



# **A G E N D A**

## **Council Meeting**

**St John Training Room  
Franz Josef Medical Centre  
97 Cron Street  
Franz Josef**

**Thursday  
25 August 2016  
commencing at 9.00 am**

His Worship the Mayor, M.T. Havill  
Deputy Mayor, P.M. Cox  
Cr. J.H. Butzbach, Cr. M.S. Dawson,  
Cr. D.G. Hope, Cr. L.J. Martin, Cr. M.D. Montagu,  
Cr A. P. Thompson, Cr. C.A. Van Beek



## COUNCIL MEETING

**NOTICE IS HEREBY GIVEN THAT AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL WILL BE HELD IN THE ST JOHN TRAINING ROOM, FRANZ JOSEF MEDICAL CENTRE, 97 CRON ST, FRANZ JOSEF ON THURSDAY 25 AUGUST 2016 COMMENCING AT 9.00 AM**

*Tanya Winter*  
*Chief Executive*

*19 August 2016*

### **COUNCIL VISION**

Westland District Council will facilitate the development of communities within its district through delivery of sound infrastructure, policy and regulation.

This will be achieved by:

- Involving the community and stakeholders.
- Delivering core services that meet community expectations and demonstrate value and quality.
- Proudly promoting, protecting and leveraging our historic, environmental, cultural and natural resource base to enhance lifestyle and opportunity for future generations.

### **Purpose:**

The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:

- (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
- (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses

## *Health & Safety Briefing*

### Health & Safety Snapshot

	Accidents	Incidents	Near Misses
November 2015	0	1	0
December 2015	0	0	0
January 2016	0	1	0
February 2016	0	0	0
March 2016	1	0	0
April 2016	0	1	0
May 2016	0	1	0
June 2016	0	1	0
July 2016	0	0	0
19 August 2016	0	0	0

## **1 MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER:**

### **1.1 Apologies & Leave of Absence**

### **1.2 Interest Register**

## **2 CONFIRMATION OF MINUTES**

### **2.1 Confirmation of Minutes of Meetings of Council**

#### **2.1.1 Ordinary Council Minutes – 28 July 2016**

*(Pages 5 - 15)*

## **3 PUBLIC FORUM**

*The public forum section will commence at the start of the meeting.*

## **4 BUSINESS**

### **4.1 Mayor's Report**

### **4.2 Update from Councillors**

*Morning Tea at 10:30am*

#### **4.3 June & July Financial Report**

*(Pages 16 - 32)*

#### **4.4 Projects and Carry-Forwards**

*(Pages 33 - 52)*

*Lunch at 12:30pm*

### **5 MATTERS TO BE CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION'**

Resolutions to exclude the public: Section 48, Local Government Official Information and Meetings Act 1987.

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely:

#### **5.1 Confidential Minutes – 28 July 2016**

The general subject of the matters to be considered while the public are 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 the resolution are as follows:

<b>Item No.</b>	<b>Minutes/ Report of</b>	<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
5.1	Minutes	Confidential Minutes	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)

**Date of Next Ordinary Council Meeting  
29 September 2016  
Hokitika**

# Council Minutes

## MINUTES OF AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 28 JULY 2016 COMMENCING AT 9.00 AM

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### 1 MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER:

#### 1.3 Members Present

Deputy Mayor P.M. Cox (**Chairperson**)

Cr J.H. Butzbach, Cr. M.S. Dawson (until 2.50 pm), Cr. L.J. Martin (part of the meeting), Cr M.D. Montagu, Cr A.P. Thompson, Cr. C.A. van Beek.

#### Staff in Attendance

J.D. Ebenhoh, Acting Chief Executive and Group Manager: Planning, Community and Environment; G.L.J. Borg, Group Manager: Corporate Services; V. Goel, Group Manager: District Assets; L.A. Crichton, Finance Manager (Part of Meeting); P.L. Wilson, Engineer – Water Services (Part of Meeting); J.S.Bainbridge, Field Inspections Officer (Part of Meeting); and D.M. Maitland, Executive Assistant.

#### 1.4 Apologies and Leave of Absence

His Worship the Mayor, M.T. Havill

Moved Cr Martin, seconded Cr Butzbach and **Resolved** that the apology from Mayor Mike Havill be received and accepted.

#### 1.3 Absent

Cr D.G. Hope

#### 1.4 Interest Register

The Interest Register was circulated and one amendment was noted.

## **2 CONFIRMATION OF MINUTES**

### **2.1 Confirmation of Minutes of Meetings of Council**

Moved Cr Montagu, seconded Cr Martin and **Resolved** that the Minutes of the Ordinary Meeting of Council, held on the 23 June 2016 be confirmed as a true and correct record of the meeting.

## **3 PUBLIC FORUM**

*The following member of the public attended the Public Forum of the Meeting:*

### **3.1 Jacquie Grant**

Ms Grant provided an update on the relocation of the light in Tancred/Weld Streets, Hokitika and advised that one of the local schools would be putting a time capsule in the site and asked if Council would like to put a flash drive in the site also.

Ms Grant then provided an update on the relocation and restoration of the Pioneer Monument in Tancred/Weld Streets.

*The Chairperson thanked Ms Grant for attending the Council Meeting and providing an update on the Pioneer Monument.*

## **4 BUSINESS**

### **4.3 Chairperson and Deputy Mayor's Report**

*The Chairperson and Deputy Mayor provided the following update for Council:*

- Congratulations to the Group Manager: District Assets and Team on receiving a highly commended recognition for the LGNZ Excellence Award for Best Practice in Infrastructure Management.
- Thanked Councillors for having the vision to approve the Blue Spur Water Treatment Plant Project which has seen a big benefit for the town, with Westland Milk Products having something to take them into the future.
- Attended the Franz Josef Working Party with Mayor Havill on the 29 June 2016.
- Had a period of Annual Leave.

## 4.2 Update from Councillors

### A) **Cr Martin**

- Had a period of Annual Leave in Europe, however was able to stay up to date with happenings.
- Attended the Heritage Hokitika Meeting and has Minutes available for circulation.

### B) **Cr Butzbach**

- Attended the LGNZ Conference in Dunedin and provided an update from the Conference for Councillors.

### C) **Cr Thompson**

- Had a period of Annual Leave.
- Then was Acting Mayor for a period of time.
- Advised that he is standing for Mayor in the Local Body Elections.
- Advise that an email has been circulated to Councillors regarding the Oscar Bottom Memorial at Stafford as follows:

“Oscar was a native of Stafford who went to the Boer war and died of his wounds, sustained at Ottoshoop, in Kimberley on 10th November 1900. In December 1901 a monument was unveiled at Stafford School in memory of Mr Bottom at which the then Mayor, Mr Michell, referred to the "good effect which their actions in thus honouring the memory of a brave fellow from their midst...would have on the rising generations". When the Stafford School was demolished, the cenotaph remained in the cemetery grounds, but was unfortunately broken.

With the current revitalisation of the Stafford Cemetery with the gates and grave surrounds being restored by the Hokitika Heritage and Industrial Park and the increase in visitors to the Coast due to heritage tourism, it was thought that the time is right to have this important monument restored and properly installed adjacent to the unmarked family plot at Stafford.”

Cr Thompson advised that a discussion has been held with the Hokitika Lions Club, Heritage Hokitika, the Hokitika RSA, Thompsons Funeral Directors, Rhodes Monumental, Queen Alexander Mounted Rifles, NZ Army and various members of the Stafford and district community. The memorial will be restored to its original condition by Rhodes, installed by Hokitika Lions and the Westland Industrial Heritage Park and have a suitable interpretation panel arranged by the RSA.

Two quotes have subsequently been obtained for the work and Cr Thompson asked Council to assist by either donating the money for the full restoration; or donating the money for the initial clean and restore without the re-guilding with an option to reapply for any outstanding amount should further fundraising fail to procure the full amount necessary.

**D) Cr Montagu**

- Tending to usual communities of Ross and Kumara.
- Advised that the Ross Hall is Council-owned and community run and advised that the Ross Community will be writing to Council regarding this matter.

**E) Cr van Beek**

Attended the following:

- Electronet Function in Greymouth.
- LGNZ Review at St Johns.
- OSPRI Meeting on the 7 July.
- Represented Council at the launch of the Kotui Project on the 8 July.
- Went on a cycle trip to Cowboy Paradise.
- Had a site visit at Kerrie Weston's property, following her presentation to Council.
- Thanked the Group Manager: Corporate Services for the list of rate write-offs.

Moved Cr Montagu, seconded Cr Dawson and **Resolved** that the verbal reports from the Chairperson and Deputy Mayor & Councillors be received.

**4.5 Financial Performance: May 2016**

*The Finance Manager spoke to this item as follows:*

- At the end of May 2016, there is a surplus of \$2.1M due to the cycle trail revenue and also for the strong solid waste user fees.
- Figures to the end of June 2016 are still looking at a \$1.5M surplus.
- All other costs are relatively stable.
- Discussions are still being held with NZTA regarding claims.



- Advised that the debt management company were very pleased with the way in which staff are running out debt management process and asked if they can take it to another Council.
- It was noted that there will be a Report to Council for the August Council Meeting regarding Carry-Forwards.
- Cr van Beek congratulated staff on reducing the rate arrears and thanked staff for their efforts in making this happen.
- Cr Thompson queried if the stormwater upgrades are underway.

Moved Cr Butzbach, seconded Cr van Beek and **Resolved** that the Financial Performance Report to May 2016 be received.

