



# **Exceptions Report**

**For the month of February 2020**

**Financial Report**

**Activities Report**

**Capital Projects Update**

## February 2020 Financial Report

### Statement of Operating and Capital Performance

	Year to 29 February 2020			Indicator	Whole Year	
	Actual \$'000	Annual Plan \$'000	Variance \$'000		Annual Plan \$'000	Forecast \$'000
Rates	25,428	24,697	732	●	36,884	36,884
Activity Revenue and Other Income	4,921	4,626	295	●	6,839	6,839
Subsidies and Grants - Operational	3,780	4,030	(250)	●	8,786	8,786
<b>Total Operating Income</b>	<b>34,129</b>	<b>33,353</b>	<b>777</b>	●	<b>52,508</b>	<b>52,508</b>
Employee Benefits	8,349	8,458	109	●	12,683	12,683
Contractors	1,131	1,661	531	●	2,448	2,448
Professional Services	4,618	5,328	710	●	8,356	8,356
Repairs and Maintenance	6,060	6,819	759	●	11,861	11,861
Finance costs	1,572	1,853	281	●	2,780	2,780
Other Operating Costs	4,175	4,442	267	●	6,004	6,004
<b>Total Operating Costs</b>	<b>25,906</b>	<b>28,561</b>	<b>2,655</b>	●	<b>44,133</b>	<b>44,133</b>
<b>Operating Surplus/(Deficit)</b> (before Depreciation)	<b>8,224</b>	<b>4,792</b>	<b>3,432</b>	●	<b>8,375</b>	<b>8,375</b>
Capital Subsidies	4,673	5,350	(677)	●	23,219	23,219
Contributions	1,314	1,944	(629)	●	3,019	3,019
Other Capital Revenue	15	0	15	●	175	175
<b>Total Capital Revenue</b>	<b>6,002</b>	<b>7,294</b>	<b>(1,291)</b>	●	<b>26,413</b>	<b>26,413</b>
Capital Expenditure	11,860	11,703	(158)	●	38,936	41,556
<b>Total Capital Payments</b>	<b>11,860</b>	<b>11,703</b>	<b>(158)</b>	●	<b>38,936</b>	<b>41,556</b>
<b>Subtotal Capital</b>	<b>(5,858)</b>	<b>(4,409)</b>	<b>(1,449)</b>	●	<b>(12,523)</b>	<b>(15,143)</b>
<b>Surplus/(Deficit)</b> - before Loan Payments and Depreciation	<b>2,366</b>	<b>383</b>	<b>1,983</b>	●	<b>(4,148)</b>	<b>(6,768)</b>

Key: ● Within 5% of budget

● Over or under budget by 5 - 10%

● Over or under budget by more than 10%

## Statement of Operating and Capital Performance

Comments on major variances

### Operating Income:

Account	Rationale	\$000
<b>Rates Revenue</b>	Penalties are ahead of budget for the year to date due to arrears penalties applied (July and January) and instalment penalties.	<b>644</b>
<b>Activity Revenue and Other Income</b>	Tourism Infrastructure Funds received from Ministry of Business, Innovation and Employment – Matakohe Toilets & Footpath and Bayly's Beach	<b>150</b>
	Increase in Kai Iwi lakes bookings for summer season.	<b>115</b>
	Mangawhai Campground revenue share	<b>71</b>
	Additional revenue received for vehicle crossing permits, discharge fees, water rates penalties and reimbursement of costs from previous year.	<b>484</b>
	Regulatory activity revenue: <ul style="list-style-type: none"> <li>• Building Control revenue is on budget for the month</li> <li>• Increase in Monitoring and enforcement fees</li> <li>• Decrease in Resource consenting income.</li> <li>• Decrease in Animal management fees – timing difference.</li> </ul>	<b>22</b> <b>(501)</b> <b>(169)</b>
<b>Operating Subsidies and Grants</b>	Operational subsidies from NZTA are on budget for the month  PGF funding for Kaipara Kickstart Programme not received yet – timing difference.	<b>(242)</b>

### Operating Costs:

Account	Rationale	\$000
<b>Contractors</b>	New contract for Mangawhai wastewater treatment plant operations and maintenance started in October 2019. The contract was negotiated at lower cost than budgeted.	<b>447</b>
<b>Professional Services</b>	Costs overall are lower than budget. Regulatory is ahead of budget: <ul style="list-style-type: none"> <li>• Resource consenting activity costs</li> <li>• Environment health activity costs</li> </ul> Roding professional services costs are ahead of budget Budget is offset by District plan costs not committed yet – timing difference Stormwater and Wastewater work schedule planning not started yet – timing difference	<b>(278)</b> <b>(10)</b> <b>(183)</b> <b>868</b> <b>298</b>
<b>Repairs and Maintenance</b>	Overall costs are lower on budget year to date for all activities. Dargaville wastewater desludging work is not started yet – timing difference. Roding sealed works maintenance programme is on budget for the month.	<b>577</b>
<b>Finance Costs</b>	Below budget due to lower inter-period loan balances.	<b>281</b>
<b>Other Operating Costs</b>	Costs overall are lower than budget year to date.	

