



**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 2 April 2019

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Time: 3.00pm

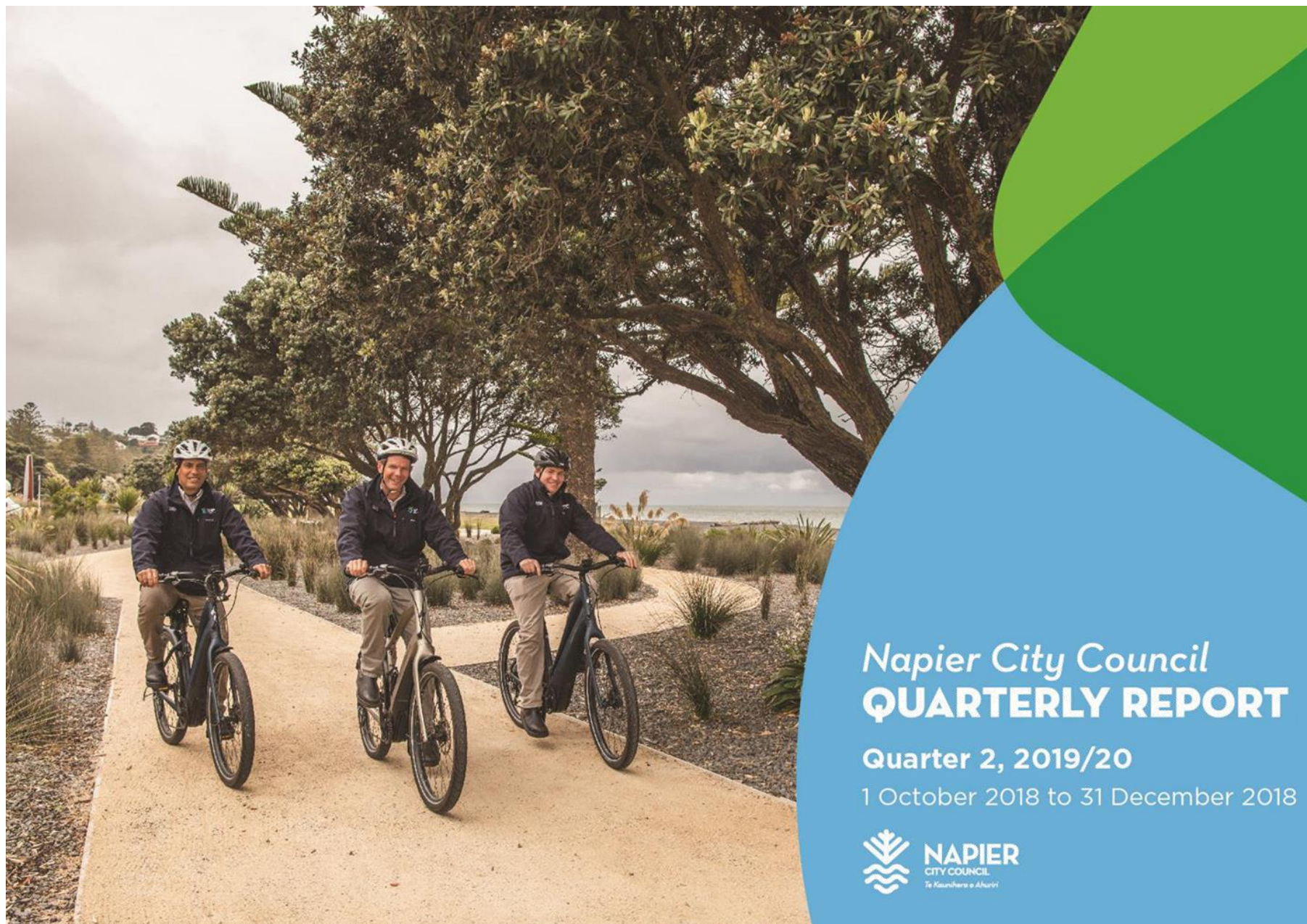
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Venue: Graeme Lowe Stand Corporate Lounge 2  
McLean Park  
Latham Street  
Napier

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# Quarterly Report

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*This report summarises the Council's progress in the second quarter of 2018/19 towards fulfilling the intentions outlined in the Annual Plan. Quarterly performance is assessed against Income, Total Operating Expenditure, Capital Expenditure and Key Performance Measures.*

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## Financial Performance Snapshot

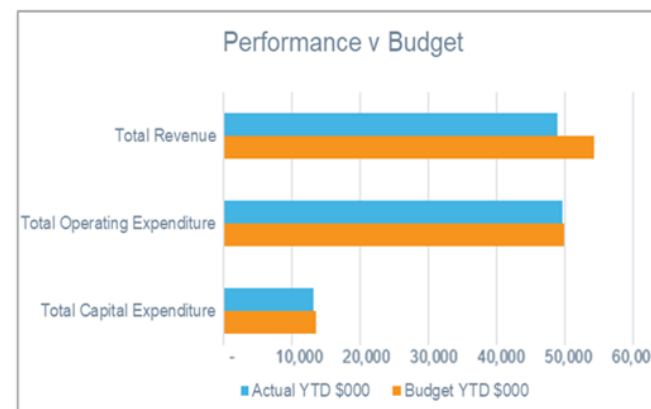
The year to date net operating loss of \$780k is \$5.2m behind the budgeted surplus of \$4.4m.  
This unfavourable variance is attributable to a combination of factors as outlined below.

**Revenue:** Year to date total revenue is below budget by \$5.4m

1. Other revenue is \$6.4m lower than budget. This is due to a reduced number of section sales at Parklands, due to delays resulting from a plan change. The release of future sections will be accelerated where possible.
2. Favourable rates revenue and finance income accounts for \$160k of the variance due to higher than expected growth in the rating base and interest income increases due to the timing of capital expenditure.
3. Favourable subsidies and grants accounts for \$870k of the variance due to an increase in subsidised works being undertaken.

**Expenditure:**

1. Other expenditure is \$780k below budget mainly due lower than anticipated development costs arising from delays to the plan change which have impacted on Parkland section sales.
2. Employee benefit expense is higher than budget due to annual step and grade increases and budgeting errors (corrected for 2019/20).
3. Depreciation is higher than budget due to a higher than anticipated value of assets capitalised in the prior year and an increase in value for investment property.



Net Operating	Year to Date to Dec 2018				Full Year	
	Actual	Revised Budget	Variance *	% Variance	Revised Budget	Annual Plan
<b>Revenue</b>						
Rates Revenue	28,181	28,053	128	0%	56,104	56,104
Finance Revenue	994	963	32	3%	1,925	1,925
Contributions	97	14	83	>100%	2,851	2,851
Subsidies and Grants	3,196	2,326	870	37%	8,098	8,098
Other Revenue	16,342	22,738	(6,396)	(28)%	50,466	50,299
Other gains/losses	70	155	(85)	(55)%	1,076	1,076
	48,880	54,248	(5,368)	(10)%	120,520	120,353
<b>Expenditure</b>						
Employee Benefit Expense	17,485	16,809	(676)	(4)%	35,823	35,785
Depreciation and Amortisation	12,519	11,895	(624)	(5)%	23,791	23,791
Other Operating Expenses	19,685	20,461	776	4%	47,655	45,688
Share of associate surplus/deficit	-	-	-		(344)	(344)
Offsetting Expenditure	(29)	680	709	>100%	(0)	(0)
	49,660	49,845	185	0%	106,925	104,920
<b>Net Operating</b>	<b>780</b>	<b>(4,402)</b>	<b>(5,182)</b>	<b>&lt;(100)%</b>	<b>(13,595)</b>	<b>(15,434)</b>

\* Variance Key  
Favourable / Underspent  
Unfavourable / Overspent





## Service Performance Snapshot

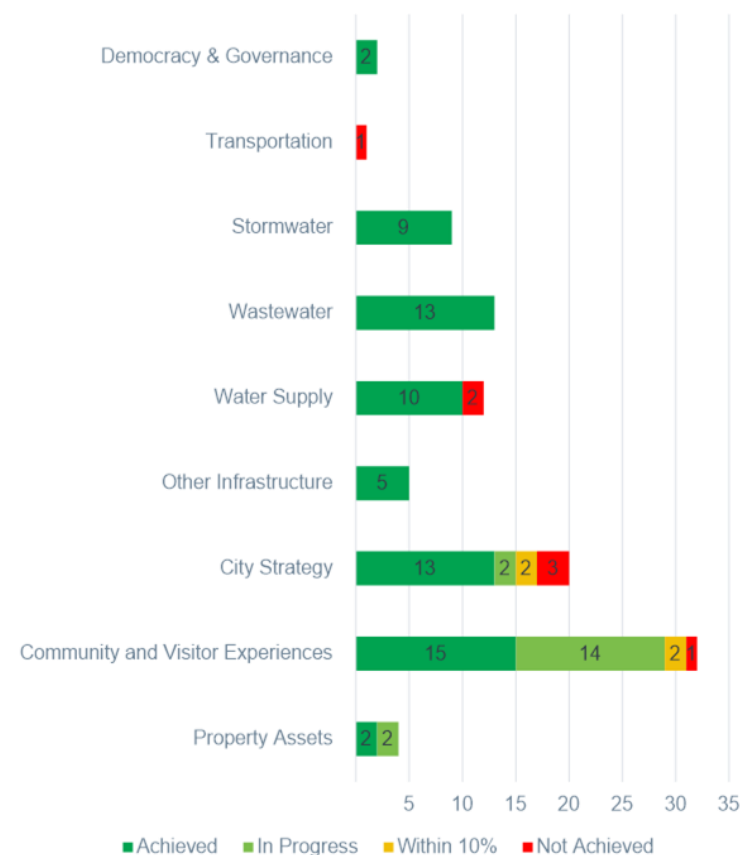
### Key Highlights

- Anderson Park playground was named as the winner of the 2018 New Zealand Recreation Association (NZRA) Outstanding Park Award. The award is a reflection of all the hard work by a dedicated group of people that went into its design and construction.
- Public feedback has been sought on designs for the War Memorial located at the Napier War Memorial Centre site on the Marine Parade, where the name plaques and perpetual flame will be reinstated.
- On December 12<sup>th</sup> the Library Strategy was adopted by council. Over the last few months we have refined the thoughts, ideas and initiatives that have come together through much public and internal consultation into a document that sets out our key objectives. We now move from planning into action, firstly by progressing the site selection for a new CBD library and setting goals for the team that enable us to achieve the strategy's aspirations.
- Council reached a decision to allow retailers of Napier City the option of trading on Easter Sunday.
- The Hastings Street Redevelopment project was completed which included the paving beautification project, along with traffic calming measures in lower Shakespeare Road. The aim to create a more pedestrian-friendly environment for shoppers and visitors in downtown Napier.
- A digital hub for students opened in the Napier CBD. A collaboration between EIT, Napier City Council and University of Waikato provides students with space to work on projects that are either part of their degree requirements or summer research scholarship assignments.
- Napier City Council and other Territorial Local Authorities in Hawke's Bay have engaged outside parties to complete a review of the Hawkes Bay region's Three Infrastructure Waters. The outcomes for the review have been defined as
  - safe and reliable drinking water
  - better environmental performance
  - efficient and sustainable water services
  - achieving these aims in ways that our communities can afford their water bills.
- Pre-engagement on the District Plan Review with the general public and key stakeholders is underway using video, social media, newspaper ads, billboards and popups, and closed on 8th February 2019. The feedback is being sought on the preliminary strategic direction endorsed by Councillors in late 2018.
- Council's first accreditation assessment under the new MBIE regulations was conducted in November 2018 and resulted in a very positive outcome. It is expected that accreditation will be maintained pending the clearance of a small number of minor non-compliances.

### Key Performance Measures

This quarter, 89% of key performance indicators (87 of 98) 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>	
<b>Bank</b>			
Westpac	AA-	3.42%	7,000,000
ANZ	AA-	3.47%	20,000,000
SB	AA-	3.50%	13,000,000
NZ	AA-	3.51%	19,000,000
Kiwibank	A	N/A	0
			59,000,000
<b>Total Investments as at 31 December 2018</b>			<u><u>\$59,000,000</u></u>

#### Maturity Profile of Investments

Term	Percentage	Lower Limit	Upper Limit	Within Limits
0 - 6 months	72.9%	30%	80%	Yes
6 - 12 months	27.1%	20%	70%	Yes
1 - 3 years	0.0%	0%	50%	Yes
3 - 5 years	0.0%	0%	20%	Yes

Term deposits are set to mature on known dates when large creditors payments, including tax obligations, will occur. With banks now imposing strict rules and punitive interest penalties on the early breaking of term deposits, council puts first priority on structuring its investments to cover anticipated cashflow requirements within the following 12-month period. Term deposit interest rates beyond 12 months are only marginally higher than those for up to 12 months.

#### 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)	3.37%	12/10/2018
Term Deposits (highest)	3.72%	14/12/2018

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

	Amount	Average Rate
Call Deposits	0	0.00%
Term Deposits	59,000,000	3.49%
	<u><u>\$59,000,000</u></u>	
Weighted Average Interest Rate as at 31 December 2018		3.49%
Benchmark Average Interest Rate as at 31 December 2018		2.03%

(Benchmark = average 6-month 'BKBM' rate of today and 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
	<u><u>\$0</u></u>	
	\$0	N/a
Average interest rate of loans raised year-to-date		N/a
Total external loans raised year-to-date		Nil
Balance of external loans likely to be raised in the current		Nil



Cumulative Quarterly Graphs

Figures shown in thousands (\$,000)

Total Revenue



Total Operating Expenditure







# Cumulative Quarterly Graphs

Figures shown in thousands (\$,000)





## Activity Group Financial Summary

Figures are shown in thousands (\$,000)

Net Operating Expenditure	Year to Date Dec 2018				Year End		
	Actual	Revised Budget	Variance *	% Variance	Revised Budget	Annual Plan	Variance*
City Strategy	1,861	1,362	(499)	(37)%	5,034	3,868	(1,166)
Community and Visitor Experiences	11,072	10,962	(110)	(1)%	21,309	21,159	(150)
Democracy and Governance	1,766	1,766	-		3,532	3,532	-
Other Infrastructure	1,653	1,340	(313)	(23)%	1,849	1,849	0
Property Assets	489	(3,289)	(3,777)	<(100)%	(8,171)	(8,957)	(786)
Rates and Special Funds	(21,626)	(21,507)	119	1%	(44,279)	(44,117)	162
Stormwater	2,059	2,221	161	7%	3,744	3,744	-
Support Units	(1,221)	(1,797)	(577)	(32)%	(1,219)	(1,119)	100
Transportation	4,315	4,349	34	1%	4,410	4,410	-
Wastewater	146	165	18	11%	461	461	(0)
Water Supply	266	25	(240)	<(100)%	(263)	(263)	(0)
<b>Net Operating Expenditure</b>	<b>780</b>	<b>(4,402)</b>	<b>(5,182)</b>	<b>&lt;(100)%</b>	<b>(13,595)</b>	<b>(15,434)</b>	<b>(1,839)</b>

### \* Variance Key

Favourable / Underspent  
Unfavourable / Overspent

Figures are shown in thousands (\$,000)

