



Exceptions Report

For the month of February 2021

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Financial Report

Statement of Operating and Capital Performance

	This Month 28 February 2021				Indicator	Year to 28 February 2021				Indicator	Whole Year	
	Actual \$'000	Annual Plan \$'000	Variance \$'000			Actual \$'000	Annual Plan \$'000	Variance \$'000			Annual Plan \$'000	Forecast \$'000
All												
Rates	3,168	3,198	(30)	●		26,775	26,137	638	●		38,780	38,780
Activity Revenue and Other Income	1,019	529	490	●		5,582	4,127	1,455	●		6,454	6,454
Subsidies and Grants - Operational	1,100	431	669	●		7,959	3,337	4,622	●		4,809	5,536
Total Operating Income	5,287	4,158	1,129	●		40,315	33,602	6,714	●		50,042	50,770
Employee Benefits	1,078	1,046	(32)	●		9,073	9,071	(2)	●		13,142	13,142
Contractors	98	129	31	●		1,022	1,214	192	●		1,888	1,888
Professional Services	521	342	(179)	●		4,266	3,151	(1,115)	●		4,724	4,863
Repairs and Maintenance	1,221	765	(456)	●		9,979	7,306	(2,674)	●		10,240	12,560
Finance costs	166	238	72	●		1,469	1,907	438	●		2,860	2,860
Other Operating Costs	834	448	(386)	●		4,625	4,620	(5)	●		7,040	7,070
Total Operating Costs	3,918	2,968	(950)	●		30,434	27,268	(3,166)	●		39,894	42,383
Operating Surplus/(Deficit) (before Depreciation)	1,369	1,190	179	●		9,882	6,334	3,548	●		10,148	8,386
Capital Subsidies	1,582	1,318	264	●		9,035	10,393	(1,358)	●		15,081	17,507
Contributions	419	254	165	●		3,222	2,033	1,189	●		3,046	3,046
Other Capital Revenue	13	0	13	●		24	0	24	●		0	0
Total Capital Revenue	2,014	1,572	442	●		12,281	12,426	(145)	●		18,127	20,554
Capital Expenditure	1,804	2,217	413	●		12,955	15,772	2,818	●		27,822	33,236
Total Capital Payments	1,804	2,217	413	●		12,955	15,772	2,818	●		27,822	33,236
Subtotal Capital	210	(645)	855	●		(673)	(3,346)	2,673	●		(9,695)	(12,683)
Surplus/(Deficit) - before Loan Payments and Depreciation	1,579	545	1,034	●		9,208	2,988	6,221	●		453	(4,296)

*Includes Carry overs:

- Waipoua River Road project - \$1,159,902
- Dargaville Wastewater desludging - \$983,000

Key: ● Within 5% of budget

● Over or under budget by 5 - 10%

● Over or under budget by more than 10%

Statement of Operating Performance

Comments on major variances

Operating Income:

Account	Rationale	YTD Variance \$000
Rates Revenue	<p>Penalties are ahead of budget for the year to date due to arrears penalties applied (July 2020) and instalment penalties.</p> <p>Targeted rates for wastewater are overall ahead of budget due to capital repayments for the Mangawhai scheme but recorded as revenue for accounting purposes.</p> <p>Water by meter ahead of budget, mainly in Dargaville</p>	<p>183</p> <p>389</p> <p>153</p>
Activity Revenue and Other Income	<p>Activity revenue:</p> <ul style="list-style-type: none"> • Increase in Building Control revenue year to date. This month up \$37k on budget. • Increase in Resource consenting income year to date. This month decrease of \$15k. • Increase in Licences, Registrations fee year to date. This month increase of \$4k. • External recovery costs are ahead of budget for year to date. <p>This month: Received \$47k towards rates accounts from Mangawhai Heads campground. Additional revenue of \$249k charged to applicant to cover costs for Mangawhai Central private plan change and NTA recoveries of \$110k invoiced but covering prior months.</p>	<p>322</p> <p>109</p> <p>84</p> <p>863</p>
Operating Subsidies and Grants	<p>Te Tai Tokerau Redeployment Package the "Shovel Ready" project subsidies were invoiced in the month of September.</p> <p>This month: Further monthly subsidies of \$39,491 received.</p> <p>Operational subsidies from NZTA are ahead of budget year to date due to maintenance work completed earlier than scheduled.</p> <p>Revenue raised for PGF funding for Kaipara Kickstart Programme milestone claims.</p> <p>This month: Dargaville Pontoon payment claim of \$656,620 was raised and additional milestone claim of \$130,435 for Kai for Kaipara project.</p>	<p>1,501</p> <p>2,036</p> <p>1,050</p>

Operating Costs:

Account	Rationale	\$000
Employee Benefits	Employee benefits costs are on budget for the month and year to date	
Contractors	The contractor's costs are on below budget for the year to date.	192
Professional Services	The professional services costs are ahead of budget for the year to date. Includes: <ul style="list-style-type: none"> \$497k for Kaipara Kickstart work not budgeted for but funded by subsidies as above \$312k for addition planning services to support the Resource Management activity \$367k for roading professional services but offset by NZTA subsidies as above 	1,115
Repairs and Maintenance	Community activities – Te Tai Tokerau Redeployment Package the “Shovel Ready” project started August 2020 - removal of trees at Mangawhai Community Park and design, build and construct 5 mountain bike tracks at Harding Park. This month: The Te Tai Tokerau Redeployment Package project costs for the month of February are \$37,737. The total cost of this project is offset by the funding noted above under subsidies and grants.	1,337
	Roading: - Roothing works maintenance programme is ahead of budget – due earlier completion of scheduled unsealed roads maintenance work. This month: Roothing – Local Network improvements “Shovel Ready” project started – removal of hazardous trees and spot spraying noxious weeds, litter collection and clean-up (\$54,912).	1,259
	Waters: - Increase of cost due to Rotu Water Intake emergency slip repairs work undertaken and increase of plant operations.	641
Finance Costs	Below budget due to lower inter-period loan balances.	438
Other Operating Costs	Costs overall are lower than budget. This month: <ul style="list-style-type: none"> Grant of \$330k was paid to Sport Northland to cover operation and repairs and maintenance of Dargaville Swimming pool. Audit fees – timing difference from budgeted month of payment. 	82

Capital Revenue

Account	Rationale	\$000
Capital Subsidies	Capital subsidies overall are lower than budget year to date, due to projects work not started yet: <ul style="list-style-type: none"> Roothing – This month capital works are lower than budget due to budget timing difference. District Leadership – PGF projects funding (project milestone to be completed before funding can be claimed) This month:	(1,725) (3,656)

	<p>Kaihu Valley Trail progress claim of \$347,826 has been raised along with a claim for the Dargaville Pontoon of \$656,620.</p> <p>The Kaipara District Council 3 Waters Stimulus Grant totalling \$4,691,048 with \$2,345,524 being the first instalment received in January 2021.</p>	<p>2,346</p>
Contributions	<p>The contributions are overall ahead of budget year to date.</p> <ul style="list-style-type: none"> • Development contributions are lower than budget for this month and year to date. • Financial contributions significantly are ahead of budget for the month and year to date. 	<p>(452)</p> <p>1,641</p>

Public Debt: The public debt position as at 28 February 2021 is \$44 million and the net debt position (debt less cash) is \$29.7 million.