### Capital Revenue

Account	Rationale	\$000
<b>Capital Subsidies</b>	Capital subsidies from NZTA are lower on budget for the month	<b>(513)</b>
<b>Contributions</b>	The financial and development contributions are lower than budget for year to date as less subdivisions.	<b>(629)</b>

## Statement of Financial Position

	Actual	Annual Plan	Annual Report
As at	February 2020	June 2020	June 2019
Accumulated comprehensive revenue and expense	408,099	425,697	401,364
Asset revaluation reserves	268,601	245,084	268,601
Restricted reserves	5,574	5,389	5,574
Council created reserves	(14,777)	(14,550)	(14,777)
<b>Total net assets/equity represented by</b>	<b>667,497</b>	<b>661,620</b>	<b>660,762</b>
<b>Current assets</b>			
Cash and Cash Equivalents	5,913	563	1,926
Trade and Other Receivables	6,190	6,548	8,317
Accrued Revenue	1,459	3,438	1,641
Other Financial Assets - Current	115	115	115
Non-Current Assets Held for Sale	186	186	186
LGFA Borrower notes	32	0	32
<b>Total current assets</b>	<b>13,895</b>	<b>10,849</b>	<b>12,217</b>
<i>less</i>			
<b>Current liabilities</b>			
Trade and Other Payables	11,748	13,329	11,219
Provisions	135	148	135
Employee Entitlements	692	1,111	905
Public debt	0	600	1,000
<b>Total current liabilities</b>	<b>12,575</b>	<b>15,188</b>	<b>13,258</b>
<b>Working capital/(deficit)</b>	<b>1,320</b>	<b>(4,340)</b>	<b>(1,042)</b>
<i>plus</i>			
<b>Non-current assets</b>			
Property, plant, equipment	718,776	720,724	714,402
LGFA Borrower notes	672	704	672
Biological Assets	1,045	1,017	1,045
Other financial assets	279	278	279
<b>Total non-current assets</b>	<b>720,771</b>	<b>722,723</b>	<b>716,398</b>
<i>less</i>			
<b>Non-current liabilities</b>			
Public debt	44,000	47,657	44,000
Provisions	4,599	4,679	4,599
Derivative Financial Liabilities	5,995	4,427	5,995
<b>Total non-current liabilities</b>	<b>54,594</b>	<b>56,763</b>	<b>54,594</b>
<b>Net assets</b>	<b>667,497</b>	<b>661,620</b>	<b>660,762</b>

**Public Debt:** The public debt position at 29 February 2020 is \$44 million and the net debt position (debt less cash) is \$38.1 million.

Public Debt and Requirements			
	June 2019	February 2020	June 2020
	\$000's	\$000's	\$000's
<b>Debt</b>			
Public debt	45,000	44,000	48,257
Cash in bank (overnight deposits)	(1,926)	(5,913)	(563)
<b>Net Debt</b>	<b>43,074</b>	<b>38,087</b>	<b>47,694</b>
<b>Reserves (future obligations)</b>			
Development Contribution Reserve	(24,395)	(24,395)	(26,341)
Other reserves	15,192	15,192	17,180
<b>Total reserves (future obligations)</b>	<b>(9,203)</b>	<b>(9,203)</b>	<b>(9,161)</b>
<b>Debt Requirements</b>			
Public debt	45,000	44,000	48,257
Future obligations	15,192	15,111	17,180
Gross Debt Requirement	60,192	59,111	65,437
Less cash in bank	(1,926)	(5,913)	(563)
<b>Net Debt Requirement</b>	<b>58,266</b>	<b>53,199</b>	<b>64,875</b>