*The following items were then taken out of order to the agenda papers.*

## 5. **Administrative Resolutions:**

*The Acting Chief Executive spoke to this item.*

Moved Cr Dawson, seconded Cr Montagu and **Resolved** that Council confirm its seal being affixed to the following documents:

### 5.2 **Warrant of Appointment – Christopher Wieblitz**

- An Officer pursuant to Section 174 of the Local Government Act, 2002; AND
- An Authorised Officer pursuant to Section 222 of the Building Act, 2004; AND
- An Enforcement Officer pursuant to Section 371 B of the Building Act 2004; AND
- An Officer pursuant to Section 11 of the Fencing of Swimming Pools Act, 1987; AND
- An Enforcement Officer pursuant to Section 38 of the Resource Management Act, 1991; AND
- An Officer under the Westland District Council Bylaws

**5.3 Warrant of Appointment – David Kingipotiki**

- Authorised under Section 38(2) of the Resource Management Act 1991, to carry out all or any of the functions and powers as an enforcement officer under Sections 327 and 328 which relate to excessive noise;  
AND
- Authorised as a stock control ranger under Sections 8 and 63 of the Impounding Act 1955.

**5.4 Warrant of Appointment – Dave Kingipotiki**

- Authorised under Section 38(2) of the Resource Management Act 1991, to carry out all or any of the functions and powers as an enforcement officer under Sections 327 and 328 which relate to excessive noise;  
AND
- Authorised as a stock control ranger under Sections 8 and 63 of the Impounding Act 1955.

**5.5 Warrant of Appointment – Terry Dalzell**

- Authorised under Section 38(2) of the Resource Management Act 1991, to carry out all or any of the functions and powers as an enforcement officer under Sections 327 and 328 which relate to excessive noise;  
AND
- Authorised as a stock control ranger under Sections 8 and 63 of the Impounding Act 1955.

**5.6 Warrant of Appointment – Danielle Brown**

- Authorised under Section 38(2) of the Resource Management Act 1991, to carry out all or any of the functions and powers as an enforcement officer under Sections 327 and 328 which relate to excessive noise;  
AND
- Authorised as a stock control ranger under Sections 8 and 63 of the Impounding Act 1955.

**5.7 Warrant of Appointment – Darcy McLiskey**

- Authorised under Section 38(2) of the Resource Management Act 1991, to carry out all or any of the functions and powers as an enforcement officer under Sections 327 and 328 which relate to excessive noise; AND

- Authorised as a stock control ranger under Sections 8 and 63 of the Impounding Act 1955.

## 4 **BUSINESS** cont.

### 4.6 **Local Government Act Amendment Bill No. 2 - Draft Joint Submission to the Local Government and Environment Select Committee**

*The Acting Chief Executive and the Group Manager: Corporate Services spoke to this item.*

Moved Cr Dawson, seconded Cr van Beek and **Resolved** that:

- A) Council approve the West Coast Council's joint submission to the Local Government and Environment Select Committee on the Local Government Act 2002 Amendment Bill No 2.
- B) Council agree to submit a separate submission to the Local Government and Environment Select Committee on behalf of Westland District Council, endorsing the West Coast Councils' joint submission, the Local Government New Zealand submission, and the Society of Local Government Managers submission on the Local Government Act 2002 Amendment Bill No 2.

Noting that:

The purpose of the submission is to endorse the West Coast Councils' joint submission, the Local Government New Zealand submission, and the Society of Local Government Managers submission on the Local Government Act 2002 Amendment Bill No 2. Consistent with the recent Local Government New Zealand remit, Westland District Council is vigorously opposed to any measure in the Local Government Act 2002 Amendment Bill (No. 2) that directly or indirectly removes the requirement for community consultation, demonstrable community support and direct local authority involvement in reorganisation investigations and local decision-making of Councils or their assets.

And that the Mayor or Deputy Mayor will represent Council at a hearing.

### 4.4 **Whataroa Cemetery Trustees – Reimbursement Request**

*Mr Wayne Nolan Chair of the Trustees of the Whataroa Cemetery spoke about the request.*

*The Group Manager: District Assets and Group Manager: Corporate Services responded to queries raised by councilors on this item.*

Moved Cr Thompson:

**THAT** Council approves to reimburse Whataroa Cemetery Trustees to the value of \$5,263.36 (excl GST) for past maintenance costs and \$2,475.00 (excl GST) for Cyclone Ita clean-up costs and this will be a variance against the Cemetery budget for the year ended 30 June 2017.

**THAT** Council considers rating options including community rates for the management of community managed cemeteries in the preparation of the 2017/18 Annual Plan.

**The meeting adjourned for morning tea at 10.14 am and reconvened at 10.36 am**

*The motion was reintroduced to the meeting, there was no seconder and it was lost.*

Moved Cr van Beek, seconded Cr Dawson and **Resolved** by way of amendment:

**THAT** Council approves to reimburse Cyclone Ita clean-up costs incurred by Whataroa Cemetery Trustees in 2014 to the value of \$2,475.00 (excl GST) and this will be a variance against the Cemetery Budget for the year ended 30 June 2017.

**THAT** Council direct management to investigate rating options, including community rates and management agreements for the management of community-managed cemeteries, and reports back to the Council as part of the preparation of the 2017-2018 Draft Annual Plan.

**The resolution was carried by show of hand.**

*Deputy Mayor Cox, Cr Butzbach and Cr Thompson recorded their votes against the motion.*

#### **4.3 Statement of Proposal for Consultation – Funding Mechanism for The New Wastewater Treatment Plant at Franz Josef**

*The Group Manager: District Asset and the Engineer – Water Services spoke to this item.*

Moved Cr Dawson, seconded Cr Montagu and **Resolved**:

**THAT** Council adopts the statement of proposal “Consult on Funding Mechanism for a New Wastewater Treatment Plant in Franz Josef” as in Appendix A, with the following amendments:

- No preferred option being identified.
- The rates are specified as per available connection.
- Open the public consultation on the 8 August 2016 and close on the 8 September 2016.
- Hearing Date being moved to the 14 or 15 September 2016.

**THAT** Council instructs the Chief Executive to commence a Special Consultative Procedure on the proposal in accordance with Section 83 of the Local Government Act 2002.

*Cr Martin recorded his vote against the motion.*

## 6 MATTERS TO BE CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION'

Moved Cr Dawson, seconded Cr Thompson that Council move into the Public Excluded Section.

**The meeting adjourned from 11.38 am to 11.45 am**

Resolutions to exclude the public: Section 48, Local Government Official Information and Meetings Act 1987.

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely:

### **6.1 Confidential Minutes – 23 June 2016**

### **6.2 Risk Register**

The general subject of the matters to be considered while the public are 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 the resolution are as follows:

Item No.	Minutes/ Report of	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 the passing of this resolution
6.1	Minutes	Confidential Minutes	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)
6.2	Risk Register	Confidential Report	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)

Moved Cr Dawson, seconded Cr Thompson and Resolved that the Council move back into the Public Section of the Meeting at 1.59 pm.

*Cr Martin requested that additional item be considered re: Sunset Point in public section of meeting.*

Moved Cr Martin, seconded Cr Montagu and **Resolved**:

**THAT** in accordance with Standing Orders that a discussion be held regarding the major issue of sea erosion currently occurring at Sunset Point, Hokitika. The reason for the matter being discussed is the current rate of erosion at Sunset Point being such that direction needs to be given to staff on the extension of the current rock wall to protect associated housing and the township of Hokitika.

*The Group Manager: District Assets and Field Inspections Officer spoke to the erosion matters at Sunset Point raised in discussion held among Councillors.*

Moved Cr Martin, seconded Cr van Beek and **Resolved**:

**THAT** the Chief Executive be instructed to approach the West Coast Regional Council to investigate options around the extension of the Hokitika Seawall southward for the purpose of protecting residential properties and Sunset Point.

**Meeting closed at 2.41 pm.**

# Report



**DATE:** 25 August 2016

**TO:** Mayor and Councillors

**FROM:** Finance Manager

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## FINANCIAL PERFORMANCE: JUNE 2016

### 1 SUMMARY

- 1.1 The purpose of this report is to provide an indication of Council's financial performance for one month to 30 June 2016.
- 1.2 This issue arises from a requirement for sound financial governance and stewardship with regards to the financial performance and sustainability of a local authority.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council receives the financial performance report to 30 June 2016, attached as **Appendix 1**.

### 2 BACKGROUND

- 2.1 Council receives monthly financial reporting so that it has current knowledge of its financial performance and position against targets and objectives adopted in the Long Term Plan 2015/25.

### 3 CURRENT SITUATION

- 3.1 Council now receives a monthly financial summary report in a consistent format.



3.2 The Financial Performance Report to 30 June 2016, is attached as **Appendix 1** and contains the following elements:

- 3.2.1 Segmental graphs for net cost of services, operating revenue and expenditure with the addition of the actual and forecast amounts.
- 3.2.2 Debt Position with the addition of monthly actual and forecast figures between activities.
- 3.2.3 Update on Rates Debtors.
- 3.2.4 Whole of Council Cost of Service Statement, including Full Year Forecast.
- 3.2.5 Balance Sheet
- 3.2.6 2015/16 Project progress report.
- 3.2.7 Carry overs.

#### **4 OPTIONS**

- 4.1 Council can decide to receive or not receive the report.

#### **5 SIGNIFICANCE AND CONSULTATION**

- 5.1 This report is for information only and, while feedback is invited from Council in order for staff to continuously improve the quality of information provided, no assessment of significance or consultation and no options analysis is required.