Public Debt and Requirements			
	June 2020	28 February 2021	June 2021
	\$000's	\$000's	\$000's
Debt			
Public Debt	44,000	44,000	51,320
Cash in bank (overnight deposits)	(4,398)	(14,272)	(1,926)
Net Debt	39,602	29,728	49,393
Reserves (future obligations)			
Development Contribution Reserve	(24,702)	(24,702)	(25,415)
Other Reserves	17,848	17,849	13,021
Total reserves (future obligations)	(6,854)	(6,854)	(12,395)
Debt Requirements			
Public Debt	44,000	44,000	51,320
Future obligations	17,848	17,849	13,021
Gross Debt Requirement	61,848	61,849	64,340
Less cash in bank	(4,398)	(14,272)	(1,926)
Net Debt Requirements	57,451	47,577	62,414

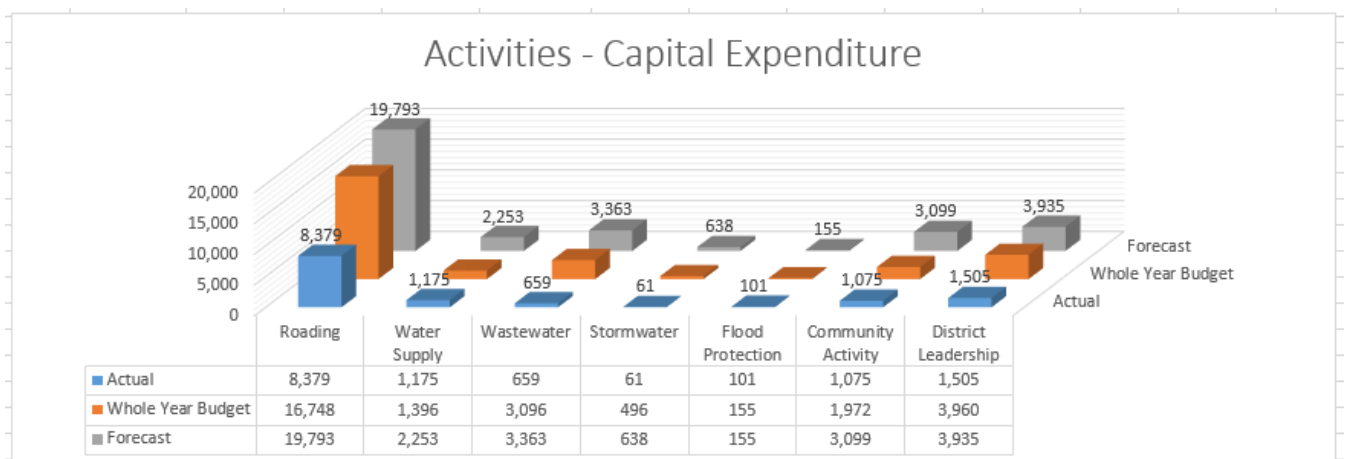
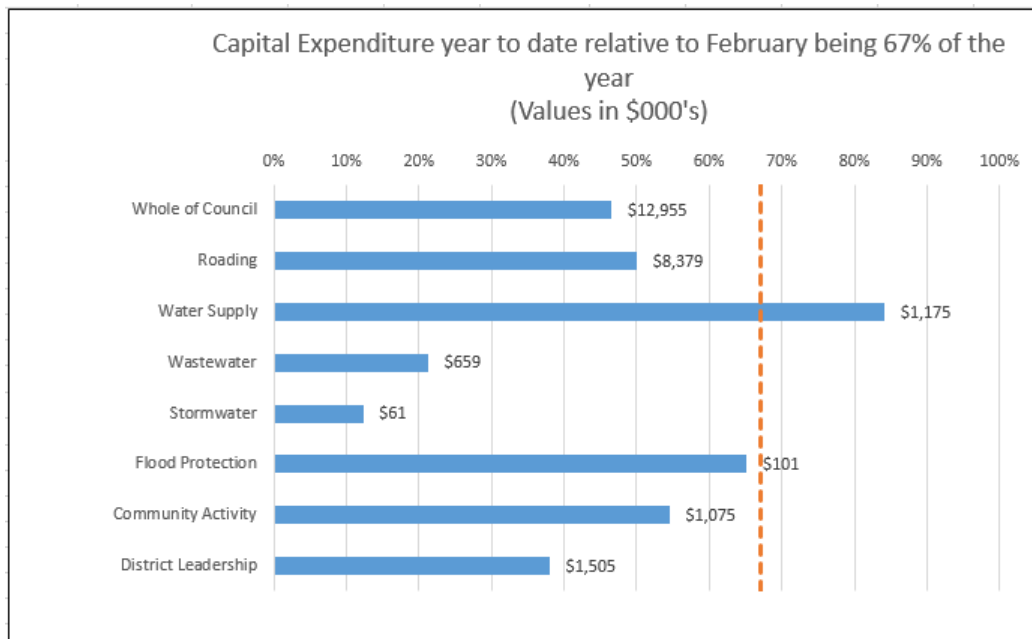
*Note: Reserves balances are only recalculated at end of year.