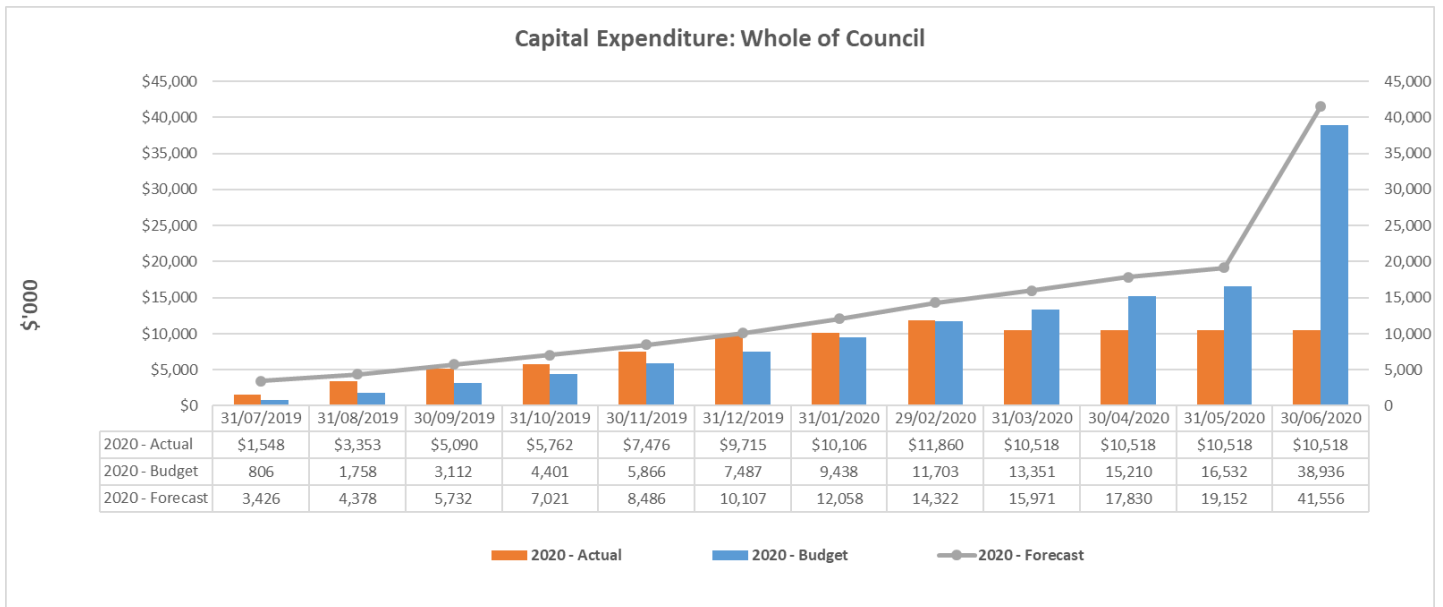
\*Note: Reserves balances are only recalculated at end of year.

#### Activities Net Cost for the period to February 2020

Activity	Actual as at 29 February 2020			Whole Year Annual Plan
	Operating Income \$000's	Operating Costs \$000's	Net Operating Surplus/(Deficit) \$000's	Net Operating Surplus/(Deficit) \$'000
Community Activities	4,269	3,713	556	150
District Leadership	5,062	5,411	(349)	(1,738)
Regulatory Management	4,439	4,842	(403)	51
Roads and Footpaths	10,231	7,426	2,805	4,116
Wastewater	5,208	1,882	3,325	2,970
Water Supply	2,356	1,413	943	1,540
Stormwater	1,211	306	905	836
Flood Control	478	260	217	143
Solid Waste	876	652	223	307
	<b>34,129</b>	<b>25,906</b>	<b>8,224</b>	<b>8,375</b>

## Capital Expenditure for the period ended 29 February 2020

Activity – Capital Expenditure	Actual as at 29 February 2020			Whole Year	
	Actual \$000's	Annual Plan \$000's	Variance \$000's	Annual Plan \$000's	Forecast \$000's
Community Activities	545	1,142	597	2,643	3,184
District Leadership	1,304	1,249	(56)	6,175	6,407
Regulatory Management	0	0	0	0	0
Roads and Footpaths	7,614	7,643	29	24,618	25,276
Wastewater	1,741	644	(1,097)	2,911	3,835
Water Supply	518	732	214	1,952	2,068
Stormwater	64	216	152	216	316
Flood Control	57	76	19	421	421
Solid Waste	17	0	(17)	0	50
	<b>11,860</b>	<b>11,703</b>	<b>(158)</b>	<b>38,936</b>	<b>41,556</b>



**Significant Capital projects for the period ended 29 February 2020**

	Year to Date	Full Year
	Actual	Annual Plan
Roads Resurfacing 2019/2020	904,192	2,288,276
Tomorata Bridge Repairs	1,956,957	1,450,000
Upgrade Mangawhai Wastewater Existing Reticulation	36,900	1,000,000
Upgrade Mangawhai Wastewater Treatment Plant	655,686	800,000
Drainage Renewals 2019-2020	472,440	784,000
MCP Paths - Walkways and Cycleways 2019-2020	604,107	560,000
Insley/Moir Intersection (Intersection 1)	35,970	540,000
Moir/Molesworth Intersection (Intersection 2)	32,278	540,000
Matakohe West Rd - Road works sealed	213,766	520,000
Flexible workspace	330,865	480,000
Wood Street - Main street redevelopment	64,679	400,000
Racecourse SH14 watermain	15,400	400,000
Ararua Rd - Road works sealed	24,950	400,000
<b>Total Significant Projects</b>	<b>5,348,190</b>	<b>10,162,276</b>

