

Finance and Corporate Committee Agenda

Date: Thursday, 29 November, 2018

Time: 9:00 am

Location: Council Chamber
Forum North, Rust Avenue
Whangarei

Elected Members: Cr Shelley Deeming (Chairperson)
Her Worship the Mayor Sheryl Mai
Cr Stu Bell
Cr Gavin Benney
Cr Crichton Christie
Cr Vince Cocurullo
Cr Tricia Cutforth
Cr Sue Glen
Cr Phil Halse
Cr Cherry Hermon
Cr Greg Innes
Cr Greg Martin
Cr Sharon Morgan
Cr Anna Murphy

For any queries regarding this meeting please contact
the Whangarei District Council on (09) 430-4200.

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2. Apologies	
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Finance and Corporate Committee – Terms of Reference

Membership

Chairperson: Councillor Shelley Deeming

Members: Her Worship the Mayor Sheryl Mai
Councillors Stu Bell, Gavin Benney, Crichton Christie, Vince Cocurullo, Tricia Cutforth, Sue Glen, Phil Halse, Cherry Hermon, Greg Innes, Greg Martin, Sharon Morgan, Anna Murphy

Meetings: Monthly

Quorum: 7

Purpose:

To oversee Council and CCO's financial management and performance, including operation of the administrative and internal support functions of council.

Key responsibilities include:

- Progress towards achievement of the council's financial objectives as set out in the Long Term Plan.
- Preparation for recommendation to council:
 - Advising and supporting the mayor on the development of the Long Term Plan (LTP) and Annual Plan (AP)
 - Financial policy related to the LTP and AP
 - Setting of rates
 - Preparation of the consultation document and supporting information, and the consultation process for the LTP and AP
 - Annual Report
- Financial/Planning and Control
 - Corporate accounting services
 - Treasury – debt and interest risk management
 - Procurement
- CCO Monitoring and Performance
 - Monitoring the financial and non-financial performance targets, key performance indicators and other measures of each Council Controlled Organisation (CCO) to inform the committee's judgement about the performance of each organisation.
 - Advising the mayor on the content of the annual Letters of Expectations (LoE) to CCOs.
- Overseeing and making decisions relating to an ongoing programme of service delivery reviews as required under section 17A of the Local Government Act 2002

- Shared Services – investigate opportunities for Shared Services for recommendation to council.

Delegations

- (i) All powers necessary to perform the committee's responsibilities, including, but not limited to:
 - (a) the approval of expenditure of less than \$5 million plus GST.
 - (b) approval of a submission to an external body.
 - (c) establishment of working parties or steering groups.
 - (d) power to establish subcommittees and to delegate their powers to that subcommittee.
 - (e) the power to adopt the Special Consultative Procedure provided for in Section 83 to 88 of the LGA in respect of matters under its jurisdiction (this allows for setting of fees and bylaw making processes up to but not including adoption).
 - (f) the power to delegate any of its powers to any joint committee established for any relevant purpose under clause 32, Schedule 7 of the Local Government Act 2002

Finance and Corporate Committee Meeting Minutes

Date: Thursday, 25 October, 2018
Time: 9:00 a.m.
Location: Council Chamber
Forum North, Rust Avenue
Whangarei

In Attendance

Cr Shelley Deeming (Chairperson)
Her Worship the Mayor Sheryl Mai
Cr Stu Bell
Cr Crichton Christie
Cr Vince Cocurullo
Cr Tricia Cutforth
Cr Sue Glen
Cr Phil Halse
Cr Cherry Hermon
Cr Greg Innes
Cr Greg Martin
Cr Sharon Morgan
Cr Anna Murphy

Not in Attendance

Cr Gavin Benney

Scribe C Brindle (Senior Democracy Adviser)

1. Declarations of Interest

There were no declarations of interest made at this meeting.

2. Apology

Cr Gavin Benney

Moved By Cr Greg Innes

Seconded By Cr Greg Martin

That the apology be sustained.

Carried

3. Confirmation of Minutes of Previous Finance and Corporate Committee Meeting

3.1 Minutes Finance and Corporate Committee 27 September 2018

Moved By Cr Greg Innes

Seconded By Cr Sue Glen

That the minutes of the Finance and Corporate Committee meeting held on Thursday 27 September 2018, having been circulated, be taken as read and now confirmed and adopted as a true and correct record of proceedings of that meeting.

