on the achievements of the funded organisations. (Funding is distributed and the general outcomes achieved will be described.)		The first round of the Creative Communities Scheme was completed, with \$51,459 distributed across 21 projects. The applications considered in this funding round were of a high quality, and represented a range of projects across many art forms.	G			
3. Facility Provision The Council provides a mix of studio, performance, rehearsal, exhibition, retail and office space for the arts (e.g. Square Edge and The Stomach). (Facilities provided for a diverse range of arts groups and outcomes described.)		Range of facilities and financial support continue to be provided to meet the required performance measure	G			
4. Asset Management Plan 30 year asset management plans are in place that cover Te Manawa, the Regent, Globe Theatre and Caccia Birch. The plan is reviewed three-yearly, with the next review due by June 2018.		Asset Management Plans were adopted by the Council in December 2014 and are currently being reviewed for the 2018 10 Year Plan.	G			
5. Cost Effectiveness 10 Year Plan levels of service and programmes are achieved within budget.		Services provided within budget.	G			

Programmes or Major Projects (Pages 36-37 Annual Budget)	YTD Progress	Focus for Next Quarter	Budget	Sept	Dec	Mar	June
6. Seismic Strengthening of Council Owned Buildings (CN-902 and 1016)	Structural engineer commissioned for design work of Square Edge. Design work underway. In process of engaging structural engineer for crematorium.	Completion of design and documentation.	\$271k	G			
7. Globe Theatre - Mobility Access to Main Auditorium (CN-1176) (Carry forward Programme 1325)	Met with disability groups, Globe Theatre Trust Board, architect and structural engineer to determine the best mobility access solution.	To implement mobility access as planned.	\$143K	G			
8. Completion of operating programmes	WW1 - Ongoing	WW1 - Ongoing	\$316k	G			
9. Completion of all other capital programmes	Programme 213 Cultural Facilities Replacement of Structures, Internal Fit-out and Services. Square Edge fire protection design work underway.	Detailed design and documentation and tendering.	\$134k	G			

## City Library and Community Development

12

Performance Measures (Pages 94-96 Annual Budget)		Sept	Dec	Mar	June
1. Service Availability Library weekly opening hours. (The Central Library is open at least 53 hours; community libraries at least 26 hours each; and the mobile library has at least 38 stops.)	<b>Comments</b> The Libraries were all open for the required hours. There were 3 substantial Kōtui Consortia Library system outages over Q1 (one lasting 2 days) that impacted the Library's ability to deliver circulatory services.	G			
2. Services and Resources Total issues or uses of physical materials and online materials (e.g. books, magazines, DVDs, CDs, e-books, and subscriptions). (Note: the use of physical materials is expected to decrease or plateau, while use of e-books and digital content databases is expected to increase.) (Total use of materials and resources matches or exceeds the previous year's figure.)	Overall, we are seeing physical issues plateauing or slightly declining and ebook and eaudiobook use sharply increasing.  Total Issues (print and digital): 274,531 (same period last year: 283,610 3.2% decrease)  Physical Issues: 262,097 (same period last year: 275,569 a 4.8% decrease)  Ebooks: 9,059 (same period last year 6,270 a 44% increase)	Y			
3. Members and Events Number of members and visitors to the library facilities and events in community spaces. (Membership and visitor numbers at least match the annual average of the previous 3 years.)	Overall, use of the Library facilities continues to substantially increase.  There were 240,127 total visitors to Central, Branches, Youth Space, and Mobile Library in Q1. This is a 1.3% increase on last year (236,958).  There are presently 34,605 active members (National definition: customers who have used their Library card within the last 12 months). This figure has remained constant for some time; and isn't a true reflection of membership, as families will often share a membership card.  With a total of 247,295, website page views were up 98%. 90,130 unique visitors visited the new library website a 41% increase. (Q1 last year page views: 125,002; unique visitors: 64,117).  Note: Other event numbers are reported under Lifelong Learning.	G			



4. Lifelong Learning Number of participants in lifelong learning initiatives such as Summer Holiday Reading Programme, Local History Week, and Stepping Up Programmes. (The number of participants will at least match the previous year's number. The Council will also report on their expectations and the actual outcomes.)	Number of events - 409 (2016 - 363) Number of participants in Lifelong Learning programmes = 8377 (2016 - 16,102 - Last year had significant increase in attendees due to one off events) Events meet the following community outcomes: Creative expression, Digital/information literacy, Social connectivity/inclusion, heritage, lifelong learning	Y		
5. Digital Engagement Number of digital and non-digital help sessions run. (The number and length of time spent on one-on-one engagements in all sites and in community spaces is more than in the previous year.)	There were 1,081 digital enquiries and 631 informational enquiries recorded for Q1.* *We are testing a new system for capturing this information and therefore do not have comparable data for previous years. This KPI will be reviewed as part of the LTP.	W		
6. Online Access Use of internet and Wi-Fi. (Total Wi-Fi and internet sessions, unique sessions and length of sessions increase. Within this PC usage is expected to plateau.)	Wi-Fi sessions are now consistently outpacing pc sessions. Total internet sessions: 59,849 (same period last year: 59,499) Internet PC Sessions: 27,454 (same period last year: 30,840) Wi-Fi Sessions: 32,395 (same period last year: 28,659)	G		
7. Social Well-being Forum The Council organises an annual Social Well-Being Forum that identifies outcomes and actions to achieve these. (Forum held. Outcomes and actions will be described.)	The Forum was held on the 5th May at the Awapuni Function Centre with 100 attendees. According to Social Wellbeing Forum Survey Results feedback from the day has been overwhelmingly positive. 10 topics were discussed with possible solutions proposed for each topic. Top three to be addressed were housing, funding and capacity/capability building	G		