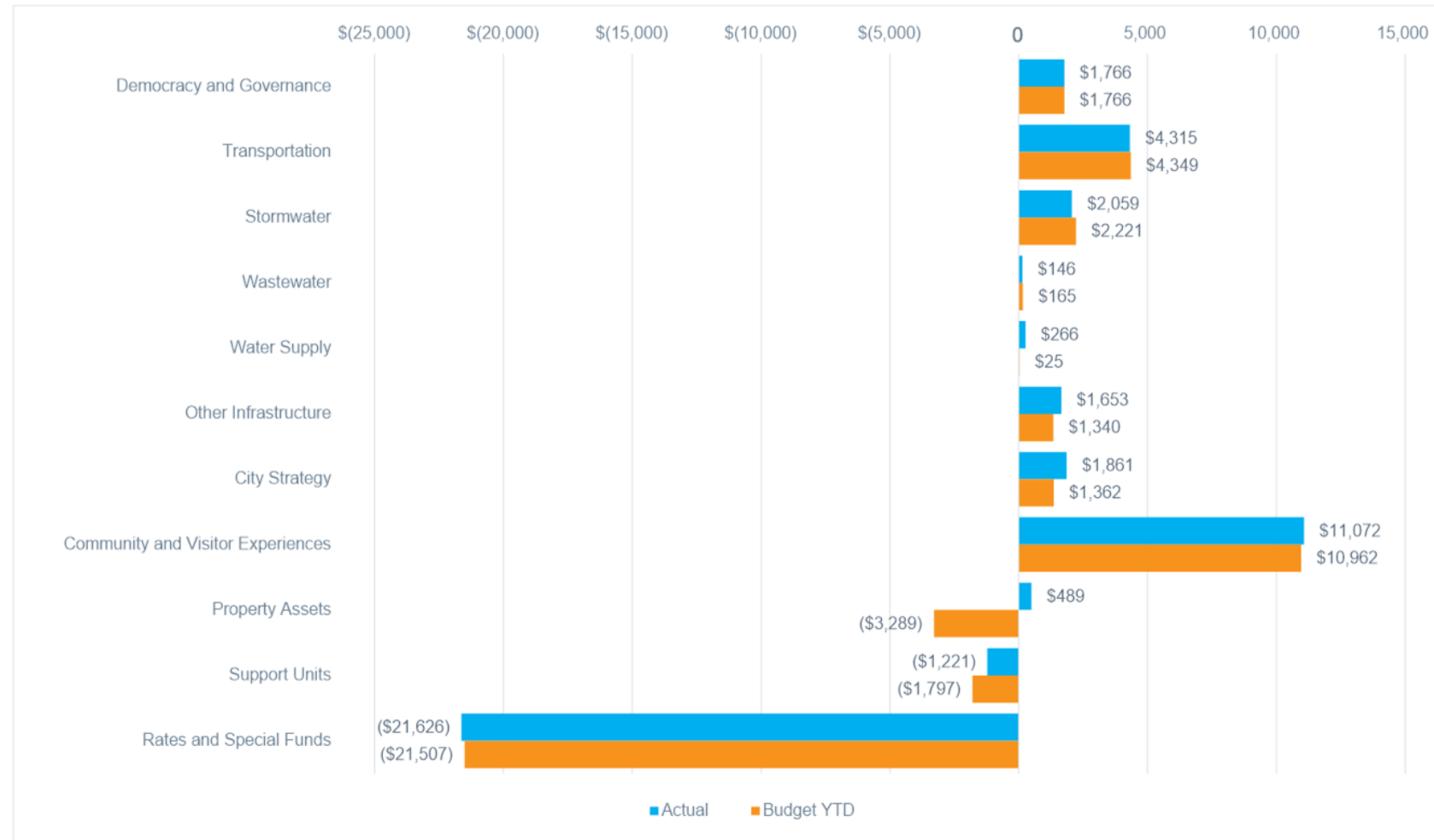
Capital	Year to Date to Dec 2018				Year End		
	Actual	Revised Budget	Variance *	% Variance	Revised Budget	Annual Plan	Variance*
City Strategy	140	145	5	3%	647	647	-
Community and Visitor Experiences	4,524	5,501	977	18%	16,308	14,255	(2,053)
Other Infrastructure	235	198	(37)	(19)%	1,921	1,827	(94)
Property Assets	78	40	(38)	(95)%	2,105	2,105	-
Stormwater	615	407	(208)	(51)%	2,267	2,093	(174)
Support Units	654	1,052	0.4	38%	2,781	2,434	(347)
Transportation	5,116	4,492	(624)	(14)%	12,289	12,079	(210)
Wastewater	866	842	(24)	(3)%	2,711	2,661	(50)
Water Supply	461	784	322	41%	3,580	3,107	(473)
<b>Total Capital Expenditure</b>	<b>12,689</b>	<b>13,461</b>	<b>771</b>	<b>7%</b>	<b>44,608</b>	<b>41,208</b>	<b>(3,400)</b>
<b>Asset Sales</b>	<b>(643)</b>	<b>-</b>	<b>643</b>		<b>-</b>	<b>-</b>	<b>-</b>





## Summary Net Operating Expenditure of Activity Groups

Figures shown in thousands (\$,000)





## Activity Group Detail

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*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 2018-28 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.*

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

1. A vibrant innovative city for everyone
2. Excellence in infrastructure and public services for now and in the future
3. A sustainable city
4. Council works with and for the community
5. A safe and healthy city that supports community well-being



## Democracy & Governance

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Council's Democracy and Governance Activity provides a democratic and consultative system for governance and decision making. The activity encompasses the management of:

- the Council meeting and decision making process
- local elections
- responses to official information requests

Napier City Council elections are held triennially and it comprises:

- 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
- The Council has no Maori Wards or Community Boards.

Council governance function is delivered through a structure of Standing Committees, Joint Committees, Specialist and Sub-Committees and Council Controlled Organisations (CCO). The Local Governance Statement (available on the website) provides information on this structure and the processes through which Napier City Council engages with the residents of Napier, how the Council makes decisions, and how citizens can participate.

The overall aims are:

- To ensure the City is developed in a sustainable manner.
- To promote economic growth.
- To promote tourism.
- To foster a safe environment.
- To be a guardian of the City's assets and infrastructure.
- To engender pride in Napier

A fundamental role of Council is to represent the community, to receive and understand their views, make good decisions for the benefit of the community, and if appropriate explain Council reasoning behind a particular decision or policy, to those who might be interested.

Democracy and Governance stakeholders are all residents of Napier City and the wider region. Consultation with stakeholders is carried out in accordance with the Significance and Engagement Policy.

Council's Maori Consultative Committee provides Maori perspective across all Council business, through the review of Council and Standing Committee's open agendas. The Committee makes recommendations to the Council on these items or any other matters relevant to Council as it considers necessary.



## Democracy & Governance Performance Summary

Level of Service	Performance Measures	First Quarter	Second Quarter	Target 2018/19	Actual 2017/18	Indicator	Performance Measure Comment
Council holds regular Council and Council Committee meetings that are accessible and notified to the local community	Percentage of council meetings for which meeting agenda is made publicly available four <b>calendar</b> days (internally set) before the meeting date	100%	97%	100%	98%	◆	In October 2018, the Maori Committee agenda was 1 day late due to HB anniversary and InfoCouncil spec restrictions. This was one meeting of 30 for the quarter.
Council will comply with legislative requirements	Annual Reports and Long Term Plans receive 'unmodified' audit opinion	n/a this quarter	100%	100%	100%	n/a	On 30 October 2018, Council adopted the annual report.
Council will provide governance that is effective and transparent	Percentage of residents satisfied with the 'Sufficiency of Public Information' in the NRB Public Opinion Survey	End of Year Measure	End of Year Measure	75%	66%	n/a	
Council will respond to information requests in a timely manner	Number of LGOIMA requests responded to within statutory time frames	100%	100%	100%	New Measure	◆	

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

## Democracy & Governance Financial Summary

Net Operating Expenditure	Year to Date Dec 2018				Year End		Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan		
Revenue	-	-	-		-	-		
Expenditure	1,765,920	1,765,920	-		3,531,840	3,531,840		
Depreciation	-	-	-		-	-		
<b>Net Operating Expenditure</b>	<b>1,765,920</b>	<b>1,765,920</b>	<b>-</b>		<b>3,531,840</b>	<b>3,531,840</b>		

## Transportation

We own, maintain and develop 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; roads, footpaths, traffic and pedestrian bridges and structures, street 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.

Transportation corridors are a key element of the local environment, supporting the community and economy. It is essential that transportation continues to be delivered to an appropriate standard to achieve national, regional and NCC's strategic objectives and desired outcomes.

We provide the following to the City of Napier:

- 301km of urban roads and footpaths
- 56km of rural roads
- 45km of cycle paths
- 480km of kerb and channel
- 8,616 street lights
- 3,400 amenity lights
- 8 vehicle bridges
- 10 pedestrian bridges
- 61 culverts larger than 900mm in diameter
- 5,441 sumps and manholes
- 1,369 culverts less than 900mm in diameter
- 15,822m of traffic islands
- 9,555m safety barriers and railings
- 5,902 street trees
- 6,885 street signs
- 24 bus shelters



## Transportation Performance Summary

Level of Service	Performance Measures	First Quarter	Second Quarter	Target 2018/19	Actual 2017/18	Indicator	Performance Measure Comment
Provide roads well maintained with adequate lighting and cleaning programmes to meet resident expectations	Percentage residents satisfied (very satisfied and fairly satisfied) with "roads" in the NRB Public Opinion Survey	End of Year Measure	End of Year Measure	90%	87%	n/a	
Provide well maintained footpaths and cycleways to meet resident expectations	Percentage residents being satisfied (very satisfied or fairly satisfied) with "footpaths" in the NRB public opinion survey	End of Year Measure	End of Year Measure	84%	87%	n/a	
Design and construct safety improvements to minimize the number of injury crashes (Mandatory measure 1)	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	End of Year Measure	End of Year Measure	-1	-10	n/a	
Provide roads well maintained (Mandatory measure 2)	The average quality of ride on a sealed local road network, measured by smooth travel exposure.	End of Year Measure	End of Year Measure	>85%	93%	n/a	
Provide adequate renewal of road surfacing (Mandatory measure 3)	The percentage of the sealed local road network that is resurfaced annually	End of Year Measure	End of Year Measure	7%	3.4%	n/a	
Provide well maintained footpaths and cycleways (Mandatory measure 4)	Percentage of footpaths and cycleways rated 4 or 5 (rating 1 best to 5 worst) based on independent survey	End of Year Measure	End of Year Measure	≤1%	new measure	n/a	
The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the timeframe specified in the Ten Year Plan. (Mandatory measure 5)	Percentage responded to within 5 working days	74%	92%	90%	72%	◆	

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

## Transportation Financial Summary

Net Operating Expenditure	Year to Date Dec 2018				Year End		Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan		
Revenue	3,316,770	2,375,867	940,903	40%	9,260,584	9,260,584	[1]	Revenue above forecast due to 85% funding for LED lighting conversion.
Expenditure	4,483,891	3,676,292	(807,599)	(22)%	7,573,863	7,573,863	[2]	Additional cost resulting from pre-reseal digouts being undertaken earlier than forecast, contract escalations, road marking renewals completed ahead of forecast and higher than usual traffic signal maintenance needs.
Depreciation	3,147,544	3,048,420	(99,124)	(3)%	6,096,840	6,096,840		
<b>Net Operating Expenditure</b>	<b>4,314,665</b>	<b>4,348,845</b>	<b>34,180</b>	<b>1%</b>	<b>4,410,119</b>	<b>4,410,119</b>		

Capital	Year to Date to Dec 2018				Year End		Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan		
Roading Renewals	1,574,415	1,311,500	(262,915)	(20)%	4,322,251	3,876,988	[3]	Bulk purchase of LED luminaires occurred at start of financial year
N/S Roding Renewals	207,013	169,596	(37,417)	(22)%	589,738	1,035,000	[4]	Tree planting & replacement work ahead of schedule
Embankment Road Bridge	541,778	498,000	(43,778)	(9)%	498,000	187,000		
Bulk Funded Non-Subsidised	829,786	225,000	(604,786)	<(100)%	225,000	225,000	[5]	Watchman Road project costs have included several claims for work undertaken in 17/18 FY but invoiced late by NZTA.
CBD Development	1,290,591	1,048,728	(241,863)	(23)%	1,048,728	1,150,000	[6]	Contract commitments carried forward from 17/18 exceeded budget (including project management)
Intersection Improvement Projects	28,320	-	(28,320)		1,000,000	1,000,000		
Intersection Improvement Projects	24,600	25,000	400	2%	25,000	25,000		
Local Area Traffic Management Projects	36,297	75,000	38,703	52%	550,000	550,000	[7]	Delay in commencing work to enable coordination with wider community regeneration projects (Maraenui)
Bulk Funded Non-Subsidised	8,550	-	(8,550)		-	-		
Ahuriri Masterplan - Associated improvements	-	-	-		100,000	100,000		
Ground stabilisation and retaining wall	83,893	167,500	83,607	50%	250,000	250,000	[8]	Physical works to be tendered in Q3
Intersection Safety Improvement Projects	57,883	304,000	246,117	81%	1,055,000	1,055,000	[9]	Major component of this budget involves significant consultation and design development timeframes.
KiwiRail - Level Crossing	-	90,000	90,000	100%	90,000	90,000	[10]	Expenditure reliant on KiwiRail work programme.
Marine Parade Safety Improvements	18,670	50,000	31,330	63%	50,000	50,000	[11]	Physical works delayed until end of cruise ship season.
New Cycle and Walking Tracks	371,678	467,600	95,922	21%	700,000	700,000	[12]	Variance due to extended construction periods on preceding projects.
Public transport infrastructure	7,525	-	(7,525)		50,000	50,000		

Capital	Year to Date to Dec 2018				Year End		Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan		
School Zone Safety work	-	-	-		50,000	50,000		
Gifted/Vested Assets	-	-	-		1,175,000	1,175,000		
Puketitiri Road Upgrade	-	-	-		300,000	300,000		
Urban Corridor Improvement Projects	34,714	60,000	25,286	42%	210,000	210,000		
<b>Total Capital Expenditure</b>	<b>5,115,714</b>	<b>4,491,924</b>	<b>(623,790)</b>	<b>(14)%</b>	<b>12,288,717</b>	<b>12,078,988</b>		
<b>Asset Sales</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>		



## Stormwater

The Napier City Council operates a stormwater collection and disposal system that include both piped and open waterway components within the city to provide stormwater services to the public.

Council has a statutory responsibility to ensure stormwater is managed through ownership and management of its own stormwater drainage network. The Council is the only viable provider of this 'public good' service for the well-being of the community. Stormwater is a mandatory group of activities and must be included in the 30-year Infrastructure Strategy as an infrastructure asset.

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 Napier reliant on pumped systems for stormwater drainage.