**Provincial Growth Fund****Programme performance:**

	Actual from February 2019 to February 2020	Budget from February 2019 to February 2020	Forecast (All programme)
<b>Operating Income</b>	<b>708,060</b>	<b>340,050</b>	<b>5,160,000</b>
PGF100 Kaipara Kickstart Programme	508,060	340,050	1,300,000
PGF101 Kaipara Kickstart Kai	50,000	-	980,000
PGF102 Kaipara Kickstart Moana Investigation	150,000	-	950,000
PGF103 Kaipara Kickstart Waipoua River Road Investigation	-	-	120,000
PGF104 Kaipara Kickstart Waipoua Road Implementation	-	-	1,480,000
PGF105 Pouto Road Phase 2 (Investigation)	-	-	330,000
<b>Operating costs</b>	<b>605,890</b>	<b>636,602</b>	<b>5,170,000</b>
PGF100 Kaipara Kickstart Programme	304,264	636,602	1,300,000
PGF101 Kaipara Kickstart Kai	112,724	-	980,000
PGF102 Kaipara Kickstart Moana Investigation	136,762	-	950,000
PGF103 Kaipara Kickstart Waipoua River Road Investigation	23,978	-	130,000
PGF104 Kaipara Kickstart Waipoua Road Implementation	4,560	-	1,480,000
PGF105 Pouto Road Phase 2 (Investigation)	23,602	-	330,000
<b>Internal charges and recoveries</b>	<b>288,034</b>		
PGF100 Kaipara Kickstart Programme	203,796	-	-
PGF101 Kaipara Kickstart Kai	37,153	-	-
PGF102 Kaipara Kickstart Moana Investigation	42,000	-	-
PGF105 Pouto Road Phase 2 (Investigation)	5,085	-	-
<b>Capital expenditure</b>	<b>1,973,105</b>	<b>1,580,000</b>	<b>14,000,000</b>
11152 Tomorata Bridge Repairs	1,956,957	1,450,000	2,150,000
9999 120 PGF Heavy metalling	-	-	-
PGF100 Kaipara Kickstart Programme	750	-	-
PGF104 Kaipara Kickstart Waipoua Road Implementation	661	-	-
PGF105 Pouto Road Phase 2 (Investigation)	12,845	130,000	7,850,000
PGF107 Kaipara Moana Physical works	-	-	4,000,000
PGF108 Pouto Road Phase 1 (Physical Works)	1,892	-	-
<b>Grand Total</b>	<b>2,158,970</b>	<b>1,876,552</b>	<b>14,010,000</b>

Please note these financials have been put together with a view of the Programme to Date. This programme of works officially commenced on the 3 February 2019.

## Activities Report

### Kaipara KickStart Programme (PGF)

The Kaipara KickStart programme is delivering to planned targets with no significant variations from plans.

Communication and engagement activities have increased, with a presence at Northland Field Days, community engagements and elected member workshops having been completed. Regular content within the Lifestyler and other Council communication channels have also been established.

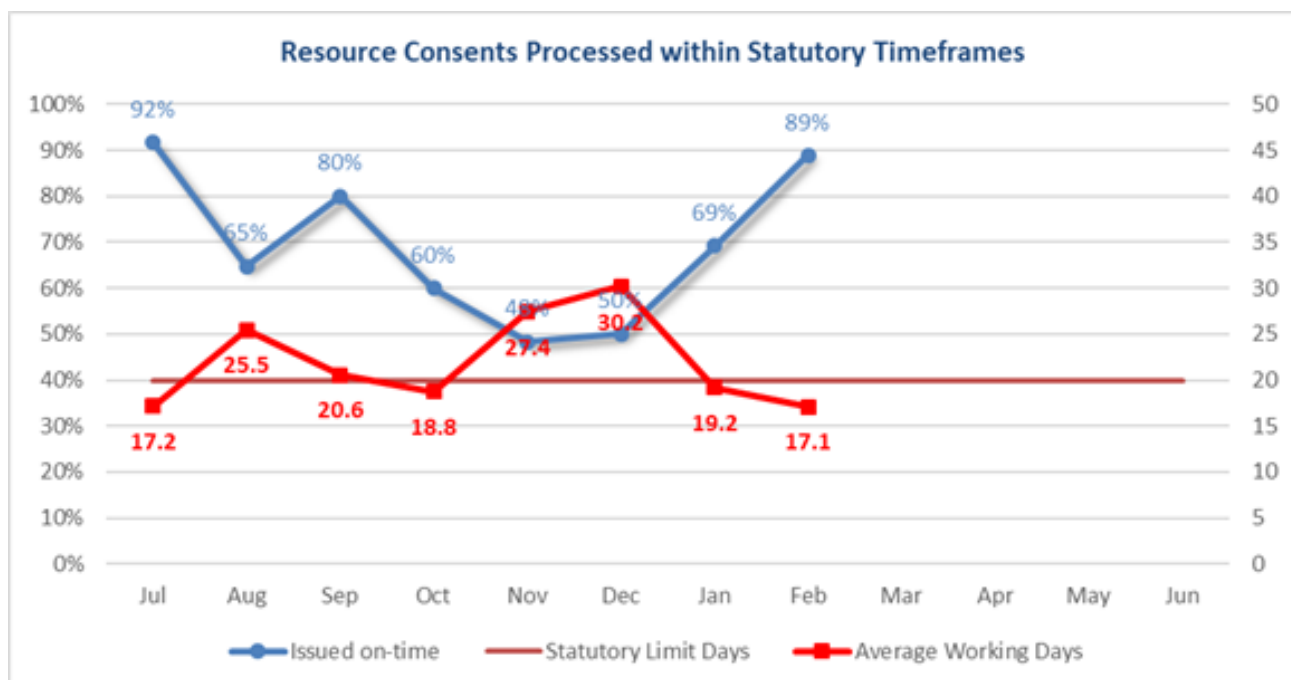
There has been one health and safety incident recorded for the programme, which occurred during survey work on Pouto Road.