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8. Community Groups Funding Funding is distributed to community groups. (Funding distributed and the outcomes achieved will be described.)	With the rollover of the new financial year, arrangements were made for a variety of community grant payments.  The Fee for Service scheme continues to be the primary mechanism for distributing funding to community groups. This is distributed in line with Council's Community Funding Outcomes. Annual reports for the 2016-17 year have been received, with two still outstanding. The Community Development Small Grants Fund supports the operational costs and compliance costs of social service agencies in the City. Council approved the allocation of a total of \$132,179 for the year.	G			
9. Hancock Community House Hancock Community House is available for community office space and is used by a wide range of community groups. (Community House space available and tenanted by a diverse range of groups.)	All the office spaces are tenanted. the meeting rooms are very well used by the different tenants and external organisations. A range of training opportunities were organised by either CSC or other organisations took place during the last quarter	G			
10. Community Centres Community centres are available and well used. (This KPI is to be reviewed as part of the Community Centre Review.) (Each centre used for at least 1,000 hours a year.)	Staff vacancy, so work has not yet been started on the resulting action plan from the Community Centres review. This should commence within the next month.	Y			



<p>11. Celebrating Communities Funding Celebrating Communities funding is distributed to help achieve Council's Events Strategy. (Funding distributed and the outcomes achieved will be described.)</p>	<p>The following community events took place this quarter with support from the CCF:</p> <ol style="list-style-type: none"> <li>1. Global Cultural Festival</li> <li>2. Pasifika Fusion</li> <li>3. MUSA Arts &amp; Culture Festival</li> <li>4. Celebration of Ethnic Songs and Praise</li> <li>5. International Spring Festival</li> <li>6. Memory Walk</li> </ol> <p>These events gave people from a variety of cultures, ages, and walks of life the opportunity to gather and celebrate.</p> <p>The funding awarded to these events comprises 19% of the total CCF budget for 2017-18. A further 20% of the budget was allocated to events taking place next quarter.</p>	G			
<p>12. Youth Space Youth Space usage and number of events and activity sessions. Key outcomes will also be described. (The number of visits, events and programmes at least matches the previous year. The outcomes of these will also be described.)</p>	<p>Quarterly total usage numbers: 19,565 (2016 - 8,645) Quarterly total number of events/activities: 116 (2016 - 82) Quarterly total of attendees for events/activities: 3,679 (2016 - 1165) The Youth Services team have committed to increasing levels of community engagement this year. The positive results of this work is reflected in the huge increases in use of the facility. Particular highlights include the community lead development of the Youth Space's exterior mural, and the establishment of the Co-Lab - a group of 14 young people from 15 -19 years old, who are working with staff, community groups and other young people to lead the development of Youth initiatives.</p>	G			
<p>13. Cost Effectiveness 10 Year Plan levels of service and programmes are achieved within budget.</p>	<p>Services provided within budget.</p>	G			

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Programmes or Major Projects (Pages 38-40 of Annual Budget)	YTD Progress	Focus for Next Quarter	Budget	Sept	Dec	Mar	June
14. Library Roof and HVAC Replacement and upgrade (CR-1291 and 1306)	Tender process currently underway. Negotiating with preferring tenderer.	Gaining tender approval from Council.	\$1,249K	Y			
15. The Library of the Future (CN-1101)	Tender process currently underway. Negotiating with preferring tenderer.	Gaining tender approval from Council.	\$3,296k	Y			
16. Completion of all operating programmes			\$249k	G			
17. Completion of all other capital programmes	Several programmes linked to The Library of the Future with progress dependent on that - refer above. Others underway.		\$2,420k	Y			