We provide:

- 222km stormwater mains
- 46.4km open drains
- 10 pump stations
- 2 detention dams
- 4,818 manholes





## Stormwater Performance Summary

Level of Service	Performance Measures	First Quarter	Second Quarter	Target 2018/19	Actual 2017/18	Indicator	Performance Measure Comment
The Stormwater network adequately protects the health and safety of Napier residents and protects property by providing protection against flooding	Number of flooding events that occur per year (Mandatory measure 1)	Nil	Nil	≤1	none	◆	
	For each flooding event, the number of habitable floors affected per 1,000 properties (Mandatory measure 1)	Nil	Nil	≤1	none	◆	
	Median response time to attending a flood event (notification to personnel being on site) (Mandatory measure 3)	N/A	N/A	≤2 Hrs	no event	◆	
Stormwater is collected and disposed of in a manner that protects public and environmental health	Compliance with resource consents for discharge from the stormwater system as measured by the number of: (Mandatory measure 2)						
	a) Abatement notices	Nil	Nil	Nil	Nil	◆	
	b) Infringement notices	Nil	Nil	Nil	Nil	◆	
	c) Enforcement orders	Nil	Nil	Nil	Nil	◆	
Residents are satisfied with Council's Stormwater service	d) Convictions received in relation to stormwater resource consents	Nil	Nil	Nil	Nil	◆	
	Number of complaints received about performance of stormwater system (per 1,000 properties connected) (Mandatory measure 4)	0.92	1.36	≤5	4.2	◆	
	Percentage of residents satisfied with stormwater in the NRB Public Opinion Survey	End of year measure	End of Year Measure	89%	88%	n/a	

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

## Stormwater Financial Summary

Net Operating Expenditure	Year to Date Dec 2018				Year End		Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan		
Revenue	228,514	24,696	203,818	>100%	966,903	966,902	[1]	Unbudgeted income relating to work carried out for a third party, which offsets the over spend in the expenditure line below.
Expenditure	1,010,833	969,088	(41,745)	(4)%	2,158,277	2,158,276		
Depreciation	1,277,040	1,276,308	(732)	(0)%	2,552,616	2,552,616		
<b>Net Operating Expenditure</b>	<b>2,059,359</b>	<b>2,220,700</b>	<b>161,341</b>	<b>7%</b>	<b>3,743,990</b>	<b>3,743,990</b>		

Capital	Year to Date to Dec 2018				Year End		Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan		
Stormwater IAR	-	-	-		43,000	-		
Pump station minor replacements (mechanical)	6,517	12,000	5,483	46%	20,000	20,000		
SCADA minor replacements	17,972	15,000	(2,972)	(20)%	25,000	25,000		
Stormwater pump station electrical replacements	-	10,000	10,000	100%	20,000	20,000		
Upgrading Stormwater Catchments	214,622	-	(214,622)		119,000	-	[2]	Offset by additional income invoiced to third party
Thames/Tynes pipe and drain upgrades	-	-	-		50,000	50,000		
Plantation Drain	-	-	-		13,000	-		
Bay View Pump Station	-	-	-		200,000	200,000		
Drain Improvements	24,773	10,000	(14,773)	<(100)%	30,000	30,000		
CBD Stormwater Upgrade	61,222	-	(61,222)		-	-		
Te Awa Stormwater Pond	163,134	169,045	5,911	3%	169,045	163,388		
Ahuriri Master Plan stormwater study	-	10,000	10,000	100%	100,000	100,000		
SCADA upgrade project	13	-	(13)		100,000	100,000		
Taradale Stormwater Diversion	-	-	-		350,000	350,000		
Tennyson St outfall improvements	817	1,000	183	18%	250,000	250,000		
Upgrading Dalton St pump station	810	-	(810)		80,000	80,000		
Gifted Vested Assets	-	-	-		448,000	448,000		
Te Awa Stormwater Pond	-	-	-		-	6,612		
Construction of a hydraulic model and upgrades	125,150	180,000	54,850	30%	250,000	250,000	[3]	Work is in progress and expected to be completed by June 2019
<b>Total Capital Expenditure</b>	<b>615,030</b>	<b>407,045</b>	<b>(207,985)</b>	<b>(51)%</b>	<b>2,267,045</b>	<b>2,093,000</b>		
<b>Asset Sales</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>		

## Wastewater

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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.

Council provides:

- 44 pump stations
- 380km 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

Under the Local Government Act 2002, the Resource Management Act 1991 and the Building Act 2004, we are obliged to provide a sewerage service, which collects, transports and disposes of household wastewater. Council aims to protect human health and the environment and by being best placed, they can provide this 'public good' service. Wastewater is a mandatory group of activities and must be included in the 30-year Infrastructure Strategy as an infrastructure asset.

## Wastewater Performance Summary

Level of Service	Performance Measures	First Quarter	Second Quarter	Target 2018/19	Actual 2017/18	Indicator	Performance Measure Comment
The collection, reticulation and disposal of household wastewater in a manner that protects the environment and public health	System Adequacy - Dry weather overflows (per 1,000 connections) (Mandatory measure 1)	Nil	0.04	≤0.1	0.12	◆	
	Discharge compliance - Compliance with resource consents: (Mandatory measure 2)						
	a) Abatement Notices	Nil	Nil	Zero	0	◆	
	b) Infringement Notices	Nil	Nil	Zero	0	◆	
	c) Enforcement Orders	Nil	Nil	Zero	0	◆	
	d) Convictions	Nil	Nil	Zero	0	◆	
	Fault response time - Median response times to sewerage overflows: (Mandatory measure 3)						
	a) Attendance time from notification to staff on site	0.97 hr	55 minutes	≤2 hours	1.2 hours	◆	
Customer Satisfaction	b) Resolution time from receipt of notification to resolution	2.03 hr	2 hr 5 minutes	≤8 hours	2.55 hours	◆	
	Customer satisfaction with Napier's sewerage system. (Mandatory measure 4)						
	a) sewage odour	0.16	0.08		0.43	◆	
	b) sewerage system faults	0.12	0.31		0.87	◆	
	c) sewerage system blockages	0.28	2.76		5.59	◆	
	d) response to issues	3.58	-		0.59	◆	
	Total number of complaints per 1,000 connections	4.02	3.19	≤36	12.3	◆	

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

## Wastewater Financial Summary

	Year to Date Dec 2018				Year End			
Net Operating Expenditure	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan	Notes	Comments
Revenue	4,346,174	4,308,016	38,158	1%	9,167,743	9,167,743		
Expenditure	2,311,459	2,310,773	(686)	(0)%	5,305,048	5,305,047		
Depreciation	2,180,927	2,161,866	(19,061)	(1)%	4,323,732	4,323,732		
<b>Net Operating Expenditure</b>	<b>146,211</b>	<b>164,623</b>	<b>18,412</b>	<b>11%</b>	<b>461,037</b>	<b>461,036</b>		

	Year to Date to Dec 2018				Year End			
Capital	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan	Notes	Comments
Sewer Pipe Renewal	270,523	225,000	(45,523)	(20)%	250,000	250,000	[1]	Unbudgeted pipe renewal project (\$80,000) included in a stormwater project for financial efficiency
Milliscreen Renewal	86,490	80,000	(6,490)	(8)%	80,000	-		
Sewer Pump Station Renewal	277,701	268,000	(9,701)	(4)%	515,000	545,000		
Treatment Plant Renewal	37,024	90,000	52,976	59%	200,000	200,000	[2]	Project is behind the schedule but will be completed by May 2019
Wastewater Outfall IAR	62,922	36,000	(26,922)	(75)%	50,000	50,000		
SCADA Upgrade	46,295	40,000	(6,295)	(16)%	265,000	265,000		
Advanced Sewerage Treatment	2,551	-	(2,551)		-	-		
Construction of a hydraulic model	79,529	100,000	20,471	20%	100,000	100,000		
Flow metering	-	-	-		150,000	150,000		
Pandora Industrial Main	-	-	-		150,000	150,000		
Gifted/Vested Assets	-	-	-		401,000	401,000		
Guppy Rd pumping main installation	-	-	-		450,000	450,000		
Taradale Wastewater Diversion	3,200	3,200	-		100,000	100,000		
<b>Total Capital Expenditure</b>	<b>866,235</b>	<b>842,200</b>	<b>(24,035)</b>	<b>(3)%</b>	<b>2,711,000</b>	<b>2,661,000</b>		

<b>Asset Sales</b>	-	-	-		-	-		
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## Water Supply

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Council provides a water supply system for the supply of safe potable water as well as for firefighting purposes. Water drawn from the Heretaunga Plains aquifer and treated via chlorination prior to being distributed through the network of reservoirs and pipelines. Water is reticulated to the Napier urban area and to Bay View. Council has a programme in place to manage the usage of water, a precious natural resource, to minimise wastage and shortages.

We provide the following to the city of Napier:

- 10 ground water and 8 booster pump stations
- 11 service reservoirs situated on 8 sites
- 482km of water mains (47km of critical mains and 435km of distribution mains)
- 93% of Napier's population is serviced by reticulation system

Under the Local Government Act 2002, Council has an obligation to continue to provide water supply services to those communities already serviced within our territorial boundaries. Under the Health (Drinking Water) Amendment Act 2007, Council must protect public health by maintaining the quality of drinking-water provided to communities. Water supply is a mandatory group of activities and must be included in the 30 year Infrastructure Strategy as an infrastructure asset. We are best placed to deliver this 'public good'.

The ongoing renewal, monitoring and maintenance of the Water Supply network are essential to ensure the Napier public's health and safety.





## Water Supply Performance Summary

Level of Service	Performance Measures	First Quarter	Second Quarter	Target 2018/19	Actual 2017/18	Indicator	Performance Measure Comment
Safeguard Public Health	Compliance with Part 4 criteria of the Drinking Water Standards (bacteria compliance criteria) (Mandatory measure 1)	Achieved	Achieved	Achieved	Not Achieved	◆	
	Compliance with Part 5 criteria of the Drinking Water Standards (protozoa compliance criteria) (Mandatory measure 1)	Achieved	Achieved	Achieved	Not Achieved	◆	
Management of Environmental Impacts	The percentage of real water losses from Council's networked reticulation system as determined through an annual water balance (Mandatory measure 2)	End of Year measure	End of Year Measure	≤22%	18.8%	n/a	
	Average annual consumption of drinking water per day per resident (Mandatory measure 5)	End of Year measure	End of Year Measure	≤490L	560L	n/a	
	Median response times from time notification received (Mandatory measure 3):						
	a) attendance time for urgent call outs	19 minutes	15 minutes	≤90 minutes	26 minutes	◆	
	b) resolution time for urgent call outs	1 hr 7 minutes	1 hr 30 minutes	≤6 hours	1 hr 12 minutes	◆	
	c) attendance for non-urgent call outs	4 hrs 50 minutes	1 hr 20 minutes%	≤8 hours	14 hours	◆	
	d) resolution time of non-urgent call outs	21 hrs 50 minutes	1 hr 10 minutes	≤72 hours	22 hours	◆	



Level of Service	Performance Measures	First Quarter	Second Quarter	Target 2018/19	Actual 2017/18	Indicator	Performance Measure Comment
Customer Satisfaction	Number of complaints relating to: (Mandatory measure 4)						
	a) drinking water clarity	5.16	435.0		30.42	◆	Not achieved due to high number of water clarity complaints. Maintenance and capital work programme will be implemented in the next 2 years to address this issue.
	b) drinking water taste	0.08	2.0		0.15	◆	
	c) drinking water odour	0.12	1.0		1.04	◆	
	d) drinking water pressure or flow	0.15	7.0		1.5	◆	
	e) continuity of supply	0.00	3.0		Nil	◆	
	Total number of complaints per 1,000 connections	14.98	34.7	≤2	33.11	◆	Not achieved due to high number of water clarity complaints. Maintenance and capital work programme will be implemented in the next 2 years to address this issue.
	Percentage of residents satisfied with Water Supply in the NRB Public Opinion Survey.	End of Year measure	End of Year Measure	89%	45%	n/a	

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

## Water Supply Financial Summary

Net Operating Expenditure	Year to Date Dec 2018				Year End		Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan		
Revenue	2,870,972	2,857,900	13,072	0%	6,282,395	6,282,395		
Expenditure	2,112,413	1,875,365	(237,048)	(13)%	4,003,344	4,003,342	[1]	Over expenditure is mainly due to additional proactive and reactive maintenance as a result of increased water clarity issues and maintenance of temporary chlorination units.
Depreciation	1,024,262	1,007,898	(16,364)	(2)%	2,015,795	2,015,795		
<b>Net Operating Expenditure</b>	<b>265,703</b>	<b>25,363</b>	<b>(240,340)</b>	<b>&lt;(100)%</b>	<b>(263,256)</b>	<b>(263,258)</b>		

Capital	Year to Date to Dec 2018				Year End		Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan		
IAR Pipes	14,414	64,000	49,586	77%	255,000	255,000	[2]	This project is implemented with Prebensen Dr roundabout replacement project. It is likely that the project will be delayed due to a funding shortage for the roundabout project
IAR Pump Stations	-	108,088	108,088	100%	108,088	110,000	[3]	Project is behind the schedule, but will be completed by June 2019
IAR Water Meters	2,079	2,000	(79)	(4)%	5,000	5,000		
Replacement of Enfield reservoir	-	-	-		50,000	50,000		
Thompson Reservoir Upgrade	16,327	100,000	83,674	84%	220,000	220,000	[4]	Behind the schedule, contract has been awarded. Physical work will commence in March 2019
Water Control System minor works	-	2,500	2,500	100%	5,000	5,000		
New Taradale Bore Field	-	40,000	40,000	100%	100,000	100,000	[5]	Behind the schedule. Physical works to commence in February 2019
Upgrade Water Supply Control System	2,515	65,000	62,485	96%	243,000	200,000	[6]	Design work commenced. It is likely that the project will run into next financial year.
Safe Drinking Water Initiatives	208,562	-	(208,562)		219,000	-		Urgent bore upgrades completed ahead of schedule

	Year to Date to Dec 2018				Year End			
Capital	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan	Notes	Comments
De-Chlorinated Station	-	-	-		66,000	66,000		
Dedicated water takes from hydrants	2,372	15,000	12,628	84%	95,000	95,000		
District Modelling Projects	42,326	12,000	(30,326)	<(100)%	150,000	150,000	[7]	Project is underway and will be completed by the year end
District Monitoring Project	706	15,000	14,294	95%	500,000	500,000		
Improve Bores	66,403	225,000	158,597	70%	250,000	250,000	[8]	Behind schedule. Planned work will be completed by June 2019
New Water Treatment Plant	-	-	-		200,000	200,000		
Optimise Church Rd booster pump station	-	10,000	10,000	100%	400,000	400,000		
Reservoir inlets and outlets improvements	-	15,000	15,000	100%	80,000	80,000		
Gifted/Vested Assets	-	-	-		221,000	221,000		
New Reservoir Taradale	28,434	-	(28,434)		213,000	-		
New bores in Awatoto	76,957	110,000	33,043	30%	200,000	200,000	[9]	Behind schedule. Planned work will be completed by June 2019
<b>Total Capital Expenditure</b>	<b>461,095</b>	<b>783,588</b>	<b>322,493</b>	<b>41%</b>	<b>3,580,088</b>	<b>3,107,000</b>		
<b>Asset Sales</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>		

## Other Infrastructure

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Activities in Other Infrastructure are:

- Waste Minimisation
- Cemeteries
- Public Toilets

### Waste Minimisation

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) – three times per week

Litter bins and drums are located throughout the city and serviced on a daily basis. Our Refuse Transfer Station at Redclyffe accepts most domestic, garden and building waste, and recyclables.

Council provides a kerbside recycling service for residential properties on a fortnightly schedule.

Currently Napier disposes of approximately 17,000 tonnes of refuse annually to the Omarunui landfill from the domestic collection, litter collection and the Transfer Station. The Omarunui Landfill is the final disposal point for waste generated by the combined populations of Hastings District and Napier City. The Hastings District and Napier City Councils jointly own the facility, (63.68% and 36.32% ownership respectively) and Hastings District Council manages the day-to-day operations.

The Waste Minimisation Act 2008 requires councils to adopt a Waste Management and Minimisation plan (WMMP), which must be reviewed every six years. A WMMP is council's waste management and minimisation planning document. The legislation enables councils to use various tools to influence, promote and implement measures to manage and minimise waste.

The Local Government Act 2002 requires Council to provide 'effective and efficient' waste management services. The Waste Minimisation Act 2008 requires us to reduce the environmental impact of waste in New Zealand by encouraging waste reduction. The continued provision of this service is essential to the health of Napier's community and maintaining high environmental standards. Council delivers this 'public good' service.

The main goals for Waste Minimisation are:

- To provide effective and efficient systems for the collection and disposal of refuse and collection of recyclable materials.
- To minimise the quantity and toxicity of waste being generated and disposed of in order to minimise adverse environmental, cultural, social and economic effects of refuse disposal

Over the 10-year life of the LTP, we will continue to deliver waste minimisation services.

The provision of additional litterbins in tourist areas and the increasing recreational facilities are driving an increased level of service in this activity. We are also facing a number of long-term issues to address, such as the reducing capacity of the Omarunui Landfill and challenging recycling commodities markets.