Activities Net Cost for the period to 28 February 2021

Activity	Actual as at 28 February 2021			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	5,775	4,977	799	199
District Leadership	7,389	6,432	957	(739)
Regulatory Management	4,788	4,285	503	49
Roads and Footpaths	12,413	8,914	3,499	4,427
Wastewater	5,401	2,440	2,961	3,083
Water Supply	1,324	549	775	1,614
Stormwater	2,585	1,952	633	917
Flood Control	527	306	221	293
Solid Waste	769	579	190	305
	40,971	30,434	10,538	10,148

Capital Expenditure for the period ended 28 February 2021

Activity - Capital Expenditure	Actual as at 28 February 2021				Whole Year	
	Actual YTD \$000's	Annual Plan \$000's	Variance \$000's	Indicator	Annual Plan \$000's	Forecast \$000's
Community Activities	1,075	1,128	53	●	1,722	3,099
District Leadership	1,505	3,483	1,978	●	3,809	3,935
Roads and Footpaths	8,380	7,512	(868)	●	17,148	19,793
Wastewater	659	1,628	969	●	3,096	3,363
Water Supply	1,175	1,391	216	●	1,396	2,253
Stormwater	60	476	416	●	496	638
Flood Control	101	155	54	●	155	155
Solid Waste	0	0	0	●	0	0
	12,955	15,773	2,818		27,822	33,236



Capital Programme

This section reports on the capital programme from a Financial Year perspective.

General observations and comments

We are behind year to date budget in all areas except roading. However, with new contracts in place, we are on track to deliver our business as usual programme in most activities. Exceptions include:

- Stormwater where three key projects have been delayed due to landowner issues
- Roading where a greater proportion of some major projects (notably Mangawhai Shared Path and Pouto) are likely to run into the next financial year.

Carry overs have been submitted and budgets will be revised at the March meeting.

Completed Contracts

Floodgate 33



Capital Programme Exceptions

Activity	Actual YTD (\$k)	Budget YTD (\$k)	Comment	Response
Community Activities	911	958	On budget	
District Leadership	1,404	3,439	Under budget	
Economic Development - Kaipara Wharves	1,019	3,000	Pouto and Pahi wharf programme pushed back.	Procurement now underway. Address in carry over.
Flood Protection	101	155	Under budget	Address in carry over
Gent Floodgate	94	90	Delayed installation due to possible cyclone.	Works completed in January. Budget for other gates to be carried over
Sewerage	487	1,128	Under budget	
Dargaville	146	225	WW modelling progressing slowly, this is tied to PS1 upgrades.	Closer to design.
Mangawhai Development	271	690	Slow progress with the WW modelling work.	Scope of new work identified. Balancing Tank tender process underway
Stormwater	63	386	Under budget	
Baylys – Chase Gorge	-10	90	Works delayed to 2021 due to accommodate landowners.	Address in carry over.
Mangawhai – Eveline and Wood Street	17	296	Works delayed to 2021 due to accommodate landowners.	Address in carry over.
Roads and Footpaths	7,346	6,101	Over budget YTD	
Water Supply	838	1,389	Under budget	

Significant Projects

This section reports on significant capital projects. From a budget perspective this considers the full project budget (not just the financial year).

Key

	Budget	Scope	Programme
	Within budget	Scope clear and approved	On track or complete
	May exceed budget	Some scope changes required	Could be delayed
	EM approval of budget change likely required	EM approval of scope changes requires	Highly likely to be delayed
	N/A	N/A	N/A

Key achievements



Northern raw
water crossings



Piraka Street
Watermain



Dargaville
Wastewater
Pond Desludging

Community & Growth Projects / Parks

	Budget	Scope	Programme	Comment
Design & Consenting				
Alamar Boat ramp				Delays in receiving programme from Stellar
Kaiwaka – Rangiora Boat ramp				
Kaiwaka – Sports complex Carpark				
Kai Iwi – Toilet block				Finalizing the scope for this, then to procurement plan.
PTTR/Harding Park – Paths and Tanks				Finalizing the scope.
Procurement				
Kai Iwi Lakes – Security Improvements				Finalizing the scope.
Construction				
Maungaturoto and Mangawhai Toilets				Building Consent granted. Wilsons to be mobilised as soon as available.
Complete				
Baylys Beach Boardwalk				

Infrastructure - Transport

	Budget	Scope	Programme	Comment
WIP – Capex (6001)				
106 - Bridges and Structures				
120 – Road Works Unsealed				Later start to programme due to drier weather. Works underway.
135 – Road Works Minor Improvements				Programme on track. Reforecast required.
164 – Emergency Works				
184 – Programme BC and Transport Planning				
252 – Road Works Drainage				Reline a large culvert in Wintle Street. Possible delay in start date pending requirements around Pohutukawa removal.
272 - Road Works Sealed Resurfacing				
275 – Road Works Sealed				
278 – Roading infrastructure new and improved				Pouto Road stage 1 to span two financial years.
281 – Traffic Services				

Infrastructure – Waters & Waste

	Budget	Scope	Programme	Comment
Dargaville - 939 Northern Raw Water Crossings				
Dargaville - 965 Northern Raw Water Renewals				
Ruawai - 937 Ruawai WTP				Delay relating to consent.
Dargaville Wastewater Pond Desludging – 2019 - 2021				
Mangawhai and Kaiwaka Wastewater Renewals				Modelling is being accelerated to identify projects. Also, there is the opportunity to explore an extension to the disposal system this year and this is being investigated.
Eveline Street Stormwater				Delayed the start of works to allow the landowner to complete private works.
Wood Street Stormwater				A business case is being completed to confirm scope. This will require the golf course's support.
Chases Gorge Stormwater				Waiting on landowner approval before construction can commence.
973 Floodgate 33				Completed
925 Hakaru Leacheate				
3 Waters Reform Projects				
Dargaville Haimona and Pirika St Watermain Renewal				Construction started in January
Dargaville Wastewater Renewals				Scoping and Design underway by AWA
Kaiwaka Wastewater Renewals				Modelling and Scoping underway by AWA
Maungaturoto Hurndall St Watermain Renewals				Modelling underway by AWA
Maungaturoto Raw Watermain Renewals				Request for Tender revision underway, to be tendered within the Select List Panel of

				contractors.
Maungaturoto Water Reservoir Replacement				Investigation work (structural, material, and geotechnical engineering) to ascertain replacement of repair of existing reservoirs underway.
Maungaturoto Water Truck Filler and Main Upgrade				Negotiation with Maungaturoto Country Club for land have resumed, AWA carrying out high level capacity assessment for design
Ruawai Watermains Renewals				Request for Tender has been published for the Select List Panel of Contractors to price
Te Kopuru Wastewater Treatment Plant Aerator Upgrade				Procurement process for the aerator has commenced.