Performance Measures (Pages 97-99 of Annual Budget)		Comments	Sept	Dec	Mar	June
1. Central Energy Trust Arena - Events and Usage Key projects from the Arena Master Plan are implemented.		Covered Embankment currently On hold - Masterplan recently reviewed and future decision pending council decision. Retractable Seating project is on track with tender documents out and tenders due back mid October. This will identify contractor, supply and installation timelines.	R			
2. Parks and Reserves - Asset Management Plan A 30 year asset management plan is in place for parks and reserves. The plan is reviewed three-yearly, with the next review due by June 2018.		Asset Management Plans were adopted by the Council in December 2014 and are currently being reviewed for the 2018 10 Year Plan.	G			
3. Sportsfields - Availability Sportsfields are available for weekend organised sports use. (At least 85% of the time.)		There has been 93% playing field availability for weekend organised sport, i.e. there has been one weekend of full citywide sports field closures out of the 14 weekends in the first quarter. One individual park was also fully closed for one weekend out of the 14 weekends in the first quarter.	G			
4. Sportsfields - Asset Management Plan A 30 year asset management plan is in place for sportsfields. The plan is reviewed three-yearly, with the next review due by June 2018.		Asset Management Plans were adopted by the Council in December 2014 and are currently being reviewed for the 2018 10 Year Plan.	G			
5. Swimming Pools - Compliance Lido and Freyberg pools comply with NZ recommended standards for pool supervision and water quality. (100% compliance.)		100% compliance. The Lido Aquatic Centre and the Freyberg Community Pool meet all New Zealand compliance standards.	G			
6. Swimming Pools - Asset Management Plan A 30 year asset management plan is in place for swimming pools. The plan is reviewed three-yearly, with the next review due by June 2018.		Asset Management Plans were adopted by the Council in December 2014 and are currently being reviewed for the 2018 10 Year Plan.	G			
7. Public Toilets - Facilities Number of public toilet facilities (87 facilities in 2016/17 increasing by at least one per year.) (There will be at least 88 facilities.)		Construction to start in October for Arapuke toilet and in November for Mahanga Kakaniki. Planning underway for Rangitane Park toilets.	G			
8. Cost Effectiveness 10 Year Plan levels of service and programmes are achieved within budget.		Services provided however budget has been exceeded due to the requirement for remedial fire compliance work at Central Energy Trust Arena to be treated as an unbudgeted operating cost.	Y			

Programmes or Major Projects (Pages 41-45 of Annual Budget)	YTD Progress	Focus for Next Quarter	Budget	Sept	Dec	Mar	June
9. Contribution toward the Riverbank protection of the Ashurst Domain (OP-1348)	Awaiting information from Horizons regarding design.	Implementation of work.	\$500k	G			
10. Hockey Turf - Grant for Share of Construction (OP-1212)	Finalising memo of understanding between Massey University, Hockey Manawatu and Palmerston North City Council.	MOU signed, design underway and tender documentation completed.	\$500k	G			
11. Fitzherbert Park - Hockey Turf Refurbishment (CR-266)	Tender process completed and design underway. Tender awarded. Construction started.	Complete construction.	\$537k	G			
12. Central Energy Trust Arena - Combined Asset Refurbishment (CR-1051)	Speedway lights project 99% complete. Other renewals progressing on schedule.	Continuation of renewals programme.	\$863k	G			
13. Linklater Reserve Development (CN-587)	Drainage design initiated. Path and picnic area work carried forward from last year - 80% complete. Further work is pending better ground/weather conditions.	Fencing, play and biking activities design and build.	\$292K (plus \$65 from Programme No. 157 as per council report)	G			
14. Central Energy Trust Wildbase Recovery Centre (subject to part external funding) (CN-368)	Construction underway. Education Centre framing and roof underway. Precast concrete panel boundary wall 95% complete.	Continue with construction. Completion of Education and Support Building and aviary structural elements.	\$4,306M	G			
15. Central Energy Trust Arena - Masterplan Priority 1 Projects (CN-1084)	Retractable seating project tender has been opened and responses due 17 October.	Appoint tenderer and apply for consents.	\$1,300k	G			

16. Junior Road Safety Park (C/fwd CN-1278 and 1076)	Construction underway.	Completion.	\$432k	G			
17. Skatepark Facility (CN-738) (subject to external funding)	Funding grants approved. Contractor appointed.	Construction to be completed.	\$250k	G			
18. Central Energy Trust Arena - Covered Embankment (subject to part external funding) (CN-990)	On hold - masterplan recently reviewed and future decision pending council decision.	Awaiting council decision.	\$500k	R			
19. Completion of all other operating programmes	For all projects not listed below: Staff are underway managing these operational programmes.  Programme 1212 Hockey Turf – Grant for Share of Construction, Working with Massey University and Hockey Manawatu to finalise MOU document for signing.  Programme 1348 Contribution toward the Riverbank protection of the Ashurst Domain. Horizons have started planning how to undertake this work and are working with officers to prepare for project implementation as soon as possible.	Implementation of programmes.  Tendering and documentation for construction of the new hockey turf.  Implementing works over the summer period when the river levels are low. Currently stockpiling rocks..	\$384K  \$500K  \$500K	G			