The landfill currently in use will be full by 2025 based on estimations. Together with the joint owner, the Hastings District Council, the Waste Futures study project investigated alternative waste disposal technologies. The result from this study is a decision to develop the landfill further, whilst focussing on diversion of recyclables and organic material. In summary, the alternative waste disposal technologies can have very high diversion rates but come at a higher cost and level of risk.

## Cemeteries

Napier City Council operates and maintains six cemeteries within the territorial boundary of the city. Several of the existing cemeteries within the city have significant historical value.

Hastings District Council owns and operates the crematorium for the Hawke's Bay region. There is also one private crematorium facility in the Onekawa industrial area.

There are no private cemeteries in the Napier City Council area.

Apart from catering to the legal needs and requirements relating to burials and interment of ashes, cemeteries also provide a tangible link to a region's past. Many of the old Napier cemeteries are now popular with visitors wishing to learn more about the history of a region's early residents and to those people undertaking genealogy research.

Council also provides an on line cemetery database allowing access to burial details.

## Public Toilets

Council provides and maintains public toilet facilities to meet the needs and demands of the community and visitors to the City. Currently the city has 45 operational public toilet facilities.

Public toilets are provided in key areas generally related to tourism (e.g. i-SITE Visitor Centre), recreation (both at sportsgrounds and passive recreation areas) and shopping activities (e.g. Dickens Street and Maraenui Shopping Centre). Council cleans and inspects facilities at least daily with the emphasis on hygiene, safety, discouragement and removal of graffiti.

## Other Infrastructure Performance Summary

### Waste Minimisation

Level of Service	Performance Measures	First Quarter	Second Quarter	Target 2018/19	Actual 2017/18	Indicator	Performance Measure Comment
Council provides a kerbside refuse collection service weekly to city residents to ensure city household waste is removed from the kerbside. This activity also provides a user-pay facility at the Transfer Station for disposal of non-household refuse.	A weekly kerbside refuse collection service is provided 52 weeks per year to City residents	100%	100%	100%	100%	◆	
	Transfer Station open for 362 days per year	100%	100%	100%	100%	◆	
Council provides a fortnightly kerbside recycling collection service to reduce the quantity of waste to landfill. Council promotes waste minimisation activities and responsible solid waste management through education initiatives and a hazardous waste collection programme. Council provides green waste and recycling facilities at the Redclyffe Transfer Station	Waste to Landfill per capita.	62.8Kg/Q1	73.7Kg/Q2	280kg	274.18 kg/capita	◆	
	Compliance with Resource Consent conditions	full compliance	full compliance	100%	100%	◆	
	Education and waste reduction promotion programmes in place.	No students this term	199	750 students per annum	2,572 students	n/a	
	Percentage of residents satisfied with Refuse Collection in the NRB Public Opinion Survey	End of Year measure	End of Year Measure	91%	90%	n/a	
	Percentage of residents satisfied with Control of Litter, Graffiti and Vandalism in the NRB Public Opinion Survey	End of Year measure	End of Year Measure	92%	89%	n/a	

**Cemeteries**

Level of Service	Performance Measures	First Quarter	Second Quarter	Target 2018/19	Actual 2017/18	Indicator	Performance Measure Comment
Council provides cemetery records that are well maintained and accessible.	An online cemeteries records system is available 90% of the time.	98%	98%	98%	98%	◆	

**Public Toilets**

Level of Service	Performance Measures	First Quarter	Second Quarter	Target 2018/19	Actual 2017/18	Indicator	Performance Measure Comment
Council provides adequate toilets that are accessible, available and appropriately located for use by the public to safeguard the health of the community through the appropriate disposal of human waste in high use community areas	Percentage of residents satisfied with Public Toilets in the NRB Public Opinion Survey.	End of Year measure	End of Year Measure	75%	68%	n/a	

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



## Other Infrastructure Financial Summary

Net Operating Expenditure	Year to Date Dec 2018				Year End		Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan		
Revenue	2,325,980	2,221,680	104,300	5%	6,533,646	6,533,646		
Expenditure	3,599,340	3,202,538	(396,802)	(12)%	(7,663,220)	(7,663,223)		
Depreciation	380,081	359,604	(20,477)	(6)%	(719,208)	(719,208)		
<b>Net Operating Expenditure</b>	<b>1,653,441</b>	<b>1,340,462</b>	<b>(312,979)</b>	<b>(23)%</b>	<b>(14,916,074)</b>	<b>(14,916,077)</b>		
<b>Refuse</b>								
Revenue	(1,262,378)	(1,250,880)	11,498	1%	11,498	(4,587,346)		
Expenditure	2,076,487	1,771,240	(305,247)	(17)%	(305,247)	4,744,448	[1]	Most of the increase relates to the increased cost of the recycling service provision.
<b>Public Toilets</b>								
Revenue	(6,555)	(7,002)	(447)	(6)%	(447)	(14,000)		
Expenditure	537,695	491,124	(46,571)	(9)%	(46,571)	1,016,050		
<b>Transfer Station</b>								
Revenue	(928,602)	(821,142)	107,460	13%	107,460	(1,647,000)	[2]	More waste coming in resulting in more revenue and higher costs below. (more than 1000 tonnes in December 2018).
Expenditure	951,482	893,771	(57,711)	(6)%	(57,711)	1,798,248		
<b>Cemeteries</b>								
Revenue	(128,446)	(142,656)	(14,210)	(10)%	(14,210)	(285,300)		
Expenditure	413,757	406,007	(7,750)	(2)%	(7,750)	823,682		



Capital	Year to Date to Dec 2018				Year End		Notes	Comments
	Actual	Revised Budget	Variance *	% Variance	Revised Budget	Annual Plan		
<b>Waste Minimisation</b>								
Solid Waste Renewals	3,727	46,000	42,273	92%	93,000	93,000	[3]	Reseals to be completed in the off-season (Q3-Q4)
Transfer Station Pavement & Surfacing	-	2,200	2,200	100%	2,200	2,200		
Omarunui Dev Valley D	-	-	-		774,000	774,000		
Omarunui Development Plant	-	-	-		47,000	47,000		
Omarunui Dev Forestry	-	-	-		50,000	50,000		
Omarunui Dev Valleys B&C	-	-	-		161,000	161,000		
<b>Waste Minimisation Total</b>	<b>3,727</b>	<b>48,200</b>	<b>44,473</b>	<b>92%</b>	<b>1,127,200</b>	<b>1,127,200</b>		
<b>Cemeteries</b>								
Infrastructure Asset Renewal	4,732	3,800	(932)	(25)%	90,000	90,000		
Cemetery Planting	-	-	-		25,000	25,000		
Napier Cemetery Development	-	-	-		100,000	100,000		
Western Hills Extension	199,223	108,425	(90,798)	(84)%	295,125	315,000	[4]	Project progressed further than anticipated
Cemetery Concept Plan Implementation	-	-	-		20,000	20,000		
<b>Cemeteries Total</b>	<b>203,954</b>	<b>112,225</b>	<b>(91,729)</b>	<b>(82)%</b>	<b>530,125</b>	<b>550,000</b>		
<b>Public Toilets</b>								
Infrastructure Asset Renewal	-	-	-		175,772	100,000		
New Toilet Programme	27,211	37,745	10,534	28%	37,745	-		
Parent Facility Setup	-	-	-		50,000	50,000		
<b>Public Toilets Total</b>	<b>27,211</b>	<b>37,745</b>	<b>10,534</b>	<b>28%</b>	<b>263,517</b>	<b>150,000</b>		
<b>Total Capital Expenditure</b>	<b>234,892</b>	<b>198,170</b>	<b>(36,722)</b>	<b>(19)%</b>	<b>1,920,842</b>	<b>1,827,200</b>		
<b>Asset Sales</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>		

## City Strategy

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Activities in City Strategy are:

- City Development
- Resource Consents
- Regulatory Solutions
- Building Consents
- Animal Control
- Parking

### City Development

Council plans and delivers urban and economic growth strategically and sustainably through City Development. This Council activity assesses and decides how to protect and develop our constructed and natural environments, and how best to manage that process. City Development takes into consideration Napier's historic heritage and incorporate design, functionality and aesthetics into all our city projects. We guide our investment in infrastructure so it is efficiently located and caters for the planned growth of the city.

City Development also delivers planning and policy functions by meeting the statutory requirements under the Resource Management Act 1991 (RMA) and other relevant legislation. We provide professional, strategic, clear and frank advice to the Council so they can make informed decisions to benefit our City and community now and in the future.

City Development is an ongoing activity to help citizens and elected officials design and deliver the Vision for Napier City. The City Vision identifies the principles that will achieve the city's vision "A vibrant and sustainable Napier for all". Collaboration and engagement with other government agencies, local businesses, stakeholders and resident groups is also a core function of City Development.

### Resource Consents

Resource Consents carries out activities required by legislation and is responsible for the administration and management of the Resource Management Act 1991 by providing the following functions:

- Processing of non-notified Resource Consents
- Preparation of reports for hearings relating to notified Resource Consents
- Management and resolution of subsequent Environment Court appeal processes
- Processing of the planning component of Building Consent applications
- Processing of Resource Consents for the subdivision of land
- Processing of Land Information Memorandums
- Implementation of an annual monitoring programme to gauge the effectiveness of the Council's environmental management policies
- Provision of planning advice and information in relation to resource consents, the administration of the District Plan, general development advice, heritage planning and conservation
- Enforcement work to ensure compliance with Resource Consent approvals and the operative District Plans
- Encouraging on-going sustainable development and enabling the community to provide for their economic well-being by the use of enabling regulations

## Regulatory Solutions

Regulatory Solutions are responsible for licencing, monitoring and inspecting a range of services that are provided largely by local businesses, which have the potential to cause harm to the public as governed by various legislations. These businesses include; food premises, camping grounds, hairdressers, mortuaries, wine makers, offensive trades and liquor licencing services.

In addition, Council is responsible for investigating notifiable diseases, investigating and monitoring nuisance to the community, providing a noise control service and monitoring and enforcing freedom camping.

Regulatory Solutions provides advice, education and assistance to individuals and businesses for those starting out and those well established.

## Building Consents

The core function of Building Consents is carrying out the requirements of the Building Act 2004: the processing of building consent applications, inspecting building work on site and issuing code compliance certificates at the completion of building work. The Building Consents team also inspect swimming pool barriers, audit building warrants of fitness, investigate complaints, carry out enforcement action when required and provide advice and information to the public on building related issues.

## Animal Control

Animal Control is responsible for the implementation and enforcement of the Dog Control Act 1996 and Council Bylaws relating to the Dog Control Act.

Animal Control manages the registration and control of dogs, promoting responsible dog ownership, reducing nuisance created by dogs, ensuring and reducing risk to public safety from dogs and providing animal education initiatives. Emphasis is placed on responsible dog ownership, education and classification of dogs and owners in line with the provisions of the Dog Control Act 1996.

Animal Control operates an animal shelter caring for any impounded dogs, which cares for on average 500 dogs per year and responds to roaming stock requests.

## Parking

Parking ensures that safe and adequate parking facilities are available to the residents and visitors to Napier City. This is achieved through the provision of sufficient car parking to meet demand for:

- On street parking
- Off street parking
- Leased parking
- Mobility Parking Alternative
- Transport parking, e.g. motorcycles, electric vehicles.

All parking areas under Napier City Council's control are patrolled either regularly or on request by warranted Parking Enforcement Officers. This is to ensure compliance with national legislation and local regulation. This ensures parking circulation occurs and remains available to all members of the public. Parking ensures that vehicles are parked in a safe and compliant manner.

## City Strategy Performance Summary

### City Development

Level of Service	Performance Measures	First Quarter	Second Quarter	Target 2018/19	Actual 2017/18	Indicator	Performance Measure Comment
Provide the Policy Planning and Strategic functions for Napier City	District Plan reviewed to align with the Napier City Vision document and the Coastal Hazards Strategy.	District Plan review project progressing on target.	District Plan Review project progressing on target.	Issues document completed Stakeholders and Iwi engagement process commenced	new measure	◆	
Provide the Policy Planning and Strategic functions for Napier City	Delivery of the final Ahuriri Estuary and Coastal Edge Strategic document.	Achieved	Achieved	Ahuriri Estuary Masterplan Three of the Master Plan projects confirmed by Council and initiated	new measure	◆	
	Reviewed HPUDS Strategy and commence HPUDS Implementation	Delays due to coordination of stakeholders. Review due to commence before the end of 2018	The Independent Working Group (IWG) has been established and it is developing the ToR. The Technical Advisory Group will continue supporting the IWG.	Project Plan for review and implementation completed	new measure	◆	
Provide the strategic economic development function for Napier City	Delivery of the Napier Economic Development Strategy (NEDS)	Not Achieved	Not Achieved	Stakeholder engagement completed	new measure	◆	Delayed due to Provincial Growth Fund projects taking priority

**Resource Consents**






Level of Service	Performance Measures	First Quarter	Second Quarter	Target 2018/19	Actual 2017/18	Indicator	Performance Measure Comment
Council monitors and enforces legislative compliance to protect its citizens and their safety	Process non-notified resource consents (excluding Controlled Activities) and all subdivision consents to approval stage, within the statutory time frames of 20-working days	100% (61 out of 61)	100% (66 out of 66)	100%	new measure	◆	
Council monitors and enforces legislative compliance to protect its citizens and their safety	Process Controlled Activity Resource Consents (excluding subdivision) within 10-working days	100% (3 out of 3)	100% (6 out of 6)	100%	new measure	◆	
	Process notified Resource Consents within the statutory time frames of 130-working days	100% (2 out of 2)	0%	100%	new measure	◆	
	Process limited notified Resource Consents within 100-working days	0	100% (2 out of 2)	100%	new measure	◆	
	Land information Memorandums to be processed within the statutory limit of 10-working days	100% (83 out of 83)	100% (101 out of 101)	100%	100% (361 out of 361)	◆	
	All formal complaints are investigated and responded within 3 days of receipt by Council	100% (9 out of 9)	100% (5 out of 5)	100%	100% (53 out of 53)	◆	

**Regulatory Solutions**

Level of Service	Performance Measures	First Quarter	Second Quarter	Target 2018/19	Actual 2017/18	Indicator	Performance Measure Comment
Council monitors and enforces legislative compliance to protect its citizens and their safety	Percentage of residents satisfied with Council management and enforcement activity of Noise Control in the NRB Public Opinion Survey.	End of Year measure	End of Year Measure	80%	85%	n/a	
Council monitors and enforces legislative compliance to protect its citizens and their safety	Percentage of Food Act verification audits completed in accordance with the scheduled times in the Food Act 2014.	100%	100%	100%	new measure	◆	
	Percentage of liquor licenced premises are inspected annually for compliance with their licenced conditions	34%	46%	50%	new measure	◆	The first quarter result of 81% was reported incorrectly. The correct result is 34%. This has been amended in the table.
	Percentage of very high and high risk liquor licenced premises inspected at least annually	100%	98%	100%	new measure	◆	High risk premises are inspected twice a year. However there are a small number of premises that cannot be inspected by Council due to their hours of operation. Police carry out these inspections.
	Percentage of Noise control complaints are responded to within 25 minutes	67%	64%	95%	new measure	◆	The supplier contract specifies a target of 95% of noise complaints being responded to within 25 minutes. Response time of 25 minutes is unrealistic. Both the contract and the measurement will need to be revised.