Procurement

Awarded Contracts

Project	Estimate	Price	Procurement Method	Contractor
Dargaville Water Renewals – Package 1	\$450k	\$396k	Open Market PQM	Forte
Baylys Beach Boardwalk	\$200k	\$313k	Selected LPC	Robinsons
Dargaville Pontoon	\$350k	\$654k	Selected LPC	Bellingham Marine
Dargaville Water Renewals – Package 2 - Includes Separable Portion for Raw Watermain Crossings \$662k	\$1.1m	\$1,121	Open Market PQM	United Civil
Waihue Road Bridge	\$500k	\$347	Open Market	United Civil
Rotu Water intake Slip Repair	\$590k	\$587k	Selected ECI	United Civil
Kaipara Toilet Facilities Various Install only	\$150k	\$81k	Selected PQM	Wilsons Earthmoving.
Kaipara Three Waters Programme	\$4m	n/a	Selected Framework	Forte United Civil Ventia
Floodgate 33 Renewal	\$100k	\$94k	Direct	Barfoote Construction
Pouto Road Sealing - Quarry Stage 1 & 2 (Provisional)	\$5m	\$5m	Closed Open Market	Ventia

In Process

Project	Estimate	Procurement Method	Comments
Waipoua River Road	\$1m	Direct Appointment	Preferred - Fulton Hogan and Te Roroa - Awaiting outcome of DOC/KDC meeting.
Hakaru Closed Fill Landfill Leachate	\$460k	Open Market PQM	Tender report completed. Awarded in January.
Kaihu Valley Trail - Head Contractor <i>Bridges to be procured as D&C</i>	\$2m	Direct Appointment	Preferred - Wilson Earthworks Expected award in March.
Pouto Wharf Design Build	\$1.8m	Open Market D&C	ROI completed RFP closing March. Evaluation on quality to shortlist to two.
MCWWTP New Balance Tank	\$1.9m	Open Market	EOI has been completed. Detail

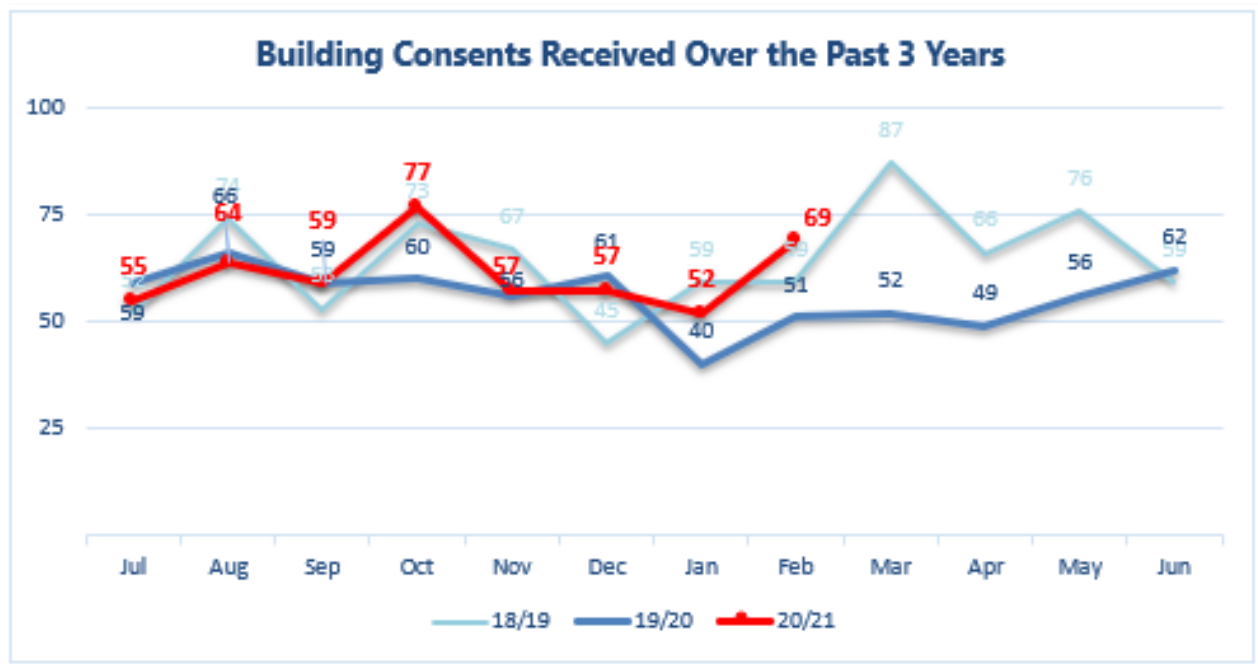
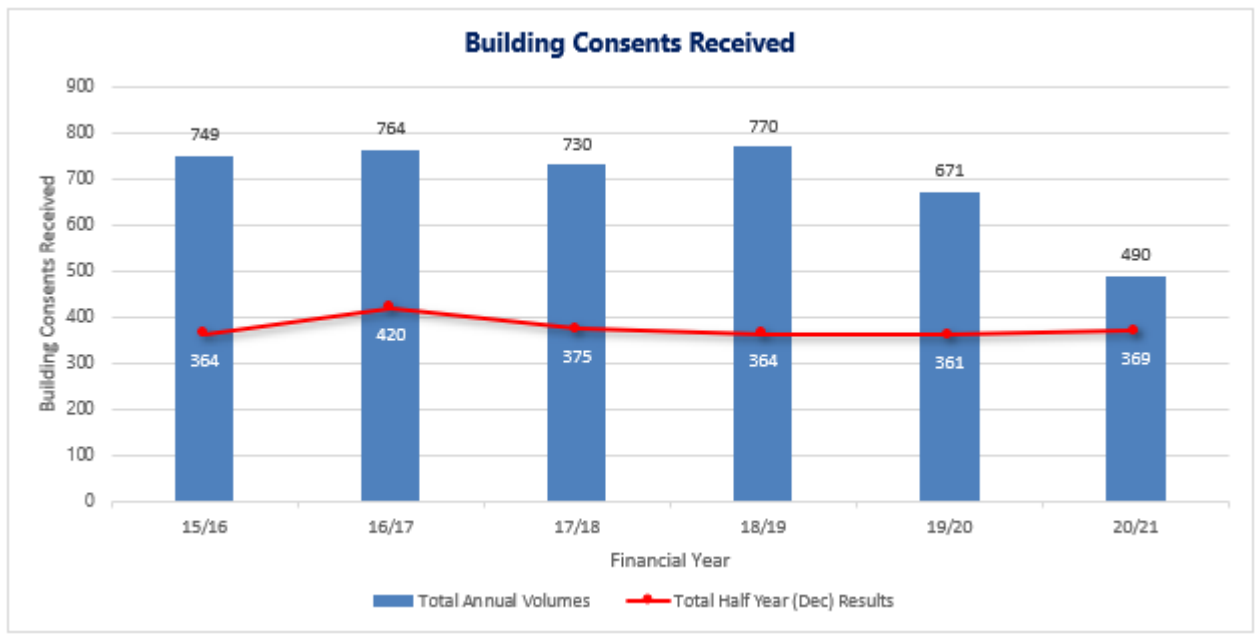
			design in progress.
Pahi Wharf Pontoon	\$480k	Direct Appointment	Preferred – Bellingham Marine