#### **6 RECOMMENDATION**

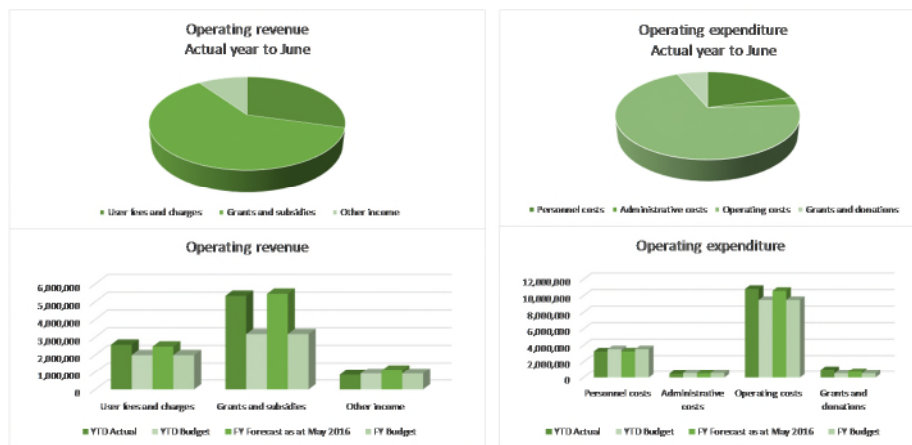
- A) **THAT** Council receives the Financial Performance Report to 30 June 2016

**Lesley Crichton**  
**Finance Manager**

**Appendix 1:** Financial Performance June 2016



# Financial Performance June 2016



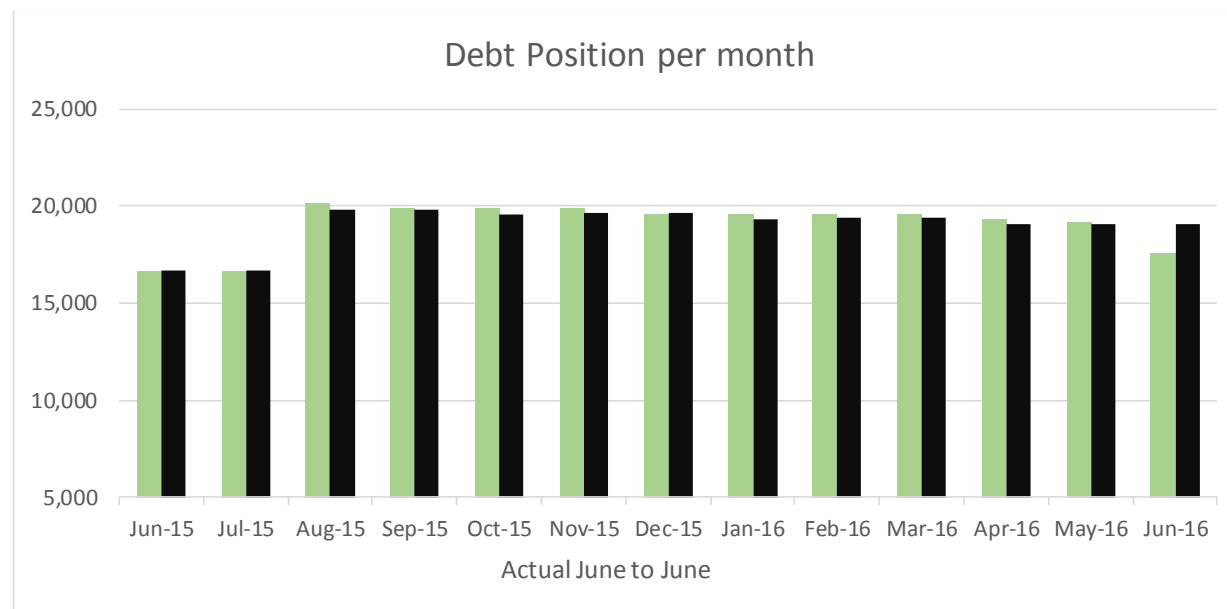
		User fees & Charges	Grants & Subsidies	Other Income
Actual YTD		2,573,185	5,326,814	847,408
Budget YTD		1,988,303	3,171,625	910,429
Variance		584,882	2,155,189	(63,021)
Forecast FY as at May 2016		2,469,719	5,445,491	1,103,679
Budget FY		1,988,303	3,171,625	910,430

		Personnel	Administration	Operating	Grants & subsidies
Actual YTD		3,266,913	484,731	10,836,122	993,046
Budget YTD		3,536,405	549,225	9,498,013	518,500
Variance		(269,492)	(64,494)	1,338,109	474,546
Forecast FY as at May 2016		3,274,463	514,385	10,607,810	747,782
Budget FY		3,536,405	549,224	9,498,013	518,500

## Debt Position

### Forecast Debt Position per LTP 2015-16

Forecast as at	Jul-15	Jun-16
Opening Balance	16,660	16,660
Loan funded capex forecast	361	806
Loan funded WTP upgrade	3,100	2,190
Forecast repayments 2015-16	-1,105	-2,056
<b>Forecast balance June 2016</b>	<b>19,067</b>	<b>17,600</b>



Debt Position per month													
	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
<b>Forecast at 1 July 2015</b>	16,711	16,711	19,811	19,811	19,608	19,674	19,674	19,355	19,385	19,435	19,067	19,067	19,067
<b>Actual + Forecast</b>	16,660	16,660	20,160	19,910	19,910	19,910	19,610	19,610	19,610	19,610	19,290	19,201	17,600
Waste Management loan	2,901	2,901	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,225	2,554
Water Supply loan	3,065	3,065	3,065	3,065	3,065	3,065	3,065	3,065	3,065	3,065	3,065	3,040	2,369
Holding Company loan	8,445	8,445	8,445	8,445	8,445	8,445	8,445	8,445	8,445	8,445	8,375	8,335	8,295
Other loan	0	0	56	56	56	56	56	56	56	56	56	56	56
Hokitika Water supply upgrade	2,250	2,250	5,345	5,095	5,095	5,095	4,795	4,795	4,795	4,795	4,545	4,545	4,326

## Rates Debtors

<b>Rates debtors at 31 May 2016</b>		<b>1,744,862</b>
Rates installment		
Less payments received	-497,182	
paid in advance	74,121	
Write off's	-16,097	
Penalties	18,725	
Court costs awarded	17,135	
		-403,298
<b>Total rates debtors 30 June 2016</b>		<b>1,341,564</b>
Arrears included above at June 2016	1,341,564	
Arrears at June 2015	1,552,169	
increase/(decrease) in arrears		-210,605

### Rates debtors:

- 638 1<sup>st</sup> reminder letters
- 33 2<sup>nd</sup> reminder letters
- 12 Final demands
- 107 insufficient payment letters
- No accounts sent to debt management company

### **Rates debt - Aged at June 2016**

<b>Financial Year</b>	<b>Jun-16</b>	<b>May-16</b>	<b>Jun-15</b>
Pre 2013	161,384	193,660	299,921
2013-14	121,495	159,736	339,246
2014-15	249,493	278,989	913,002
2015-16	809,192	1,112,477	
	1,341,564	1,744,862	1,552,169

WESTLAND DISTRICT COUNCIL  
Cost of service statement

WESTLAND DISTRICT COUNCIL	Year to June			Full year 2015-2016	
	Actual	Budget	Variance	FY Forecast as at May 2016	Budget
<b>Operating revenue</b>					
Rates (includes targeted rates and metered water)	14,253,502	14,033,643	219,859	14,366,436	14,033,643
User fees and charges	2,573,185	1,988,303	584,882	2,469,719	1,988,303
Grants and Subsidies	5,326,814	3,171,625	2,155,189	5,445,491	3,171,625
Other income	847,408	910,429	(63,021)	1,103,679	910,430
Overhead recoveries	5,744,479	6,318,673	(574,194)	5,419,734	6,318,673
<b>Total revenue (A)</b>	<b>28,745,388</b>	<b>26,422,673</b>	<b>2,322,715</b>	<b>28,805,058</b>	<b>26,422,674</b>
<b>Operating expenditure</b>					
Personnel costs	3,266,913	3,536,405	(269,492)	3,274,463	3,536,405
Administrative costs	484,731	549,225	(64,494)	514,385	549,224
Operating costs	10,836,122	9,498,013	1,338,109	10,607,810	9,498,013
Grants and donations	993,046	518,500	474,546	747,782	518,500
Overheads	5,739,274	6,318,673	(579,399)	5,331,584	6,318,673
<b>Total operating expenditure (B)</b>	<b>21,320,087</b>	<b>20,420,816</b>	<b>899,271</b>	<b>20,476,023</b>	<b>20,420,815</b>
<b>Net operating cost of services - surplus/(deficit) (A - B)</b>	<b>7,425,301</b>	<b>6,001,857</b>	<b>1,423,444</b>	<b>8,329,035</b>	<b>6,001,859</b>
<b>Other expenditure</b>					
Interest and finance costs	891,490	882,473	9,017	829,792	882,473
Depreciation	5,499,899	5,468,078	31,821	5,468,077	5,468,077
(Gain)/loss on investments	9,653	0	9,653	6,817	0
(Gain)Loss on swaps	385,595	0	385,595	385,595	0
(Gain)Loss on disposals	834	0	834	834	0
<b>Total other expenditure (C)</b>	<b>6,787,472</b>	<b>6,350,551</b>	<b>436,920</b>	<b>6,691,116</b>	<b>6,350,550</b>
<b>Total expenditure (D = B + C)</b>	<b>28,107,559</b>	<b>26,771,368</b>	<b>1,336,191</b>	<b>27,167,138</b>	<b>26,771,366</b>
<b>Net cost of services - surplus/(deficit) (A - D)</b>	<b>637,829</b>	<b>(348,694)</b>	<b>986,523</b>	<b>1,637,920</b>	<b>(348,691)</b>