**Building Consents**

Level of Service	Performance Measures	First Quarter	Second Quarter	Target 2018/19	Actual 2017/18	Indicator	Performance Measure Comment
Council monitors and enforces legislative compliance to protect its citizens and their safety	Process of building consent applications within the statutory time frame of 20 working days	99% (279 out of 282)	99% (267 out of 271)	100%	99% (1,091 out of 1,101)		Administrative oversight resulted in minor delay
	Percentage of processed code compliance certificates within the statutory time frame of 20 working days	99% (305 out of 307)	100% (269 out of 269)	100%	100% processed (949 out of 950)		
	Percentage of audits for all buildings requiring building warrants of fitness annually	0%	1%	20%	25.51%		Vacant Building Compliance Officer role filled in mid-November and currently focusing on swimming pools
	Inspect a third of registered swimming pools annually	8%	32%	Third of pools	new measure		As per above comment (Note: this performance measure is expressed as a percentage of the number of pools to be inspected in a year rather than as a percentage of total pools)
	Maintain Building Consent Authority (BCA) accreditation	Maintained	Maintained	maintained	maintained		Our 2 yearly accreditation assessment (first one against new regulations and MBIE guidance document) was conducted in November and resulted in a very positive outcome with 4 minor outstanding general non-compliances to be cleared by the end of March in order for our accreditation to be maintained

**Animal Control**

Level of Service	Performance Measures	First Quarter	Second Quarter	Target 2018/19	Actual 2017/18	Indicator	Performance Measure Comment
Implement and enforce the requirements of the Dog Control Act 1996	Percentage of residents satisfied with council management and enforcement activity of Animal Control in the NRB Public Opinion Survey	End of Year measure	End of Year Measure	78%	78%	n/a	
Implement and enforce the requirements of the Dog Control Act 1996	All requests for services are investigated and responded to within 21 days	100%	100%	100%	new measure	◆	

**Parking**

Provide and manage parking facilities for the city	Percentage of residents satisfied with Parking in the Inner city in the NRB Public Opinion Survey	End of Year measure	End of Year Measure	60%	54%	n/a	
Provide and manage parking facilities for the city	Percentage of residents satisfied with Parking in the Suburbs in the NRB Public Opinion Survey	End of Year measure	End of Year Measure	65%	69%	n/a	
	Percentage of CBD parking occupancy rate	End of Year measure	End of Year Measure	50 - 85%	74%	n/a	
	Percentage of Taradale parking occupancy rate	End of Year measure	End of Year Measure	50 - 85%	57%	n/a	

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



## City Strategy Financial Summary

Net Operating Expenditure	Year to Date Dec 2018				Year End		Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan		
Revenue	3,249,778	3,200,771	49,007	2%	6,081,025	6,081,025		
Expenditure	4,953,636	4,398,652	(554,984)	(13)%	10,785,547	9,619,941		
Depreciation	157,545	164,490	6,945	4%	328,980	328,980		
<b>Net Operating Expenditure</b>	<b>1,861,403</b>	<b>1,362,371</b>	<b>(499,032)</b>	<b>(37)%</b>	<b>5,033,502</b>	<b>3,867,896</b>		
<b>Regulatory Consents</b>								
Revenue	(196,624)	(201,606)	(4,982)	(2)%	(414,200)	(414,200)		
Expenditure	465,693	433,437	(32,256)	(7)%	918,623	938,625		
<b>Planning Policy</b>								
Revenue	(783)	-	783		(30,000)	(30,000)		
Expenditure	694,094	666,888	(27,206)	(4)%	2,598,494	1,544,728		
<b>Environmental Health</b>								
Revenue	(288,212)	(200,791)	87,421	44%	(426,000)	(426,000)	[1]	Increased activity in recovering court fines & liquor licences.
Expenditure	532,810	469,919	(62,891)	(13)%	1,038,508	1,038,508	[2]	Unbudgeted shared services costs offset with additional revenue in the Support Units activity.
<b>Building Consents</b>								
Revenue	(807,577)	(756,763)	50,814	7%	(1,535,525)	(1,535,525)		
Expenditure	1,425,432	995,860	(429,572)	(43)%	2,078,874	2,078,877	[3]	Unbudgeted ongoing legal claims and property EDRMS lease.
<b>Animal Control</b>								
Revenue	(593,301)	(665,852)	(72,551)	(11)%	(764,700)	(764,700)	[4]	Actual Dog registration income received year to date is less than budget. This is a result of a budgeting error, however actual registrations are \$30k higher than in the previous financial year.
Expenditure	566,494	562,123	(4,371)	(1)%	1,171,358	1,171,358		

	Year to Date Dec 2018				Year End			
Net Operating Expenditure	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan	Notes	Comments
<b>Parking</b>								
Revenue	(1,265,285)	(1,276,269)	(10,984)	(1)%	(2,627,000)	(2,627,000)		
Expenditure	1,010,523	981,268	(29,255)	(3)%	2,055,950	2,055,948		
<b>City &amp; Business Promotion</b>								
Revenue	(97,996)	(99,490)	(1,494)	(2)%	(283,599)	(283,600)		
Expenditure	416,135	453,647	37,512	8%	1,252,721	1,120,877		

Capital	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan	Notes	Comments
<b>Building Consents</b>								
Property Information EDM	14,665	-	(14,665)		-	-		
<b>Building Consents Total</b>	14,665	-	(14,665)		-	-		
<b>Animal Control</b>								
Agility Tracks	-	10,000	10,000	100%	20,000	20,000		
Complex Shelter & Office	17,345	-	(17,345)		-	-		
Stock Control Equipment	-	1,000	1,000	100%	2,000	2,000		
New Canopy	-	40,000	40,000	100%	40,000	40,000	[5]	Design for canopy currently underway, project to be complete by year end
<b>Animal Control Total</b>	17,345	51,000	33,655	66%	62,000	62,000		
<b>Parking</b>								
Parking Equipment Replacement	27,881	3,000	(24,881)	<(100)%	50,000	50,000		
Additional CBD Parking	76,306	91,000	14,694	16%	500,000	500,000		
Alternate Transport Parking	2,596	-	(2,596)		30,000	30,000		
Minor Capital Items	1,598	-	(1,598)		5,000	5,000		
<b>Parking Total</b>	108,381	94,000	(14,381)	(15)%	585,000	585,000		
<b>Total Capital Expenditure</b>	140,391	145,000	4,609	3%	647,000	647,000		
<b>Asset Sales</b>	-	-	-		-	-		

## Community and Visitor Experiences

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Activities in the Community and Visitor Experiences Group are:

- Community Strategies
- Community Facilities (Halls)
- Napier Aquatic Centre
- Marine Parade Pools
- Bay Skate
- McLean Park
- Events and Marketing
- Sportsgrounds
- Reserves
- Housing
- Libraries
- MTG Hawke's Bay
- Napier Municipal Theatre
- Napier i-SITE Visitor Centre
- Par2 MiniGolf
- National Aquarium of NZ
- Napier Conference Centre
- Kennedy Park Resort

### Community Strategies

The Community Strategies activity encompasses the following main activities:

- Community planning
- Community advice
- Community grants
- Community engagement
- Safer community (including Civil Defence)

Council works alongside our communities to support them to identify and implement solutions to the complex social issues present in our society. The team work both strategically and practically to ensure issues are identified, prioritised and addressed through a collaborative approach.

### Community Facilities (Halls)

Council provides a range of community facilities that meet the recreational and social needs of the community. They are spaces where people connect, learn, socialise and participate. There are four community halls, four community centres, and one sports centre. The halls are available for hire, with discounted rates for community groups. Use of the community centres vary, but generally, community groups lease the facilities, and halls are either managed directly by Council, or through a third party group or Trust.

### Napier Aquatic Centre

Situated in the centre of Napier, in the middle of Onekawa Park, the Napier Aquatic Centre is a safe and affordable aquatic facility for everyone. The facility currently provides two 25m pools, a learners' pool, waterslides, spas, spray park and an outdoor area suitable for picnics. A number of services are provided ranging from learn to swim and aqua fitness to birthday parties. A new pool has been included in the plan and will require a change in location due to limitations on site development and contamination.

### Marine Parade Pools

Council provides an outdoor complex with four heated outdoor pools and five spa pools. An external contractor manages the day-to-day running of the facility.

## Bay Skate

Bay Skate on Marine Parade is a community facility providing for a range of roller-sport activities and community events. Local roller-sport clubs and groups are actively encouraged to use the facility for training, games and demonstrations.

## McLean Park

Hosting international and national sports events, this facility provides outdoor sportsgrounds and stands, indoor court facility as well as administration and hospitality areas. The park also plays host to trade shows, expos, community events and private functions.

## Events and Marketing

Events are a key part of the Napier City's social, economic and cultural fabric. Council provides support for event organisers to grow sustainable events in the region.



## Housing

Community housing is provided for people with special housing needs, low assets and low incomes. We provide support for tenants in our retirement villages on a one to one basis and across the village as a whole. We maintain high occupancy levels (99.5%) through our tenancy management services.

There are 72 units in Council's low cost rental portfolio spread across three villages. Council's retirement portfolio comprises 304 units clustered in nine villages. The smaller villages comprise 4 to 20 units with 28 to 50 units in the larger villages, and one larger village with 80 units.

## Libraries

Library services are provided to the community from two locations, Napier City and Taradale, with a variety of collections in multi-media formats and online services. The libraries support a total membership of approximately 34,000, of which some 4,500 members are resident in Hastings District. Membership is free and the majority of lending items are free to borrow.

## MTG Hawke's Bay

MTG Hawke's Bay is the region's arts and culture facility providing exhibitions of the collection and as loans from other museums, galleries and individuals. The region's collection is housed under a management agreement with the Hawke's Bay Museums Trust. Active participation of the community is encouraged with public programmes, events and learning experiences. The venue includes the 330-seat Century Theatre, and two foyer spaces, which are also available to hire and a small retail shop. The MTG Hawke's Bay building is iconic, representing three distinct eras, 1930's, 1970's and 2010's.

## Napier Municipal Theatre

The Napier Municipal Theatre is a leading theatre in Hawke's Bay for performances, shows, concerts, functions and events. Centrally located, the Theatre combines an elegant Art Deco style with modern theatre facilities. The large auditorium facilities and circular Pan Pac Foyer make it a flexible performance and event and facility.



## Napier i-SITE Visitor Centre

Napier i-SITE Visitor Centre provides visitor information for the people of Napier, Hawke's Bay and for visitors to the area, both domestic and international. It plays a vital role in the promotion of Napier and surrounding areas. The i-SITE is located within the key Marine Parade tourism precinct of Napier and plays a key role in the support of tourism and the local economy.

## Par2 MiniGolf

Par2 MiniGolf on Napier's Marine Parade next to Napier i-SITE has two eighteen hole courses, one slightly more challenging than the other. It attracts locals and visitors and is a fun family friendly activity for all ages.

## National Aquarium of NZ

The National Aquarium of New Zealand is a marine zoo/aquarium/and kiwi breeding facility which attracts locals and visitors. This visitor experience is an integral part of the Marine Parade tourist attractions contributing favourably to the economic well-being of the city. The National Aquarium is also a quality provider of educational experiences and provides an affordable after-hours functions venue for Napier citizens and visitors to the region.

## Napier Conference Centre

The Napier Conference Centre located on the northern end of Napier's Marine Parade with views from Mahia Peninsula to Cape Kidnappers, is Hawke's Bay's premiere, high quality full service conference and event venue. The Napier Conference Centre is suitable for a wide range of events and attracts local, national and international conferences.

## Kennedy Park Resort

Kennedy Park Resort is located on Storkey Street in Marewa and offers a wide range of affordable accommodation types, including units, tents and non-powered sites. The accommodation and associated facilities also cater for conferences and attract both national and international visitors. Kennedy Park is one of the busiest and most well revisited holiday parks in New Zealand and contributes favourably to the local economy.

## Sportsgrounds

Council provides and maintains 16 sports grounds throughout Napier. This equates to an area of 213 hectares of land set aside for sports purposes across the city. Napier's sports grounds range from facilities of regional and national significance to grounds principally serving local club demand.

## Reserves

Council provides, manages and maintains a range of parks, reserves and public gardens of various sizes, designations and purposes, to cater to a wide range of community uses. Council reserves support a large number of events for tourists and locals, delivering highly maintained grounds and gardens ranging in location from coastal foreshore to formal botanical gardens. These areas enjoy a high profile within the city, resulting in high expectations and standards. The Reserves activity also manages the day-to-day maintenance and operation of play equipment located throughout the city.

## Community and Visitor Experiences Performance Summary

### Community Strategies

Level of Service	Performance Measures	First Quarter	Second Quarter	Target 2018/19	Actual 2017/18	Indicator	Performance Measure Comment
Develop effective strategies, policies and initiatives that support community well-being	Number of local community events per year	9	18	50	50	◆	
Provide affordable indoor facilities that meet the social, leisure and cultural needs of the community	Number of community training and network meetings facilitated each year	7	5	20	21	◆	
	Percentage of attendees satisfied with community training and network meetings	100%	93%	96%	98%	◆	
Promote safety in response to issues and priorities in the community	Percentage of residents who perceive they are safe or very safe in Napier (source: biannual social monitor survey)	n/a	n/a	95%	biannual measure	n/a	
Support Napier communities to be prepared for and to recover from a civil defence emergency (delivered regionally)	Percentage of residents satisfied with Civil Defence delivery (source: NRB survey) excluding "don't know" responses	End of Year measure	End of Year Measure	85%	n/a	n/a	
	Number of new community resilience plans developed	0	0	2	n/a	◆	
Support community and other stakeholders to come together to address issues and improve outcomes	Satisfaction score for coalition partners on council's coordination role for Safer Napier (source: annual coalition survey report)	End of Year measure	End of Year Measure	>4	4.5	n/a	

### Community Facilities (Halls)

Council provides four halls, four community centres and one sports centre to satisfy community needs	Percentage community hireage for halls directly managed by Council	96%	84%	90%	91%	◆	
	Percentage of customers satisfied with hireage of halls directly managed by Council	End of Year measure	End of Year Measure	95%	100%	n/a	

**Napier Aquatic Centre**

Level of Service	Performance Measures	First Quarter	Second Quarter	Target 2018/19	Actual 2017/18	Indicator	Performance Measure Comment
Provide aquatic facilities that focus on accessibility and safety	Number of users using the centre each year	40,985	58,334	185,000	new measure	◆	
	Water quality adherence rate to NZ Water Treatment Standards	98%	94%	100%	98%	◆	
	Maintain nationally accredited QSS (Quality Swim School) standard	100%	100%	maintain accreditation	new measure	◆	

**Bay Skate**

Provide a facility to cater for a range of roller sports activities.	Number of visitors	5,123	5,836	26,000	new measure	◆	
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**McLean Park**

Provides a sport and recreation facility catering for a range of activity	Number of major events hosted	5	1	11	new measure	◆	
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**Housing**

Provide affordable and safe housing that meets the needs of tenants	Percentage of tenants satisfied with service	End of Year measure	End of Year Measure	85%	new measure	n/a	
	Percentage of unit inspections (each unit inspected once per year)	0%	30%	100%	30%	◆	
Maximise the occupancy and use of housing and village halls	Occupancy rate - Retirement	99%	98%	97%	99.6%	◆	
	Occupancy rate - Rental	100%	100%	98%	99.8%	◆	



**Library**

Level of Service	Performance Measures	First Quarter	Second Quarter	Target 2018/19	Actual 2017/18	Indicator	Performance Measure Comment
Council provides library services, literacy support and other programmes for all ages to meet the communities' recreational, social and educational needs	Percentage of library members who are active borrowers (in 24 month period - card use only)	46%	49%	35%	30%	◆	
	Percentage of collection that is actively used	31%	50%	75%	new measure	◆	Improvement on first quarter is expected to continue
	Number of programme sessions delivered for all ages per year (excludes "borrow a librarian")	171	286	330	762	◆	On track

**MTG Hawke's Bay**

Council provides a quality museum, theatre and art gallery experience for local and visitor use	Visitor numbers per year	66,548	75,405	165,000	207,854	◆	
	Minimum number of new exhibitions per annum	3	4	3	8	◆	
	Percentage of residents satisfied with MTG Hawke's Bay (NRB Public Opinion Survey)	End of Year measure	End of Year Measure	55%	52%	n/a	