2021 Programme

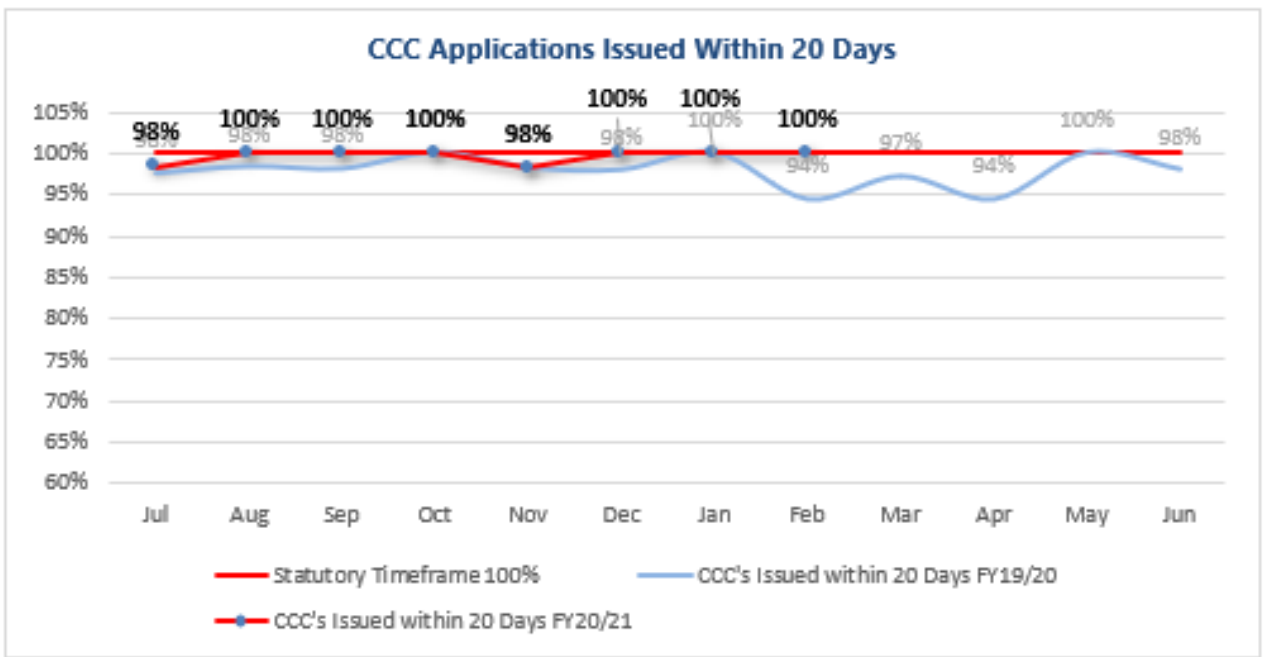
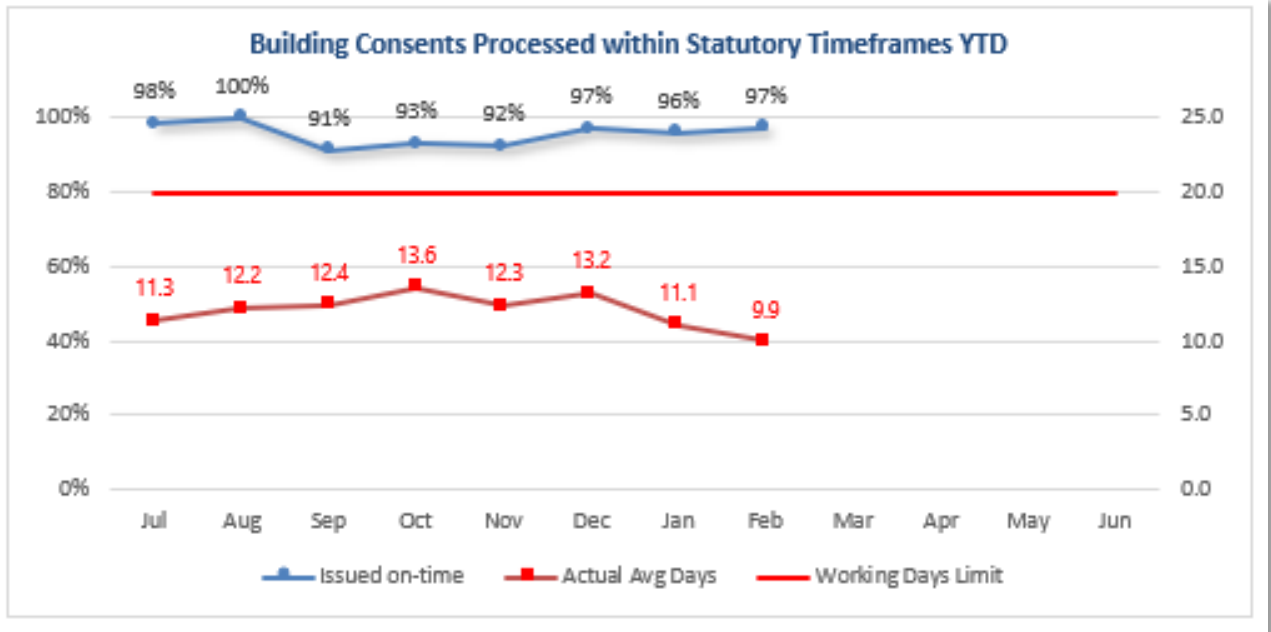
January to March			
Mangawhai Shared Path <ul style="list-style-type: none"> Phase 1 Mangawhai Village Intersections and Shared Path Phase 2 – completion of shared path between Wood Street and Village 	Phase 1 - \$5m Phase 2 - \$10m <i>Phase 2 subject to performance, consents and funding</i>	Open Market PQM	ROI closed and shortlisted to - HEB; Downer, Asset Construction, United Civil and Wharehine RFP to be issued in February following funding confirmation from NZTA.
Kaihu Valley Trail	\$2m	Selected suppliers PQM D&C	Number of bridges to be incorporated as part of project.
Pahi Wharf Upgrade	\$480k	Under review	
Pouto Wharf	\$1.8m	Open Market D&C	ROI closed RFP current. Principals Requirements looking for innovation in construction technique to deliver within budget.
MCP – Coastal Walkway Stage 1 & Alamar Boat Ramp	\$900k	Open Market PQM	Scope of work has changed to include carpark. Now going to the market.
Mangawhai Waste Treatment Plant – Balancing Tank	\$1.5m	Open Market PQM	ROI has been issued and design being completed. Funding approved by Council.
Kaiwaka Footbridges	\$500k	Selected suppliers PQM D&C	RFT in March
Kai Iwi Lakes Security Improvements	\$200k	To be confirmed	CCTV, Gates etc
Maungaturoto reservoir replacement	\$500k	Direct	Supplier constructor to be confirmed.
July to December 2021			
Bridge Replacement and Renewals	\$1.2m		Three year programme
Eveline Street Stormwater	\$150k	Open Market PQM	
Chases Gorge Stormwater Improvements	\$200k	Open Market PQM	
Rangiora Road Carpark Improvements	\$200k	Open Market PQM	