## Variance Analysis

<b>Operating revenue</b>	
User fees and charges	<p>Building and control Inspection and Processing revenue remains above budget \$76k, however these are starting to slow down because of both seasonal and economic reasons.</p> <p>Museum visitor number higher than anticipated showing a positive variance of \$12k with strong retail sales continuing at present \$16k ahead of budget.</p> <p>Resource consents revenue is \$20k higher than budget.</p> <p>Solid waste fees positive variance to budget due to additional waste fees and asbestos disposal \$367k.</p> <p>Liquor licence fees \$24k Surplus due to increased revenue for application fees and the introduction of annual fees</p>
Grants and Subsidies	<p>\$1.9m invoiced for WCWT grant funding to be claimed. \$209k carried over Haast water subsidy.</p> <p>NZTA subsidy includes \$300k reclaimed for Emergency works at Jackson Bay</p>
Other income	<p>Dividend payments received \$147k against budget of \$497, offset by 52k legal fees awarded by the courts for unpaid rates proceedings, reserves contributions \$76k, interest revenue surplus of \$40k and \$90k RSA recoveries.</p>
<b>Operating expenditure</b>	
Personnel costs	<p>Personnel costs remain below budget overall due to vacancies that have not yet been filled.</p>
Administrative costs	
Operating costs	<p>Operating costs are higher than budget due to reactive costs:</p> <p>Transportation - \$490k emergency works - District assets discussing reclaim with NZTA.</p> <p>Water Services - \$385k for replacement membranes - An insurance claim has been submitted and discussions are taking place, no accrual for recovery has been made as it is unclear at this time whether the claim will be successful.</p> <p>Wastewater - \$198k for Franz Flood. \$70k Hokitika WWTP resource consent renewal and hearing.</p> <p>Stormwater - \$83k cost of new pump Sewell Street, \$68k consultants costs related to Hokitika stormwater assessment and LiDAR survey.</p> <p>District assets admin - \$54k consultants costs - this cost overrun is offset with lower personnel costs than budgeted.</p>
Grants and Donations	<p>Land and Buildings - \$200k Fox Glacier Community Centre reserves funding, \$290k reserves funding Hari Hari Community facility</p>
<b>Other expenditure</b>	
Depreciation	<p>Asset valuation work is near completion. The analysis received to date indicates that the charge will meet budget.</p>
(Gain)/loss on investments/Swaps	<p>Actual loss exceeds forecast due to economic factors unknown at start of budget period</p>

Balance Sheet as at 30 June 2016	Council		
	Actual	Budget	Actual
	Jun-16	Jun-16	Jun-15
	\$'000	\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents	1,875	2,582	3,936
Debtors and other receivables	3,711	2,238	3,301
Other financial assets	40	1,320	1,000
Inventory	0	0	0
Work in progress	0	0	0
Total current assets	5,626	6,140	8,237
Non-current assets			
Property, plant and equipment	401,296	389,065	399,595
Intangible assets	69	46	89
Derivative financial instruments	0	160	0
Council Controlled Organisations	8,695	8,695	8,695
Other Financial Assets	1,000	59	42
Investment property	0	0	0
Term inventory	0	0	0
Assets under construction	244	0	2,227
Total non-current assets	411,303	398,025	410,648
Total assets	416,929	404,165	418,884
Liabilities			
Current liabilities			
Creditors and other payables	1,952	2,271	3,522
Derivative financial instruments	11	0	29
Borrowings	0	1,712	0
Employee entitlements	268	236	296
Provisions	0	0	0
Tax payable	3	3	3
Other current liabilities	280	193	198
Total current liabilities	2,514	4,415	4,048
Non-current liabilities			
Derivative financial instruments	760	135	356
Borrowings	17,600	16,472	16,660
Employee entitlements	29	52	29
Provisions	1,251	1,666	1,588
Deferred Tax	30	90	30
Total non-current liabilities	19,670	18,415	18,663
Total liabilities	22,184	22,830	22,711
Net assets	394,745	381,335	396,173
Equity			
Retained earnings	150,864	152,759	152,292
Restricted reserves	4,087	3,734	4,087
Revaluation reserves	239,731	224,842	239,731
Other comprehensive revenue and expense reserve	64	0	64
Net assets	394,745	381,335	396,173



# Project progress report

As at 30/06/2016  
Carryover for 2016/17

						Legend - Key
		Forecast on Budget				Project Delayed - Will not be completed by 30th June 2016
		Forecast over Budget				Project on-Track - Will be completed by 30th June 2016
						Project Complete - 100% Progress
Project / Activity	YTD exp	2015-16	Forecast	Budget Track	Progress / Track	Progress comments
	\$0	\$0	\$0			
<b>Museum</b>						
Research Development Centre	-	22,000	0			Project will not start in this financial year. Carry-forward will be requested.
Retail Development	14,011	30,000	13,000			Work started in June, carry-forward of balance likely to be requested.
<b>Total</b>	<b>14,011</b>	<b>52,000</b>	<b>13,000</b>			
<b>Corporate Services</b>						
Shelving for Council records and archives	11,517	10,000	11,517			Complete
<b>WATER SUPPLY</b>						
Mains Upgrade (on-going) - Hokitika	70,861	100,000	100,000			Mains upgrade is complete. New air-valves installed on lake line in June. Expenditure to be finalised in June.
Replace Water meters (on-going)	534	200,000	200,000			Council split budget with Franz Josef. Some likely carry forward.
Mains Upgrade (on-going) - Ross	490	80,000	0			Scope revisited. Mains upgrade in Woolhouse Rd not required.
Permanent Generator in Harihari	37,850	30,000	37,850			Works are complete. Expenditure yet to be finalised.
Water supply service assurance	145,312	100,000	145,312			Water tanks are in. Expenditure yet to be finalised.
Replacement of Water Meters	44,288	50,000	50,000			Fox Glacier meters procured. Installation in progress. WIP- Carryover.
<b>Total</b>	<b>299,335</b>	<b>560,000</b>	<b>533,162</b>			
<b>WASTEWATER</b>						
West Dr Pump & Electrics Upgrade	11,146	40,000	40,000			Works complete. Expenditure yet to be finalised.
WWTP Improvements at Franz	36,685	50,000	50,000			Committed. Spending on design and build for new WWTP>
<b>Total</b>	<b>47,831</b>	<b>90,000</b>	<b>90,000</b>			
<b>STORMWATER</b>						
Mobile Generator	31,074	50,000	31,000			Generator received and being utilised. Expenditure yet to be finalised.
<b>SOLID WASTE</b>						
Landfills - Hokitika	327,525	350,000	350,000			Initial works are complete. Carryover is requested for the balance monies.
Landfills - Butlers Site Shed - Hazardous	-	15,000	-			Not started. Need to determine scope and drawings & water source.
Washdown Facility	-	50,000	-			Carry over required for 2016-2017
Intermediate Capping for Butlers	-	10,000	-			Carry over required for 2016-2017 previous cell receiving less waste.
Landfill- Haast - Digout new Cell	-	10,000	-			Carry over required for 2016-2017 previous cell receiving less waste.
Haast intermediate cap current cell	-	10,000	-			Carry over required for 2016-2017 previous cell receiving less waste.
Shed - Hazardous Facility - HAAST	5,030	5,000	5,030			Works are complete
<b>Total</b>	<b>332,555</b>	<b>440,000</b>	<b>355,030</b>			
<b>CEMETERIES</b>						
Hokitika Cemetery - Building Improvements	16,365	20,000	20,000			WIP. Security related, doors, fascia, roofing. Will be under budget
Hokitika Cemetery - Improvements	-	10,000	10,000			Scheduled for May - New Concrete Berms on northern side.
Berm Development	-	10,000	10,000			Complete. Awaiting invoice
<b>Total</b>	<b>16,365</b>	<b>40,000</b>	<b>40,000</b>			
<b>Community Halls and Buildings</b>						
Ross Hall - Upgrade/Replacement	140,224	90,000	140,224			Kitchen works completed in October -- remainder WIP- Earthquake Strengthening. ETA May 2016
Carnegie Building - Improvements	17,446	20,000	20,000			For exhibition lighting renewals. Work in progress. ETA May 2016
<b>Total</b>	<b>157,670</b>	<b>110,000</b>	<b>160,224</b>			
<b>Community Township Development</b>						
Footpath - Sale street	14,706	10,000	14,706			In progress - Preparation completed Gibson Q to Weld St - ETA May 2016
Footpath Tiles replacements	-	12,000	-			Fox. Business area. Not started. Community Association advised not to proceed, then re-scoped as winter job.
Footpath Tiles replacements	-	6,000	-			Fox. Business area. Not started - As above
New Footpath	11,527	15,000	17,000			Done - Repaired - Sealed. - Works completed in Jan 2016. Variance expected at 2K over budget
Upgrade footpaths and driveways over next three years	-	5,000	-			Kumara. Liaising with community representatives. Waiting on 4th Street works to complete first and then do minor repairs along with this job
<b>Total</b>	<b>26,233</b>	<b>48,000</b>	<b>31,706</b>			
<b>Elderly Housing</b>						
Pensioner Housing	37,969	45,000	45,000			Complete. Property Company
<b>Information Services</b>						
IT Equipment Renewals	27,072	30,000	30,000			WiFi setup \$7000 - Fibre \$8000 April/May. When Kotui is up and running we will reconfigure Libsrvr
<b>Inspection and Compliance</b>						
Noise Meter	8,679	10,000	8,679			Complete
<b>Land &amp; Buildings</b>						
Improvements in Hokitika - Car Parks	-	15,000	-			Primary School Pedestrian refuge works. St Mary's School speed calming devices to be funded from this cost centre. Park St and calming device to follow
<b>Parks &amp; Reserves</b>						
Cass Square - Turf Improvements	-	120,000	-			Defer to after rugby season ie October 2016 with WCRFU agreement
Upgrade of Playground equipment	7,291	45,000	45,000			Lazar Park. Lions Club overseeing project. No progress since Dec.
Repair to Statues	-	5,000	-			Condition assessments on 4 large statues completed. Workshop held in April - Richard Seddon cleaned. Using c/f from previous years first. Unlikely this budget will be spent.
Marks road reserve improvements	-	10,000	-			Haast toilets and reserve. Scope to be defined.
Hokitika Waterfront Developments	4,760	30,000	30,000			Beachfront. Beachfront development planning & implementation.
<b>Total</b>	<b>12,051</b>	<b>210,000</b>	<b>75,000</b>			
<b>Transportation</b>						
Seal 4th Street Kumara	142,426	140,000	140,000			Works completed. Awaiting invoice claim and payment.
<b>Vehicle Operations</b>						
Replacing pool vehicle	27,687	33,000	27,687			Complete Ford Focus Wagon
New Vehicle	27,934	38,000	27,934			Complete Civil Defence vehicle
<b>Total</b>	<b>55,621</b>	<b>71,000</b>	<b>55,621</b>			
<b>Total</b>	<b>1,220,409</b>	<b>1,906,000</b>	<b>1,619,939</b>			