**Napier Municipal Theatre**

Council provides a quality performing arts venue experience for visitor & local use	Maintain Qualmark rating	End of Year measure	End of Year Measure	achieved	achieved	n/a	
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**Napier i-SITE Visitor Centre**

Council provides an i-SITE facility for visitors to Napier and Hawke's Bay to deliver tourism information and tour and accommodation services to encourage visitors to stay longer and to re-visit	Maintain Qualmark rating	Achieved	Achieved	Qualmark Enviro Silver	Achieved	◆	
	Visitor numbers per annum	24,038	66,893	240,000	236,471	◆	

**Par 2 MiniGolf**

Level of Service	Performance Measures	First Quarter	Second Quarter	Target 2018/19	Actual 2017/18	Indicator	Performance Measure Comment
Council provides a Mini Golf facility as a visitor attraction and for local community use	Maintain Qualmark endorsed criteria Bronze Enviro	Maintained	Maintained	maintained	Qualmark silver	◆	
	Visitor Admissions per annum	10,277	15,032	43,000	46,359	◆	
	Return on Assets	End of Year Measure	End of Year Measure	25%	25%	n/a	

**National Aquarium of NZ**

Provide an aquarium for visitors and local citizens for recreation and education	Maintain Qualmark endorsement	Maintained	Maintained	Maintained	Maintained	◆	
	Number of visitors	28,758	40,697	140,000	157,244	◆	

**Napier Conference Centre**

Council provides a quality conference and events facility which enables events & services to be hosted contributing to the economic well-being of the city	Maintain Qualmark rating.	Achieved	Achieved	Achieved	Achieved	◆	
	Number of national and international hires	95	191	290	353	◆	

**Kennedy Park**

Council provides Kennedy Park facility with a range of high quality accommodation and related visitor experiences	Maintain Qualmark 5 star Gold Holiday Park rating	Maintained	Maintained	maintained	Achieved	◆	
	Maintain Qualmark 4 plus star Gold Motel rating	Maintained	Maintained	maintained	Achieved	◆	
Kennedy Park is managed as a sustainable business and provides services that are value for money	Occupancy rates – visitor nights booked per year	12,983	24,758	63,000	new measure	◆	
	Occupancy rates – room nights booked per year	4,128	7,823	25,000	new measure	◆	
	Return on Assets	End of Year Measure	End of Year Measure	7%	5%	n/a	

**Sportsgrounds**

Level of Service	Performance Measures	First Quarter	Second Quarter	Target 2018/19	Actual 2017/18	Indicator	Performance Measure Comment
Council provides a sufficient number and range of sports and recreation facilities to satisfy the needs of the community	Sport and recreation parks per 1,000 residents district wide (NZRA guidelines at least 3ha per 1,000)	End of Year Measure	End of Year Measure	>3ha	new measure	n/a	
	Percentage of residents satisfied with sports fields in the NRB Public Opinion Survey	End of Year Measure	End of Year Measure	89%	87%	n/a	
	Number of events held each year on sport and recreation	16	21	>50	new measure	◆	

**Reserves**

Provide a sufficient number and range of parks and reserves to satisfy the needs of the Community.	All playgrounds inspected fortnightly (safety and condition)	80%	66%	100%	new measure	◆	Inspections have continued on a monthly basis. An additional staff member has now received relevant training and we are awaiting their accreditation.
	Percentage of residents satisfied with Public Gardens, Street Beds and Trees in the NRB Opinion Survey	End of Year measure	End of Year Measure	95%	96%	n/a	

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

## Community and Visitor Experiences Financial Summary

	Year to Date Dec 2018				Year End			
Net Operating Expenditure	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan	Notes	Comments
Revenue	8,062,044	7,428,438	633,606	9%	18,726,875	18,726,875		
Expenditure	16,186,317	15,548,934	(637,383)	(4)%	34,347,698	34,203,078		
Depreciation	2,947,552	2,841,408	(106,144)	(4)%	5,682,816	5,682,816		
<b>Net Operating Expenditure</b>	<b>11,071,825</b>	<b>10,961,904</b>	<b>(109,921)</b>	<b>(1)%</b>	<b>21,303,639</b>	<b>21,159,019</b>		
<b>Sportsgrounds</b>								
Revenue	(193,371)	(151,998)	41,373	27%	(453,229)	(453,229)	[1]	Increase in income due to the higher number of events
Expenditure	2,002,843	1,856,322	(146,521)	(8)%	4,687,554	4,687,551	[2]	Depreciation is higher than budget due to a higher than anticipated value of assets capitalised in the prior year
<b>McLean Park</b>								
Revenue	(224,820)	(253,658)	(28,838)	(11)%	(779,500)	(779,500)		
Expenditure	181,966	211,805	29,839	14%	626,786	642,785		
<b>Reserves</b>								
Revenue	(177,144)	(77,194)	99,950	129%	(1,479,673)	(1,479,673)	[3]	Financial Contribution received unbudgeted
Expenditure	2,261,199	2,242,050	(19,149)	(1)%	4,707,976	4,707,972		
<b>Bay Skate</b>								
Revenue	(105,953)	(92,254)	13,699	15%	(261,129)	(261,129)		
Expenditure	305,913	288,872	(17,041)	(6)%	613,081	613,084		
<b>Grants</b>								
Revenue	(30,900)	(33,000)	(2,100)	(6)%	(196,000)	(196,000)		
Expenditure	689,687	703,492	13,805	2%	1,205,200	1,185,200		
<b>Halls</b>								
Revenue	(13,186)	(15,195)	(2,009)	(13)%	(44,400)	(44,400)		
Expenditure	167,526	162,302	(5,224)	(3)%	321,798	321,804		
<b>Community Advice</b>								
Revenue	(26,584)	(40,998)	(14,414)	(35)%	(82,000)	(82,000)		
Expenditure	482,576	567,441	84,865	15%	1,203,329	1,203,329	[4]	Favourable variance is due to a vacancy.

Net Operating Expenditure	Year to Date Dec 2018				Year End		Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan		
<b>Emergency Management</b>								
Revenue	(1,287)	-	1,287		-	-		
Expenditure	124,752	135,828	11,076	8%	271,818	271,812		
<b>Libraries</b>								
Revenue	(40,455)	(93,066)	(52,611)	(57)%	(241,780)	(241,780)	[5]	Income reductions due to building move, fewer late fees, less DVD hire and delayed installation of system allowing printing from personal devices.
Expenditure	1,585,063	1,595,102	10,039	1%	3,272,310	3,214,315	[6]	Managing expenditure to balance reduction in revenue. This is due to reduced library usage which is reflective of a smaller/temporary space.
<b>Napier Aquatic Centre</b>								
Revenue	(479,243)	(415,913)	63,330	15%	(907,594)	(907,594)	[7]	Increase in Admissions and Learn to swim numbers.
Expenditure	1,370,345	1,270,402	(99,943)	(8)%	2,759,588	2,759,588	[8]	Expenses higher than budgeted, partially offset by income.
<b>Marine Parade Pools</b>								
Revenue	(30,685)	(30,685)	(0)	(0)%	(50,000)	(50,000)		
Expenditure	113,052	114,402	1,350	1%	235,115	235,120		
<b>National Aquarium of NZ</b>								
Revenue	(1,091,549)	(956,655)	134,894	14%	(2,913,050)	(2,913,050)	[9]	Second best attendance for the quarter in recent years.
Expenditure	1,503,175	1,475,774	(27,401)	(2)%	3,776,907	3,776,913		
<b>Par 2 MiniGolf</b>								
Revenue	(189,015)	(189,124)	(109)	(0)%	(405,000)	(405,000)		
Expenditure	137,326	163,611	26,285	16%	325,155	325,151		
<b>Napier Conference Centre</b>								
Revenue	(1,122,683)	(962,648)	160,035	17%	(1,930,000)	(1,930,000)	[10]	More bookings than anticipated.
Expenditure	1,286,579	1,155,018	(131,561)	(11)%	2,345,791	2,345,791	[11]	Additional expenditure relating to bookings offset by additional revenue above.

Net Operating Expenditure	Year to Date Dec 2018				Year End		Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan		
<b>Napier Municipal Theatre</b>								
Revenue	(298,571)	(319,144)	(20,573)	(6)%	(632,500)	(632,500)		
Expenditure	620,632	609,506	(11,126)	(2)%	1,240,994	1,240,998		
<b>Napier i-SITE Visitor Centre</b>								
Revenue	(291,988)	(318,648)	(26,660)	(8)%	(718,700)	(718,700)		
Expenditure	535,243	506,396	(28,847)	(6)%	1,054,334	1,054,330		
<b>Kennedy Park</b>								
Revenue	(1,559,616)	(1,367,096)	192,520	14%	(3,538,607)	(3,538,607)	[12]	Increase in room rates and room nights.
Expenditure	1,471,436	1,357,779	(113,657)	(8)%	2,967,172	2,967,174	[13]	Additional costs relating to increased occupancy is offset by additional revenue above.
<b>Communications &amp; Marketing</b>								
Revenue	-	-	-		-	-		
Expenditure	47,653	26,270	(21,383)	(81)%	70,001	1		
<b>Events Promotion</b>								
Revenue	(55,245)	(38,000)	17,245	45%	(105,000)	(105,000)		
Expenditure	271,053	272,566	1,513	1%	680,000	680,000		
<b>Marketing</b>								
Revenue	(1,500)	-	1,500		-	-		
Expenditure	155,904	159,826	3,922	2%	409,741	383,900		
<b>MTG Faraday Centre</b>								
Revenue	(20,406)	(18,000)	2,406	13%	(36,000)	(36,000)		
Expenditure	28,927	29,778	851	3%	59,554	59,554		
<b>MTG Hawkes Bay</b>								
Revenue	(806,865)	(775,633)	31,232	4%	(1,526,537)	(1,526,537)	[14]	Increased costs associated with additional staffing for education programme, increased shop purchases (generating additional income) and increased cleaning costs associated with more visitors.
Expenditure	2,476,924	2,237,215	(239,709)	(11)%	4,603,552	4,589,557		



	Year to Date Dec 2018				Year End			
Net Operating Expenditure	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan	Notes	Comments
<b>Housing - Retirement</b>								
Revenue	(936,237)	(911,923)	24,314	3%	(1,727,176)	(1,727,176)		
Expenditure	1,024,886	967,515	(57,371)	(6)%	2,020,674	2,047,875		
<b>Housing - Rental</b>								
Revenue	(364,741)	(367,606)	(2,865)	(1)%	(699,000)	(699,000)		
Expenditure	289,209	281,070	(8,139)	(3)%	572,086	572,090		

	Year to Date to Dec 2018				Year End			
Capital	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan	Notes	Comments
<b>Sportsgrounds</b>								
Sportsgrounds - Infra Renewal	206,685	138,800	(67,885)	(49)%	320,000	320,000	[15]	McLean Park lighting tower repairs completed ahead of schedule
Sportsgrounds Infrastructure	8,918	9,000	82	1%	16,000	-		
McLean Park re-turf	1,743,410	1,723,088	(20,322)	(1)%	1,723,088	1,100,000		
McLean Park Cricket Practice Nets upgrade	-	-	-		100,000	100,000		
Neighbourhood Parks Upgrades	-	-	-		20,000	20,000		
McLean Park Player Facility Upgrade	11,970	12,000	30	0%	30,000	-		
New Shade Areas	-	-	-		20,000	20,000		
Park Island - Footbridge	-	-	-		150,000	150,000		
Park Island Northern Development	414,420	360,300	(54,120)	(15)%	500,000	100,000	[16]	Project progressed further than anticipated
Riparian Planting	-	-	-		10,000	10,000		
McLean Park Branding & Way Finding	307,374	325,123	17,749	5%	325,123	-		
<b>Sportsgrounds Total</b>	<b>2,692,778</b>	<b>2,568,311</b>	<b>(124,467)</b>	<b>(5)%</b>	<b>3,214,211</b>	<b>1,820,000</b>		

Capital	Year to Date to Dec 2018				Year End		Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan		
<b>Reserves</b>								
Infrastructure Asset Renewal	119,182	207,000	87,818	42%	725,841	700,000	[17]	Timing variance that will correct by year end
Resurface Soundshell Area	-	-	-		50,000	50,000		
Coastal Erosion	-	-	-		200,000	200,000		
Marine Parade renewals	-	70,000	70,000	100%	115,000	115,000	[18]	Timing variance that will correct by year end
Playground Renewals	-	-	-		350,000	350,000		
Passive Recreation Reserves	2,655	125,000	122,345	98%	250,000	125,000	[19]	Orotu playground design completed and project initiated. Further consultation being undertaken on Te Awa playground.
Hardinge Road Erosion	-	-	-		320,000	320,000		
Foreshore Planting	13,061	13,820	759	5%	20,000	20,000		
Planting	43,278	35,200	(8,078)	(23)%	70,000	70,000		
Riparian Planting	314	6,998	6,684	96%	20,000	20,000		
Replace Playground Equipment	34,881	61,000	26,119	43%	61,000	-		
Destination Playground	291,725	290,879	(846)	(0)%	290,879	-		
War Memorial & Eternal Flame	2,651	-	(2,651)		34,726	-		
Western Hill Pathway development	277,360	201,074	(76,286)	(38)%	848,074	860,000	[20]	Part of the variance will addressed by donation from Rotary to project. Design and Project Management cost greater than anticipated and overspend will be funded from overall savings within Council budgets.
Reserves Vested Assets	-	-	-		300,000	300,000		
<b>Reserves Total</b>	<b>785,108</b>	<b>1,010,971</b>	<b>225,863</b>	<b>22%</b>	<b>3,655,520</b>	<b>3,130,000</b>		



Capital	Year to Date to Dec 2018				Year End		Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan		
<b>Bay Skate</b>								
Bay Skate Renewals	-	11,766	11,766	100%	23,530	23,530		
Park equipment	-	-	-		-	10,000		
Skate ramps	48,304	160,000	111,696	70%	160,000	150,000	[21]	Stage 3 has now been completed and invoiced
Sound System	26,460	25,000	(1,460)	(6)%	25,000	25,000		
Bay Skate Ramps	41,283	50,000	8,717	17%	50,000	50,000		
<b>Bay Skate Total</b>	116,047	246,766	130,719	53%	258,530	258,530		
<b>Napier Aquatic Centre</b>								
Napier Aquatic Centre I.A.R.	10,799	70,200	59,401	85%	140,392	140,392	[22]	As the Prebensen Drive development is approved, care is being taken to not over-invest in renewals.
Napier Aquatic Centre expansion	98,394	86,000	(12,394)	(14)%	2,300,000	2,300,000		
Asset Register Items	-	10,002	10,002	100%	20,000	20,000		
<b>Napier Aquatic Centre Total</b>	109,193	166,202	57,009	34%	2,460,392	2,460,392		
<b>Community Facilities</b>								
Halls Renewals	-	-	-		135,000	100,000		
Maraenui Com Centre internal refurbishment	-	30,000	30,000	100%	30,000	30,000		The refurbishment work will tie in with lease renewal arrangements which come up in August 2019.
Minor Capital Items	-	-	-		-	60,000		
Taradale Community Rooms	50,126	55,000	4,874	9%	364,785	269,000		
<b>Community Facilities Total</b>	50,126	85,000	34,874	41%	529,785	459,000		
<b>Marine Parade Pools</b>								
Marine Pde Pools Renewals	-	10,002	10,002	100%	20,000	20,000		
Ocean Spa Upgrade	1,752	-	(1,752)		200,000	200,000		
<b>Marine Parade Pools Total</b>	1,752	10,002	8,251	82%	220,000	220,000		