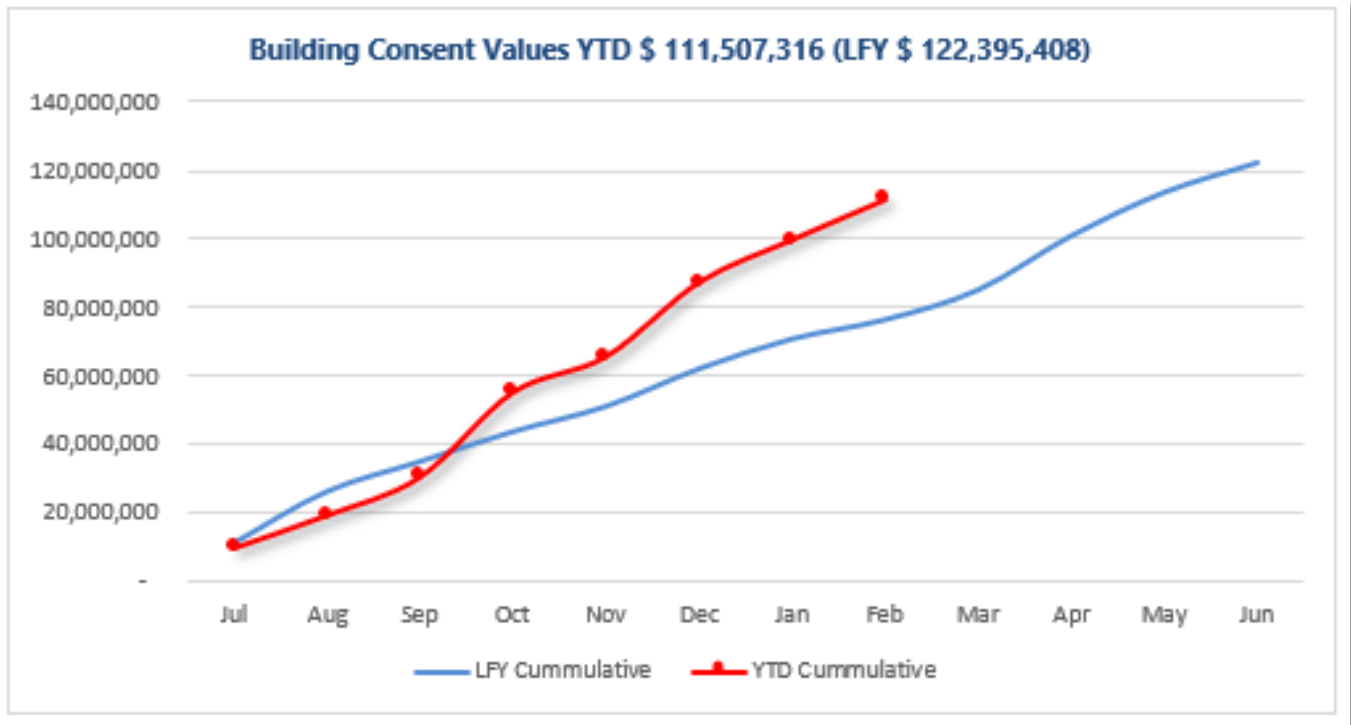
Building and Resource Consents

Building Consents



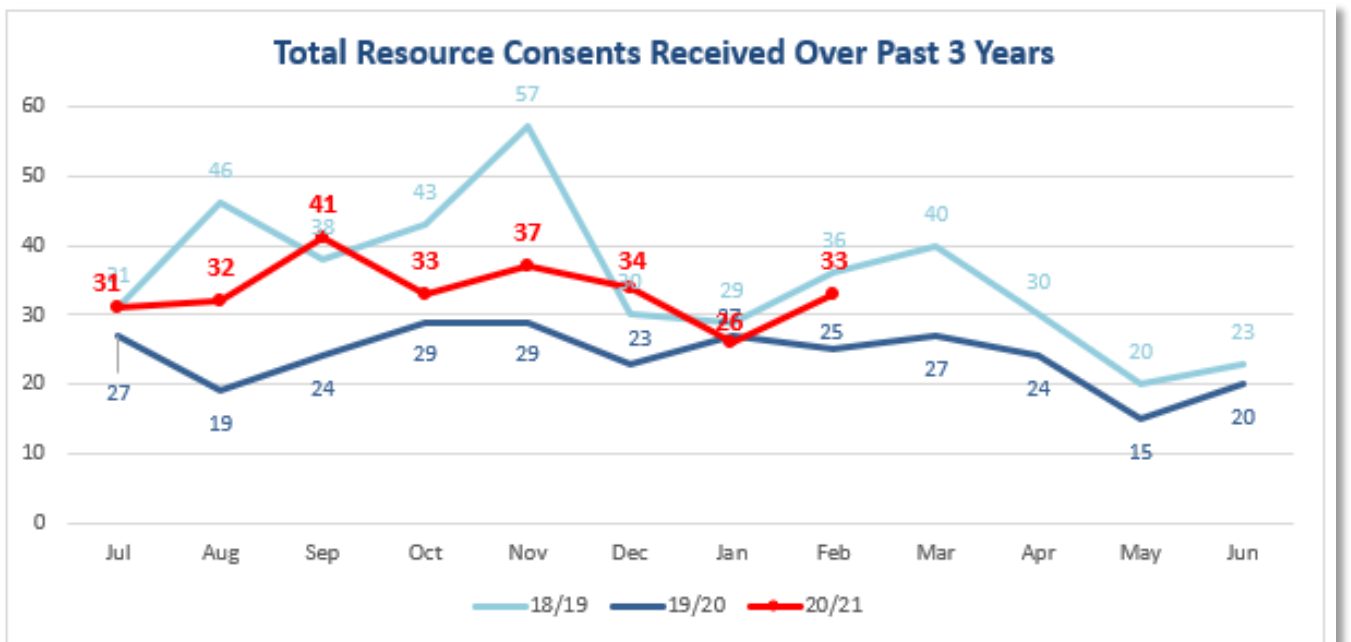
Building consent target of 100% was not met for the month of February 2021 due to new contractor not clear on the granting and issuing procedure. These are still regarded as high performing standards.