20. Completion of all other capital new programmes	<p>For all projects not listed below: The first quarter has been spent planning and pricing works for the year.</p> <p>Programme 157 Citywide Playground Development.</p> <ul style="list-style-type: none"> <li>- Linklater Reserve playground being installed as part of wider reserve development.</li> <li>- Peren Park not started.</li> <li>- Colquhoun Park outdoor basketball court.</li> </ul> <p>Programme 752 Manawatu Riverside Framework Implementation. Design work underway.</p> <p>Programme 1320 Supplementary Water Take from Manawatu River to Hokowhitu Lagoon. Design and consenting process underway with Tonkin &amp; Taylor.</p> <p>Programme 1342 Fitzherbert Park – Cricket Ground Enhancements (subject to part external funding). Working with Manawatu Cricket Association to plan four separate projects.</p>	<p>Implementation of projects over the drier months of the year.</p> <ul style="list-style-type: none"> <li>- Installation to occur in the drier months of the year.</li> <li>- Consultation and design.</li> <li>- Planning for basketball hoop underway.</li> </ul> <p>Continue design work.</p> <p>Tendering project and starting work.</p> <p>Implementation of projects.</p>	<p>\$1,382K</p> <p>\$167K</p> <p>\$276K</p> <p>\$220K</p> <p>\$286K</p>	G		
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21. Completion of all other capital renewal programmes	<p>For all projects not listed below: The first quarter has been spent planning and pricing works for the year.</p> <p>Programme 98 Citywide Reserves – Renewals (Victoria Esplanade, Memorial Park, Ashhurst Domain and The Square).</p> <ul style="list-style-type: none"> <li>- Replacing Lime pathways with paving in The Square: project awaiting pricing.</li> <li>- Memorial Park retaining wall: awaiting pricing.</li> <li>- Ashhurst Domain camp ground power outlets: Work deferred until ground conditions improve.</li> <li>- Pou Whenua restoration in The Square: Planning and preparation for removal of the Pou to be restored.</li> <li>- Paddling pool, pergola and path in The Esplanade: Commissioned investigation into pool leak.</li> </ul>	Implementation of projects over the drier months of the year.	\$620K	G			
	Implementation of projects.		\$250K				

**G**

## REGULATORY

23

Performance Measures (Pages 100-101 of Annual Budget)		Comments	Sept	Dec	Mar	June
1. Dog Attack Complaints 100% of complaints regarding dog attacks are responded to by an Animal Control Officer within 30 minutes of the call being received by Council.		100% responded to within 30 minutes, average response time was 3 minutes.	G			
2. Building Consents An increasing proportion of building consent applications are processed within statutory timeframes. (at least 97%.)		83% of building consents were processed on time (250 out of a total of 302 consents processed). Result due to the time taken by staff to learn how to use the newly introduced on line system, a 20% increase in the total number of consents lodged for processing compared to normal levels including applicants delaying the lodging of their applications pending the launch of the new online system. This issue was addressed by the recruitment of more staff and engagement of additional consultants though they will take several months to become fully effective. The number of consents processed on time was 93% in July, 73% in August and 83% in September. Although the target will not be reached for the Annual Report, the focus for this quarterly report will be managing future quarters to achieve the target figures.	Y			
3. Accreditation The Council keeps its status as an accredited building consent authority.		BCA accreditation retained.	G			
4. Resource Consents Resource consent applications are processed within statutory timeframes (at least 96%). (At least 96%.)		92% of consents (115 out of 125) processed on time. Result due to a higher volume of work that usual which is expected to continue for the foreseeable future. This issue has been addressed by the recent recruitment of additional staff.	Y			
5. Food Businesses - Inspection Food businesses registered under the food hygiene regulations receive annual inspections. (100%.)		The measure is no longer applicable as food premises are transitioning to the new Food Act regime. Given the new direction under the legislation it has been determined that resources are more effectively targeted on assisting such premises to transition to ensure that they have an adequate food control plan in place.	W			
6. Food Businesses - Audit Food businesses registered with a Risk Based Measure receive an annual audit. (100%.)		On target for all required audits to be undertaken by 30 June 2018.	G			

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7. Noise Complaints Complaints about noise are responded to within one hour (see note). (At least 95%.)	99% of calls responded to within 1 hour	G		
8. Satisfaction An increasing proportion of customers surveyed are satisfied with the friendliness, professionalism, and knowledge of the service they receive. (Surveys to be undertaken throughout the year.) (At least 60%.)	Overall 95% of customers were satisfied with the service provided. This consisted of the following results for each part of the services: Animal Control – 94% Health Inspections/Audits – 100% Liquor Licences – 100% Liquor Inspections – 100% Noise – 90% Building Consent – 95 % Building Inspections – 100% Resource Consents – 95%	G		
9. Cost Effectiveness 10 Year Plan levels of service and programmes are achieved within budget.	Services provided within budget.	G		

7. The Council responds directly to noise complaints within one hour after 10pm on Sunday-Thursday nights and after 11pm on Friday and Saturday nights. Prior to these times the Council asks the complainant to ring back within 30 minutes if the noise continues. In these cases the one-hour time starts at that point.