Capital	Year to Date to Dec 2018				Year End		Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan		
<b>Housing</b>								
Retirement Housing Renewals	20,823	333,828	313,005	94%	667,650	667,650	[23]	Roof replacement project deferred, starts February
Rental Housing Renewals	-	115,284	115,284	100%	230,562	230,562	[24]	Opex budget to be reviewed for reallocation
Housing Minor Capital Projects	169,319	79,502	(89,817)	<(100)%	124,000	124,000	[25]	As above
Rental Housing Minor Capital	24,413	10,500	(13,913)	<(100)%	21,000	21,000		
Housing Minor Capital	40,409	-	(40,409)		-	-		
<b>Housing Total</b>	254,964	539,114	284,150	53%	1,043,212	1,043,212		
<b>Libraries</b>								
Library Renewals	-	-	-		10,000	10,000		
Library Building Renewals	-	-	-		11,000	11,000		
Library Stock	150,588	174,800	24,212	14%	288,000	360,000	[26]	Managing budget to reflect drop in usage
Robson Collection Donations	72	500	428	86%	1,000	1,000		
Napier Library Rebuild	-	-	-		155,000	155,000		
Minor Capital Items	-	-	-		10,000	10,000		
<b>Libraries Total</b>	150,660	175,300	24,640	14%	475,000	547,000		
<b>MTG Hawke's Bay</b>								
MTG Renewals	-	-	-		60,000	60,000		
CC Building Renewals	19,710	18,174	(1,536)	(8)%	36,342	36,342		
Fit Out Library	1,150	-	(1,150)		-	-		
Minor Capital	23,653	36,395	12,743	35%	52,224	75,400		
Minor Capital Items	-	-	-		5,000	5,000		
<b>MTG Hawke's Bay Total</b>	44,513	54,569	10,056	18%	153,566	176,742		

Capital	Year to Date to Dec 2018				Year End		Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan		
<b>Napier Municipal Theatre</b>								
NMT Renewals	-	98,000	98,000	100%	208,660	138,660	[27]	Waiting on quotes before work proceeds
NMT Building Renewals	-	22,200	22,200	100%	54,416	44,416	[28]	Waiting on quotes before work proceeds
Replace sound system	157	100,000	99,843	100%	100,000	100,000	[29]	Waiting on final quotes before project can proceed
Minor Capital Items	-	45,263	45,263	100%	105,263	120,000	[30]	Identifying equipment to replace
<b>Napier Municipal Theatre Total</b>	157	265,463	265,306	100%	468,339	403,076		
<b>Napier i-SITE Visitor Centre</b>								
i-SITE Renewals	-	-	-		5,000	5,000		
Minor Capital Items	6,920	-	(6,920)		55,000	55,000		
<b>Napier i-SITE Visitor Centre Total</b>	6,920	-	(6,920)		60,000	60,000		
<b>Par2 MiniGolf</b>								
Par 2 MiniGolf Renewals	-	-	-		43,000	43,000		
Minor Capital Items	-	-	-		11,000	11,000		
<b>Par2 MiniGolf Total</b>	-	-	-		54,000	54,000		
<b>National Aquarium of NZ</b>								
Aquarium Renewals	52,743	51,000	(1,743)	(3)%	408,800	246,800		
Aquarium Expansion Project	32,420	33,000	581	2%	2,392,000	2,392,000		
Kiwi Facility Upgrade	-	-	-		200,001	200,000		
East Coast LAB Build	(375)	-	375		-	-		
<b>National Aquarium of NZ Total</b>	84,787	84,000	(787)	(1)%	3,000,801	2,838,800		

Capital	Year to Date to Dec 2018				Year End		Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan		
<b>Napier War Memorial Centre</b>								
CC Renewals	6,013	56,478	50,466	89%	94,478	94,478	[31]	Work underway and expect to meet budget by year end.
CC Building Renewals	3,990	5,000	1,010	20%	63,439	133,439		
Minor Capital Items	33,188	35,000	1,812	5%	60,000	60,000		
<b>Napier War Memorial Centre Total</b>	<b>43,191</b>	<b>96,478</b>	<b>53,287</b>	<b>55%</b>	<b>217,917</b>	<b>287,917</b>		
<b>Kennedy Park Resort</b>								
Kennedy Park Renewals	57,779	55,500	(2,279)	(4)%	120,000	120,000		
KP Building Renewals	10,474	30,000	19,526	65%	81,465	81,465		
Minor Capital Items	97,277	95,000	(2,277)	(2)%	95,000	95,000		
Main Ablution Block	17,866	18,000	134	1%	200,000	200,000		
<b>Kennedy Park Resort Total</b>	<b>183,396</b>	<b>198,500</b>	<b>15,104</b>	<b>8%</b>	<b>496,465</b>	<b>496,465</b>		
<b>Total Capital Expenditure</b>	<b>4,523,591</b>	<b>5,500,676</b>	<b>977,085</b>	<b>18%</b>	<b>16,307,738</b>	<b>14,255,134</b>	<b>-</b>	
<b>Asset Sales</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>-</b>		

## Property Assets

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Activities in Property Assets are:

- Property Holdings
- Inner Harbour
- Lagoon Farm
- Parklands Residential Development

### Property Holdings

Leasehold Land Portfolio:

- Investment Property Portfolio = 74
- Residential = 14

This activity is responsible for the management of leases and licences that have been established for parks, reserves, sportsgrounds, and 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, including maintenance and renewal, of all Council buildings not specifically allocated to other activities.

### Inner Harbour

Napier Inner Harbour facilities are located in Ahuriri. The Inner Harbour provides Council owned berthage facilities and the Nelson Quay Boat Ramp, for both commercial fishing vessels and recreational vessels and craft including the Sailing Waka. The Inner Harbour also provides the location for the Napier Sailing Club and the Hawke's Bay Sports Fishing Club, both occupy Council-owned land on a lease basis.

The Inner Harbour provides a channel to the open sea that Council is required to dredge to ensure it remains navigable. The waters within the Inner Harbour are also used by a variety of other water-based users from the wider community, while some of the Council wharves and jetties are used by the public for recreational fishing. Responsibility for managing the Inner Harbour transferred to the Napier City Council as an integral part of local government reorganisation in 1989. Service delivery has been provided in-house by Napier City Council and includes general enquiries, berth allocation, maintenance, and the operation of the pay to use Nelson Quay Boat Ramp.

### Lagoon Farm

The Lagoon Farm activity is a commercial farm operated on the former Ahuriri lagoon bed landholding south of the current estuary channel. This activity covers the costs of land retention and wherever possible provides a supplementary revenue stream to Council while providing a number of other ancillary amenities to the general public and community of Hawke's Bay

The farm currently operates as a sheep farm, with some paddocks leased out for hay cropping on a seasonal basis. The area is zoned "Rural" and as such it can only be used for farming activities.

### Parklands Residential Development

The Parklands Residential Development on 120 hectares of former Lagoon Farm land will provide over 350 residential sections for sale during the period 2018-27. The rate of residential development will be driven by market demand.

## Property Assets Performance Summary

### Property Holdings

Level of Service	Performance Measures	First Quarter	Second Quarter	Target 2018/19	Actual 2017/18	Indicator	Performance Measure Comment
Council manages a portfolio of commercial and leasehold land in accordance with legislation, Council policies and individual lease agreements	Review of Council's Investment Property Portfolio completed regularly	End of year measure	The Investment Property Portfolio Policy was adopted by Council 18.9.2018.	Review every 3 years	Review carried out as per Council resolution 29.6.18	n/a	The Investment Property Portfolio Policy was adopted by Council 18.9.2018. This policy allows for the freeholding of leasehold land held in the portfolio after consideration on a case by case basis.
Council maintains and renews all Council buildings to ensure buildings remain safe, in good condition and fit for purpose	Buildings comply with Building Act and Health and Safety and hold current warrant of fitness certificates, where required	Achieved	Achieved	achieved	achieved	◆	

### Inner Harbour

To provide and maintain Inner Harbour facilities to enable the safe berthing of commercial and recreational vessels	Number of permanent berths	98	98	98	new measure	◆	
	Dredging is carried out as required so the channel is maintained to a minimum depth of 2.4m at lowest tide (source: depth sound checks)	n/a	n/a	achieved	new measure	◆	Depth sounding checks were carried out in August and November 2018. Dredging of the Channel is scheduled for March 2019.

### Parklands Residential Development

Council develops residential sections for sale and provide an income stream for Council	Number of sections sold and developed	0	0	50	24 sold, 24 developed	◆	
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**Performance Indicators** - ◆ - Achieved    ◆ - In progress and on target    ◆ - Within 10%    ◆ - Not achieved, greater than 10%



## Property Assets Financial Summary

Net Operating Expenditure	Year to Date Dec 2018				Year End		Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan		
Revenue	2,489,637	10,169,287	(7,679,650)	5%	20,306,805	20,306,805		
Expenditure	2,611,840	56,698,131	4,086,291	(7)%	11,770,432	10,984,487		
Depreciation	366,633	182,556	(185,043)	<(100)%	365,171	365,172		
<b>Net Operating Expenditure</b>	<b>488,836</b>	<b>(3,288,600)</b>	<b>(3,777,436)</b>	<b>&lt;(100)%</b>	<b>(8,171,202)</b>	<b>(8,957,146)</b>		
<b>Lagoon Farm</b>								
Revenue	(408,303)	(489,290)	(80,987)	(17)%	(611,680)	(611,680)	[1]	\$46k from the sale of hay will be received in January 2019.
Expenditure	324,366	319,728	(4,638)	(1)%	701,613	701,613		
<b>Parklands Residential Development</b>								
Revenue	-	-	-		-	-		
Expenditure	999	996	(3)	(0)%	1,992	1,992		
<b>Parklands Area 3</b>								
Revenue	(12,429)	(7,818,000)	(7,805,571)	(100)%	(15,636,000)	(15,636,000)	[2]	A plan change resulted in a delay in developing Parklands sections. We now anticipate 24 sections will be created by year-end compared to 50 in the Annual Plan. The year-end forecast will be updated to reflect the reduction in revenue.
Expenditure	81,440	4,324,746	4,243,306	98%	8,649,488	8,649,488	[3]	A reduced number of sections sold due to delays arising from the plan change has resulted in lower costs than budgeted
<b>Property Support</b>								
Revenue	(687)	(498)	189	38%	(1,000)	(1,000)		
Expenditure	924,217	903,158	(21,059)	(2)%	999	999		

Net Operating Expenditure	Year to Date Dec 2018				Year End		Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan		
<b>Property Holdings</b>								
Revenue	(1,746,634)	(1,565,705)	180,929	12%	(3,555,125)	(3,555,125)	[4]	Favourable variance relates to a Year to Date budget for revaluation gains of Investment Properties. The actual entry will occur at year end. Budget phasing has now been corrected.
Expenditure	1,276,942	985,295	(291,647)	(30)%	1,260,247	1,066,239	[5]	A \$181k variance relates to non cash depreciation charge. Other unfavourable variances relate to sale costs of Ahuriri Bowling Club which will be recovered from sale, consultancy costs relating to policy changes relating to leasehold land, also to be recovered from sales, Civic Building feasibility costs.
<b>Inner Harbour</b>								
Revenue	(321,584)	(295,794)	25,790	9%	(503,000)	(503,000)		
Expenditure	370,509	346,794	(23,715)	(7)%	1,521,334	929,328		



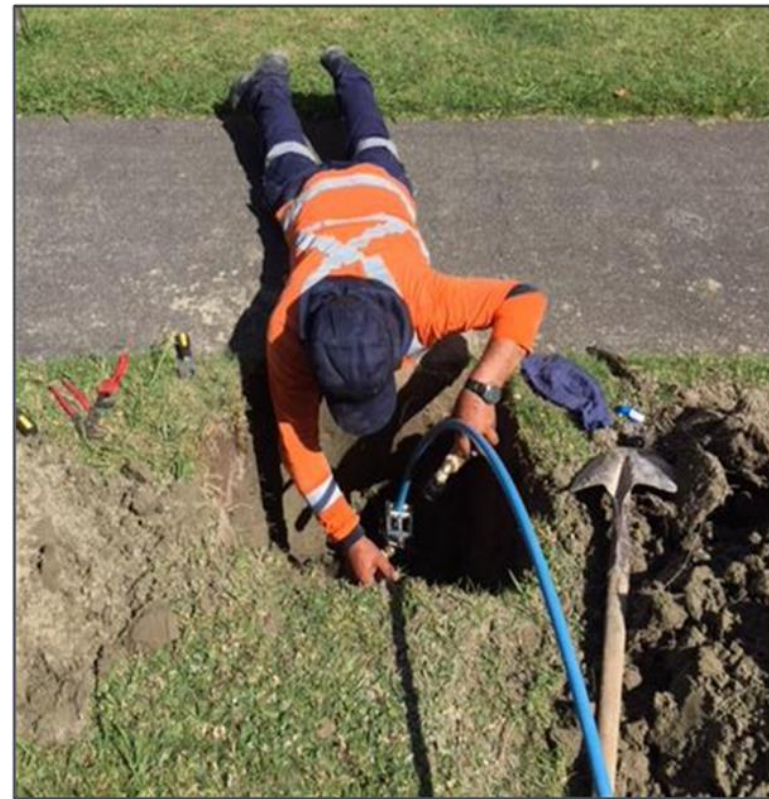
Capital	Year to Date to Dec 2018				Year End		Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan		
IH Facilities Renewals	38,777	40,000	1,223	3%	500,000	500,000	[6]	Replacement of Pontoons
Seismic Strengthening Council Buildings	33,627	-	(33,627)		300,000	300,000	[7]	Taradale Community Rooms Strengthening - Within Annual Budget
Assessment & Compliance Projects	5,432	-	(5,432)		305,000	305,000	[8]	Halls Fire Exit Hardware - Within Annual Budget
Ahuriri Masterplan - Iron Pot Public Access	-	-	-		1,000,000	1,000,000		
<b>Total Capital Expenditure</b>	<b>77,836</b>	<b>40,000</b>	<b>(37,836)</b>	<b>(95)%</b>	<b>2,105,000</b>	<b>2,105,000</b>		
<b>Asset Sales</b>	<b>(532)</b>	<b>-</b>	<b>532</b>		<b>-</b>	<b>-</b>		Freeholding of residential land

## Support Units

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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

	Year to Date Dec 2018				Year End			
Net Operating Expenditure	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan	Notes	Comments
Revenue	836,836	671,459	165,566	25%	1,034,400	868,000	[1]	Revenue is higher due to high number of connections and shared services income.
Expenditure	(1,373,054)	(1,952,632)	(600,637)	(57)%	(1,821,149)	(1,957,050)	[2]	Increased costs with moving to a cloud base system.
Depreciation	988,950	827,156	(183,794)	(22)%	1,636,318	1,706,318		
<b>Net Operating Expenditure</b>	<b>(1,220,940)</b>	<b>(1,796,935)</b>	<b>(575,995)</b>	<b>(32)%</b>	<b>(1,219,231)</b>	<b>(1,118,732)</b>		

	Year to Date to Dec 2018				Year End			
Capital	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan	Notes	Comments
Depot General Renewals	-	12,000	12,000	100%	30,000	30,000	[3]	Work scheduled and expect to meet budget by year end.
Depot Building Renewals	-	20,000	20,000	100%	50,000	50,000	[4]	Work scheduled and expect to meet budget by year end.
Lockable storage-more sheds	13,163	10,000	(3,163)	(32)%	10,000	10,000		
CCTV Camera Extension Depot	-	10,000	10,000	100%	10,000	10,000		
Asset Register Items	-	5,000	5,000	100%	12,500	12,500		
Technology Equipment Minor Capital	206,637	485,000	278,363	57%	1,260,000	1,098,000	[5]	IT projects being initiated in 2nd half of the financial year
P & V Renewal Purchases	385,079	400,000	14,921	4%	900,000	900,000		
Software Replacements and Upgrades	-	25,000	25,000	100%	125,000	-		
Software Replacements and Upgrades	-	70,000	70,000	100%	300,000	240,000	[6]	IT projects being initiated in 2nd half of the financial year
Minor Capital Items	45,016	10,000	(35,016)	<(100)%	70,000	70,000	[7]	Wireless access points installed earlier than planned
Corporate IT Network	4,583	5,000	418	8%	13,000	13,000		
<b>Total Capital Expenditure</b>	<b>654,477</b>	<b>1,052,000</b>	<b>397,523</b>	<b>(2)%</b>	<b>2,780,500</b>	<b>2,433,500</b>		

## ***Rates & Special Funds Financial Summary***

Net Operating Expenditure	Year to Date Dec 2018						Notes	Comments
	Actual	Revised Budget	Variance	% Variance	Revised Budget	Annual Plan		
Revenue	21,153,026	20,990,079	162,947	1%	42,159,356	42,159,356		
Expenditure	(472,936)	(516,620)	(43,684)	(8)%	(2,119,711)	(1,957,711)		
Depreciation	-	-	-		-	-		
<b>Net Operating Expenditure</b>	<b>(21,625,962)</b>	<b>(21,506,699)</b>	<b>119,263</b>	<b>(1)%</b>	<b>(44,279,067)</b>	<b>(44,117,067)</b>		

## People and Capability Report as at 31 December 2018

### Health, Safety & Wellbeing

#### Health, Safety & Wellbeing Initiatives

Staff participated in the following health, safety and wellbeing initiatives during the quarter.

