



**NAPIER**  
CITY COUNCIL  
*Te Kaunihera o Ahuriri*

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## FINANCE COMMITTEE

# Open Attachments Under Separate Cover

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Meeting Date: Tuesday 20 March 2018

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Time: 3.00pm

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Venue: Council Chamber  
Hawke's Bay Regional Council  
159 Dalton Street  
Napier

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## Quarterly Report

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*This report summarises the Council's progress in the second quarter of 2017/18 towards fulfilling the intentions outlined in the Annual Plan. Quarterly performance is assessed against Income, Total Operating Expenditure, Capital Expenditure and Key Performance Measures.*

## Financial Performance Snapshot

The year to date net operating surplus of \$12.1m is \$0.9m lower than the budgeted surplus of \$13.0m. This unfavourable variance is attributable to a combination of factors as outlined below.

### Revenue:

Year to date total revenue is above budget by \$565k:

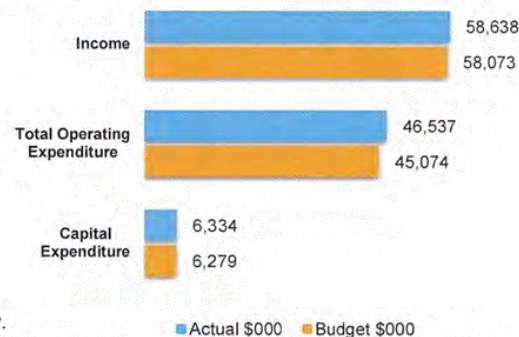
1. Other revenue is \$996k higher than budget. This is due to favourable variances in user charges, retail sales and rental incomes.
2. This is offset by Development and financial contributions which are \$988k lower than budget due to timing of the income.
3. Favourable rates revenue and finance income variances accounts for \$535k of the variance due to higher than expected growth in the rating base and interest income increases due to the timing of capital expenditure.

### Expenditure:

Year to date total expenditure is over budget by \$1.5m:

1. Other expenses are \$2m higher than budget. Property expenses are \$426k higher which includes approved spend for relocations to be funded from reserves. Building consent expenses are \$237k over budget, largely due to legal expenses within the Planning and Regulatory activity. Smaller variances across the board make up the remainder, and are often offset by increases in departmental revenue.

### Our Performance versus Budget



	Actual YTD	2017-18 Revised Budget YTD	Variance	2017-18 Budget Full Year	2017-18 Forecast	2016-17 Actual
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates revenue	40,114	39,882	233	53,046	53,277	50,840
Finance income	1,002	700	302	728	1,326	2,132
Development and financial contributions	44	1,031	(988)	3,094	3,138	2,565
Subsidies and grants	2,592	2,569	23	5,586	6,441	5,298
Other revenue	14,888	13,892	996	32,367	32,925	42,295
Other gains/(losses)	(2)	-	(2)	403	400	514
<b>Total Revenue</b>	<b>58,638</b>	<b>58,073</b>	<b>565</b>	<b>95,224</b>	<b>97,507</b>	<b>103,642</b>
<b>Expenditure</b>						
Employee benefit expenses	15,844	16,317	473	32,623	32,259	31,315
Depreciation and amortisation	11,595	11,681	87	23,695	23,181	21,247
Other expenses	19,098	17,076	(2,021)	33,241	37,190	37,113
Finance costs	-	-	-	-	(400)	-
<b>Total Expenditure</b>	<b>46,537</b>	<b>45,074</b>	<b>(1,462)</b>	<b>89,559</b>	<b>92,232</b>	<b>89,675</b>
<b>Net Operating surplus/(deficit) before tax</b>	<b>12,102</b>	<b>12,999</b>	<b>(897)</b>	<b>5,665</b>	<b>5,276</b>	<b>13,967</b>

The budget figures include the original budget and agreed changes made during the year. As a result the budget figure isn't the same as the annual plan or long term plan.



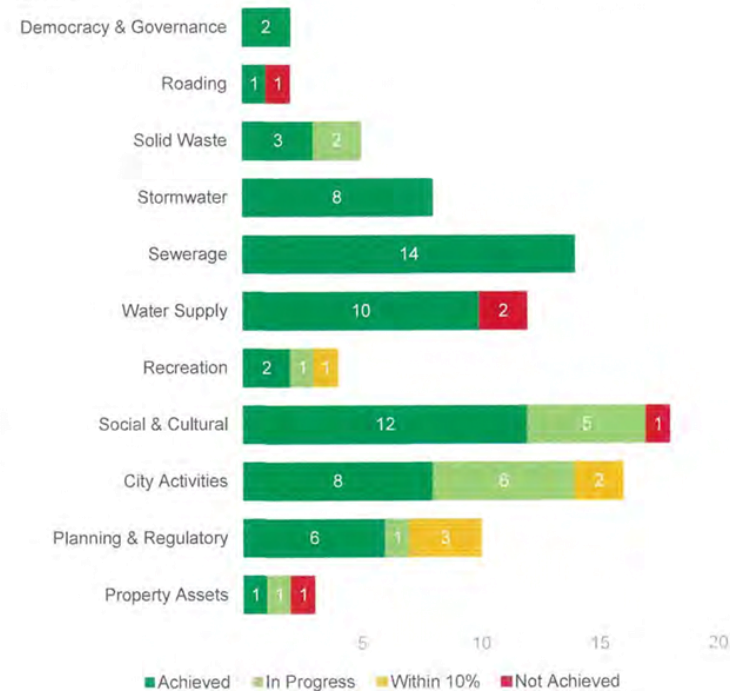
## Service Performance Snapshot

### Key Highlights

- Council removed entry fees at MTG Hawke's Bay, leading to a 24% increase in numbers accessing the facility in the second quarter this year compared to the same period in 2016/17.
- We're Water Safe - a fun, free Celebrate Safer Napier event featuring fire engines, face painting and the national Police dive squad – was held in October at Perfume Point.
- The second annual free Bark Island event was held in November at Park Island. The event proved to be a fun day out for all, featuring a dogwalk for Best Dressed dog, stalls from local pet-friendly businesses, and snacks for humans and their four-legged friends.
- Council's Annual Report 2016/17 was adopted, showing NCC spent \$89.7 million or \$4.03 per resident per day delivering infrastructure and services to our community in Napier during last financial year.
- The latest Creative Communities grant funding round saw more than \$21,000 divided between 13 projects. Zeal, which runs youth services in Hawke's Bay, was one lucky recipient, receiving funding for the Festival of Noise and Battle in the Bay.
- The HazMobile hazardous waste collection in November uncovered some particularly obscure items, including two boxes of Agent Pink – a notorious chemical known for contributing to cancers, birth defects and disease during and after the Vietnam War. All chemicals and materials collected were disposed of in the correct way or recycled.
- Construction began on the Destination Playground in Anderson Park during December. The new playground, expected to open mid-2018, will include high and low activity areas, physical challenges in the form of swinging, sliding, climbing and spinning, and learning opportunities.
- Customer Services opened the doors to their new location at Dunvegan House on 21 December. This move saw the last of NCC's staff leave the earthquake-prone Civic and Library Buildings.

### Key Performance Measures

In quarter two, 88% of key performance indicators (83 of 94) measured on a monthly or quarterly basis were achieved, or are in progress and on target to be achieved by year end. Any measures which were not achieved are explained in the activity sections of this report, along with the full list of performance measures and results.



## Treasury Management Summary

### Investments Report

Investment Types Held at Quarter-End:			Amount
Call Deposits			0
Term Deposits	<b>S&amp;P Credit Rating</b>	<b>Average 12-Month Int Rate</b>	
Bank			
Westpac	AA-	3.43%	4,000,000
ANZ	AA-	3.30%	11,000,000
ASB	AA-	3.60%	13,500,000
BNZ	AA-	3.68%	17,000,000
Kiwibank	A	3.58%	9,000,000
			54,500,000
<b>Total Investments as at 31 December 2017</b>			<b>\$54,500,000</b>

### Range of Interest Rates Negotiated During the Quarter:

	Rate	Date
Call Deposits (lowest) *	N/a	All
Call Deposits (highest) *	N/a	All
Term Deposits (lowest)	2.31%	13/12/2017
Term Deposits (highest)	3.70%	23/11/2017

### Maturity Profile of Investments

Term	Percentage	Lower Limit	Upper Limit	Within Limits
0 - 6 months	78.0%	30%	80%	Yes
6 - 12 months	22.0%	20%	70%	Yes
1 - 3 years	0.0%	0%	50%	Yes
3 - 5 years	0.0%	0%	20%	Yes

### Weighted Average Interest Rate for All Currently Held Investments:

	Amount	Average Rate
Call Deposits	0	0.00%
Term Deposits	54,500,000	3.56%
	<b>\$54,500,000</b>	
Weighted Average Interest Rate as at 31 December 2017		3.56%
Benchmark Average Interest Rate as at 31 December 2017		1.98%

(Benchmark = average 6-month BKBM rate of today & 6 months ago)

### External Loans Report

	Amount	Interest Rate
<b>Loans Raised During Quarter</b>		
Local Authority Stock - Floating	Nil	N/a
Local Authority Stock - Fixed	Nil	N/a
	<b>\$0</b>	
	<b>\$0</b>	N/a
Average interest rate of loans raised YTD		N/a
Total external loans raised YTD		Nil
Balance of external loans likely to be raised in current year		Nil