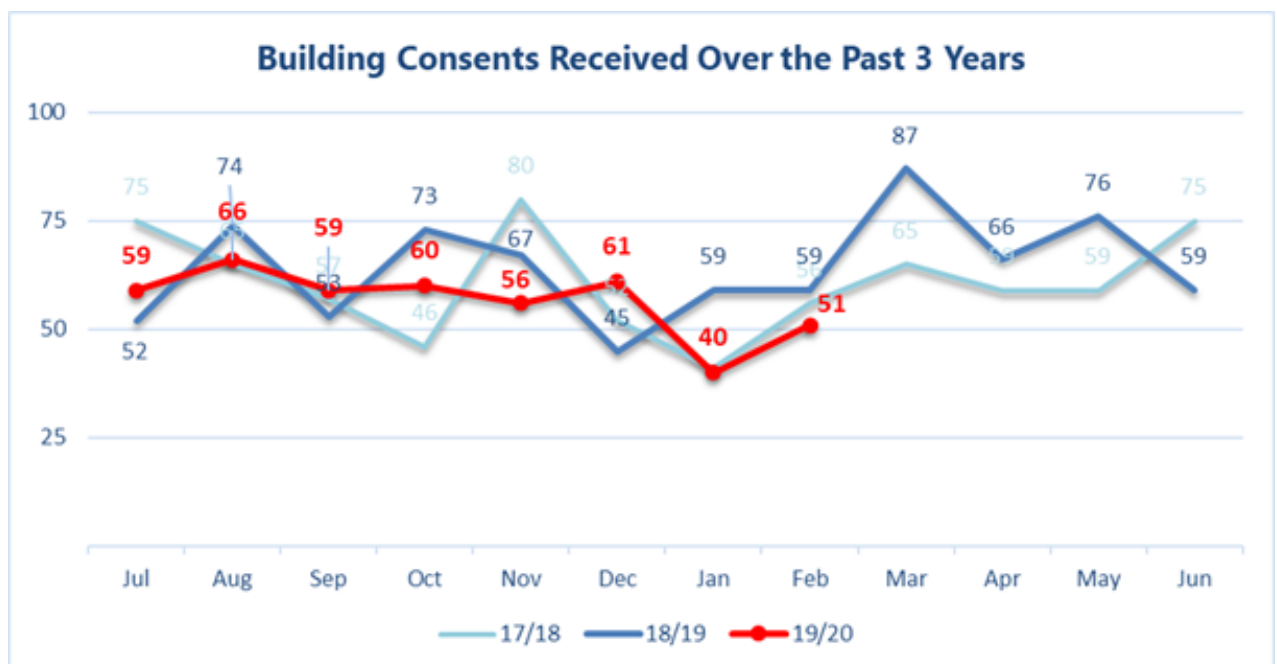
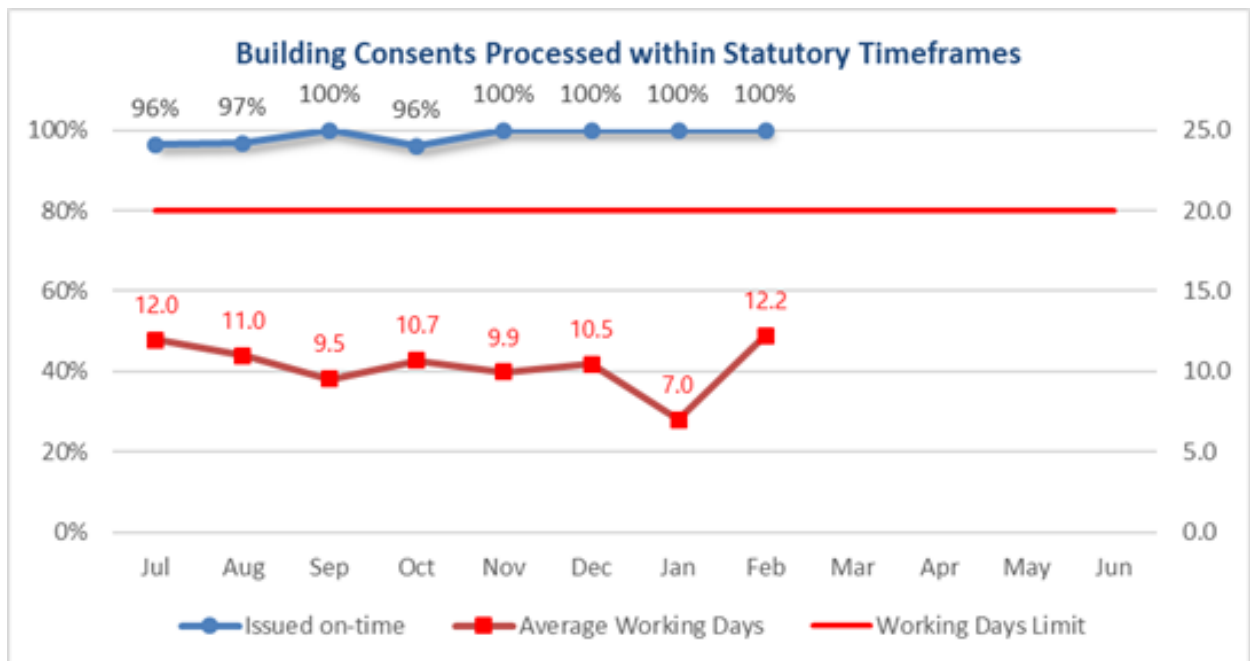
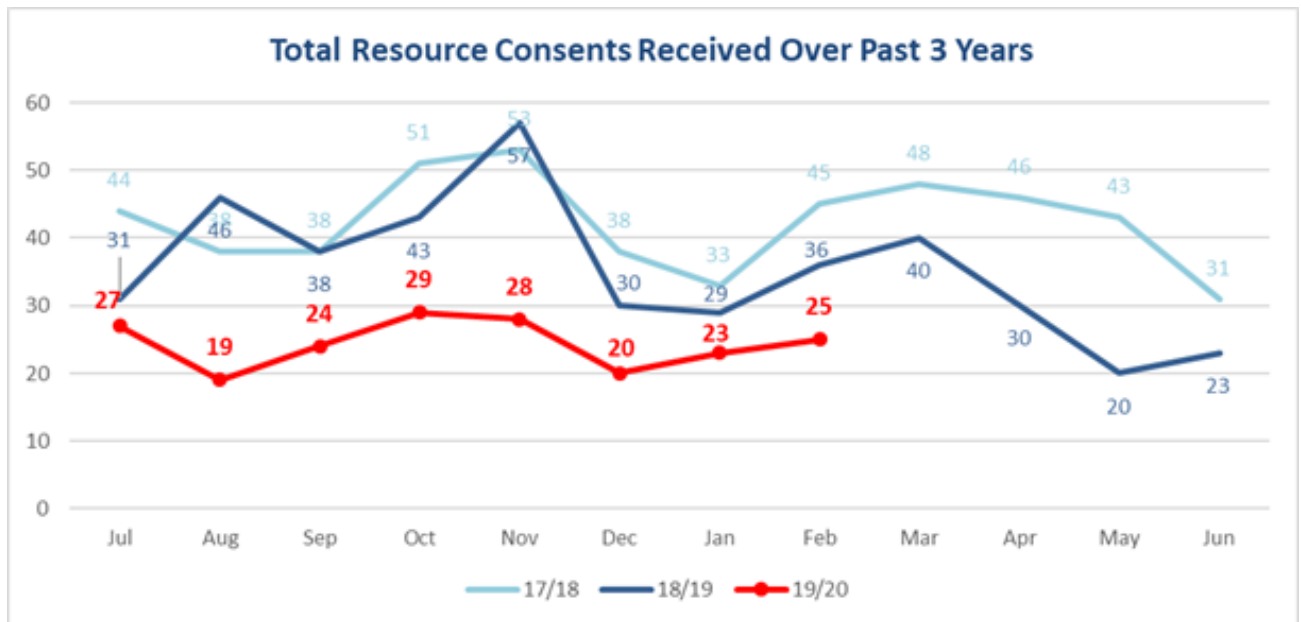
The programme team are currently working on transition plans to move the programme to operational delivery.