Month	Initiative
October	Breast Cancer Awareness Month Blood Pressure Awareness Day Mental Health Awareness Week
November	Diabetes testing International Men's Day – men's health awareness packs to all mail employees Prostate Cancer Awareness - \$2,656 raised for Cancer Foundation
December	Safe Sleep and Fatigue Awareness Day Pimp your Christmas Work Pod

#### Health & Safety Training

233 staff completed the following H&S training during the quarter to 31 December.

Compliance Courses	Staff #
First Aid	16
Confined Space	3
Working at Heights	9
EWP	2
Fall Arrest	2
Hazardous Substances	167
Traffic Control	12
Aggressive Customer Training	16
Permit to Work	6
<b>Total Staff Trained</b>	<b>233</b>

**Reported Incidents**

Reported Incidents	Oct 2018	Nov 2018	Dec 2018
Lost time injuries (LTIs):	0	1	1
Medically treated injuries (MTIs):	1	0	4
Total recordable injuries (MTIs + LTIs):	1	1	5
Near miss/hit & property damage reporting	11	7	4
Incidents Involving Public using our facilities	16	7	18
Significant Incidents or Accidents involving Contractors	0	1	0

**People****Values Awards**

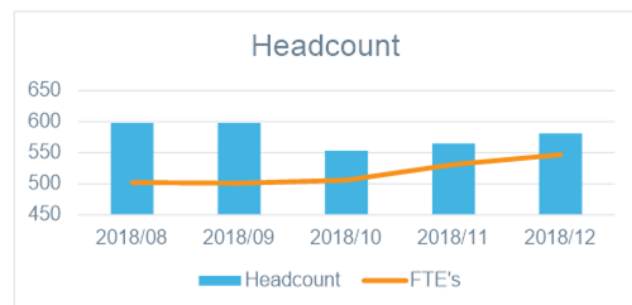
Each quarter, staff nominate work colleagues who they believe demonstrate Napier City Council's core values of Integrity, Community & Customer and Excellence.

12 individuals and two teams were recognised following nomination from colleagues during the quarter.

**Employee Numbers**

Staffing Levels	As at 31 Dec 2018
Permanent Employees (Headcount)	581
Full time equivalent (Permanent)	546
Casual Staff	86

The increase in staff numbers in the second quarter of the year is attributable to seasonal increase in visitor numbers to the region and the need for increases in staff numbers within our Community Services facilities.



**Staff Turnover – Permanent Staff**

Year to Date	Q2
Staff Turnover Quarter 2	4.63%
Voluntary Leavers	26*

\*Leavers includes 3 retirees and 1 deceased

*For context Strategic Pay's 2018 New Zealand Employment and Practices report (covering both public and private sectors), reports average voluntary turnover of 15%. Local government average voluntary turnover is 17%.*



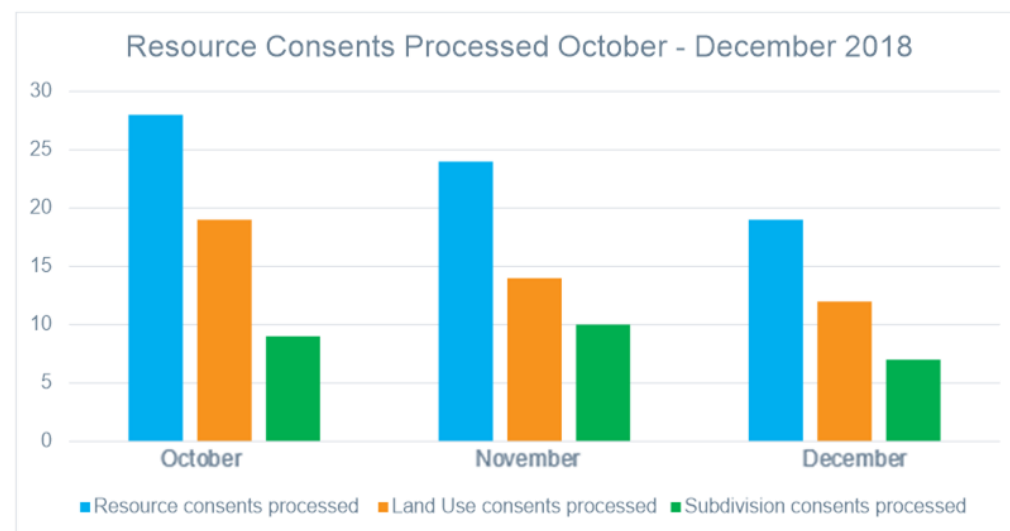
## City Strategy Regulatory Activity Report

### Building Consents

Building consents activity for the quarter saw a total of 271 building consents issued with a total estimated value of \$28,541,573 which also included 33 new dwelling units.

### Resource Consents

This quarter saw a total of 71 Resource Consents (26 subdivision & 45 land use) approved, with 100% of these applications being processed within statutory time frames.



### Food Act 2014

A total of 88 audits were completed during the October to December 2018 quarter. There were also 65 food businesses registered, or transitioned from the old Food Act, during this quarter.

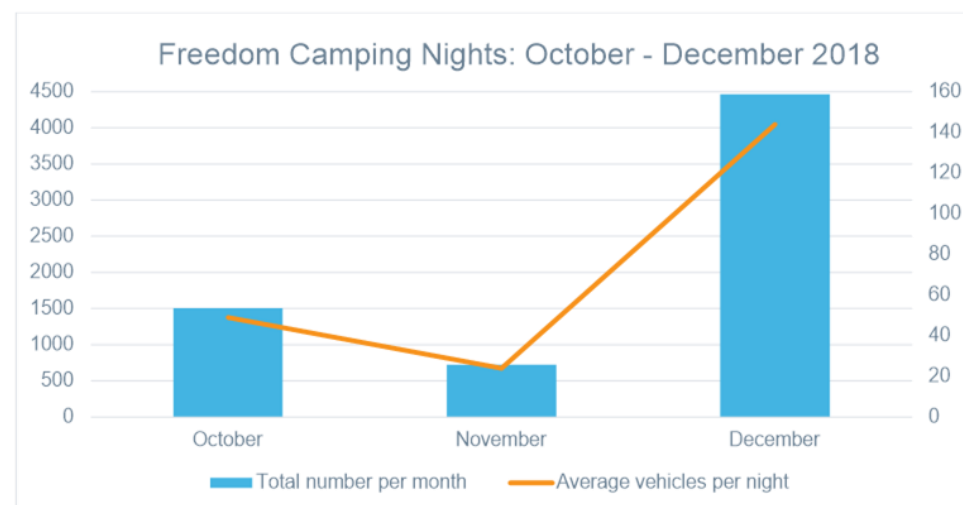


## Requests for Service Environmental Health

374 service requests were received for environmental health related activities for the quarter. Of these service requests, 253 requests were for bylaw related requests and 20 were for animal nuisance related requests.

## Freedom Camping

For the quarter there have been a total of 6,699 freedom camping nights, increased from 1141 the previous quarter. This is the difference between a winter and a summer period. December was the busiest month with 4468 freedom camping nights recorded.

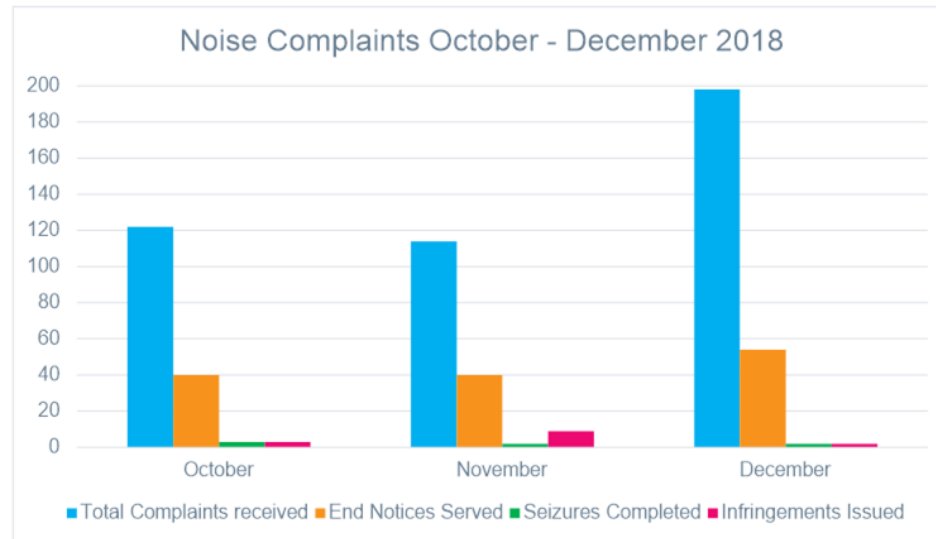


Monitoring of the sites continues to educate and encourage compliance. Twice nightly rounds occur for each site to ensure vehicles are complying with the bylaw, and moving those on to correct locations.

112 infringement notices were issued during the quarter, 3 of which were issued for freedom camping more than 10 nights in any 30-day period.

## Noise Control

434 noise complaints were received between October and December 2018, with December seeing a spike in complaints with 198 being received. 134 complaints resulted in Excessive Noise Directions (END) and seven complaints resulted in seizures. 14 infringement notices were issued for noise related offences.



## Liquor Licensing

A total of 175 licenses received. Of this, 47 applications were for Special Licenses. In addition to the applications, 1 Hearing was held, which was for a Managers Certificate.

## Parking

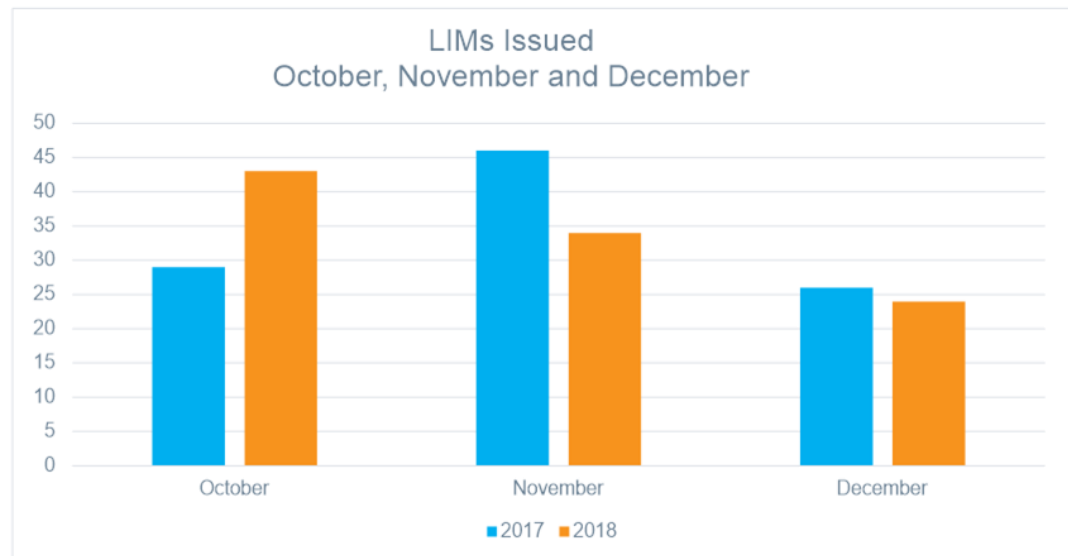
4,307 infringement notices issued for the quarter. 1,229 (29%) have been paid. 392 (9.2%) notices have been cancelled.

### Park mate

Total transactions for the quarter were 22,981 which is up by 2,963 compared to the previous quarter.

### Land Information Memorandum (LIM) and Property File View

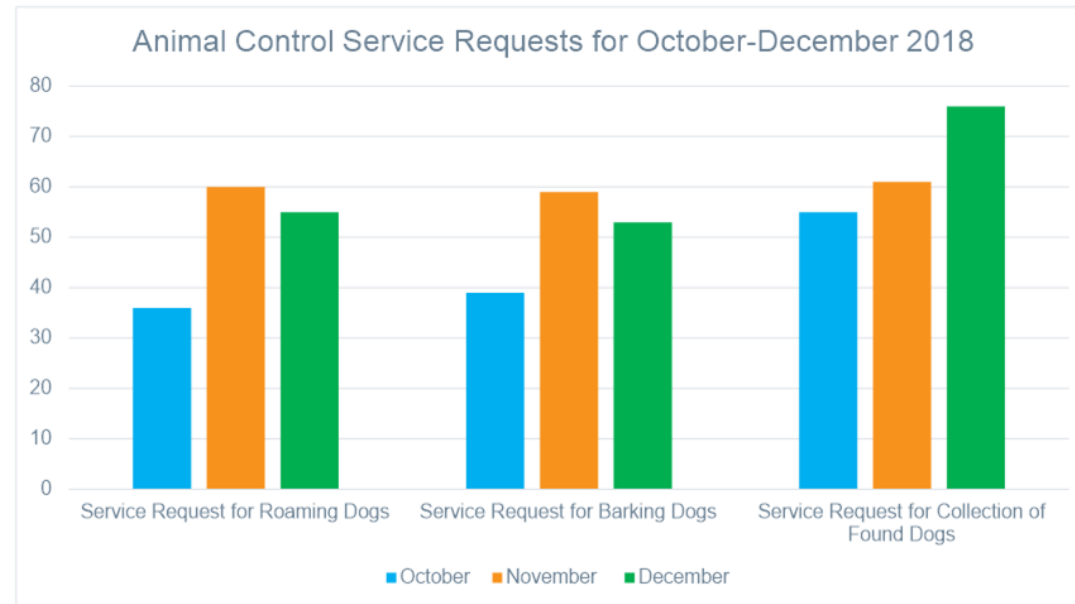
101 LIMs have been issued for the quarter; this is equal to the same period last year with 101 LIMs also issued.



1,999 property files have been viewed throughout this quarter. The most popular streets were Kennedy Road and Shakespeare Road.

## Animal Control

From October to December 2018, 928 service requests were received. 151 requests were for dogs roaming, 151 requests were received for barking dogs and 192 requests for collection of found dogs. The remainder of the requests were related to information requests and related dog behavior.



There were 17 reports of dog attacks on humans and 24 reports of dog attacks on other animals. Each of these reports were investigated and appropriate action was taken.

During this quarter 61 infringement notices were issued, which is a significant increase from 18 infringements issued in the previous quarter. 33 of these infringements were for keeping an unregistered dog, while 17 of these infringements were for failing to keep a dog controlled or confined.

185 dogs were impounded and, of these dogs, 79 were unregistered. 122 dogs were returned to owner, 6 dogs were rehomed, 1 dog was given to the SPCA, and 52 dogs were euthanized.