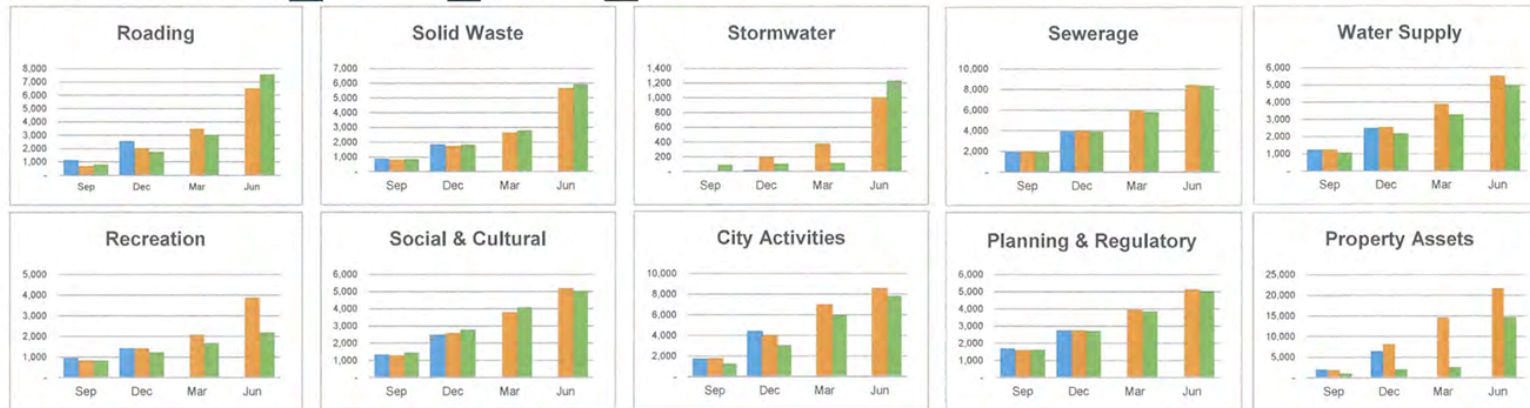
## Cumulative Quarterly Graphs

Income (000's) -

- Actual

- Budget

- Prior Year

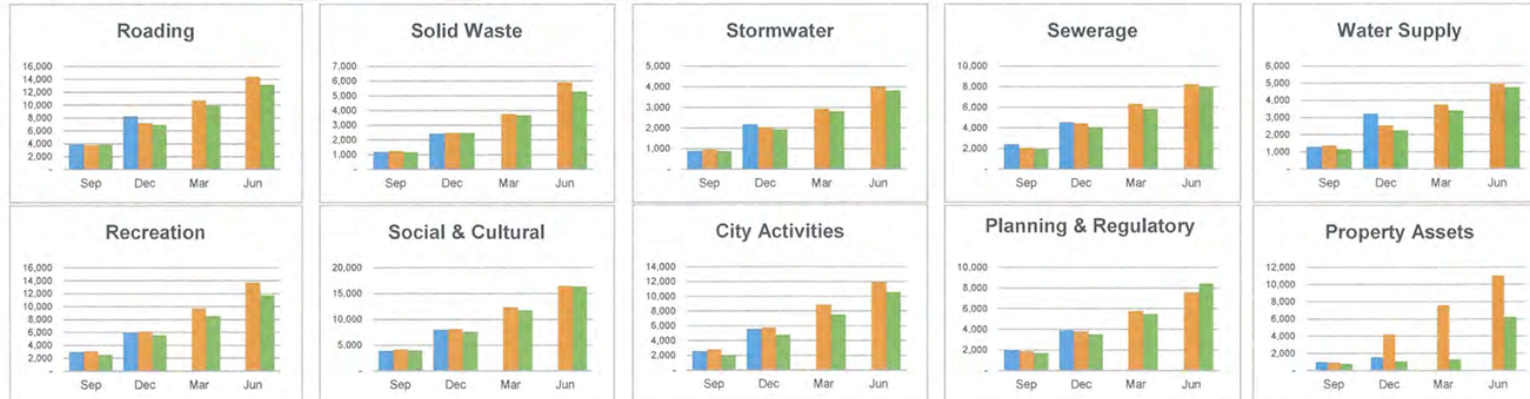


Expenditure (000's) -

- Actual

- Budget

- Prior Year





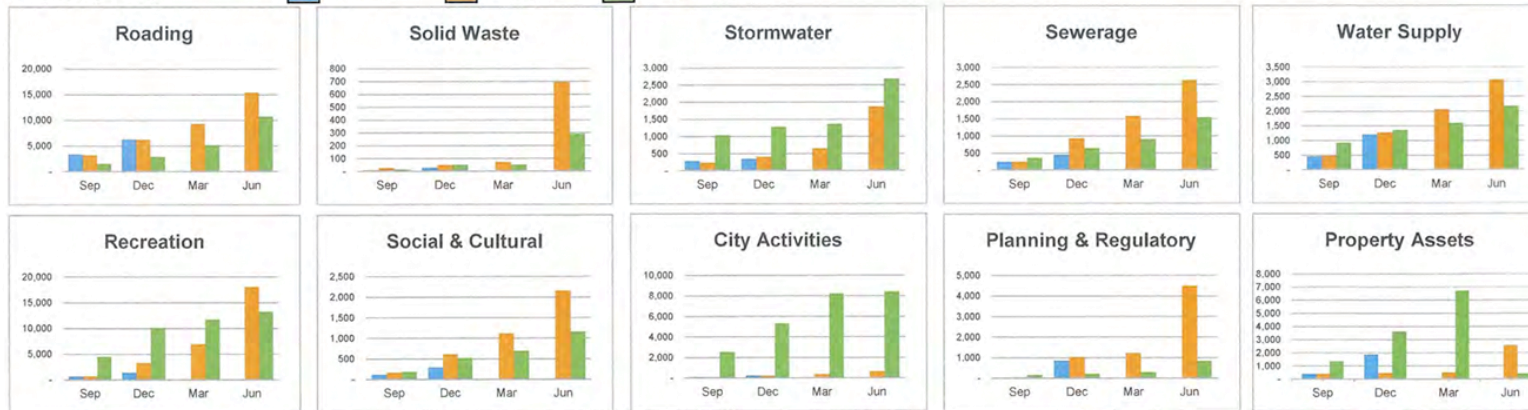
## Cumulative Quarterly Graphs (continued)

Capital (000's) -

- Actual

- Budget

- Prior Year

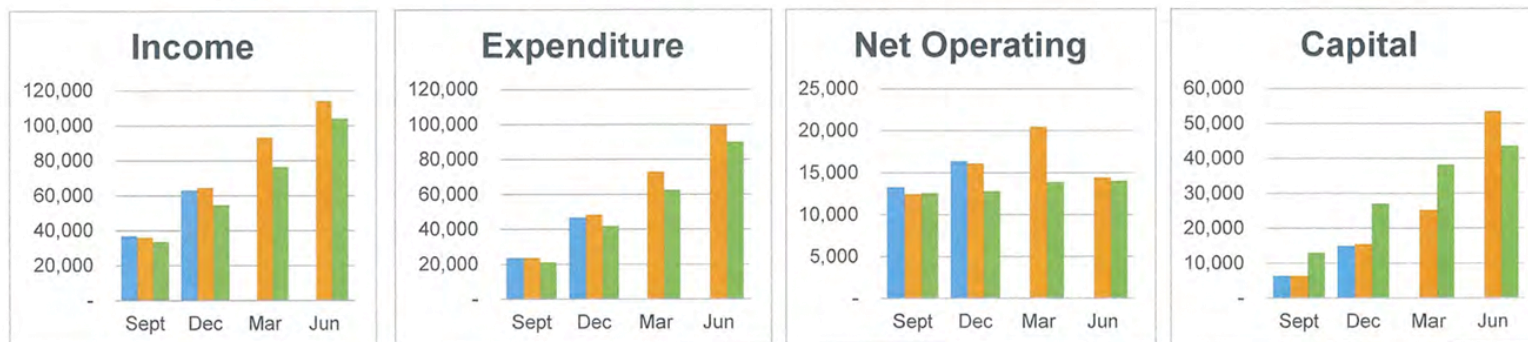


Group Totals (000's) -

- Actual

- Budget

- Prior Year

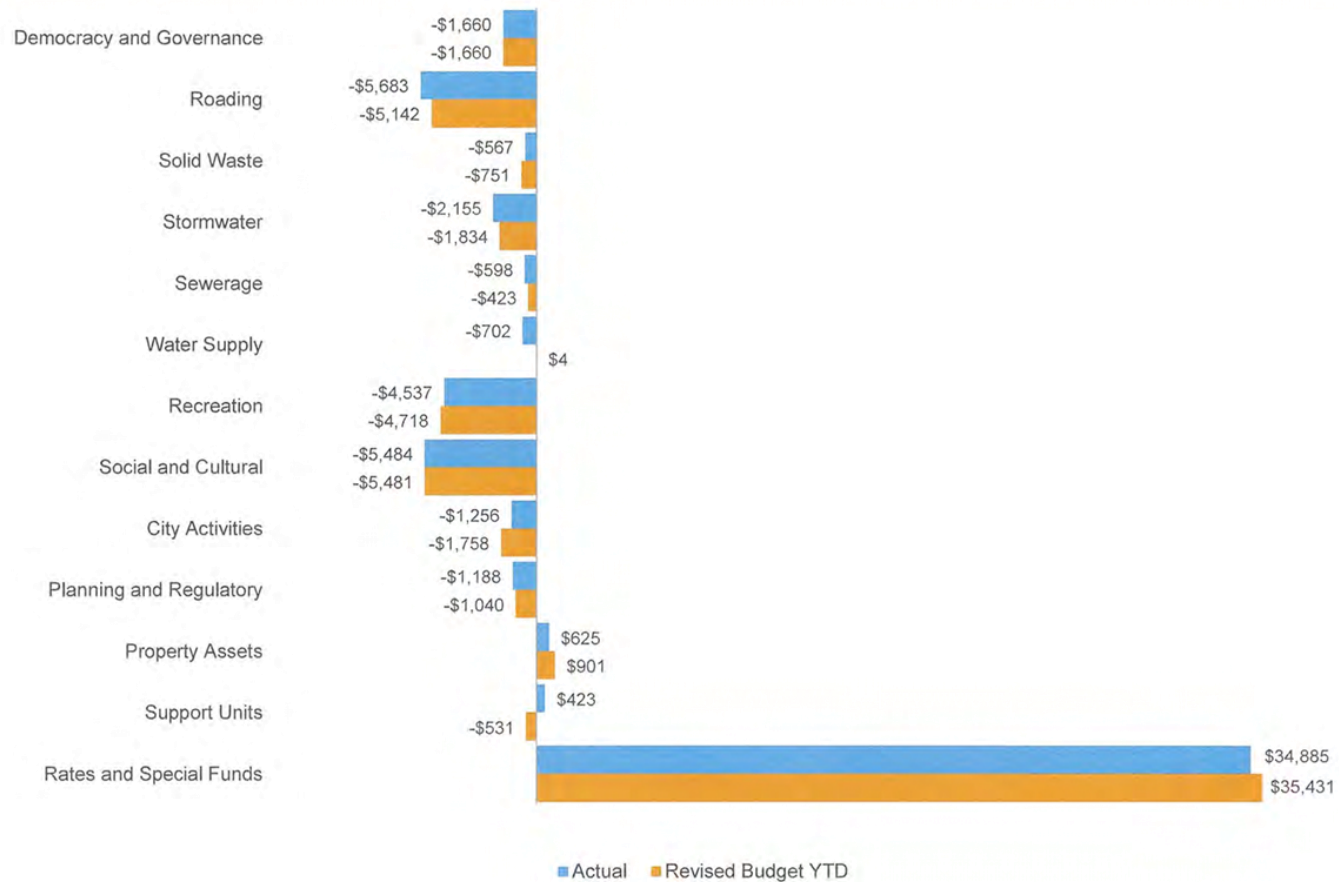


## Activity Group Financial Summary

Operating Income less Expenditure	Actual	Revised Budget YTD	Variance	% Variance	Annual Budget	Forecast
Democracy and Governance	(1,660,031)	(1,660,032)	1	0%	(3,320,062)	(3,320,061)
Roading	(5,682,764)	(5,141,554)	(541,210)	(11)%	(7,611,226)	(6,103,723)
Solid Waste	(567,184)	(750,906)	183,722	24%	(199,226)	(2,447)
Stormwater	(2,154,678)	(1,834,170)	(320,508)	(17)%	(3,005,858)	(3,326,472)
Sewerage	(597,839)	(423,435)	(174,404)	(41)%	678,186	(13,104)
Water Supply	(702,445)	3,628	(706,073)	<(100)%	597,367	(480,668)
Recreation	(4,537,246)	(4,718,158)	180,912	4%	(10,560,665)	(9,578,015)
Social and Cultural	(5,484,330)	(5,480,787)	(3,543)	(0)%	(11,006,551)	(11,767,267)
City Activities	(1,256,457)	(1,757,776)	501,319	29%	(3,405,383)	(2,710,622)
Planning and Regulatory	(1,187,590)	(1,039,596)	(147,994)	(14)%	(2,449,310)	(2,582,874)
Property Assets	624,664	901,469	(276,805)	(31)%	2,120,417	1,624,423
Support Units	422,737	(530,885)	953,622	>100%	335,095	958,246
Rates and Special Funds	34,884,760	35,431,213	(546,453)	(2)%	43,492,026	42,578,210
<b>Net Operating Surplus/(Deficit)</b>	<b>12,101,596</b>	<b>12,999,011</b>	<b>(897,415)</b>	<b>-7%</b>	<b>5,664,810</b>	<b>5,275,626</b>