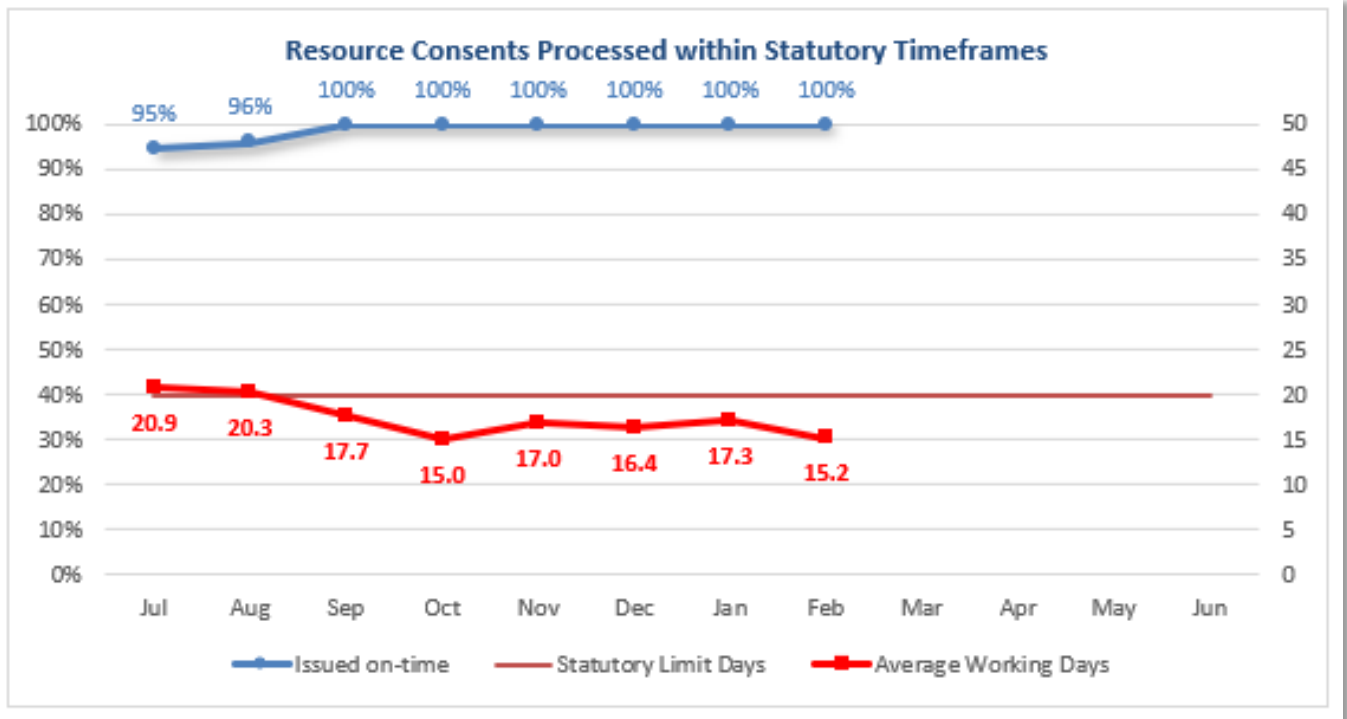




Resource Consents

100% Resource Consents processed within the statutory timeframe for February 2021.