## ROADING AND PARKING

25

Performance Measures (Pages 102-103 of Annual Budget)		Comments	Sept	Dec	Mar	June
1. Road Smoothness (Mandatory) The average quality of ride on the sealed local road network, measured by smooth travel exposure. (At least >80 and <140 good rating. New measure.)		85% Two yearly survey last completed June 2017.	W			
2. Crashes (Mandatory) The change in the number of fatal and serious injury crashes from the previous financial year on the City's local roading network. (Fewer than the previous year.)		Crashes recorded by calendar year	W			
3. Road Resurfacing (Mandatory) Percentage of sealed roads that are resurfaced each year. (Over 3.5%.)		End of year measure	W			
4. Footpaths - Grading (Mandatory) The percentage of footpaths receiving a grade 4 or 5 condition rating on a 1 (best) to 5 (worst) scale. (Less than or equal to 1%.)		Two yearly survey last completed 2015.	W			
5. Footpaths - Complaints and Requests The number of complaints and requests for service about footpaths. (2016/17 - 387)		93 requests for service were received in the first quarter.	G			
6. Asset Management Plan A 30 year asset management plan is in place for Council's roading. The plan is reviewed three-yearly, with the next review due by June 2018.		Asset Management Plans were adopted by the Council in December 2014 and are currently being reviewed for the 2018 10 Year Plan.	G			
7. Response to Requests (Mandatory) Percentage of requests for service relating to roads and footpaths responded to (with at least an initial formal response) within three working days. (At least 95%.)		1445 requests for service received in the first quarter with 1052 (73%) responded to within three working days.	R			
8. Cost Effectiveness 10 Year Plan levels of service and programmes are achieved within budget.		Services provided within budget.	G			



Programmes or Major Projects	YTD Progress	Focus for Next Quarter	Budget	Sept	Dec	Mar	June
9a. Bikes in Schools (OP-1214)			\$50k	G			
9b. Bikes in Schools (OP-1214) (external funding)		Discussion with NZTA on the possibility of funding assistance	\$nil	W			
10. Manawatu River (Fitzherbert Bridge to Linton) - Cycle/Pedestrian Pathway (CN-1032)	Final Design is progressing	Complete final design and start Resource Consent Process	\$1,800k	G			
11. Manawatu River - Downstream Pedestrian/Cycle Bridge Construction (CN- 57 and 1032)	Final Tenders received report to Council prepared	Obtain Council approval to award contract. Preliminary construction plans required	\$5,545k	G			
12. Street Lighting Upgrade to Current LEDs (CN-1086 and C/fwd 1274)	Three supply contracts awarded for "compliant" traffic route lights, installation contract awarded	Report to Council on "non compliant" areas	\$3,922k	G			
13. Broadway Avenue Upgrade (C/fwd CN-749 and 1259)	Lighting upgrade underway	Complete upgrades	\$142k	G			
14. James Line Upgrade (CN-167 and C/fwd 1287)	Tender received and assessed	Report to Council, award contract and get physical works underway	\$2,626k	G			
15. Completion of all other operating programmes	Operating Programmes progressing	Expedite works where possible	\$443k	G			
16. Completion of all other capital renewal programmes	Renewal Programmes Progressing	Expedite works where possible	\$5,946k	G			
17. Completion of all other capital new programmes	Capital New Programmes progressing	Expedite works where possible	\$4,940k	G			

## RUBBISH AND RECYCLING

27

Performance Measures (Pages 104-105 of Annual Budget)		Comments	Sept	Dec	Mar	June
1. Collection Rubbish and recycling placed in the Council's official receptacles is collected on the stated day. (At least 98%.)		99.99% (59 missed recycling bins and crates, 36 missed rubbish bags) (2016/17 99.99%)	G			
2. Collection Points Collection points are available and open for the stated hours.		Available and open for stated hours	G			
3. Green Waste Green waste facility is available and open for the stated hours.		Available and open for stated hours	G			
4. Compliance No abatement or infringement notices, enforcement orders, or convictions in relation to resource consents received.		No non-compliance notices received	G			
5. Asset Management Plan A 30 year asset management plan is in place for rubbish and recycling. The plan is reviewed three-yearly, with the next review due by June 2018.		The Rubbish & Recycling asset management plan is currently being revised and updated. Updated renewal programmes and capital new programmes of work have been developed and included in the first draft of the LTP.	G			
6. Cost Effectiveness 10 Year Plan levels of service and programmes are achieved within budget.		Services provided however budget exceeded. Operation and maintenance expenditure is currently above budget due to \$134,000 of unexpected costs associated with clean-up of leased site at Awapuni RRP.	Y			