Capital Expenditure	Actual	Revised Budget YTD	Variance	% Variance	Annual Budget	Forecast
Roading	6,209,732	6,164,951	(44,781)	(1)%	14,925,400	13,340,803
Solid Waste	30,922	46,500	15,578	34%	693,000	677,422
Stormwater	339,883	394,997	55,114	14%	1,858,000	1,302,531
Sewerage	444,511	922,709	478,198	52%	3,008,000	1,642,157
Water Supply	1,205,308	1,263,991	58,683	5%	2,796,000	2,846,888
Recreation	1,429,743	3,303,999	1,874,256	57%	16,722,100	11,733,095
Social and Cultural	293,660	609,066	315,406	52%	2,197,385	1,906,242
City Activities	238,295	234,798	(3,497)	(1)%	638,000	688,607
Planning and Regulatory	855,277	1,028,506	173,229	17%	4,459,000	1,295,257
Property Assets	1,877,463	450,000	(1,409,268)	<(100)%	2,000,000	2,102,463
Support Units	930,932	1,030,332	99,400	10%	1,964,000	2,140,350
<b>Total</b>	<b>13,855,727</b>	<b>15,449,849</b>	<b>1,612,318</b>	<b>10 %</b>	<b>51,260,885</b>	<b>39,675,816</b>

## Summary Net Operating Expenditure of Activity Groups





## Activity Group Detail

*This section provides further detail on the key performance measures and the financial performance of each of the activities within Council.*

*The Council activities contribute to the Community Outcomes, as stated in the 2015-25 Long Term Plan. Council considers that meeting its service level targets constitutes a major role as a contributor to the progress of the Community Outcomes.*

### The eight Community Outcomes for Napier City are:

1. To provide infrastructure and services to support good health and well-being
2. Transport infrastructure and services that are safe, efficient and integrated
3. Safe and accessible recreational facilities
4. An environment that is appreciated, protected, and sustained for future generations
5. A strong prosperous and thriving economy
6. Communities that value and promote their unique culture and heritage
7. Safe and secure communities
8. Strong leadership that is connected to its community

## Democracy & Governance

Council provides a democratic and consultative system for decision making. The Council, consisting of a Mayor and 12 Councillors, is elected three yearly. Through its structure of committees, subcommittees, working parties and forums, Council carries out the requirements of the Local Government Act 2002 and other related legislation. Councillors are elected as follows:

- Mayor and six Councillors elected by the City as a whole
- Ahuriri Ward - 1 Councillor
- Onekawa-Tamatea Ward - 1 Councillor
- Nelson Park Ward - 2 Councillors
- Taradale Ward - 2 Councillors

Early in 2015 Council established an Audit and Risk Committee to effectively monitor its risk and financial performance. The committee includes two independent members (including the Chair).



## Democracy & Governance Performance Summary

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Percentage of council meetings for which meeting agenda is made publicly available two working days before the meeting date	100%	100%	100%	100%	◆	
Annual Reports and Long Term Plans receive 'unmodified' audit opinion	Audit for 2016/17 Annual Report still in progress	100%	100%	100%	◆	

Performance Indicators - ◆ - Achieved    ◐ - In progress and on target    ◆ - Within 10%    ◆ - Not achieved, greater than 10%

## Democracy & Governance Financial Summary

	Year To Date				Annual Budget	Forecast	Notes	Comment
	Actual	Revised Budget	Variance	%				
Operating Surplus								
Expenditure	1,660,031	1,660,032	1	0%	3,320,062	3,320,061		
Net Operating Surplus/(Deficit)	(1,660,031)	(1,660,032)	1	0%	(3,320,062)	(3,320,061)		



## Roading

Council owns, maintains and develops the local transportation network. The City's road network provides accessibility to Napier residents and visitors within a safe, clean and aesthetic environment. The activities within this group include the installation and maintenance of the physical components; carriageways, footpaths, steps, ramps, traffic and pedestrian bridges and structures, road and amenity lighting, drainage, traffic services and safety (e.g. street furniture, traffic lights, signage), as well as the planning, management and amenity and safety maintenance to ensure the system is clean, safe and able to cope with future needs.

- 363km of sealed Roads
- 306km Urban Standard Roads
- 57km Rural Roads
- 46.4km State Highways
- 5,441 sumps and manholes
- 480km of kerb and channel



## Roading Performance Summary

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Mandatory: The number of justifiable footpath complaints	28	20	80	128	◆	
Mandatory: The percentage of customer service requests relating to roads and footpaths responded to within 5 working days	80%	65%	90%	86%	◆	Requests from the public often require some investigation prior to a decision on action being made which often involve several parties. All Service Requests are given consideration immediately, but some may not be resolved within the specified timeframe if they are to be dealt with appropriately.

Performance Indicators - ◆ - Achieved    ◐ - In progress and on target    ◆ - Within 10%    ◆ - Not achieved, greater than 10%

## Roading Financial Summary

	Actual	Year To Date Revised Budget	Variance	%	Annual Budget	Forecast	Notes	Comment
<b>Operating Surplus</b>								
Revenue	2,576,714	2,051,793	524,921	26%	6,504,800	8,277,375	[1]	YTD revenue is above budget due to an increase in subsidised works being undertaken. Year end forecast includes \$1.6m NZTA Subsidy transferred from Rates & Special Funds
Expenditure	8,259,478	7,193,347	(1,066,131)	(15)%	14,116,026	14,381,098	[2]	YTD expenditure is above budget due to increased subsidised works. Year end forecast increase expenditure to budget is offset by the increase in subsidised NZTA revenue
<b>Net Operating Surplus/(Deficit)</b>	<b>(5,682,764)</b>	<b>(5,141,554)</b>	<b>(541,210)</b>	<b>(11)%</b>	<b>(7,611,226)</b>	<b>(6,103,723)</b>		
<b>Capital Expenditure</b>								
Roading Property Reserve A/c	(20,152)	-	20,152	n/a	-	(20,152)		
I.A.R.	482,747	541,605	58,858	11%	4,212,000	2,757,844	[3]	Review undertaken with NZTA on the reseal programme identified works now not required this financial year
I.A.R. - Non subsidised	383,362	331,609	(51,753)	(16)%	-	1,025,815	[4]	As above
Embankment Road Bridge	495,863	640,373	144,510	23%	1,050,000	960,397	[5]	This project is scheduled for completion in the 2018/19 financial year and it is anticipated that it will be completed under budget
Gifted/Vested Assets	-	-	-	n/a	1,004,400	1,004,400		
Bulk Funded Non-Subsidised	2,066,050	2,140,021	73,971	3%	2,224,000	2,150,030		
West Quay Carpark	-	-	-	n/a	1,000,000	-		
Cycle Strategy	684,240	534,343	(149,897)	(28)%	2,100,000	2,056,397	[6]	More work was carried out than budgeted for the first two quarters of the financial year. This project is on target to meet budget by year end
CBD Development	22,204	-	(22,204)	n/a	1,213,000	1,235,204		
Subs Taradale Traffic Projects	(161)	-	161	n/a	-	(161)		
Subs Cycleway Project	192	-	(192)	n/a	-	192		
Non Subsidised Cycleway Project	833	-	(833)	n/a	-	833		
Prebensen/Puketitiri Development	-	162,000	162,000	100%	307,000	307,000	[7]	Works did not commence until January 2018. This project is on target to meet budget by year end
Gloucester St Widening	10,344	-	(10,344)	n/a	-	10,344		
Transportation Proposals	2,035,122	1,815,000	(220,122)	(12)%	1,815,000	1,808,072	[8]	YTD costs includes some items identified as being renewals. These will be transferred in January 2018
Maadi Wycliffe Traffic Signals	4,500	-	(4,500)	n/a	-	-		
Jervois Road Footpath	165	-	(165)	n/a	-	165		
Local Area Traffic Management Projects	44,422	-	(44,422)	n/a	-	44,422		
<b>Total Capital Expenditure</b>	<b>6,209,732</b>	<b>6,164,951</b>	<b>(44,781)</b>	<b>(1)%</b>	<b>14,925,400</b>	<b>13,340,803</b>		



## Solid Waste

The Solid Waste Group comprises:

- Domestic refuse collection
- Kerbside recycling
- Litter control
- Redclyffe Transfer Station
- Omarunui Landfill Joint Venture

Council provides a domestic refuse collection service for both residential and commercial properties within Napier as follows:

- Residential Properties – once per week
- Commercial (Suburban Shops) – twice per week
- Commercial (Central Business District) – four times per week

A kerbside recycling service for residential properties is provided fortnightly. Litter bins and drums are located throughout the City and serviced as required. Council's Refuse Transfer Station at Redclyffe accepts most domestic, garden and building waste. Separated recyclables excluding plastics can be dropped off free of charge. The Omarunui Landfill is the final disposal point for waste generated by the combined populations of Hastings District and Napier City. It is jointly owned by the Hastings District (63.68%) and Napier City (36.32%) Councils and is managed on a day-to-day basis by the Hastings District Council.





## Solid Waste Performance Summary

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
A weekly kerbside refuse collection service is provided 52 weeks per year to City residents	100%	100%	100%	100%	◆	Waste collection was completed but occurred after the collection day, which is below the appropriate service level
Transfer Station open for 362 days per year	100%	100%	100%	100%	◆	
Waste to Landfill per capita.	65kg/capita/Q	69kg/capita/Q	Decreasing Trend	278 kg/capita	◆	
Compliance with Resource Consent conditions	Unable to be assessed	Report is being prepared	100%	100%	◆	
Education and waste reduction promotion programmes in place.	0	0	750 students per annum	1,848 students	◆	Numbers for term 1, 2018, show that this target will easily be exceeded

**Performance Indicators** - ◆ - Achieved    ◆ - In progress and on target    ◆ - Within 10%    ◆ - Not achieved, greater than 10%

## Solid Waste Financial Summary

	Actual	Year To Date Revised Budget	Variance	%	Annual Budget	Forecast	Notes	Comment
<b>Operating Surplus</b>								
Revenue	1,858,936	1,738,546	120,390	7%	5,679,804	5,799,673	[1]	YTD favourable variance due to increased Transfer Station and Waste Levy revenue as a result of increased volumes
Expenditure	2,426,120	2,489,452	63,332	3%	5,879,030	5,802,120		
<b>Net Operating Surplus/(Deficit)</b>	<b>(567,184)</b>	<b>(750,906)</b>	<b>183,722</b>	<b>24%</b>	<b>(199,226)</b>	<b>(2,447)</b>		
<b>Capital Expenditure</b>								
Omarunui Development Valley D	-	-	-	n/a	181,000	181,000		
Omarunui Development Plant	-	-	-	n/a	121,000	121,000		
Omarunui Development Forestry	-	-	-	n/a	10,000	10,000		
Omarunui Development Valleys B&C	-	-	-	n/a	288,000	288,000		
Solid Waste Renewals	24,750	46,500	21,750	47%	93,000	71,250		
Minor Capital Items	6,172	-	(6,172)	n/a	-	6,172		
<b>Total Capital Expenditure</b>	<b>30,922</b>	<b>46,500</b>	<b>15,578</b>	<b>34%</b>	<b>693,000</b>	<b>677,422</b>		

## Stormwater

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Council provides and maintains a stormwater disposal system for Napier with the aim to minimise the effects of flooding. The system, serving approximately 97% of the City's population, consists of open drains, stormwater mains and pump stations with about 75% of the City reliant on pumped systems for stormwater drainage.