Activity	Detail	Funded by	Approved \$	Actual \$	Forecast \$	Balance \$	Approved variance in 2016	Status
Museum	Museum Donations - for Exhibitions	Donations	- 11,167	- 11,167	- 11,167	-	Favourable income	Complete
Museum	Museum Donations - for Exhibitions	Donations	- 5,000	- 5,000	- 5,000	-	Favourable income	Complete
		<b>Donations Total</b>	<b>- 16,167</b>	<b>- 16,167</b>	<b>- 16,167</b>	<b>-</b>		
Community Development	Creative New Zealand	External Grant	- 5,403	- 5,403	- 5,403	-	Favourable income	Complete
		<b>External Grant Total</b>	<b>- 5,403</b>	<b>- 5,403</b>	<b>- 5,403</b>	<b>-</b>		
Wastewater	Haast WTP	Subsidy (\$240k) & Depreciation (\$160k)	73,732	10,690		63,041	Capital	Complete
		<b>Subsidy/Depreciation Total</b>	<b>73,732</b>	<b>10,690</b>	<b>10,691</b>	<b>63,041</b>		
Wastewater	Franz Josef WWTP	Loan	99,474	71,598	99,474	-	Capital	Committed - Being used for Franz prelim designs and scopes
Wastewater	Haast WWTP Improvements	Loan	35,167	8,094	8,094	27,073	Capital	Complete
Land & Buildings	Council HQ re-roofing	Loan	125,000	107,844	107,844	17,156	Capital	Complete
Solid Waste	Franz Josef Landfill	Loan	25,000	2,063	25,000	-	Capital	Works delayed, Rescoping required in consultation with WCRC
		<b>Loan Total</b>	<b>284,641</b>	<b>189,599</b>	<b>240,412</b>			
Building Control	Builder's Accreditation	Rates YE 2014	20,000	16,203	16,203	3,797	Operating adverse	Complete
Cemeteries	Hokitika Cemetery Capital Development	Rates YE 2015	10,000	-	10,000	-	Capital	Stage 1 completed. On schedule for completion and budget
Parks & Reserves	Cass Square Statues	Rates YE 2014	10,000	-	6,000	4,000	Capital	Spend likely to be \$6,000 in 2015-16. C/f \$4,000
Parks & Reserves	Cass Square Statues	Rates YE 2015	5,000	-	-	5,000	Capital	Will not be needed - carry forward
Leadership	CCO review	Rates YE 2015	6,988	10,020	10,020	- 3,032	Operating adverse	Complete
Solid Waste	Kumara CAP	Targeted Rates YE 2015	5,712	18,715	5,712	5,712	Capital	Complete
		<b>Rates Total</b>	<b>57,700</b>	<b>44,938</b>	<b>47,935</b>	<b>15,477</b>		
Wastewater	Hokitika WWTP Resource Consent	Renewal reserve - Depreciation	29,552	76,387	79,552	- 50,000	Capital	Recourse consent received. Works are complete. Expenditure yet to be finalised.
Land & Buildings	Upgrade fire-alarm system - Museum	Renewal reserve - Depreciation	30,000	17,446	30,000	-	Capital	Stage 1 Fire Engineer reviewing system.
Water Supply	Rural Water supply	Renewal reserve - Depreciation	49,475	68,368	68,368	- 18,893	Capital	Stage 2 Physical works likely to be carry forward
		<b>Renewal reserve - Depreciation Total</b>	<b>109,027</b>	<b>162,201</b>	<b>177,920</b>	<b>- 68,893</b>		Complete
Community Halls	Hari Hari Community Facility	\$100k Reserves Development fund, \$190k Hari Hari Community complex reserve fund	225,972	290,000	315,000	- 89,028	Capital	Complete- Cost to council \$190k HariHari reserve fund, \$100k Reserves development fund. Cost overrun \$25k to be investigated, they may be reclaimed from Hari Hari community committee
Franz Josef Cycle Trail	Franz Josef Cycle Trail	Reserves	48,000	-	-	48,000	Operating adverse	Carry forward.
Township Development	Franz Josef Urban Revitalisation plan	Reserves	100,000	-		100,000	Capital	Requires further carryover due to needing to wait for findings and direction of Council / community working party on Franz Josef / Waiau Future Planning.
Community Halls	Fox Glacier Community Centre	Reserves	100,000	100,000	100,000	-	Capital	Complete
Township Development	Hari Hari Township Development fund	Reserves	14,000	14,000	14,000	-	Operating adverse	Complete
		<b>Reserves Total</b>	<b>487,972</b>	<b>404,000</b>	<b>429,000</b>	<b>- 58,972</b>		
West Coast Wildemess Trail	Cycle Trail - Partner Programme Revenue	Stakeholder Contribution	- 21,125	- 21,125	-	- 21,125	Appropriation / operating	Carry forward - Unlikely this will be transferred before 30 June 2016
West Coast Wildemess Trail	Cycle Trail - Partner Programme Revenue	Stakeholder Contribution	- 6,808	- 6,808	-	- 6,808	Appropriation	Carry forward - Unlikely this will be transferred before 30 June 2016
			<b>- 27,933</b>	<b>- 27,933</b>	<b>-</b>			
			<b>963,569</b>	<b>761,925</b>	<b>884,387</b>	<b>- 49,346</b>		

# Report



**DATE:** 25 August 2016

**TO:** Mayor and Councillors

**FROM:** Finance Manager

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## FINANCIAL PERFORMANCE: JULY 2016

### 1 SUMMARY

- 1.1 The purpose of this report is to provide an indication of Council's financial performance for one month to 31 July 2016.
- 1.2 This issue arises from a requirement for sound financial governance and stewardship with regards to the financial performance and sustainability of a local authority.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council receives the financial performance report to 31 July 2016, attached as **Appendix 1**.

### 2 BACKGROUND

- 2.1 Council receives monthly financial reporting so that it has current knowledge of its financial performance and position against targets and objectives adopted in the Long Term Plan 2015/25.

### 3 CURRENT SITUATION

- 3.1 Council now receives a monthly financial summary report in a consistent format.
- 3.2 For the July 2016 Project and carryover reporting has been removed as these will be brought to council under a separate report.

A balance sheet has also not been provided for July because the opening balances need to be calculated as part of the year end process.

3.3 The Financial Performance Report to 31 July 2016, is attached as **Appendix 1** and contains the following elements:

3.3.1 Segmental graphs for net cost of services, operating revenue and expenditure with the addition of the actual and forecast amounts.

3.3.2 Update on Rates Debtors.

3.3.3 Whole of Council Cost of Service Statement, including Full Year Forecast.

3.3.4 Variance analysis

#### **4 OPTIONS**

4.1 Council can decide to receive or not receive the report.

#### **5 SIGNIFICANCE AND CONSULTATION**

5.1 This report is for information only and, while feedback is invited from Council in order for staff to continuously improve the quality of information provided, no assessment of significance or consultation and no options analysis is required.

#### **6 RECOMMENDATION**

A) **THAT** Council receives the Financial Performance Report to 31 July 2016

**Lesley Crichton**  
**Finance Manager**

**Appendix 1:** Financial Performance July 2016



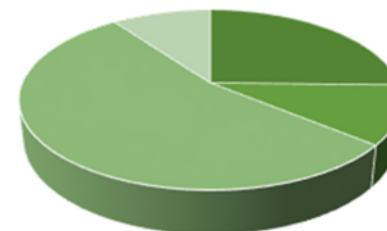
# Financial Performance July 2016

Operating revenue  
Actual year to July



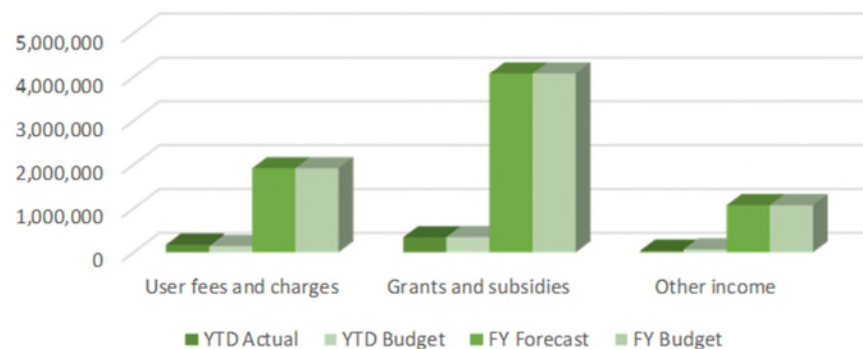
■ User fees and charges ■ Grants and subsidies ■ Other income

Operating expenditure  
Actual year to July



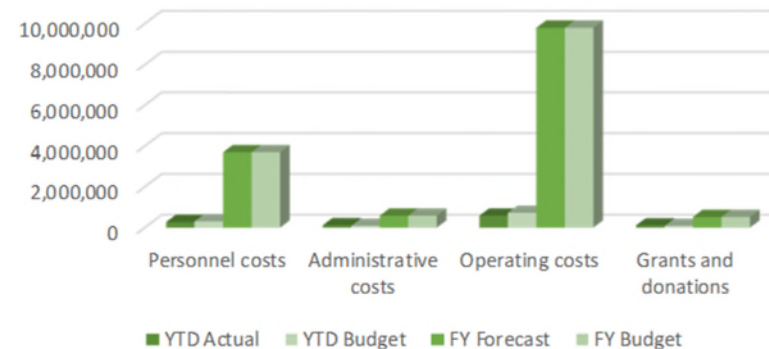
■ Personnel costs ■ Administrative costs ■ Operating costs ■ Grants and donations