Programmes or Major Projects (Pages 54-55 of Annual Budget)	YTD Progress	Focus for Next Quarter	Budget	Sept	Dec	Mar	June
7. Completion of all operating programmes	Implement Bin the Bin Campaign in the CAB, Online A-Z Tool Launch, Battery Recycling and begun work on the Events Recycling Infrastructure and Implementation.	Implement Car Seat Recycling Programme, Investigate polystyrene options and hazardous waste disposal options.	\$254k	G			
8. Completion of all capital programmes	A majority of the programmes have been scoped. Works have started, although some delays have occurred. RFID Programme planning well underway	Completion of scoping of outstanding Capital Programmes.	\$851k	Y			

## STORMWATER

29

Performance Measures (Pages 106-107 of Annual Budget)		Comments	Sept	Dec	Mar	June
1. Flood Protection - Events (Mandatory) The number of flood events per year resulting in stormwater from the Council's stormwater system entering a habitable floor in an urban area. (No more than 2 flood events.)		No flood events reported (No Events for 2016/17)	G			
2. Flood Protection - Habitable Floors (Mandatory) The number of habitable floors per 1,000 properties within urban stormwater service areas affected by a flood event. (No more than 0.2 habitable floors per 1,000 properties.)		No flood events reported (No Events for 2016/17)	G			
3. Response Times (Mandatory) Median time to attend a flooding event. (Less than or equal to 2 hours.) (Council will also report the maximum time.)		No flood events reported (No Events for 2016/17)	G			
4. Complaints (Mandatory) The number of complaints received about the performance of the Council's stormwater system per 1,000 properties connected. (Less than or equal to 10 complaints per 1,000 properties connected.)		207 complaints in total. 6.2 complaints per 1000 connections	G			
5. Compliance No abatement or infringement notices, enforcement orders, or convictions in relation to resource consents received.		Council holds only consents associated with construction and maintenance of stormwater facilities. There are no specific stormwater discharge consents.	G			
6. Asset Management Plan A 30 year asset management plan is in place for stormwater. The plan is reviewed three-yearly, with the next review due by June 2018.		The stormwater asset management plan is currently being revised and updated. Updated renewal programmes and capital new programmes of work have been developed and included in the first draft of the LTP.	G			
7. Cost Effectiveness 10 Year Plan levels of service and programmes are achieved within budget.		Services provided within budget.	G			

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Programmes or Major Projects (Pages 56-57 of Annual Budget)	YTD Progress	Focus for Next Quarter		Sept	Dec	Mar	June
8. Completion of all capital programmes	Napier Road SW duplication has commenced despite very wet weather. Other key capital new and renewal projects are being scoped and designed prior to confirming contract prices with depot or external tendering to confirm what can be delivered within the available budgets.	Complete the design and tender of all 2017-18 capital new and renewal works, to ensure they can progress when ground conditions dry out. Advance any minor works which are not weather dependent. It is hoped the Contractor can re-establish at Milson Stream project site towards the end of Q2 if weather and ground conditions allow.	\$1,430k	G			



## WASTEWATER

31

Performance Measures (Pages 108-109 of Annual Budget)		Comments	Sept	Dec	Mar	June
1. Overflows - Number (Mandatory) Number of dry weather wastewater overflows from the Council's wastewater system per 1,000 connections per year. (No more than 1 per 1,000 connections.)		5 incidents in the first quarter due to localised blockage on dry days (0.15 blockage per 1000 connection)	G			
2. Complaints (Mandatory) Odour, system faults, system blockages, and Council's response to issues with the wastewater system. (No more than 1 per 1,000 connections for each category.)		80 complaints (2.49 complaints per 1000 connections) 65 are blocks and leaks related complaints (2 complaints per 1000 connection) 12 are manhole fault related complaints (0.4 complaints per 1000 connections) 3 are odour related complaints (0.01 complaints per 1000 connections) 1 Council response to issues with wastewater system (0.03 complaints per 1000 connections)	R			
3. Overflows - Attendance (Mandatory) Median time for attending to overflows resulting from blockages or other faults. (No more than 1.5 hours.) (Council will also report the maximum time.)		0.19 hours median attendance time, 34.12 hours maximum attendance time	G			
4. Overflows - Resolution (Mandatory) Median time for resolution of overflows resulting from blockages or other faults. (No more than 8.0 hours (total of 9.5 hours).) (Council will also report the maximum time.)		3.38 hours median resolution time, 75.93 hours maximum resolution time	G			
5. Compliance (Mandatory) No abatement or infringement notices, enforcement orders, or convictions in relation to resource consents received.		No non-compliance notices received	G			
6. Asset Management Plan A 30 year asset management plan is in place for wastewater. The plan is reviewed three-yearly, with the next review due by June 2018.		The wastewater asset management plan is currently being revised and updated. Updated renewal programmes and capital new programmes of work have been developed and included in the first draft of the LTP.	G			
7. Cost Effectiveness 10 Year Plan levels of service and programmes are achieved within budget.		Services provided within budget.	G			