- 226km Stormwater Mains
- 58km Open Drains
- 13 Pump Stations



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## Stormwater Performance Summary

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Mandatory: Number of flooding events per year resulting in stormwater entering a habitable floor in an urban area	none	none	≤1	none	◆	
Mandatory: For each flooding event, the number of habitable floors affected per 1,000 properties	none	none	≤1	none	◆	
Mandatory: Median response time to attending a flood event (notification to personnel being on site)	no event	no event	≤2 Hrs	no event	◆	
Mandatory: Compliance with resource consents for discharge from its stormwater system as measured by the number of Abatement and Infringement Notices, Enforcement Orders and successful convictions received in relation to those resource consents made against Council in regard to the Stormwater Activity:						
a) abatement notices	Nil	Nil	Nil	Nil	◆	
b) infringement notices	Nil	Nil	Nil	Nil	◆	
c) enforcement orders; and	Nil	Nil	Nil	Nil	◆	
d) convictions received by the territorial authority in relation to those resource consents.	Nil	Nil	Nil	Nil	◆	
Mandatory: Number of complaints received about performance of stormwater system (per 1,000 properties connected)	1.2286	1.4041	≤5	3.2	◆	

Performance Indicators - ◆ - Achieved    ◐ - In progress and on target    ◆ - Within 10%    ◆ - Not achieved, greater than 10%

## Stormwater Financial Summary

	Actual	Year To Date Revised Budget	Variance	%	Annual Budget	Forecast	Notes	Comment
<b>Operating Surplus</b>								
Revenue	22,445	194,094	(171,649)	(88)%	1,005,600	1,003,349	[1]	YTD timing of financial contribution income received. Year end budget is forecast to be met
Expenditure	2,177,123	2,028,264	(148,859)	(7)%	4,011,458	4,329,821	[2]	Depreciation unfavourable due to asset value increase following revaluation
<b>Net Operating Surplus/(Deficit)</b>	<b>(2,154,678)</b>	<b>(1,834,170)</b>	<b>(320,508)</b>	<b>(17)%</b>	<b>(3,005,858)</b>	<b>(3,326,472)</b>		
<b>Capital Expenditure</b>								
Upgrading Stormwater Catchments I.A.R.	11,163	16,665	5,502	33%	250,000	141,163		
Gifted Vested Assets	-	-	-	n/a	448,000	448,000		
Stormwater I.A.R.	-	83,331	83,331	100%	250,000	50,000	[3]	Being reviewed as part of LTP process
Overland Drain	767	-	(767)	n/a	-	767		
Extend Outfalls Marine Parade	30,922	25,000	(5,922)	(24)%	25,000	30,922		
Te Awa Structure Plan	-	-	-	n/a	300,000	-	[4]	Being reviewed as part of 2018-28 LTP process which may impact the timing of this project
Plantation Drain	-	25,002	25,002	100%	50,000	13,330		
CBD Stormwater upgrade	238,682	244,999	6,317	3%	355,000	380,000		
Taradale Stormwater Upgrade	37,410	-	(37,410)	n/a	-	37,410	[5]	Remedial works required due to pavement failure post installation of pipework. This work has been completed and will be funded from Stormwater IAR
Te Awa Drainage Reserve Land	20,257	-	(20,257)	n/a	180,000	200,257		
Tennyson St outfall improvements	681	-	(681)	n/a	-	681		
<b>Total Capital Expenditure</b>	<b>339,883</b>	<b>394,997</b>	<b>55,114</b>	<b>14%</b>	<b>1,858,000</b>	<b>1,302,531</b>		

## Sewerage

Council provides and maintains a safe, effective and efficient domestic sewage collection, treatment and disposal system to help maintain community health. In addition, we provide for a separate industrial sewage collection and disposal system for selected trade waste customers.

- 44 Pump Stations
- 384km Wastewater Mains
- Biological Trickling Filter plant (Awatoto)
- Milliscreen Plant (Awatoto)
- 1,500m long Marine Outfall pipe
- 93% of Napier's population serviced by reticulation system



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## Sewerage Performance Summary

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Number of reticulated properties unable to dispose of wastewater for longer than 6 hours due to stormwater infiltration	Zero	Zero	Zero	76	◆	
Blockage resulting in overflow	Zero	Zero	Zero	9	◆	
Mandatory: Dry weather overflows (per 1,000 connections)	Zero	Zero	≤0.1	3	◆	
Mandatory: Compliance with resource consents:						
a) abatement notices	Zero	Zero	Zero	1	◆	
b) infringement notices	Zero	Zero	Zero	1	◆	
c) enforcement orders	Zero	Zero	Zero	Zero	◆	
d) convictions	Zero	Zero	Zero	Zero	◆	
Mandatory: Median response times:						
a) attendance time from notification to staff on site	55 minutes	45 minutes	≤2 hours	0.75 hours	◆	
b) resolution time from receipt of notification to resolution	2 hours 17 minutes	1 hour 59 minutes	≤8 hours	2.07 hours	◆	
Mandatory: Number of complaints per 1,000 connections relating to:						
a) sewerage odour	0.1575	0.08	≤5	0.43	◆	
b) sewerage system faults	35%	0.20	≤20	1.1	◆	
c) sewerage system blockages	3.3462	2.05	≤10	8.03	◆	
d) response to issues	47%	zero	≤1	zero	◆	
Total number of complaints per 1,000 connections	433%	2.32	≤36	9.56	◆	

Performance Indicators - ◆ - Achieved    ◐ - In progress and on target    ◆ - Within 10%    ◆ - Not achieved, greater than 10%

## Sewerage Financial Summary

	Actual	Year To Date Revised Budget	Variance	%	Annual Budget	Forecast	Notes	Comment
<b>Operating Surplus</b>								
Revenue	3,955,890	3,989,334	(33,444)	(1)%	8,433,133	8,499,822	[1]	YTD unfavourable variance is due to timing of financial contribution income. YE forecast includes favourable trade waste revenue
Expenditure	4,553,728	4,412,769	(140,959)	(3)%	7,754,947	8,512,925	[2]	Year end forecast is above budget due to a budgeting error. Shortfall will be funded from savings within overall Council budgets
<b>Net Operating Surplus/(Deficit)</b>	<b>(597,839)</b>	<b>(423,435)</b>	<b>(174,404)</b>	<b>(41)%</b>	<b>678,186</b>	<b>(13,104)</b>		
<b>Capital Expenditure</b>								
Sewer Pipe Renewal	218,285	355,714	137,429	39%	1,500,000	538,930	[3]	Being reviewed as part of LTP process
Milliscreen Renewal	45,493	99,666	54,173	54%	257,000	255,493	[4]	Being reviewed as part of LTP process
Sewer Pump Station Renewal	58,754	233,999	175,245	75%	500,000	324,755	[5]	Being reviewed as part of LTP process
Wastewater Outfall IAR	107,472	183,332	75,860	41%	250,000	107,472	[7]	Being reviewed as part of LTP process
Gifted/Vested Assets	-	-	-	n/a	401,000	401,000		
Upgrade and Rationalise Pumping Mains	7,730	49,998	42,268	85%	100,000	7,730	[8]	Project not going ahead this financial year. Re-scheduled and included in the LTP. No impact on current operations
Advanced Sewerage Treatment	586	-	(586)	n/a	-	586		
Hospital Terrace New Sewer Main	6,192	-	(6,192)	n/a	-	6,192		
<b>Total Capital Expenditure</b>	<b>444,511</b>	<b>922,709</b>	<b>478,198</b>	<b>52%</b>	<b>3,008,000</b>	<b>1,642,157</b>		

## Water Supply

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Council provides a water supply system for the supply of potable water as well as for firefighting purposes. Water is drawn from the Heretaunga Plains aquifer and is reticulated to the Napier urban area and Bay View. There is a programme in place to manage the usage of water, a precious natural resource, to minimise wastage and shortages.

- 9.8 million cubic metres of water consumed annually
- 10 ground water and 8 booster pump stations
- 11 service reservoirs situated on 8 sites
- 40 million litres service of reservoir storage
- 474km of water mains
- 93% of Napier's population serviced by reticulation system



## Water Supply Performance Summary

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Mandatory: Compliance with Part 4 criteria of the Drinking Water Standards (bacteria compliance criteria)	Achieved	Achieved	Achieved	Not Achieved	◆	
Mandatory: Compliance with Part 5 criteria of the Drinking Water Standards (protozoal compliance criteria)	Not Achieved	Not Achieved	Achieved	Achieved	◆	Bore security status removed in July 2017
Mandatory: Median response times from time notification received:						
a) attendance for urgent call outs	15 minutes	14 minutes	≤90 minutes	28 minutes	◆	
b) resolution of urgent call outs	1 hour 34 minutes	1 hour 14 minutes	≤6 hours	51 minutes	◆	
c) attendance for non urgent call outs	30 minutes	30 minutes	≤8 hours	1.2 hours	◆	
d) resolution of non urgent call outs	1 hour 10 minutes	1 hour 18 minutes	≤72 hours	3.2 hours	◆	
Mandatory: Number of complaints per 1,000 connections relating to:						
a) drinking water clarity	10.6	16.2	≤2	5.7	◆	Release of bio-mass built within the pipework following the introduction of chlorination
b) drinking water taste	10.6	0.1	≤2	0.6	◆	
c) drinking water odour	10.6	0.1	≤2	3.1	◆	
d) drinking water pressure or flow	0.2	0.6	≤2	0.8	◆	
e) continuity of supply; and	0.0	0.0	≤2	15.8	◆	
f) Council's response to any of these issues per 1,000 connections	0.2	0.12	≤2	0.19	◆	

Performance Indicators - ◆ - Achieved    ◐ - In progress and on target    ◆ - Within 10%    ◆ - Not achieved, greater than 10%

## Water Supply Financial Summary

	Actual	Year To Date Revised Budget	Variance	%	Annual Budget	Forecast	Notes	Comment
<b>Operating Surplus</b>								
Revenue	2,523,909	2,551,322	(27,413)	(1)%	5,549,606	5,623,854	[1]	YTD unfavourable variance due to timing of financial contribution income. Year end forecast includes small increases in financial contributions and revenue from water by meter charges
Expenditure	3,226,354	2,547,694	(678,660)	(27)%	4,952,239	6,104,522	[2]	YTD \$375k unfavourable unplanned maintenance costs due to water quality issues, \$154k unfavourable water sampling costs and \$94k unfavourable for water bore security report and modelling costs. The year end forecast is unfavourable in these areas as a result of the water issues by \$743k, \$332k and \$94k respectively. The shortfall will be funded by savings within overall Council budgets
<b>Net Operating Surplus/(Deficit)</b>	<b>(702,445)</b>	<b>3,628</b>	<b>(706,073)</b>	<b>&lt;(100)%</b>	<b>597,367</b>	<b>(480,668)</b>		
<b>Capital Expenditure</b>								
IAR Pipes	183,354	318,000	134,646	42%	600,000	411,354	[3]	Being reviewed as part of LTP process
IAR Pump Stations	26,912	44,997	18,085	40%	135,000	137,247		
Safe Drinking Water Initiatives	244,241	201,000	(43,241)	(22)%	502,000	502,001	[4]	Timing variance that will correct by year end
Gifted/Vested Assets	-	-	-	n/a	221,000	221,000		
IAR Water Meters	845	16,665	15,820	95%	50,000	34,180		
Capital Upgrade Associated with new Water Projects	71,738	164,666	92,928	56%	400,000	566,000	[5]	Work has been undertaken on water quality issues. The shortfall will be funded by savings within overall Council budgets
New Well - Awatoto	144	33,333	33,189	100%	100,000	144	[6]	Project not going ahead this financial year and has been re-scheduled in the LTP
Upgrade Water Supply Control System	51,881	144,000	92,119	64%	288,000	284,881	[7]	Timing variance that will correct by year end
New Reservoir Taradale	43,722	112,664	68,942	61%	-	77,610	[8]	Majority of work completed last financial year. Council has approved a carry forward to cover these costs
Awatoto Trunk Main	582,471	228,666	(353,805)	<(100)%	500,000	612,471	[9]	Works higher than budget due to site conditions. The shortfall will be funded by savings within overall Council budgets
<b>Total Capital Expenditure</b>	<b>1,205,308</b>	<b>1,263,991</b>	<b>58,683</b>	<b>5%</b>	<b>2,796,000</b>	<b>2,846,888</b>		

## Recreation

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### Sportsgrounds

Sportsgrounds are provided throughout the City to cater for a range of recreational and sporting needs.