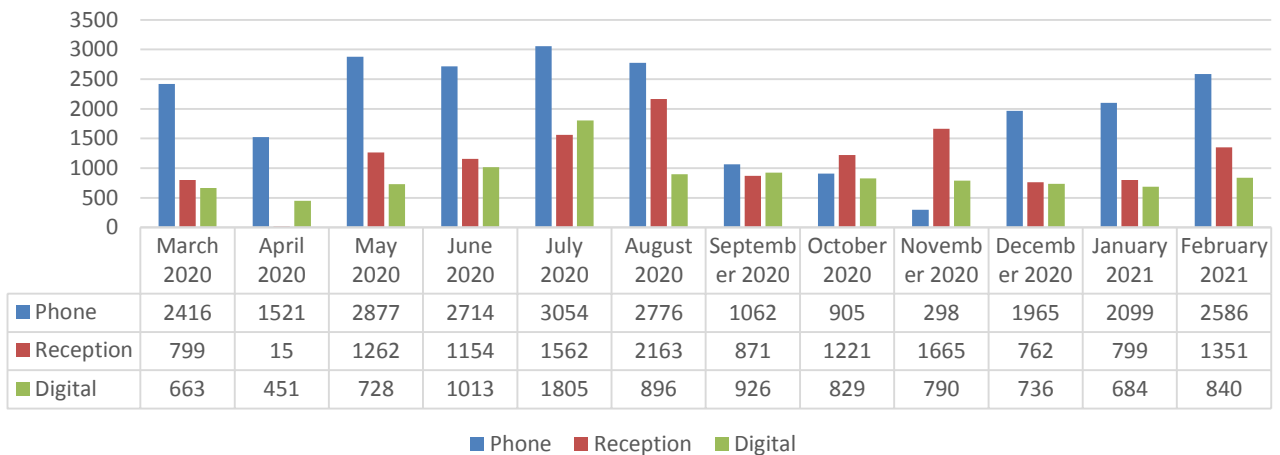




Customer Services

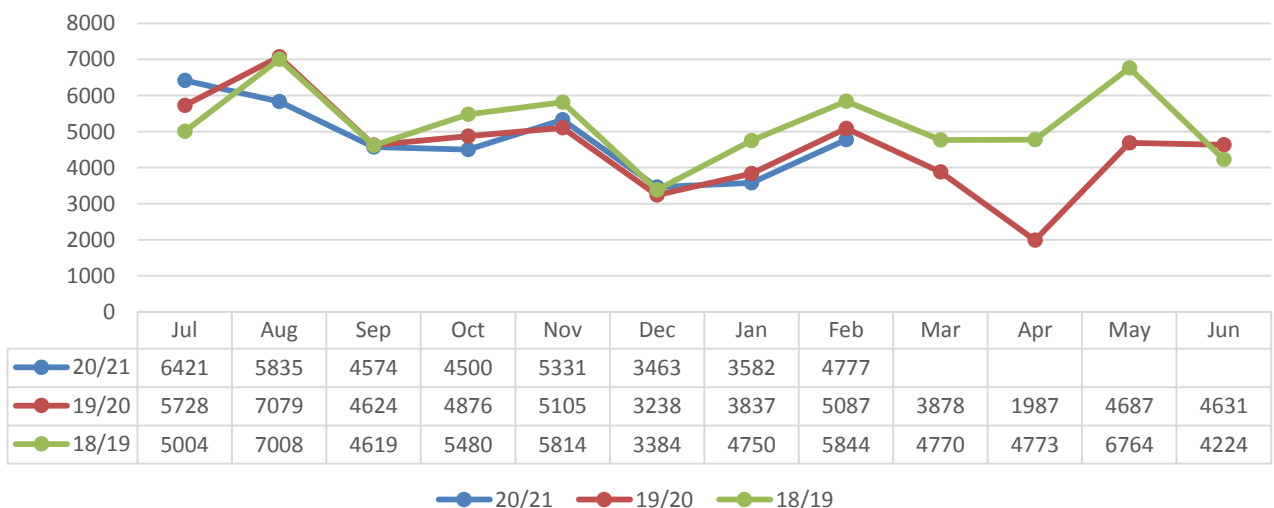
Month	Total Customer interactions	Digital	Reception	Total Calls	Average Speed Answer (sec)	Average call abandonment (%)	Calls FTE
February	4777	840	1351	2586	56	7	2.48

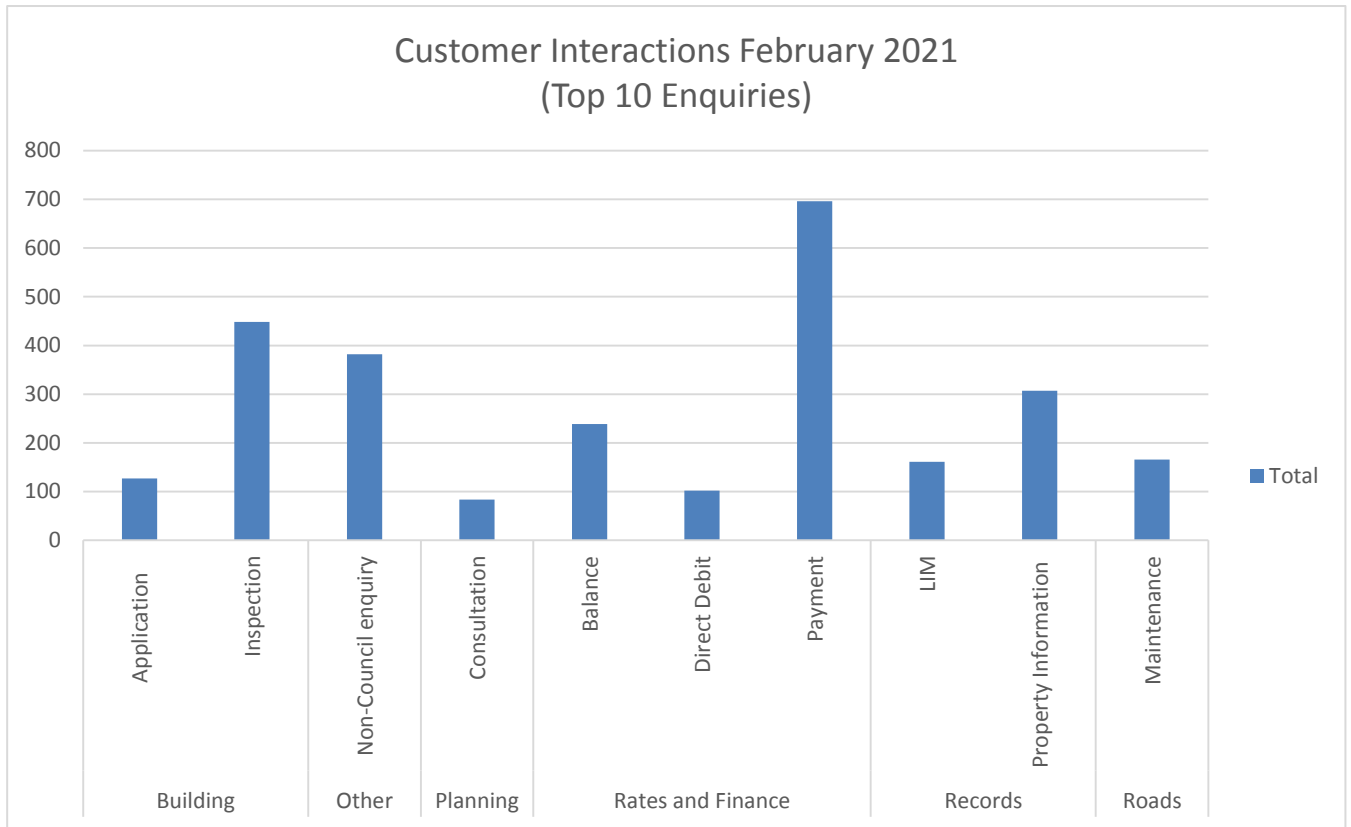
Customer Interactions 20/21
Communication Channels



* Digital – Email, Website, Social media

Customer Interactions Received Over Past 3 years





* Other – FENZ, NZTA, NRC, LINZ, CAB, Utility Companies