Operating revenue



■ YTD Actual ■ YTD Budget ■ FY Forecast ■ FY Budget

Operating expenditure



■ YTD Actual ■ YTD Budget ■ FY Forecast ■ FY Budget

	User fees & Charges	Grants & Subsidies	Other Income
Actual YTD	174,468	343,210	41,828
Budget YTD	144,428	347,500	69,067
Variance	30,040	(4,290)	(27,239)
Forecast FY	1,918,351	4,082,876	1,076,546
Budget FY	1,918,351	4,082,876	1,076,546

	Personnel	Administration	Operating	Grants & subsidies
Actual YTD	276,003	114,434	587,945	108,842
Budget YTD	303,600	89,599	724,247	82,500
Variance	(27,597)	24,835	(136,302)	26,342
Forecast FY	3,692,808	583,305	9,801,863	525,000
Budget FY	3,692,808	583,305	9,801,863	525,000

## Rates Debtors

<b>Rates debtors at 30 June 2016</b>		<b>1,341,564</b>
Rates installment	3,341,663	
Less payments received	-599,853	
paid in advance	115,209	
Write off's	-1,879	
Penalties	-42,717	
Court costs awarded	61,015	
		2,873,438
<b>Total rates debtors 31 July 2016</b>		<b>4,215,002</b>
Arrears included above at May 2016	4,215,002	
Arrears at May 2015	4,312,542	
increase/(decrease) in arrears		-97,540

Note: In the month with a rates installment all current is arrears

### Rates debtors:

- 16 1<sup>st</sup> reminder letters
- 39 Final demands
- No accounts sent to debt management company
- Debt Management company contacting all customer on payment plans to increase regular payments

### **Rates debt - Aged at July 2016**

Financial Year	Jul-16	Jun-16
Pre 2013	160,969	161,384
2013-14	121,395	121,495
2014-15	246,531	249,493
2015-16	734,900	809,192
Current	2,951,206	
	4,215,001	1,341,564

July-16 includes current rates installment



WESTLAND DISTRICT COUNCIL  
Cost of service statement

WESTLAND DISTRICT COUNCIL	Year to July			Full year 2016-2017	
	Actual	Budget	Variance	FY Forecast	Budget
<b>Operating revenue</b>					
Rates (includes targeted rates and metered water)	2,909,947	2,729,908	180,039	14,721,081	14,721,081
User fees and charges	174,468	144,428	30,040	1,918,351	1,918,351
Grants and Subsidies	343,210	347,500	(4,290)	4,082,876	4,082,876
Other income	41,828	69,067	(27,239)	1,076,546	1,076,546
Overhead recoveries	534,522	554,309	(19,787)	6,751,733	6,751,733
<b>Total revenue (A)</b>	<b>4,003,975</b>	<b>3,845,212</b>	<b>158,763</b>	<b>28,550,587</b>	<b>28,550,587</b>
<b>Operating expenditure</b>					
Personnel costs	276,003	303,600	(27,597)	3,692,808	3,692,808
Administrative costs	114,434	89,599	24,835	583,305	583,305
Operating costs	587,945	724,247	(136,302)	9,801,863	9,801,863
Grants and donations	108,842	82,500	26,342	525,000	525,000
Overheads	534,492	566,341	(31,849)	6,796,057	6,796,057
<b>Total operating expenditure (B)</b>	<b>1,621,716</b>	<b>1,766,288</b>	<b>(144,572)</b>	<b>21,399,033</b>	<b>21,399,033</b>
<b>Net operating cost of services - surplus/(deficit) (A - B)</b>	<b>2,382,259</b>	<b>2,078,924</b>	<b>303,335</b>	<b>7,151,554</b>	<b>7,151,554</b>
<b>Other expenditure</b>					
Interest and finance costs	27,907	28,380	(473)	671,272	671,272
Depreciation	458,773	439,728	19,045	5,276,728	5,276,728
(Gain)/loss on investments	(6,879)	0	(6,879)	0	0
(Gain)/Loss on swaps	63,657	(11,482)	75,140	(137,788)	(137,788)
(Gain)/Loss on disposals	0	0	0	0	0
<b>Total other expenditure (C)</b>	<b>543,458</b>	<b>456,625</b>	<b>86,832</b>	<b>5,810,211</b>	<b>5,810,211</b>
<b>Total expenditure (D = B + C)</b>	<b>2,165,173</b>	<b>2,222,913</b>	<b>(57,740)</b>	<b>27,209,244</b>	<b>27,209,244</b>
<b>Net cost of services - surplus/(deficit) (A - D)</b>	<b>1,838,802</b>	<b>1,622,298</b>	<b>216,503</b>	<b>1,341,343</b>	<b>1,341,343</b>

### Variance Analysis

<b>Operating expenditure</b>	
Personnel costs	Postive variance due to unfilled vacancies
Administrative costs	
Operating costs	Lower than expected maintenance costs
<b>Other expenditure</b>	
(Gain)/loss on investments/Swaps	Loss on swaps due to economic factors in the market not known when budgeting.



# Report



**DATE:** 25 August 2016

**TO:** Mayor and Councillors

**FROM:** Group Manager: Corporate Services

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## PROJECTS AND CARRY FORWARDS TO 2016-17

### 1 SUMMARY

- 1.1 The purpose of this report is to:
  - 1.1.1 Seek Council approval for the carry forward of funding for projects that were scheduled for 2015-16, but were not completed by 30 June 2016,
  - 1.1.2 seek Council approval for the future allocation of funds that were generated for specific purposes and were in surplus as at 30 June 2016, and
  - 1.1.3 provide Council with a forecast for proposed project activity during the year ended 30 June 2017.
- 1.2 This issue arises because Council is accountable for the application of its revenues and other funding sources to service levels and infrastructure in accordance with its Long Term Plan 2015-25.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council approves the carry forward of funds for the projects itemised in **Appendix 1**, approves the future allocation of funds for specific purposes as detailed in **Appendix 2**, and receives the phased project work plan attached as **Appendix 3**.

### 2 BACKGROUND

- 2.1 Council approves its annual budget based on planned levels of service and capital works for the financial year.

- 2.2 It is common that certain undertakings will be partially complete, committed but not started or deferred as at the end of the financial year.
- 2.3 These items will appear as favourable variances in the financial year 2015-16 in which their funding was recognised as revenue, or where debt was planned to be drawn.
- 2.4 Council has an obligation to deliver on its commitments, but where projects and expenditure are carried forward they will be reported as adverse variances against the budget for the financial year in which they are completed.
- 2.5 Typically, the types of items carried forward are:
  - 2.5.1 Capital projects partially completed.
  - 2.5.2 Projects funded by third parties.
  - 2.5.3 Long term operational projects.
  - 2.5.4 Activities whose frequency is less than annual but for which the funding is phased evenly over more than one financial year.

### 3 CURRENT SITUATION

- 3.1 Council is expecting to report a favourable variance in its external debt position for the year ended 30 June 2016. This in part relates to the non-completion of the items proposed for carry forward in **Appendix 1**.
- 3.2 Any variances against Council's operating budget will be addressed in the Annual Report for the year ending 30 June 2016. However, the funds proposed for future allocation in **Appendix 2** will be included in these variances.
- 3.3 The amounts proposed to be carried forward are estimated by deducting expenditure to date from the original budget and adjusted by any known variations; as advised by activity managers.
- 3.4 Where projects have been cancelled or superseded in the budget for 2015-16, they have been excluded from the carry forward schedule. These are itemised in **Appendix 4**.
- 3.5 There is one exception to the rationales explained in 3.1 and 3.4. The contribution to the Franz Josef Cycle Trail project was included in the Annual Plan 2013-14. The approved funding of \$48,000, from the Recreation Contributions Reserve, has been carried forward in each of the last two financial years. It has been included in the proposed carry forward schedule

(**Appendix 1**) at the request of the community. Their request is attached as **Appendix 5**.

- 3.6 Council has previously expressed concern regarding the backlog of projects, the exposure to unrealistic commitments and the consequential reputational risk.
- 3.7 The proposed carry forward schedule (**Appendix 1**) has been drafted after consideration of these commitments alongside those included in the Annual Plan 2016-17. A phased work plan for all projects and commitments; adopted, proposed, existing and ongoing, is attached as **Appendix 3**.
- 3.8 As in 2015-16, progress on completion of these items will be communicated through Council's monthly financial report during 2016-17.

#### **4 OPTIONS**

- 4.1 **Option 1** - Approve the carry forward of items contained in **Appendix 1** to the financial year 2016-17, and the future allocation of funds detailed in **Appendix 2** until they can be expended in accordance with the relevant conditions.
- 4.2 **Option 2** - Approve amended schedules, adding or deleting items.
- 4.3 **Option 3** – Reject all carry forwards

#### **5 SIGNIFICANCE AND ENGAGEMENT**

- 5.1 In accordance with Council's policy, this matter is of low significance; insofar as it relates to existing circumstances that have been reported throughout the financial year, and any decision will not materially impact on levels of service, strategic assets or funding arrangements.
- 5.2 All of these items were consulted on when they were included in the Long Term Plan 2015-25, or previous annual plans. Some communities may consider a project important to them and be disappointed if a project is not carried forward.

#### **6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)**

- 6.1 **Option 1** will generate adverse operating variances and additional debt requirements of in the financial year 2016-17. However, these are merely the inversion of favourable variances in 2015-16, and are therefore essentially timing differences. Option 1 is financially prudent because it ensures that Council's revenues and funding sources are applied to their intended

purposes. It would also meet community expectations as Council will deliver on its commitments undertaken in year 1 of the Long Term Plan 2015-25.