- 15 sports parks (213 hectares)
- Major facilities – McLean Park Complex, Park Island, Nelson Park and Tareha Recreation Reserve

### Napier Aquatic Centre

A comprehensive aquatic facility including and indoor heated 5 lane 25m pool, 6 lane 25m pool, 15m learner's pool, 2 toddler pools, 2 spa pools and 2 water slides. In addition, the centre provides educational, fitness and recreational programmes, and a range of outdoor activities including water jets and toys, a flying fox, barbeque areas, shaded areas, and general playground facilities.

### Marine Parade Pools

A complex of four heated outdoor pools and five spa pools managed under contract.

### Reserves

A range of park facilities providing a network of open spaces and formal gardens of a high standard throughout the City.

- 36 neighbourhood parks, 46 greenbelt reserves, 9 foreshore reserves and 9 public gardens
- A target of 75 square metres recreational reserves per residential lot

### Inner Harbour

An area of wharves and catwalks in Ahuriri providing 98 berths for commercial and recreational vessels, and popular for recreational fishing.

### Bay Skate

Skate areas including rink, ramps and bowls catering for all roller sports disciplines.



## Recreation Performance Summary

### Napier Aquatic Centre

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Napier Aquatic Centre accredited as meeting Poolsafe standards.	Achieved.	Achieved	Achieved	100%	◆	
Water quality adherence rate to NZ Water Treatment Standards 5826:2000.	100%	98%	100%	93%	◆	

### Reserves

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Number of city-wide Playground equipment safety audits undertaken annually	6	8	24	16 inspections 1 annual audit	◆	

### Inner Harbour

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
The depth of the navigational channels are maintained to a minimum depth of 2.4m at the lowest tide (source: depth sound checks)	Achieved	Achieved	Achieved	Achieved	◆	

**Performance Indicators** - ◆ - Achieved    ◆ - In progress and on target    ◆ - Within 10%    ◆ - Not achieved, greater than 10%

## Recreation Financial Summary

	Actual	Year To Date Revised Budget	Variance	%	Annual Budget	Forecast	Notes	Comment
<b>Operating Surplus</b>								
<b>Revenue</b>								
Sportsgrounds	361,299	466,449	(105,151)	(23)%	1,238,900	1,189,103	[1]	Decrease in both income and expenditure due to lower number of events
Napier Aquatic Centre	509,411	446,512	62,899	14%	901,700	1,022,300	[2]	Higher number of admissions than anticipated
Marine Parade Pools	30,685	31,000	(315)	(1)%	50,000	49,685		
Reserves	94,439	109,705	(15,266)	(14)%	381,500	1,290,205	[3]	Year end forecast includes \$840k Rotary donation for cycleway project
Inner Harbour	317,241	299,002	18,239	6%	312,000	333,667		
Bay Skate	95,717	52,902	42,815	81%	147,130	187,417	[4]	Higher number of admissions than anticipated
<b>Total Revenue</b>	<b>1,408,792</b>	<b>1,405,570</b>	<b>3,222</b>	<b>0%</b>	<b>3,031,230</b>	<b>4,072,377</b>		
<b>Expenditure</b>								
Sportsgrounds	1,954,787	2,101,997	147,210	7%	4,313,550	3,939,904	[5]	Decrease in both income and expenditure due to lower number of events
Napier Aquatic Centre	1,332,346	1,308,240	(24,106)	(2)%	3,060,518	3,061,787	[6]	YTD variance is offset by higher revenue from admissions
Marine Parade Pools	129,426	136,350	6,924	5%	242,700	281,260		
Reserves	2,011,545	2,103,273	91,728	4%	4,413,411	4,564,093	[7]	Payroll budget transfer from Asset Administration
Inner Harbour	298,791	294,702	(4,089)	(1)%	1,203,415	1,361,836	[8]	\$130k unfavourable depreciation due to asset revaluation
Bay Skate	219,144	179,166	(39,978)	(22)%	358,301	441,513	[9]	\$43k unfavourable depreciation due to asset revaluation
<b>Total Expenditure</b>	<b>5,946,038</b>	<b>6,123,728</b>	<b>177,690</b>	<b>3%</b>	<b>13,591,895</b>	<b>13,650,392</b>		
<b>Net Operating Surplus/(Deficit)</b>	<b>(4,537,246)</b>	<b>(4,718,158)</b>	<b>180,912</b>	<b>4%</b>	<b>(10,560,665)</b>	<b>(9,578,015)</b>		

## Recreation Financial Summary (continued)

	Actual	Year To Date Revised Budget	Variance	%	Annual Budget	Forecast	Comment
<b>Capital Expenditure</b>							
<b>Sportsgrounds</b>							
McLean Park Player Facility Upgrade	-	15,000	15,000	100%	30,000	30,000	[10] Project timing to be finalised
McLean Park Returf	551	1,000	449	45%	851,000	851,000	
Sportsgrounds IAR	41,416	32,000	(9,416)	(29)%	575,000	584,416	
Sportsgrounds Infrastructure	-	1,950,000	1,950,000	100%	2,411,000	2,411,000	[11] No work was carried out in the first two quarters of the financial year due to re-turfing of McLean Park, however budget is expected to be met at year end
Park Island Expansion	4,086	250,666	246,580	98%	2,000,000	4,086	[12] Awaiting plan change before commencement and project has been re-scheduled in LTP
Multi Use Sports Facility	-	-	-	n/a	3,180,000	-	[13] Council decision not to proceed. Future requirements are being determined in LTP process
S/G Development	25,316	114,333	89,017	78%	1,180,000	1,180,000	[14] No work was carried out in the first two quarters of the financial year due to re-turfing of McLean Park, however budget is expected to be met at year end
<b>Napier Aquatic Centre</b>							
Aquatic Centre I.A.R	99,574	22,500	(77,074)	<(100)%	130,000	130,000	[15] Timing of work completed in first 6 months
<b>Reserves</b>							
I.A.R	118,335	60,000	(58,335)	(97)%	800,000	800,000	[16] YTD unfavourable variance relates to costs related to the Swan Memorial project repairs. Budget is expected to be met at year end
Reserves Vested Assets	-	-	-	n/a	102,000	102,000	
Passive Recreation Reserves	-	-	-	n/a	725,900	250,000	
Replace Playground Equipment	5,450	28,002	22,552	81%	56,000	61,450	[17] Timing variance that will correct by year end
Urban Growth Stage 1 - Reserves	-	-	-	n/a	456,200	-	
Destination Playground	162,162	10,000	(152,162)	<(100)%	2,148,000	2,148,000	[18] Project progressed further than anticipated in the first two quarters of the financial year
Hardinge Road Erosion	-	-	-	n/a	320,000	320,000	
Tree Planting Programme	47,243	34,998	(12,245)	(35)%	70,000	82,245	[19] Planting completed ahead of schedule
Whakarire Ave Rock Revetment	21,103	19,000	(2,103)	(11)%	500,000	21,103	
Ahuriri Estuary Master Plan	467,079	400,000	(67,079)	(17)%	400,000	467,079	[20] Due to additional work required on Humber Street Toilets, the shortfall will be met by Public Toilets IAR
Anderson Park Upgrade	-	-	-	n/a	772,000	772,000	
War Memorial and Eternal Flame	10,043	9,000	(1,043)	(12)%	-	51,043	
Kent Terrace to Tironui Pathway	10,267	-	(10,267)	n/a	-	900,000	[21] Projects funded by donation from Rotary which was not included in the Annual Plan
<b>Inner Harbour</b>							
Inner Harbour Facilities Renewals	39,445	7,500	(31,945)	<(100)%	15,000	140,000	[22] Urgent works identified following condition survey
Boat Ramp	-	-	-	n/a	-	-	
<b>Bay Skate</b>							
Napier Skate Park Development	227,675	200,000	(27,675)	(14)%	-	227,675	[23] Council have approved to carry forward funding from prior year



## Social & Cultural

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### Libraries

Libraries offer free-to-all services. With 34,000 members services include recreational, educational, historical, genealogical, cultural and current affairs material in multi-media forms; together with online facilities, reading and digital literacy programmes for all ages, and community outreach. Napier City Council has two libraries one located in Napier City and another in Taradale.

### Napier Municipal Theatre

The Art Deco heritage building in Tennyson Street provides modern theatre facilities for local, national and international live theatre, performing arts, exhibitions, and other community functions and events. The auditorium has a seating capacity of 993. Other features include the Pan Pac Foyer for exhibitions, functions and conferences, bar and catering facilities, and a Ticketing Box Office.

### MTG Hawke's Bay (Museum Theatre Gallery Hawke's Bay)

The MTG Hawke's Bay is located on the corner of Tennyson Street and features museum and gallery spaces, a theatre, archives and a small retail area. MTG Hawke's Bay's exhibition, education and public programmes interpret and share the region's history through the Hawke's Bay Museums Trust's (HBMT) regional collection. It has spaces to host a variety of performances, films, lectures, and other events. MTG Hawke's Bay cares for the HBMT collection under a management agreement with the HBMT, a Council Controlled Organisation (CCO) jointly funded by Napier City Council and Hastings District Council.

### Community Strategies

Development of strategies and policies, community engagement, support and advice to the community sector, distribution of community grants, encouraging a safer community, youth development and delivery of a range of programmes, projects and events are the main components of this area. Our grants support and encourage community and voluntary organisations to address social issues in Napier.

### Halls

Council provides six casual hire community halls with a range of facilities for recreational, community or leisure activities at affordable prices.

### Retirement and Rental Housing

Retirement and rental flats are provided for people with special housing needs, low assets, and low income. Council housing officers provide support to our retirement flat tenants through regular visits. Council flats are in high demand with the average occupancy rate exceeding 97%.

304 retirement flats in 9 villages - mostly 1 bedroom

72 rental flats in 3 villages - mostly 2 bedrooms

### Cemeteries

Council has six cemeteries; four operational and two historic. Operating cemeteries include comprehensive areas for burials, ash interments, and ash scattering. The recently restored historic cemeteries ensure their historical and cultural significance is preserved. Records are available for genealogical enquiries. The crematorium for the Hawke's Bay region, located in Hastings, is owned and operated by Hastings District Council.

### Public Toilets


45 Public toilet facilities are provided in key areas of the city generally related to tourism, recreation and shopping activities. Facilities are cleaned and inspected at least daily with the emphasis on hygiene, safety, discouragement and removal of graffiti.

### Emergency Management


The Hawke's Bay Civil Defence Emergency Management Group coordinates the delivery of emergency management policies, planning and services as a region. Council provides funding to ensure the needs of Napier Emergency Management are met.