### Building and Resource Consents

*Note: Tables containing shaded cells do not contain calculations as these are not currently measured.*

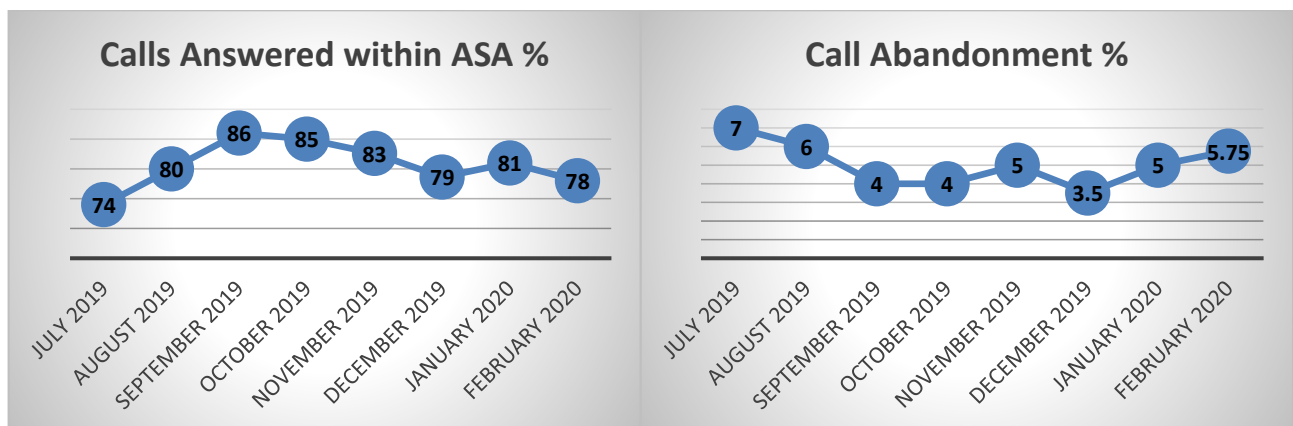
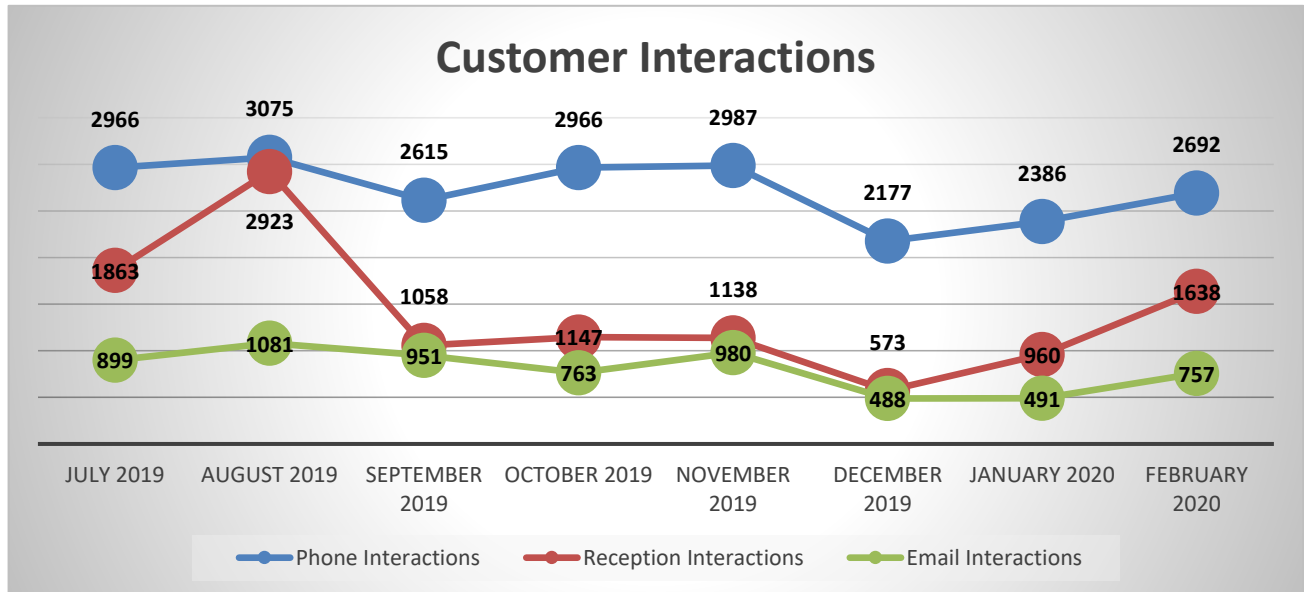
Consents	Received		% On Time	Average Working Days	YTD % On Time
	2018	2019			
Resource Consent Applications	36	25	89%	17.18	69%
224 Applications	6	15	100%	1	
Building	Received		% On Time	Average Working Days	YTD % On Time
	2018	2019			
Building Consent Applications	73	60	96%	10.68	97%
CCC Applications	47	71	100%	1	98%





## Customer Services

Total Customer interactions	Emails	Reception	Total Calls	Average Speed Answer (min:secs)	Average call abandonment (%)	Calls FTE	Longest Wait Time (min:secs)
5087	757	1638	2692	0.34	5.75	2.38	13.25



## Tender Programme

The 2020 tender programme has been developed and issued to Civil Contractors NZ (CCNZ)

Month	Estimate	Procurement Method	Comment
<b>January</b>			
Dargaville Water Renewals – Package 1	\$450k	Open Market   PQM	Preferred Contractor - Forte
Bayleys Beach Boardwalk	\$200k	Selected   LPC	Preferred Contractor – Robinsons Negotiating scope with Preferred Contractor
Dargaville Pontoon	\$350k	Selected   LPC	In progress
<b>February</b>			
Eveline Street Stormwater	\$90k	Selected   LPC	Engineers estimate revised – tender to be changed to open market and include packages of other s/w projects
<b>March</b>			
Dargaville Water Renewals	\$700k	Open Market   PQM	Value reduced as this will only include SH14 works
<b>April</b>			
MCP Package 1 – Mangawhai Village - Shared Path & Intersections	\$1.2m	Open Market   PQM	
Maungaturoto Toilet Facilities Various Install only	\$20k	Selected   LPC	
Hakaru Closed Fill Landfill Leachate	\$460k	Open Market   PQM	
<b>May</b>			
Pouto Road Sealing	\$5m	Open Market   PQM	
Waipoa River Road	\$1m	Open Market   PQM	
<b>June</b>			
Chases Gorge Stormwater Improvements	\$200k	Open Market   PQM	
PGF Design Build Wharves	\$4m	Open Market	
Northern Raw Water Crossings	\$750k	Open Market   PQM	
<b>August</b>			
MCP Package 2 – Shared Path	\$1.5m		
Mangawhai Toilet Facilities	\$60k	Selected   LPC	
<b>2021</b>			
Ancient Kauri Coast	\$10m		Form of contract to be determined. Likely to have strong Social Procurement focus
Bridge Replacement & Renewals	\$1.2m		
MCP Future Packages	\$15.5m		