- 6.2 **Option 2** would invoke some departures from the Long Term Plan 2015-25 and may cause some adverse community reaction. This may be appropriate if Council determines that alternative applications of these funds are more prudent or of higher priority, or that the requirements have substantially changed.
- 6.3 **Option 3** would mean that some commitments made by Council in adopting the Long Term Plan 2015-25 are not fulfilled. In addition to potential adverse community reaction this would not be financially prudent, particularly because some of the expenditure associated with these items was included in the rates calculation for 2015-16. The adverse variances described in 6.1 would be avoided.

## 7 PREFERRED OPTION AND REASONS

- 7.1 The preferred option is Option 1 - Approve the carry forward of items contained in **Appendix 1** to the financial year 2016-17, and the future allocation of funds detailed in **Appendix 2** until they can be expended in accordance with the relevant conditions. This will demonstrate Council's resolve to deliver on its commitments and will ensure that revenues and other sources of funds are applied to their intended purposes.

## 8 RECOMMENDATIONS

- A) **THAT** Council approves the carry forward to 2016-17 of funds totalling \$1,134,661 for the projects itemised in **Appendix 1**.
- B) **THAT** Council approves the future allocation of funds amounting to \$42,407 for specific purposes as detailed in **Appendix 2**.
- C) **THAT** Council receives the phased project work plan for 2016-17 attached as **Appendix 3**.

**Gary Borg**  
**Group Manager: Corporate Services**

- Appendix 1:** Proposed carry forward schedule 2016-17  
**Appendix 2:** Proposed schedule of funds to be retained for specific purposes  
**Appendix 3:** Phased project work plan  
**Appendix 4:** Projects excluded from the proposed carry forward schedule  
**Appendix 5:** Request for carry forward from the Franz Josef CDO

## Appendix 1

Activity	Detail	Funded by	Requested \$	Spent \$	Original \$	Variance 2016-17	Year	Notes
Solid Waste	Landfills - Butlers Site Shed - Hazardous Washdown Facility	Loan Funding	15,000		15,000	Capital	From 2015-16 Budget Year	This facility is required as part of the contract and to avoid detrimental environmental impacts. This project will be undertaken in the 2016/2017 year.
Solid Waste	Intermediate Capping for Butlers	Loan Funding	50,000		50,000	Capital	From 2015-16 Budget Year	Due to the waste not being at the required height for the capping to be started this needs to be carried over into the 2016/2017 year.
Solid Waste	Landfill- Haast - Digout new Cell	Loan Funding	10,000		10,000	Capital	From 2015-16 Budget Year	The waste did not reach the current cell capacity but will still require this money to undertake the work to enable the Landfill to operate under the resource consents that are currently in place for this facility
Solid Waste	Haast intermediate cap current cell	Loan Funding	10,000		10,000	Capital	From 2015-16 Budget Year	This work will still be required and is part of the ongoing cost of operating a Landfill as such the money needs to be carried over

Solid Waste	Franz Josef Landfill	Loan Funding	25,000		25,000	Capital	From 2014-15 Budget Year	Waiho River Management Group has interest in this project. This may be classified as a contingency
Museum	Research Development Centre	Rates	22,000		22,000	Capital	From 2015-16 Budget Year	Unable to complete two capex projects in one year due to lack of capacity so it is requested that this is carried over to 2016-17. Note that the refit can only happen during the winter months.
Parks & Reserves	Repairs and Maintenance to Hokitika Statues	Rates	2,709	7,291	10,000	Capital	From 2013-14 Budget Year	Statue project got underway in 2015-16. Looking to contract out the next phase of work in 2016-17. Budget required for this.
Parks & Reserves	Repairs and Maintenance to Hokitika Statues	Rates	5,000		5,000	Capital	From 2014-15 Budget Year	Statue project got underway in 2015-16. Looking to contract out the next phase of work in 2016-17. Budget required for this.
Museum	Retail Development	Depreciation	17,000	13,152	30,000	Capital	From 2015-16 Budget Year	This work could only be done during the shorter winter opening hours. It was started in May 2016 but is not yet complete. It will be completed by summer.
Township Development	Upgrade footpaths and driveways - Kumara	Depreciation	5,000		5,000	Capital	From 2015-16 Budget Year	Carry over - not completed due to weather
Township Development	Repairs and Maintenance to Hokitika Statues	Depreciation	5,000		5,000	Capital	From 2015-16 Budget Year	Statue project got underway in 2015-16. Looking to contract out the next phase of work in

								2016-17. Budget required for this.
Water Supply	Replace Water meters (on-going) - Hokitika	Depreciation	190,000	7,826	200,000	Capital	From 2015-16 Budget Year	Approx. \$10,000 spent on a very small proportion of water meter replacements in Hokitika during 2015/16. Works not fully scoped in 2015/16 year due to lack of clarity over where money is to be spent (Hokitika water meters or Franz water supply project). Carryover requested to allow works to be scoped fully and in the correct cost centre.
Water Supply	Replacement of Water Meters - Fox	Depreciation	5,712	44,288	50,000	Capital	From 2015-16 Budget Year	Installation of physical water meters is complete however request carryover of remaining balance to enable a trial of installing radios on the installed meters. Currently meters are read manually and errors do occur. The radio system would still require a meter reader to go to Fox but they would not need to physically read each meter. This would reduce errors and less time would also be spent by Council staff trying to fix incorrect readings.
Franz Josef Cycle Trail	Franz Josef Cycle Trail	Recreation Contributions	48,000		48,000	Capital	From 2013-14 Budget Year	Awaiting response from FJCC re a project plan for this funding

Township Development	Franz Josef Urban Revitalisation plan	Recreation Contributions	100,000		100,000	Capital	From 2013-14 Budget Year	Still need to finalise future spatial plan of Franz Josef Township based on work of Franz Josef / Waiau working party, including infrastructure and hazard issues, before this streetscape / urban design plan is implemented.
Waterfront carryforward	Hokitika Waterfront Development	Recreation Contributions	25,240	4,760	30,000	Capital	From 2015-16 Budget Year	Design work in progress
WCWT	Completion of Trail	Subsidy	479,000		828,355	Capital	Since 2010	MBIE retention subject to completion
Parks & Reserves	Reserves - Cass Square - Turf Upgrades	Loan Funding	120,000		120,000	Capital	From 2015-16 Budget Year	Works delayed due to community concerns

Loan	230,000
Recr'n Res	173,240
Depreciation	222,712
Rates	29,709
Grant	479,000

Total	1,134,661
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## Appendix 2

Activity	Detail	Funded by	Requested \$	Spent \$	Original \$	Variance 2016-17	Year	Notes
Museum	Museum Donations - for Exhibitions	Donations	10,871	7,182	18,053	Operating adverse	From 2015-16 Budget Year	Not all of the donations for special museum projects have been spent yet.
Community Development	SPARC Travel Grant	External Grant	1,117	8,383	9,500	Operating adverse	From 2015-16 Budget Year	Grant allocated but not yet uplifted
Community Development	Creative Communities Grant	External Grant	7,573	9,844	17,417	Operating adverse	From 2015-16 Budget Year	Several grants not yet uplifted
Community Development	Taxi Chits	External Grant	600	2,530	3,130	Operating adverse	From 2015-16 Budget Year	Grant money not all used by 30 June 2016
Township Development	Hari Hari Township Development fund	Rates	8,971	33,029	42,000	Operating adverse	From 2015-16 Budget Year	Com Assoc. wanted it held until decisions made
West Coast Wilderness Trail	Cycle Trail - Partner Programme Revenue	Stakeholder Contribution	13,275		13,275	Operating adverse	From 2015-16 Budget Year	WCWT Trust have just signed off the Trust Deed. Once its accepted by the Charities Office this money will be transferred to them

Donations	10,871
Grant	9,290
Rates	8,971
Stakeholder cont.	13,275
Total	42,407

## Appendix 3

Activity	Detail	Funded by	\$	Status	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cemeteries	Hokitika Ashes berms development	Depreciation	10,000	New 16/17.												
Cemeteries	Hokitika Burial Berms and SW improvements	Depreciation	25,000	New 16/17.												
Compliance Issues	Franz Alpine resort	Operating		Ongoing												
Corporate Services	Replacement Councillors tablets	Rates	10,000	New 16/17.												
Corporate Services	Information Management - Shelving	Depreciation	10,000	New 16/17.												
Corporate Services	eDRMS	Loan Funding	200,000	New 16/17.												
Corporate Services	Council website	Depreciation	35,000	New 16/17.												
Corporate Services	IT Equipment renewals	Depreciation	30,000	New 16/17.												
Elderly Housing	Roof repairs	Depreciation	40,000	New 16/17.												
Franz Josef Cycle Trail	Franz Josef Cycle Trail	Recreation Contributions	48,000	Carry Forward												
Land & Buildings	Council HQ - Roof over skylights	Depreciation	20,000	New 16/17.												

## Appendix 3

Activity	Detail	Funded by	\$	Status	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Land & Buildings	Perry Lane	Depreciation	15,000	New 16/17.												
Leadership	Community Rates consultations	Operating		New 16/17.												
Leadership	Long Term Plan 2018-28	Operating		New 16/17.												
Library	Kotui System Installation	Depreciation	70,000	New 16/17.												
Museum	Research Development Centre	Rates	22,000	Carry Forward												
Museum	Retail Development	Depreciation	17,000	Carry Forward												
Parks & Reserves	Repairs and Maintenance to Hokitika Statues	Rates	2,709	Carry Forward												
Parks & Reserves	Repairs and Maintenance to Hokitika Statues	Rates	5,000	Carry Forward												
Parks & Reserves	Repairs and Maintenance to Hokitika Statues	Depreciation	5,000	New 16/17.												
Parks & Reserves	Reserves - Waterfront	Recreation Contributions	100,000	New 16/17.												
Parks & Reserves	Reserves - Hokitika Heritage trail signs	Reserves	3,500	New 16/17.												
Parks & Reserves	Reserves - Marks road reserve - Cleaning the site.	Recreation Contributions	10,000	New 16/17.												