Programmes or Major Projects (Pages 58-60 of Annual Budget)	YTD Progress	Focus for Next Quarter	Budget					
				Sept	Dec	Mar	June	
8. Tolara Road Wastewater Treatment Plant - Consent Renewal Upgrade Options Analysis (OP-1319)	The wastewater BPO project is advancing with draft vision and objectives completed, a framework consultation and engagement strategy prepared and a number of technical packages of work initiated and underway.	Adoption of project vision and objectives, a project charter, project name and branding and development of a consultant and engagement strategy. Completion of work packages on contextual review, WWTP flows and loads and an optimisation review. Work will also be progressed on securing consents for extended nutrients trials in time for the summer low flow period.	\$620k	G				
9. Tolara Road Wastewater Treatment Plant (CAP)	The major capital new projects to upgrade the screens is progressing with screens on order and due to be delivered in November, a preferred contractor identified for construction and several other minor associated work packages awarded. The food waste reception facility equipment has been ordered and design work is underway on the upgrade to grit removal system. The replacement of the second digester lid is scheduled to begin in quarter 2.	Award the construction contract and finalise the design for the screen recycled wastewater project. Tendering installation of the recycled wastewater project and food waste installations as a single project. Commencement of the renewal of the second digester lid.	\$2,487k	G				
10. Completion of all other capital programmes	Wastewater pipeline renewals are on track, with a number of other pump station projects scheduled to begin in late Q2 when flows subside.	Pump station renewals and upgrades will be prioritised as well as tendering of sewer lining work to complement the open trench renewals being undertaken by City Enterprises	\$2,724	G				

## WATER

33

Performance Measures (Pages 110-111 of Annual Budget)		Comments					Sept	Dec	Mar	June
1. Consumption (Mandatory) Average consumption of drinking water per day per resident. (Less than or equal to 360 litres per day per resident.)		KPI report due by the end of the financial year					W			
2. Compliance - Bacteria (Mandatory) Compliance with Part 4 (bacteria compliance criteria) of the Public Health Act 1956 (as amended by the Health (Drinking Water) Amendment Act 2007). (100% compliance.)		KPI report due by the end of the financial year					W			
3. Compliance - Protozoal (Mandatory) Compliance with Part 5 (protozoal compliance criteria) of the Public Health Act 1956 (as amended by the Health (Drinking Water) Amendment Act 2007). (100% compliance.)		KPI report due by the end of the financial year					W			
4. Complaints (Mandatory) Clarity, taste, odour of the drinking water, continuity of Council's water supply, drinking water pressure or flow, and Council's response to any of these issues. (Less than or equal to 17 complaints per 1,000 properties connected.)		Total 304 complaints received (10.3 complaints per 1000 properties connected) (14 are three water investigations, 15 related to burst main, 63 are unspecified complaints, 6 complaints about low pressure, 16 about no water supply, 11 about water meter faults, 144 about water toby faults, 12 are water meter reading request, 2 about bad smells, and 21 complaints about colour of water)					G			
5. Response - Urgent Call Outs (Mandatory) Median response time for urgent call out time attendance. (Less than or equal to 2 hours.) (Council will also report the maximum time.)		Median urgent response time is 0.215 hours. Maximum urgent response time is 0.6 hours					G			
6. Response - Resolution Urgent Call Outs (Mandatory) Median response time for resolution of urgent call outs. (Less than or equal to 7 hours.) (Council will also report the maximum time.)		Median resolution time is 0.4 hours. Maximum urgent resolution time is 60.23 hours					G			
7. Response - Non-Urgent Call Outs (Mandatory) Median response time for non-urgent call out time attendance. (Less than or equal to 10 hours.) (Council will also report the maximum time.)		Median non-urgent response time is 1.32 hours. Maximum non-urgent response time is 58.53 hours.					G			
8. Response - Resolution Non-Urgent Call Outs (Mandatory) Median response time for resolution of non-urgent call outs. (Less than or equal to 75 hours.) (Council will also report the maximum time.)		Median non-urgent resolution time is 3.03 hours. Maximum non-urgent resolution time is 171.45 hours.					G			
9. Water Loss (Mandatory) Percentage of real water loss from the water reticulation network. (Less than or equal to 20%.)		KPI report due by the end of the financial year					W			

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10. Compliance - Resource Consents Compliance with resource consent monitoring conditions that relate to environmental conditions. (100%.)	No non-compliance notices received	G		
11. Asset Management Plan A 30 year asset management plan is in place for water. The plan is reviewed three-yearly, with the next review due by June 2018.	The water asset management plan is currently being revised and updated. Updated renewal programmes and capital new programmes of work have been developed and included in the first draft of the LTP.	G		
12. Cost Effectiveness 10 Year Plan levels of service and programmes are achieved within budget.	Services provided within budget.	G		