## Capital Projects Update

	Complete
	In progress
	Not yet started

### Roading

Programme for the 2019/20 year	Stage	% Complete/ Status
<b>Bridges and structures</b>	Construction	95%
<b>Reseals</b>	Construction	60%
<b>Rehabilitations</b>	Tendering	60%
<b>Low Cost Low Risk</b>		
➤ Associated improvements	Design	50%
➤ Bridges		
• Tara Road Culvert	Construction	90%
• Waihue Rd Bridge	Design	10%
➤ Walking and cycling improvements	Complete	100%
➤ High risk curve roads	Investigations	95%
➤ Network Improvements - LEDs	Construction	50%
➤ Mangawhai community plan intersections	Design	30%
➤ Resilience	Construction	85%
➤ School Zones Safety	Design	70%

**Parks and Reserves**

<b>Programme for the 2019/20 year</b>	<b>Stage</b>	<b>% Complete/ Status</b>
Taharoa Domain/Kai Iwi Lakes	Upgrade of water take monitoring systems has been approved for implementation.	50%
Pou Tu Te Rangi Harding Park	Car park improvements have been approved. Discussing with the joint committee's possibility of reviewing the Reserve Management Plan.	50%
Mangawhai Community Park	Resource consent planning is underway to remedy previous work done onsite, urban landscape design plan, waiting for draft document.	40%
Mangawhai Coastal Walkway and Linkages	Olsen Ave complete, Breve Street design is being reviewed, Thelma Rd connection concept designs are being developed.	65%
Mangawhai Esplanade Development	New picnic tables have been delivered, waiting on installation. Public consultation for wayfinding is planned for April.	50%
Toilet Amenities	Mangawhai Historic Village and Maungaturoto toilet projects have been passed to the project team to be let for tender. Mangawhai: Lincoln St and Alamar Crescent toilets resource consents and building consents are being lodged.	40%
Walking/Cycling Strategy Implementation	This has been included with the Dargaville township improvement plan and twin coast discovery projects.	10%
Playgrounds	Community consultation for playground design is due in March, staff have been getting design options together.	30%
Baylys Beach Boardwalk	Tenders have been evaluated and have come in over budget, staff are going back to MBIE for additional funding and are negotiating with successful tenderer for any additional design engineering savings.	30%
Community Infrastructure Dargaville	Designs for an additional area for car parking at Memorial Park have been approved.	35%
Community Infrastructure District	Kaiwaka: Discussions with adjoining land owner regarding council land by creek for clearing to develop picnic area are ongoing. Survey and Geotech approved.	40%
Park Improvements	Bike stands, bench seats and signage across the district is underway.	30%

Hard Surface Renewal	Stage 1 complete, now starting stage 2 at Memorial Park	70%
Rangiora Rd Reserve Development	Professional Services Panel completed, successful tender has been awarded.	30%
Kaiwaka Fitness Trail equipment	Completed	100%

## Four Waters

### Water Reform Update

The government published a cabinet paper on the proposed regulator for drinking water in New Zealand. This regulator will be an independent crown entity and will be responsible for drinking water with extension to wastewater and stormwater.

### Water Supply

Programme for the 2019/2020 year	Stage	% Complete/ Status
946 Dargaville CBD Watermain Renewal 19.20, design completed, tender award to Forte Civil	Tender Award	15%
947 SH14 Watermain Renewal	Tender	10%

### Wastewater

Programme for the 2019/2020 year	Stage	% Complete/ Status
Dargaville Wastewater Pond Desludging	Design and Consent	25%
Maungaturoto Wastewater Treatment Plant Upgrade	Construction	90%
Kaiwaka Wastewater Treatment Plant Upgrade	Construction	90%
Mangawhai Wastewater Treatment Plant Upgrade, Aeration	Construction	95%

### Stormwater

Programme for the 2019/2020 year	Stage	% Complete/ Status
Eveline Street Stormwater Control	Design, Consent	90%
Eveline St Stormwater Construction	Tender Evaluation	5%

### Land Drainage

Programme for the 2019/2020 year	Stage	% Complete/ Status
Beach Road Floodgate	Construction	100%
Kaihu Valley Floodgate 49 Replacement	Sourcing Materials	15%
Raupo Drainage Board Stopbank Upgrade, Donovans Bluff to K Canal	Planning	80%