## Appendix 3

Activity	Detail	Funded by	\$	Status	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Parks & Reserves	Reserves - Cass Square - Building improvements (cladding)	Depreciation	30,000	New 16/17.												
Parks & Reserves	Reserves - Cass Square - Playground equipment upgrade	Depreciation	25,000	New 16/17.												
Parks & Reserves	Reserves - Cass Square - Turf Upgrades	Loan Funding	120,000	Carry Forward												
Public Toilets	Review Franz Josef cleaning contract	Operating		New 16/17.												
Resource Management	Plan Change 7	Operating		Ongoing												
Resource Management	Waiho River Management	Operating		Ongoing												
Solid Waste	Landfills - Butlers Site Shed - Hazardous Washdown Facility	Loan Funding	15,000	Carry Forward												
Solid Waste	Intermediate Capping for Butlers	Loan Funding	50,000	Carry Forward												
Solid Waste	Landfill- Haast - Digout new Cell	Loan Funding	10,000	Carry Forward												

## Appendix 3

Activity	Detail	Funded by	\$	Status	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Solid Waste	Haast intermediate cap current cell	Loan Funding	10,000	Carry Forward												
Solid Waste	Franz Josef Landfill	Loan Funding	25,000	Carry Forward												
Stormwater	Tancred Street	Loan Funding	140,000	New 16/17.												
Stormwater	Bealey Street	Loan Funding	329,000	New 16/17.												
Stormwater	Rolleston Street	Loan Funding	300,000	New 16/17.												
Township Development	Upgrade footpaths and driveways - Kumara	Depreciation	5,000	Carry Forward												
Township Development	Repairs and Maintenance to Hokitika Statues	Depreciation	5,000	Carry Forward												
Township Development	Franz Josef Urban Revitalisation plan	Recreation Contributions	100,000	Carry Forward												
Transportation	Unsealed Road Metalling	Depreciation	278,000	New 16/17.												
Transportation	Sealed Road Resurfacing (3031)	Depreciation	875,500	New 16/17.												
Transportation	Maintenance - Drainage Renewals	Depreciation	154,500	New 16/17.												

## Appendix 3

Activity	Detail	Funded by	\$	Status	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Transportation	Structures Component Replace (3033)	Depreciation	206,000	New 16/17.												
Transportation	Traffic Services Renewals	Depreciation	123,500	New 16/17.												
Transportation	Sealed Road Resurfacing (3070)	Depreciation	154,500	New 16/17.												
Transportation	Drainage Renewal	Depreciation	26,000	New 16/17.												
Transportation	Structures Component Replace (3072)	Depreciation	51,500	New 16/17.												
Transportation	Traffic services renewals	Depreciation	10,500	New 16/17.												
Transportation	Minor Improvements	Depreciation	184,500	New 16/17.												
Transportation	Minor Improvements	Depreciation	28,000	New 16/17.												
Transportation	Sealed Road Pavement Rehabilitation	Depreciation	300,000	New 16/17.												
Transportation	Associated Improvements	Loan Funding /Subsidy	1,000,000	New 16/17.												
Transportation	Whitcome valley road widening, seal and extention	Loan Funding	500,000	New 16/17.												
Transportation	Ross car park seal	Loan Funding	35,000	New 16/17.												

## Appendix 3

Activity	Detail	Funded by	\$	Status	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Transportation	New footpaths	Depreciation	25,000	New 16/17.												
Transportation	Footpath upgrades	Depreciation	47,000	New 16/17.												
Transportation	Keogans Road consultation	Operating		New 16/17.												
Wastewater	Hokitika - Mains upgrade	Depreciation	150,000	New 16/17.												
Wastewater	Franz Josef - New WWTP	Loan Funding	200,000	New 16/17.												
Wastewater	Haast - Mains upgrade (ongoing)	Depreciation	20,000	New 16/17.												
Wastewater	Haast - Desludge oxidation ponds	Depreciation	150,000	New 16/17.												
Wastewater	Fox Glacier - WWTP upgrade	Loan Funding	100,000	New 16/17.												
Water Supply	Replace Water meters (on-going) - Hokitika	Depreciation	190,000	Carry Forward												
Water Supply	Replacement of Water Meters - Fox	Depreciation	5,712	Carry Forward												
Water Supply	Kumara - Water treatment plant	Loan Funding	420,000	New 16/17.												
Water Supply	Kumara - Water treatment plant - seismic valves	Depreciation	30,000	New 16/17.												
Water Supply	Hokitika - Pumps Replacement	Depreciation	50,000	New 16/17.												

## Appendix 3

Activity	Detail	Funded by	\$	Status	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Water Supply	Whataroa - Water treatment plant	Depreciation	220,000	New 16/17.												
Water Supply	Whataroa - Seismic valves	Depreciation	20,000	New 16/17.												
Waterfront carryforward	Hokitika Waterfront Development	Recreation Contributions	25,240	Carry Forward												
WCWT	Completion of the WCWT	Subsidy	479,000	Ongoing												
Wildfoods Festival	Replace marketing assets	Depreciation	20,000	New 16/17.												



## Appendix 4

Activity	Detail	Funded by	Requested \$	Spent \$	Original \$	Variance 2016-17	Year	Notes
Cemeteries	Hokitika Cemetery Capital Development	Rates	10,000		10,000	Capital	From 2014-15 Budget Year	Stage 1 completed. On schedule for completion and budget
Wastewater	Fox Wastewater Treatment Plant - Repairs & Maintenance	Rates	15,800	21,761	37,000	Operating adverse	From 2015-16 Budget Year	Ponds could not be accessed for at least 6 months in 2015-16 financial year due to a property owner denying access across their property to the ponds. An access agreement has been formed with a neighbouring property owner and a new access has been installed since. Repairs and maintenance could not be carried out on the ponds while access was being denied. This budget being carried over would be spent on completing the accessway and catching up on repairs and maintenance on the ponds themselves.
Cemeteries	Hokitika Cemetery – Improvements	Rates	3,635	16,365	20,000	Capital	From 2015-16 Budget Year	Carry over to extend berm
Cemeteries	Berm Development - Ross	Rates	10,000		10,000	Capital	From 2015-16 Budget Year	Carry over to complete development
Water Supply	Mains Upgrade (on-going) - Hokitika	Depreciation	36,431	63,569	100,000	Capital	From 2015-16 Budget Year	Request carryover of \$35,000 to continue to progressively upgrade air valves on lake line. Unable to complete during financial year due to

## Appendix 4

Activity	Detail	Funded by	Requested \$	Spent \$	Original \$	Variance 2016-17	Year	Notes
								a number of unknowns associated with amount of work required to replace these air valves.
Water Supply	Mains Upgrade (on-going) - Ross	Depreciation	79,510	490	80,000	Capital	From 2015-16 Budget Year	Works not fully scoped in 2015/16. Carryover requested to allow works to be fully scoped and some of this should also be allocated to the two Ross water intakes which require works to protect them during high river flows and ensure continuity of water supply during and post flood events.

Depreciation	115,941
Rates	39,435

Total	155,376
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### Appendix 5

**From:** Community Development Officer, Franz Josef [<mailto:franzjosefcdo@xtra.co.nz>]  
**Sent:** Tuesday, 16 August 2016 11:30 a.m.  
**To:** Tanya Winter  
**Subject:** amended funding letter.

Hi Tanya

Re: A request to roll over the Parks & Reserves funds put aside for the Tatare Cycle & Walkway track in Franz Josef.

I can confirm that the Franz Josef Community Council Executive were unaware these funds had already been carried forward but please note, this was at the request of the Franz Josef Mountain Bike Club which is the entity that put in for the original funding request.

Early April 2015 the Mountain Bike Club approached the Franz Josef Community Council to take over the management and development of the Tatare Cycle & Walkway project. Plans, maps and a history to date were presented to the community council at this point. The Community Council with seeing the benefit of this track to the township and greater community agreed to take over the project and management of the funding.

In May 2015 a formal Management Agreement was signed between DOC and the Franz Josef Community Council covering the segment of track that would run over DOC land. The work on the development of the track started in late June 2015 and in August the first segment of the track was officially opened. A safety plan was in place for the track alongside the agreement with DOC. Professional signage was completed for installation at both ends of the first stage of the track and a professional crossing for horses was created to provide riders with safe passage to the riding arena across the State Highway.

In October 2015 Franz Josef Community Council drew down \$18,267.75 from the Reserves Funds to cover the costs of the first stage - all invoices were presented to Westland District Council for clarity. Westland District Council had been communicated with regarding the acceptance in change over of management of the track in April 2015.

We are currently working on Stage 2 and 3 of the track which are the final stages. We are currently negotiating easements with landowners with a viability assessment being carried out into the two track site options.

These last two stages will take the track into the township of Franz Josef. Stage 1 of the track (completed) starts at Northern Franz Josef (the outer residential area) and runs to the Tatare Bridge. Stage 2 and 3 will take the track from this point to the power station and from there, into the township linking up where the Medical Centre is located.

This track with linking Northern Franz Josef to the township will provide the residents and motel guests in the outer areas the ability to walk or cycle into the township safely as apposed to walking on the State Highway.

It will provide Franz Josef School pupils with safe passage into the township. Currently from the school to the Mueller Wing (Scenic Hotel) there is no formed footpath, therefore walking is done on the raw edge of the State Highway and from the Mueller Wing to the township, they use the narrow footpath that is a bare two feet from the State Highway edge with no curbing or protection from traffic to link with the township.

This is not a preferred option for the school, parents and residents or the Community Council.

We offer full clarity in the scope of work required to complete this track and solid communication with council and management as the work progresses.

We ask council to accept our formal request in the roll over of these funds for the purpose of completion of the Tatare Cycle and Walkway track - a track we would like to see completed in full within the next 6 - 9 months.

Should any further information be required, please don't hesitate in contacting me.

With regards,

Helen Lash  
on behalf of the Franz Josef Community Council

Franz Josef Community Development Officer

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**Franz Josef Community Council** - *working together to build a vibrant & progressive community for all*