<b>Programmes or Major Projects</b> (Pages 61-63 of Annual Budget)	<b>YTD Progress</b>	<b>Focus for Next Quarter</b>	<b>Budget</b>	<b>Sept</b>	<b>Dec</b>	<b>Mar</b>	<b>June</b>
13. Turitea Valley Road/Pacific Drive - New Water Supply Link Pipe and Reservoir (CN-610 and 929)	Aokautere reservoir and new Turitea and Silicon Way Pump Stations completed and commissioned. Some final minor reinstatement and SCADA updates to be completed.	Complete final minor reinstatement and documentation. Declare surplus not reassigned by Council to other programmes	\$199k	G			
14. Kelvin Grove Water Supply Zone - New Bore (CN-985 and C/fwd 1235)	Groundwater bore drilled and tested. Bore headworks currently in preliminary design stage.	Complete bore headworks design and tender work for construction.	\$644k	G			
15. Water bores renewal and redevelopments (CR 1058 and 1305).	Bore headworks at Papaloa Park detailed design completed and replacement Keith Street bore is currently being scoped for tender.	Request price for Papaloa Park bore headworks and tender Keith Street bore.	\$554k	G			
16. Completion of all other capital programmes	Pipe and minor treatment plant renewals are tracking ahead of programme in spite of weather delays. New Turitea sludge dewatering project is in review with a final decision of whether to proceed still pending. Contract for construction of new retaining wall on access road to lower Turitea dam has been awarded. Detailed design of seismic strengthening for Ngahere Park circular reservoir has been completed.	Continue to advance renewal programmes particularly all bore and Turitea WTP works. Advance retaining wall construction and finalise decision on Turitea sludge dewatering project. Tender reservoir seismic strengthening of reservoir.	\$5,102k	G			



SUPPORT SERVICES

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Corporate Support

Programmes or Major Projects (Page 69 of Annual Plan; Page 162 of 10 Year Plan)	YTD Progress	Focus for Next Quarter	Budget	Sept	Dec	Mar	June
1. Civic Administration Building - Refurbishments (CR-281 and C/fwd 953)	Fire protection work tendered and contractor selected.	Commence construction work.	\$1,707k	G			

Performance Measures (Page 112 of Annual Budget)		Comments	Sept	Dec	Mar	June
1. Calls Answered At least 95% of phone calls to the Contact Centre are answered before the customer hangs up. (Excluding calls abandoned in less than 20 seconds.)		97.6% of calls were answered before the customer hung up (46,043 out of a total of 47,196 calls received) based on a 20 second threshold. (2016/17 - 97.4%)	G			
2. Call Wait Time At least 80% of phone calls to the Contact Centre are answered within 20 seconds.		81.9% of calls were answered within 20 seconds (38,631 out of a total of 47,196 calls received). (2016/17 - 80.5%)	G			
3. Requests Percentage of info@pncc, fix-it requests and web chat requests responded to within 30 minutes (see note 1). (At least 80%.)		98.5% of non-phone contacts were responded to within 30 minutes (10,938 out of a total of 11,102 non-phone contacts). (2016/17 - 99.6%)	G			
4. Satisfaction Customers are satisfied with the friendliness, professionalism, and knowledge of the service they receive. (Annual survey of Front of House and Call Centre.) (At least 90%.)		100% of customers surveyed (49) who utilised the Front of House services were satisfied with the friendliness, professionalism, and knowledge of the service they received.	G			
5. Feedback to Customers Customers who lodge fault and service complaints have their complaints responded to a satisfactory standard. (At least 80%.)		98.1% of customers surveyed who called the Contact Centre (151 out of 154) felt the friendliness, professionalism, and knowledge of the service they received was good or excellent. (2016/17 - 97.2%)	G			
6. Cost Effectiveness 10 Year Plan levels of service and programmes are achieved within budget.		83.4% of customers surveyed who called the Contact Centre (141 out of 169) were satisfied or partly satisfied with the response they received to the service complaint or fault they lodged. (2016/17 - 89.3%)	G			
		Services provided within budget.	G			

1. Response time is the time for the initiator of the request to receive acknowledgement from a Customer Services Advisor that the request has been received and sent to the appropriate Unit in Council for action.)



## COMMITTEE WORK SCHEDULE

**TO:** Finance and Performance Committee

**MEETING DATE:** 16 October 2017

**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 October 2017.

### ATTACHMENTS

1. Work Schedule  

## FINANCE AND PERFORMANCE COMMITTEE

### PART I

#### COMMITTEE WORK SCHEDULE – October 2017

Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
1	November 2017	Property Portfolio	GM, City Networks		21 February 2011 Clause 10-11
2	TBC	That as part of the Library Refurbishment Project, the future access and use of the Heritage Staircase be assessed and restoration cost estimates be reported as part of the next Long Term Plan (LTP) review.	GM, Libraries and Community Services		20 March 2017 Clause 14-17
3	October/November 2017	Ashhurst Domain Riverbank Erosion – confirmation received from NZTA and HRC	GM, City Networks		21 August 2017 Clause 57-17
4	November 2017	Process for reallocating and prioritisation of underspending on programmes.	CFO/GM, City Networks		18 September 2017 Clause 59-17