Carried

4. Decision Reports

4.1 Local Government Funding Agency - 2018 Annual Meeting Matters

Moved By Cr Sue Glen

Seconded By Cr Vince Cocurullo

That the Finance and Corporate Committee:

1. Notes the Local Government Funding Agency has advised that its Annual Meeting will be held on 21 November in Wellington.
2. Appoints General Manager Corporate/CFO Alan Adcock to attend the AM as the shareholder representative for Whangarei District Council.
3. Should Alan Adcock be unable to attend the meeting, appoints Craig Stobo, Local Government Funding Agency Chair, as Council's proxy in his place.
4. Agrees that the representative or the proxy or alternate votes in favour of the following proposals which require ordinary shareholder resolutions:
 - a. John Avery is re-appointed to the Local Government Funding Agency's board as an independent director;
 - b. Mike Timmer is re-appointed to the Local Government Funding Agency's board as a non-independent director;
 - c. Hamilton City Council is re-elected to the Shareholders' Council;
 - d. Tauranga City Council is re-elected to the Shareholders' Council;
 - e. Changes to the Local Government Funding Agency's foundation policies.

Carried

5. Information Reports

5.1 Financial Report for the 3 months ending 30 September 2018

Moved By Cr Vince Cocurullo

Seconded By Cr Greg Martin

That the Finance and Corporate Committee notes the operating results for the three months ending 30 September 2018.

Carried

5.2 Corporate Capital Projects Report for the month ending 30 September 2018

Moved By Cr Anna Murphy

Seconded By Cr Vince Cocurullo

That the Finance and Corporate Committee notes the Corporate Capital Projects Report for the month ending 30 September 2018.

Carried

5.3 Operational Report - Finance and Corporate - October 2018

Moved By Cr Sharon Morgan

Seconded By Cr Vince Cocurullo

That the Finance and Corporate Committee notes the operational report for October 2018.

Carried

6. Public Excluded Business

There was no business conducted in public excluded.

7. Closure of Meeting

The meeting concluded at 9.38am.

Confirmed this 29th day of November 2018

Councillor Shelley Deeming (Chairperson)

4.1 Financial Report for the 4 months ending 31 October 2018

Meeting: Finance and Corporate Committee
Date of meeting: 29 November 2018
Reporting officer: Alan Adcock (General Manager – Corporate/CFO)

1 Purpose

To provide the operating result for the four months ending 31 October 2018.

2 Recommendation

That the Finance and Corporate Committee notes the operating results for the four months ending 31 October 2018.

3 Background

3.1 Financial Reporting

As part of our continual report and process improvements, slight changes have been made to the financial reports within this agenda. The main purpose of these changes is to apply a consistent format when presenting financial information. The monthly financial reporting now aligns more closely with the format used in the Annual Plan and Annual Report.

At a high level these changes include:

- The removal of brackets for revenue items
- Slight changes to line items contained within the Income Statement
- Separating non-cash income and expenditure including:
 - Vested assets income
 - Gain/loss on disposals of assets
- Separating project expenditure as this is included within the Capital Projects Report
- The Monthly Activity Summary Report is now prepared on the Council Operations level excluding non-cash adjustments

3.2 Operating Result – Full Year Forecast

The year to date position is a surplus of \$10.3 million, compared to a budgeted surplus of \$2.2 million, resulting in a favourable variance of \$8.1 million. It is important to note that

timing differences between when the budget is phased and when costs are actually incurred directly impact the year to date result.

The forecast completed in October indicates a net surplus for the financial year ending 30 June 2019 of \$21.7 million compared with a budgeted surplus of \$11.9 million, resulting in a favourable variance (including non-cash adjustments) of \$9.8 million.

3.3 Capital Project Expenditure

The Capital Projects expenditure as at 31 October 2018 is currently \$3.7 million less than budget. At this point, Council is forecasting to spend a total of \$85.1 million against the \$94.5 million budget, with a forecast carry forward of \$9.5 million. The revised budget and forecast include the brought forward projects approved at the October Council meeting.

The major carry forwards are:

- | | |
|---|--------|
| • Whau Valley New Water Treatment Plant | \$4.2m |
| • Recycling Bins Purchase | \$1.5m |
| • Sports and Recreation LoS (Pohe Island Development) | \$1.3m |
| • Sports and Recreation (Ruakaka Field Upgrades) | \$0.8m |

Decisions regarding the new Civic centre will also affect the final carry forward position.

3.4 External Net Debt and Treasury

Total net external debt at the end of October 2018 was \$101.3m compared to year to date budgeted net debt of \$123.4m, resulting in net debt being \$22.1m under budget.

This favourable variance is due to assumptions made regarding the opening net debt balance of the 2018-28 Long Term Plan, the favourable operating surplus (see section 3.2), and the year to date favourable variance in capital expenditure (see section 3.3).

3.5 WDC Treasury Operations

As at 31 October 2018 cash and term deposits held of \$50.7m was comprised of:

- \$10.0 million of term deposits relating to prefunding undertaken
- \$10.0 million of term deposits relating to short term borrowings not yet required
- \$23.0 million of term deposits relating to excess cash not currently required
- \$7.7m cash on hand.

Council is currently receiving slightly higher interest rates than the borrowing rate on a portion of these deposits.

3.6 Economic Outlook

The Official Cash Rate (OCR) remained at 1.75% in the November OCR Announcement as expected. The Reserve Bank made little change to their future expected rate movements – with the next increase not expected until late 2020 although they indicated the next move could be a cut.