## Social & Cultural Performance Summary





### Libraries

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Percentage of library members who are active borrowers (in 24 month period - card use only)	25%	27%	39%	31%		With the announcement of the Library Building being Earthquake prone at 15% NBS we saw a reduction of active borrowers and a further drop with the closure of the Library on Station 22nd December
Number of programme sessions delivered for all ages per year	284	445	330	946		

### Napier Municipal Theatre

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Qualmark 4.5 star rating maintained	Achieved	Achieved	Achieved	Achieved		




### MTG Hawke's Bay

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Visitor numbers per year for all users (source: door counter)	21,249	39,536	120,000	127,923		Entry fees were removed from Monday 2 October 2017
Minimum number of new exhibitions per annum	2	3	5	7		
Percentage of teachers satisfied with school experience	100%	100%	80%	100%		
Number of students participating in a learning experience outside the classroom (LEOTC) programme at MTG	1,332	942	6,000	6,252		




## Social & Cultural Performance Summary (continued)

### Community Planning

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Number of local community events coordinated per year	8	14	50	50		
Number of community training and network meeting facilitated per year	4	7	20	23		
Percentage of attendees satisfied with community training and networking meetings	100%	97%	96%	98%		

### Halls

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Percentage community hireage for halls directly managed by Council	97%	95%	85%	93%		

### Retirement and Rental Housing

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Village Coordinators available during normal working hours and on call for emergencies after hours	100%	100%	100%	100%		
Inspections per unit per year Retirement Flats - fortnightly Rental Flats - annually	100% fortnightly Annual 25%	100% fortnightly Annual 25% YTD	100%	100%		
Occupancy rate - Retirement	99%	100%	97%	99%		
Occupancy rate - Rental	100%	100%	98%	100%		



## Social & Cultural Performance Summary (continued)

### Cemeteries

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Percentage of time that the online cemetery records system is operational throughout the year	98%	98%	90%	98%	◆	
Interment and Burial spaces are available on request	100%	100%	100%	100%	◆	

### Public Toilets

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Percentage of council-managed public toilets cleaned at least daily	100%	100%	100%	100%	◆	

**Performance Indicators** - ◆ - Achieved    ◐ - In progress and on target    ◑ - Within 10%    ◒ - Not achieved, greater than 10%

## Social & Cultural Financial Summary

	Actual	Year To Date Revised Budget	Variance	%	Annual Budget	Forecast	Notes	Comment
<b>Operating Surplus</b>								
<b>Revenue</b>								
Libraries	73,867	103,071	(29,204)	(28)%	301,800	295,775	[1]	Income reduction due to building move
Municipal Theatre	209,532	302,282	(92,750)	(31)%	532,500	497,930	[2]	Reduction in events run in first 6 months
MTG Museum Theatre	664,090	720,146	(56,056)	(8)%	1,448,298	1,281,083	[3]	Reduction in income due to removal of admission charge
Community Strategies	95,601	118,494	(22,893)	(19)%	269,000	161,605		
Halls	13,315	14,437	(1,122)	(8)%	27,100	25,978		
Retirement and Rental Housing	1,258,594	1,164,078	94,516	8%	2,328,170	2,422,686	[4]	Higher level of occupancy
Cemeteries	171,241	157,389	13,852	9%	285,300	299,152		
Public Toilets	5,022	7,002	(1,980)	(28)%	14,000	12,020		
Emergency Management	1,243	-	1,243	n/a	-	1,243		
<b>Total Revenue</b>	<b>2,492,507</b>	<b>2,586,899</b>	<b>(94,392)</b>	<b>(4)%</b>	<b>5,206,168</b>	<b>4,997,474</b>		
<b>Expenditure</b>								
Libraries	1,642,566	1,767,217	124,651	7%	3,494,486	3,442,704		
Municipal Theatre	649,839	584,310	(65,529)	(11)%	1,168,558	1,208,355	[5]	Timing of maintenance expenditure in first 6 months
MTG Museum Theatre	2,108,104	2,252,429	144,325	6%	4,539,271	4,487,164	[6]	Maori Advisor now servicing wider Council requirements, leading to reduced costs for MTG
Community Strategies	1,003,319	1,074,190	70,871	7%	1,999,934	2,086,645		
Halls	175,862	139,008	(36,854)	(27)%	354,708	350,629	[7]	YTD includes air conditioning replacement, moved to renewals
Retirement and Rental Housing	1,288,138	1,145,853	(142,285)	(12)%	2,457,813	2,965,234	[8]	\$500k unfavourable depreciation, offset by \$100k favourable rental income
Cemeteries	376,944	387,248	10,304	3%	757,300	744,817		
Public Toilets	447,548	458,214	10,666	2%	916,423	909,299		
Emergency Management	284,517	259,217	(25,300)	(10)%	524,226	569,894		
<b>Total Expenditure</b>	<b>7,976,837</b>	<b>8,067,686</b>	<b>90,849</b>	<b>1%</b>	<b>16,212,719</b>	<b>16,764,741</b>		
<b>Net Operating Surplus/(Deficit)</b>	<b>(5,484,330)</b>	<b>(5,480,787)</b>	<b>(3,543)</b>	<b>(0)%</b>	<b>(11,006,551)</b>	<b>(11,767,267)</b>		

## Social & Cultural Financial Summary (continued)

	Actual	Year To Date Revised Budget	Variance	%	Annual Budget	Forecast		Comment
<b>Capital Expenditure</b>								
<b>Libraries</b>								
Library Renewals	-	5,502	5,502	100%	11,000	11,004		
Library Stock	122,660	180,004	57,344	32%	400,000	354,948	[9]	Transfer of budget from capital to opex to cover the library strategy that is currently underway
Robson Collection Expenditure	-	498	498	100%	1,000	996		
Napier Library Revelopment	0	-	(0)	n/a	-	-		
Library Minor Capital	-	4,998	4,998	100%	10,000	10,000		
<b>Municipal Theatre</b>								
NMT Renewals	12,911	24,000	11,089	46%	80,000	80,000		
Minor Capital Items	-	-	-	n/a	40,000	40,000		
<b>MTG Hawkes Bay</b>								
Building Redevelopment	96,066	241,000	144,934	60%	483,385	201,566	[10]	Funds to be carried over to next year
Century Theatre Upgrade	-	-	-	n/a	-	-		
Minor Capital	4,000	25,000	21,000	84%	50,000	50,020		
<b>Halls</b>								
Halls Renewals	-	-	-	n/a	60,000	100,611	[11]	Taradale Hall air conditioning replacement \$44k
<b>Retirement and Rental Housing</b>								
Retirement Minor Capital Projects	5,469	57,800	52,331	91%	231,200	231,200	[12]	Timing variance only
Retirement Minor Capital Items	4,911	-	(4,911)	n/a	-	4,911		
Rental Minor Capital Projects	-	10,500	10,500	100%	21,000	-		
<b>Cemeteries</b>								
Infrastructure Asset Renewal	21,638	10,000	(11,638)	<(100)%	200,000	200,000	[13]	More work has been carried out than was budgeted for in the first two quarters of the financial year. Budget expected to be met by year end
Western Hills Extension	13,300	-	(13,300)	n/a	347,000	347,000	[14]	Work commenced ahead of schedule
Cemeteries Infrastructure	-	21,264	21,264	100%	63,800	42,536	[15]	Revised timing of renewal programme and included in LTP
<b>Public Toilets</b>								
Infrastructure Asset Renewal	11,451	9,000	(2,451)	(27)%	160,000	162,451		
New Toilet Programme	1,255	19,500	18,245	94%	39,000	39,000	[16]	Less work was carried out than budgeted in the first two quarters of the financial year
<b>Total Capital Expenditure</b>	<b>293,660</b>	<b>609,066</b>	<b>315,406</b>	<b>52%</b>	<b>2,197,385</b>	<b>1,906,242</b>		



## City Activities

### City Business and Promotion

- Council is collaboratively working to implement the Regional Economic Development Strategy
- Council is developing a Napier specific Economic Development Strategy to align with the City Vision Strategy
- Council promotes Napier via support for the three Business Associations, Art Deco Trust and other organisations
- Council maintains strong sister-city relations for Tomakomai (Japan), Lianyungang (China) and Victoria (Canada).

### Napier Conference Centre

The Napier Conference Centre is a multi-functional facility, located on the beach front along Marine Parade, consisting of a ballroom, an exhibition hall, a gallery and a number of breakout rooms. It includes a kitchen and back of house area, technical (audio-visual) equipment, and conference furniture and fittings. The facility is considered to be one of Hawke's Bay's premium conference facilities and hosts local, national and international events.

### National Aquarium of New Zealand

The National Aquarium of New Zealand is a centre that is open to the public seven days a week and provides education, entertainment and cultural experience, located at the southern end of Napier's Marine Parade. Services provided include general admissions to the public, conservation projects, education programmes, tours, swimming with the sharks, photograph opportunities, sleepovers, birthday parties, functions, special events, retail souvenir sales and a café.

### Napier i-SITE Visitor Centre

Napier i-SITE Visitor Centre, is located centrally on Napier's Marine Parade in the heart of the tourist zone. Belonging to the national i-SITE network, it is a significant source of information for visitors to Hawke's Bay, both domestic and international, as well as locals. It plays a vital role in the promotion of Napier as a destination and the assets of the city and surrounding areas.

### Par2 MiniGolf

Par2 MiniGolf, located on Marine Parade, consists of two 18-hole courses and a clubhouse. Complementing the city's tourism activities, this facility provides a conduit to the Napier i-SITE and promotes sport and recreation activity. Services include group rates, family passes and hireage for special events

### Kennedy Park Resort




Kennedy Park Resort, located on Storkey Street, covers approximately 5.7 hectares of land and includes 91 rooms, 170 powered and non-powered sites, as well as a restaurant, bar, conference facility, children's playground, commercial laundry, service buildings, a shop, and a heated pool complex. It holds Qualmark Gold five and four plus star awards for the standard of its park facilities and accommodation.

## City Activities Performance Summary

### City and Business Promotion

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Economic impact of events funded under the Council's event's policy	Three events supported with a total economic impact of \$2.1m these events were NZ Secondary School Hockey and Football tournament and HB Spring Carnival.	13 events supported with a total economic impact of \$2.7m.	Increasing trend	24 events with a total impact of \$12.5 million. Major events: Horse of the Year, HB Marathon, Iron Maori and National Optimists Championships		The main events were Harcourts HB Arts Festival, Court in the Bay Netball Tournament, Regional U13 Basketball Tournament, Waka Ama NZ Long Distance Nationals, Food and Wine Classic, Iron Maori, and NZ Secondary School Track Field & Road Championships

### Napier Conference Centre

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Maintain Qualmark Venue 4.5 star rating.	Achieved	Achieved	Achieved	Achieved		
Percentage of customers satisfied with Napier Conference Centre experience	95%	92%	90%	97%		
Number of national and international hires	102 hires, 37 of which were internal Napier City Council hires	80	280	63 (Open 3 months end March to end June)		

### National Aquarium of NZ

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Qualmark venue rating maintained	Qualmark Gold	Qualmark Gold	Achieved	Achieved		
Percentage of customers satisfied with Aquarium experience (source: customer survey)	93%	85%	80%	94%		
Number of visitors	35,709	42,311	120,000	144,476		

## City Activities Performance Summary (continued)

### Napier i-SITE Visitor Centre

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Qualmark venue rating/ i-SITE membership maintained	Achieved	Achieved	Qualmark Enviro Silver	Qualmark Enviro Silver maintained	◆	
Percentage of customers satisfied with i-SITE Visitor Centre experience	90%	90%	80%	95%	◆	
Visitor numbers per annum	24,147	67,020	245,000	243,208	◆	

### Par 2 MiniGolf

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Qualmark membership maintained	Qualmark Bronze	Qualmark Bronze	Qualmark Enviro Silver	Qualmark Enviro Silver maintained	◆	Bronze is the highest level we can attain under revised requirements
Percentage of customers satisfied with Par 2 MiniGolf experience	85%	87%	90%	85%	◆	
Visitor Admissions per annum	6,716	12,539	42,000	46,191	◆	

### Kennedy Park Resort

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Qualmark ratings maintained	Achieved	Achieved	Qualmark Enviro Gold	Achieved Holiday Park 5 Star, Motel 4+ Star	◆	
Percentage of customers satisfied with Kennedy Park experience	90%	86%	80%	87%	◆	
Room nights per annum	6,171	8,659	25,000	30,108	◆	

Performance Indicators - ◆ - Achieved    ◆ - In progress and on target    ◆ - Within 10%    ◆ - Not achieved, greater than 10%



## City Activities Financial Summary

	Actual	Year To Date Budget	Variance	%	Annual Budget	Forecast	Notes	Comment
<b>Operating Surplus</b>								
<b>Revenue</b>								
City and Business Promotion	204,571	183,464	21,107	12%	288,800	332,471		
Napier Conference Centre	1,009,656	949,405	60,251	6%	1,212,000	1,518,269	[1]	Catering revenue favourable
National Aquarium of NZ	1,140,319	977,996	162,323	17%	2,314,300	2,491,303	[2]	Increase in admission numbers
Napier i-SITE Visitor Centre	289,209	320,732	(31,523)	(10)%	712,500	696,956		
Par 2 MiniGolf	163,330	174,161	(10,831)	(6)%	389,200	378,369		
Kennedy Park	1,523,408	1,351,821	171,587	13%	3,449,500	3,651,695	[3]	Increase in number of bookings
<b>Total Revenue</b>	<b>4,330,494</b>	<b>3,957,579</b>	<b>372,915</b>	<b>9%</b>	<b>8,366,300</b>	<b>9,069,064</b>		
<b>Expenditure</b>								
City and Business Promotion	945,073	1,014,425	69,352	7%	2,440,802	2,560,145		
Napier Conference Centre	1,248,706	1,138,170	(110,536)	(10)%	1,989,675	2,098,524	[4]	Increased catering expenses are offset by increased catering revenue
National Aquarium of NZ	1,454,411	1,673,882	219,471	13%	3,312,778	3,066,764	[5]	Cost efficiencies throughout activity
Napier i-SITE Visitor Centre	447,175	496,824	49,649	10%	1,004,846	980,836		
Par 2 MiniGolf	122,943	133,753	10,810	8%	290,490	251,820		
Kennedy Park	1,368,642	1,258,301	(110,341)	(9)%	2,733,092	2,821,596	[6]	Higher expenses related to higher bookings (offset by increased revenue)
<b>Total Expenditure</b>	<b>5,586,951</b>	<b>5,715,355</b>	<b>128,404</b>	<b>2%</b>	<b>11,771,683</b>	<b>11,779,685</b>		
<b>Net Operating Surplus/(Deficit)</b>	<b>(1,256,457)</b>	<b>(1,757,776)</b>	<b>501,319</b>	<b>29%</b>	<b>(3,405,383)</b>	<b>(2,710,622)</b>		

## City Activities Financial Summary (continued)

	Actual	Year To Date Revised Budget	Variance	%	Annual Budget	Forecast	Comment
<b>Capital Expenditure</b>							
<b>City and Business Promotion</b>							
Minor Capital Items	8,800	8,800	-	0%	-	8,800	
<b>Napier Conference Centre</b>							
WMCC Upgrade	-	-	-	n/a	-	-	
Minor Capital Items	27,409	30,000	2,591	9%	60,000	105,909	[7] Replacement of grease trap and air handling cooling system funded through Tourism Fund
<b>National Aquarium of NZ</b>							
Aquarium Renewals	-	-	-	n/a	45,000	45,000	
East Coast LAB Build	-	-	-	n/a	25,000	25,000	[8] Chiller replacement design work
Minor Capital Items	50,731	49,000	(1,731)	(4)%	75,000	75,000	
<b>Par2</b>							
Par2 MiniGolf Renewals	26,390	55,000	28,611	52%	75,000	73,390	
Minor Capital Items	-	12,000	12,000	100%	18,000	16,000	
<b>Napier i-SITE Visitor Centre</b>							
Minor Capital Items	-	19,998	19,998	100%	40,000	38,333	
<b>Kennedy Park</b>							
Kennedy Park Renewals	86,028	60,000	(26,028)	(43)%	120,000	121,028	
Minor Capital Items	38,790	-	(38,790)	n/a	180,000	180,000	
<b>Total Capital Expenditure</b>	<b>238,295</b>	<b>234,798</b>	<b>(3,497)</b>	<b>(1)%</b>	<b>638,000</b>	<b>688,607</b>	

## Planning & Regulatory

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The Planning and Regulatory Group provides services in the areas of animal control, building consents, resource consents, planning policy, environmental health and parking.

The Council's planning and urban development work includes strategic urban planning, enabling controlled building activity and land use, assessing risks from earthquake prone buildings and managing the risks that come from food and liquor premises, noise and domestic animals.

The planning and regulatory group is responsible for all aspects of strategic planning for Council. Strategies guide Council in thinking through what we want to achieve and how we will achieve it. This articulates the vision of the community by identifying the key issues and priorities; understanding where we are now, where we want to get to, and how we get there, including what Council's contribution and role should be; articulating how we will deliver our contribution (strategies, policies, plans and action); and measuring our performance - have we achieved our goals?

We promote the development and use of the natural and built environment of the city in a way that focuses on Napier being a compact, vibrant, attractive city that is sustainable and true to its historical past.

This is done in collaboration with our businesses and communities through the City Vision strategy to ensure development is well managed, in conjunction with the District Plan and Legislation (RMA, and Building Act). A key focus is efficient resource and building consenting service.

The Council manages the built environment in conjunction with central and local government, businesses, local communities and individuals. Our work involves partnerships across the board with homeowners wanting to build or renovate; with developers who want to grow and create opportunities in the city; with businesses who want to thrive; and with each individual who lives, works, visits and enjoys our city. We strive to create a city in which creativity and innovation flourish, and an environment that enables business activity that supports artistic and cultural endeavours and celebrates the identities of the city's many communities.

Our role includes making Napier a safe place to work and live, encouraging responsible dog ownership and education and responding to safety related concerns about animals, vermin, hygiene and hazardous substances. We have a role in regulating food and liquor premises to ensure personal safety in Napier and to deter unhealthy food preparation practices.

Council provides 2,623 public parking spaces in the CBD and 393 in Taradale Shopping Centre as well as parking in the smaller commercial areas of the city, with long and short term spaces providing parking to meet reasonable public expectations. Monitoring and enforcement of parking bylaws ensures equitable use.



## Planning & Regulatory Performance Summary

### Planning Policy

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
District Plan changes comply with legal requirements	All appeals from Plan Change have been resolved and comply with the legal requirements	3 Private plan changes lodged with NCC. Mission Plan change adopted by NCC and publicly notified 7 February. Airport noise plan change and airport business park plan change are both on hold after NCC has requested further information. NCC Park Island plan change publicly notified. 9 submissions received and will be processed according to RMA Schedule 1.	Achieved	No District Plan changes were processed in 2016/17. There is only one point of appeal still unresolved from past changes.	◆	



### Regulatory Consents

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Percentage of Land Information Memorandums to be processed within the statutory time frame of 10 working days.	100% (67 out of 67) of LIM's were processed within 10-working days at an average of 7-working days	100% (100 out of 100) of LIM's were processed within 10-working days at an average of 7-working days	100%	100% (365) of LIM's processed within 10-working days at an average of 7-working days	◆	
Percentage of resource consents processed within statutory timeframes and discount regulations	100% (67 out of 67) of Resource Consents were processed within statutory time frames at an average of 15-working days (32 subdivision & 35 Land use consents)	100% (71 out of 71) of Resource Consents were processed within statutory time frames at an average of 15-working days	100%	97% (217 out of 224) of non-notified Resource Consents (land use & subdivision) were processed within statutory timeframes at an average of 16-working days. 100% (1 out of 1) notified Resource Consents was processed within statutory timeframe	◆	
Percentage of complaints investigated within 3 days.	100% (four out of four) of received complaints were responded to within 3-working days	100% (11 out of 11) of complaints received were responded to within 3-working days	100%	100% of complaints (12 out of 12) responded to within 3-working days	◆	


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## Planning & Regulatory Performance Summary (continued)


### Building Consents





Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Audit 20% of all buildings requiring building warrants of fitness registered from owners of buildings subject to a compliance schedule	4%	9%	20%	24.91%		13% year to date
Maintain Building Consent Authority (BCA) accreditations.	Accreditation maintained	Accreditation maintained	Achieved	accreditation maintained		
Percentage of building consents processed within statutory time frame of 20 working days	99% processed within 20 working days (288 out of 292)	98% processed within 20 working days (221 out of 225)	100%	99% processed within 20 working days (1,101 out of 1,113)		Different procedural errors on 4 building consents
Percentage of code of compliance certificates processed within statutory timeframe of 20 working days	100% processed within 20 working days (291 out of 291)	99% processed within 20 working days (182 out of 183)	100%	100% processed within 20 working days (1,000 out of 1,000)		Status error on 1 code compliance certificate

### Environmental Health

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Percentage of food premises inspected twice per year (including re-checking) and non-food premises inspected once per year.	100%	100%	100%	100%		

### Animal Control

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Percentage of complaints responded to within target timeframe (urgent: 2 days, other: 5 days)	95%	97%	100%	85%		

Performance Indicators -  - Achieved  - In progress and on target  - Within 10%  - Not achieved, greater than 10%

## Planning & Regulatory Financial Summary

	Actual	Year To Date Revised Budget	Variance	%	Annual Budget	Forecast	Notes	Comment
<b>Operating Surplus</b>								
<b>Revenue</b>								
Planning Policy	5,217	-	5,217	n/a	-	5,217		
Regulatory Consents	176,793	150,138	26,655	18%	345,000	371,655	[1]	Higher number of consents issued
Building Consents	665,641	636,690	28,951	5%	1,363,000	1,411,907		
Environmental Health	207,938	170,053	37,885	22%	333,400	399,283	[2]	Increase in Liquor Licence income
Animal Control	538,968	572,350	(33,382)	(6)%	629,700	626,320		
Parking	1,141,595	1,206,411	(64,816)	(5)%	2,437,500	2,439,352		
<b>Total Revenue</b>	<b>2,736,152</b>	<b>2,735,642</b>	<b>510</b>	<b>0%</b>	<b>5,108,600</b>	<b>5,253,734</b>		
<b>Expenditure</b>								
Planning Policy	604,332	686,892	82,560	12%	1,345,796	1,367,164	[3]	YTD expenses under budget due to timing of District Plan review and City Vision expenses
Regulatory Consents	474,997	474,150	(847)	(0)%	948,302	972,439		
Building Consents	1,175,070	937,822	(237,248)	(25)%	1,887,880	2,096,358	[4]	Unbudgeted \$150k legal fees
Environmental Health	372,747	372,736	(11)	(0)%	768,450	781,676		
Animal Control	398,379	443,735	45,356	10%	887,452	854,673	[5]	Actual expenditure is under budget due to vacant staff positions at beginning of financial year which are now filled
Parking	898,218	859,903	(38,315)	(4)%	1,720,030	1,764,299	[6]	Increase is mainly due to the buy back of the car park lease at Riddell Street (funded from Parking reserve)
<b>Total Expenditure</b>	<b>3,923,742</b>	<b>3,775,238</b>	<b>(148,504)</b>	<b>(4)%</b>	<b>7,557,910</b>	<b>7,836,608</b>		
<b>Net Operating Surplus/(Deficit)</b>	<b>(1,187,590)</b>	<b>(1,039,596)</b>	<b>(147,994)</b>	<b>(14)%</b>	<b>(2,449,310)</b>	<b>(2,582,874)</b>		



## Planning & Regulatory Financial Summary (continued)

	Actual	Year To Date Revised Budget	Variance	%	Annual Budget	Forecast		Comment
<b>Capital Expenditure</b>								
<b>Building Consents</b>								
Property Information Electronic Document Management	159,016	126,000	(33,016)	(26)%	474,000	474,000	[7]	Work commenced ahead of schedule
<b>Animal Control</b>								
Complex Shelter & Office	9,384	10,002	618	6%	20,000	19,382		
Stock Control Equipment	-	2,502	2,502	100%	5,000	2,498		
Animal Control New Vehicle	1,781	-	(1,781)	n/a	-	1,781		
<b>Parking</b>								
Alternative Transport Parking Provision	-	15,000	15,000	100%	30,000	30,000		
Parking Security Upgrade	-	-	-	n/a	-	35,000		
Minor Capital Items	-	10,002	10,002	100%	20,000	20,000		
Parking Equipment Replacement	-	15,000	15,000	100%	30,000	27,500		
Additional CBD Parking	685,096	850,000	164,904	19%	3,880,000	685,096	[8]	CBD Parking options being reviewed as part of city parking strategy
<b>Total Capital Expenditure</b>	<b>855,277</b>	<b>1,028,506</b>	<b>173,229</b>	<b>17%</b>	<b>4,459,000</b>	<b>1,295,257</b>		

## Property Assets

### Lagoon Farm

Lagoon Farm spans 306ha, however only 249ha are actively farmed. There are no longer any farming activities carried out on the 57ha of land to the south of Prebensen Drive. This is planned for ongoing residential and future Sportsgrounds development.

Part of the farmed area has been zoned for a future business park. This zoning includes the area occupied by the existing woolshed, yards and farm sheds.

### Parklands Residential

The Council's Parklands Residential Development on 120 hectares of former Lagoon Farm land will provide over 300 residential sections for sale during the period 2017-2022. The rate of residential development will be driven by market demand.

### Property Holdings

Leasehold Land Portfolio:

Investment Property Portfolio = 76

Residential = 19

This business unit is responsible for the management of leases and licences that have been established for parks, reserves, sportsgrounds, roads, commercial, industrial, and residential properties. The majority of leases within the Leasehold Land Portfolio are perpetually renewable. It is also responsible for asset management advice relating to all major Council buildings.



## Property Performance Summary

### Parklands Residential Development

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Number of sections sold and developed	nil	24 sections sold; not yet fully signed-off for building.	100	54		Completion delayed by bad weather and some additional works, which is delaying final inspections, and issuing of "as-builts"

### Property Holdings

Performance Measures	First Quarter	Second Quarter	Target 2017/18	Actual 2016/17	Performance Indicator	Performance Measure Comment
Independent review of Council's investment portfolio completed regularly (every 3-5 years) including consideration of average rate of return	In progress	A review of the Portfolio is being carried out and consulted on as part of the 2018 LTP	Review to be carried out	Review to be carried out as part of the 2018-28 LTP process		
Buildings comply with Building Act and Health & Safety Act and hold current warrant of fitness certificates	100%	100%	Achieved	100%		

Performance Indicators - - Achieved - In progress and on target - Within 10% - Not achieved, greater than 10%



## Property Financial Summary

	Actual	Year To Date Revised Budget	Variance	%	Annual Budget	Forecast	Notes	Comment
<b>Operating Surplus</b>								
<b>Revenue</b>								
Lagoon Farm	454,665	295,000	159,665	54%	610,000	562,604	[1]	Some livestock held back from last year and sold this year for improved prices
Property Holdings	1,655,433	1,631,867	23,566	1%	3,133,200	3,064,366		
<b>Total Revenue</b>	<b>2,110,098</b>	<b>1,926,867</b>	<b>183,231</b>	<b>10%</b>	<b>3,743,200</b>	<b>3,626,970</b>		
<b>Expenditure</b>								
Lagoon Farm	386,999	353,114	(33,885)	(10)%	686,217	561,750		
Property Holdings	1,098,435	672,284	(426,151)	(63)%	936,566	1,440,797	[2]	Increased expenditure due to office leases, asset condition assessments and consultancy costs relating to asbestos review and investment strategy (funded from Parklands)
<b>Total Expenditure</b>	<b>1,485,434</b>	<b>1,025,398</b>	<b>(460,036)</b>	<b>(45)%</b>	<b>1,622,783</b>	<b>2,002,547</b>		
<b>Net Operating Surplus/(Deficit)</b>	<b>624,664</b>	<b>901,469</b>	<b>(276,805)</b>	<b>(31)%</b>	<b>2,120,417</b>	<b>1,624,423</b>		
<b>Capital Expenditure</b>								
<b>Lagoon Farm</b>								
Minor Capital Items	18,195	-	(18,195)	n/a	-	23,195		
<b>Property Holdings</b>								
Property Purchase	-	-	-	n/a	1,500,000	-		
Council Chambers Demolition	-	-	-	n/a	500,000	-		
Civic Building Upgrade	1,859,268	450,000	(1,409,268)	<(100)%	-	2,079,268	[3]	Approved funding for relocation of staff as a result of earthquake prone buildings
<b>Total Capital Expenditure</b>	<b>1,877,463</b>	<b>450,000</b>	<b>(1,409,268)</b>	<b>&lt;(100)%</b>	<b>2,000,000</b>	<b>2,102,463</b>		

## Support Units

Council has a number of cost centres of a corporate or support nature. These cost centres provide the technical and support services necessary for the function of Council's activities.

Costs of the support services are reallocated to activities either as overheads based on the support each activity receives, or recharged direct on a usage basis. Support Services include the Services Depot, which provides support for the Utilities and Reserves divisions including a store and mechanical workshop. Design Services provides scientific and technical services to other Council departments ensuring the community receives engineering services of maximum quality and safety.



## Support Units Financial Summary

	Actual	Year To Date Revised Budget	Variance	%	Annual Budget	Forecast	Notes	Comment
<b>Net Operating Surplus/(Deficit)</b>								
Asset Administration	107,060	(45,805)	152,865	>100%	-	154,492	[1]	Favourable variance due to timing of filling vacant positions
Building Maintenance	2,694	(4)	2,698	>100%	-	4,910		
Business Excellence and Transformation	(85,701)	(14,002)	(71,699)	<(100)%	(250,000)	(161,836)	[2]	Timing variance to be offset by favourable variance in Chief Executive
Cafeteria	(5,550)	-	(5,550)	n/a	-	(5,560)		
Chief Executive	587,451	17,606	569,845	>100%	-	449,253	[3]	Revised labour provision, includes an allowance for the minimum wage increase
Communications & Marketing	(24,462)	(4,995)	(19,467)	<(100)%	-	(28,899)		
Community Development Admin	1,026	(36,051)	37,077	>100%	-	(49,131)	[4]	Maori Advisor now servicing wider Council requirements, leading to costs transferred from MTG
Corporate I.T.	(107,889)	(41,695)	(66,194)	<(100)%	-	(198,220)	[5]	IT requirements as a result of unplanned office relocations due to earthquake prone buildings
Corporate Services Management	(20,136)	(1)	(20,135)	<(100)%	-	(18,781)	[6]	Pool vehicle expenses
Corporate Support	(0)	-	(0)	n/a	-	-		
Council	50,265	58,523	(8,258)	(14)%	-	26,175	[7]	LGA Fee budget transfer to CE
Design & Draughting	(168,868)	(153,401)	(15,467)	(10)%	-	(440,740)	[8]	Budget correction partially offset by favourable variance in Project Management
Environmental Solutions	135,001	37,509	97,492	>100%	-	13,147	[9]	Favourable variance due to multiple initiatives planned for the second half of the financial year
Finance	71,302	88,578	(17,276)	(20)%	106,820	406,969	[10]	Favourable interest income due to the timing of capital expenditure
People and Capability	34,824	(32,713)	67,537	>100%	-	70,293	[11]	\$78k underspend in training
Mechanical Services	10,639	16	10,623	>100%	-	6	[12]	Labour recoveries \$10k better than budget
Parks Operations	(63,454)	59	(63,513)	<(100)%	-	0	[13]	Margin on labour lower than budgeted, but to be improved in next two quarters
Planning Support Services	64,848	(16,159)	81,007	>100%	-	55,907	[14]	\$60k underspend in planning technology
Plant and Vehicles	423,481	239,136	184,345	77%	478,275	564,656	[15]	Review of depreciation, fuel prices, and asset purchases in progress
Project Management	(50,576)	327,153	(377,729)	<(100)%	-	96,270	[16]	Vacancies have impacted on the planned level of charges to projects
Property Support	(754,432)	(780,320)	25,888	3%	-	(9,728)		
Services Administration	226,283	9	226,274	>100%	-	6,633	[17]	Favourable labour variance
Stores	35,532	13	35,519	>100%	-	35,519	[18]	Gross margin better than budget
Utilities Operations	(46,602)	(174,341)	127,739	73%	-	(13,089)	[19]	Provision of 3 water connections significantly higher than expected
<b>Total Net Operating Surplus/(Deficit)</b>	<b>422,737</b>	<b>(530,885)</b>	<b>953,622</b>	<b>&gt;100%</b>	<b>335,095</b>	<b>958,246</b>		



## Support Units Financial Summary (continued)

	Actual	Year To Date Revised Budget	Variance	%	Annual Budget	Forecast	Comment
<b>Capital Expenditure</b>							
<b>Chief Executive</b>							
Minor Capital Items	1,206	-	(1,206)	n/a	70,000	1,206	
<b>Corporate I.T.</b>							
Software Replacement & Upgrade	2,389	20,502	18,113	88%	41,000	41,000	
Replace Terminals, PC's and Printers	5,563	-	(5,563)	n/a	50,000	50,063	
Corporate IT Network	-	6,498	6,498	100%	13,000	13,087	
Minor Capital Items	-	-	-	n/a	50,000	-	
<b>Finance</b>							
Finance Lease Minor Capital Items	369,206	415,000	45,794	11%	810,000	1,128,206	[20] \$300k IT projects approved by Council to be funded from 16/17 year end surplus
<b>Plant and Vehicles</b>							
P & V Renewal Purchases	552,569	573,332	20,763	4%	900,000	899,789	
<b>Design</b>							
Minor Capital Items	-	15,000	15,000	100%	30,000	7,000	
<b>Total Capital Expenditure</b>	<b>930,932</b>	<b>1,030,332</b>	<b>99,400</b>	<b>10%</b>	<b>1,964,000</b>	<b>2,140,350</b>	

## Rates & Special Funds Financial Summary

	Actual	Year To Date Revised Budget	Variance	%	Annual Budget	Forecast	Notes	Comment
<b>Operating Surplus</b>								
<b>Revenue</b>								
Rates	32,852,876	32,715,498	137,378	0%	38,817,424	38,948,898		
Special Funds	1,007,607	1,668,721	(661,114)	(40)%	2,789,600	1,331,607	[1]	Movement to of NZTA funding to Roothing activity \$1.6m
<b>Total Revenue</b>	<b>33,860,483</b>	<b>34,384,219</b>	<b>(523,736)</b>	<b>(2)%</b>	<b>41,607,024</b>	<b>40,280,505</b>		
<b>Expenditure</b>								
Rates	62,423	42,204	(20,219)	(48)%	84,400	268,799		
Special Funds	(56,000)	(55,998)	2	0%	(1,969,402)	(2,569,004)		
Loans	(1,030,700)	(1,033,200)	(2,500)	(0)%	-	2,500		
<b>Total Expenditure</b>	<b>(1,024,277)</b>	<b>(1,046,994)</b>	<b>(22,717)</b>	<b>2%</b>	<b>(1,885,002)</b>	<b>(2,297,705)</b>		
<b>Net Operating Surplus/(Deficit)</b>	<b>34,884,760</b>	<b>35,431,213</b>	<b>(546,453)</b>	<b>(2)%</b>	<b>43,492,026</b>	<b>42,578,210</b>		