Long term rates remained steady during October with the NZ 10-year swap rate falling slightly from 2.88% to 2.85%.

The low long term swap rates are partially offset by higher global credit spreads which will increase the cost of any future borrowing. Council has utilised prefunding to reduce its exposure to this.

4 Accounts receivable and arrears

Total arrears as at 31 October 2018 was \$4.4 million compared to \$3.4 million in the previous year. The increase has arisen due to payment of some large rates assessments being put on hold pending resolution of outstanding issues.

5 Significance and engagement

The decisions or matters of this agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda publication on the website.

6 Attachments

- 1 Monthly key indicators
- 2 Monthly activity summary
- 3 Monthly income statement
- 4 Capital projects expenditure – graphs
- 5 Treasury report

MONTHLY KEY INDICATORS
OCTOBER 2018



	YTD to October 2018					Full Year Forecast			
	Actual	Revised Budget	Variance	YTD	YTD	Full Year Forecast	Revised Budget	Variance	YTD
	YTD \$ m	YTD \$ m	YTD \$ m	Indicator	Current / previous month	2018-19 \$ m	2018-19 \$ m	2018-19 \$ m	Indicator
OPERATING									
Total Rates	30.3	30.3	0.0	●		97.0	97.3	(0.3)	●
Development Contributions	4.3	1.5	2.8	●		6.8	4.6	2.2	●
Subsidies and Grants	7.1	7.3	(0.2)	●		23.1	23.0	0.1	●
User Fees	4.9	4.6	0.3	●		14.4	14.1	0.3	●
Total Operating Income	50.6	46.8	3.8	●	↑	152.2	149.1	3.1	●
Personnel Costs	9.2	10.2	1.0	●		29.1	29.8	0.7	●
Other Operating Expenditure	18.3	19.7	1.4	●		60.5	60.8	0.3	●
Total Operating Expenditure	42.9	44.8	1.9	●	↑	135.5	135.9	0.4	●
Surplus/(Deficit) from Operations	7.6	2.0	5.6	●	↑	16.6	13.2	3.4	●
Total Surplus/(Deficit)	10.3	2.2	8.1	●	↑	21.7	11.9	9.8	●
EXTERNAL DEBT FUNDING									
External Net Debt	98.6	117.3	18.7	●					
Net Interest on debt	2.1	2.1	0.0	●		6.3	6.5	0.2	●

KEY	
●	Favourable to budget
●	Unfavourable, but within 5% of budget
●	Unfavourable, over 5% of budget
↑	Favourable to previous month
↓	Unfavourable to previous month

Key Contributors to Unfavourable Variances

During forecasting budget managers often reallocate budget between various lines to better reflect the type of expenditure. This can cause variances between expense lines.

Note: The above information includes excerpts taken from the Monthly Income Statement. The shaded lines above represent key totals from the Monthly Income Statement but are not totals of the lines above.

MONTHLY ACTIVITY SUMMARY OCTOBER 2018



	YTD to 31 October 2018					Full Year Forecast			
	Actual YTD Surplus/ (Deficit) \$m	Budget YTD Surplus/ (Deficit) \$m	Variance Surplus/ (Deficit) \$m	YTD Indicator	YTD Trend Current / previous month	Full Year Forecast Surplus/ (Deficit) \$m	Revised Budget Surplus/ (Deficit) \$m	Variance Surplus/ (Deficit) \$m	Full Year Indicator
Surplus/(deficit) from operations	7.6	2.0	5.6	●	↑	16.6	13.2	3.4	●
Transportation	(2.9)	(3.6)	0.7	●	↓	(9.9)	(10.5)	0.6	●
Water	3.1	1.6	1.5	●	↑	2.6	2.1	0.5	●
Solid Waste	1.2	1.1	0.1	●	↓	2.5	2.6	(0.1)	●
Waste Water	4.6	4.0	0.6	●	↑	9.3	8.5	0.8	●
Storm Water	(1.1)	(1.2)	0.1	●	↑	(4.8)	(4.7)	(0.1)	●
Flood Protection	0.0	0.0	0.0	●	↓	0.1	0.1	0.0	●
Community Facilities	(8.1)	(9.5)	1.4	●	↑	(35.7)	(35.9)	0.2	●
Governance & Strategy	0.5	0.0	0.5	●	↑	(0.8)	(0.9)	0.1	●
Planning & Regulatory	0.3	(0.7)	1.0	●	↑	(7.5)	(8.3)	0.8	●
Support Services	10.0	10.3	(0.3)	●	↓	60.8	60.2	0.6	●

KEY:

Favourable to budget



Unfavourable, but within 5% of budget



Unfavourable, over 5% of budget



Favourable to previous month



Unfavourable to previous month

Note: The above information is at Council Operations level and excludes non-cash adjustments

MONTHLY INCOME STATEMENT

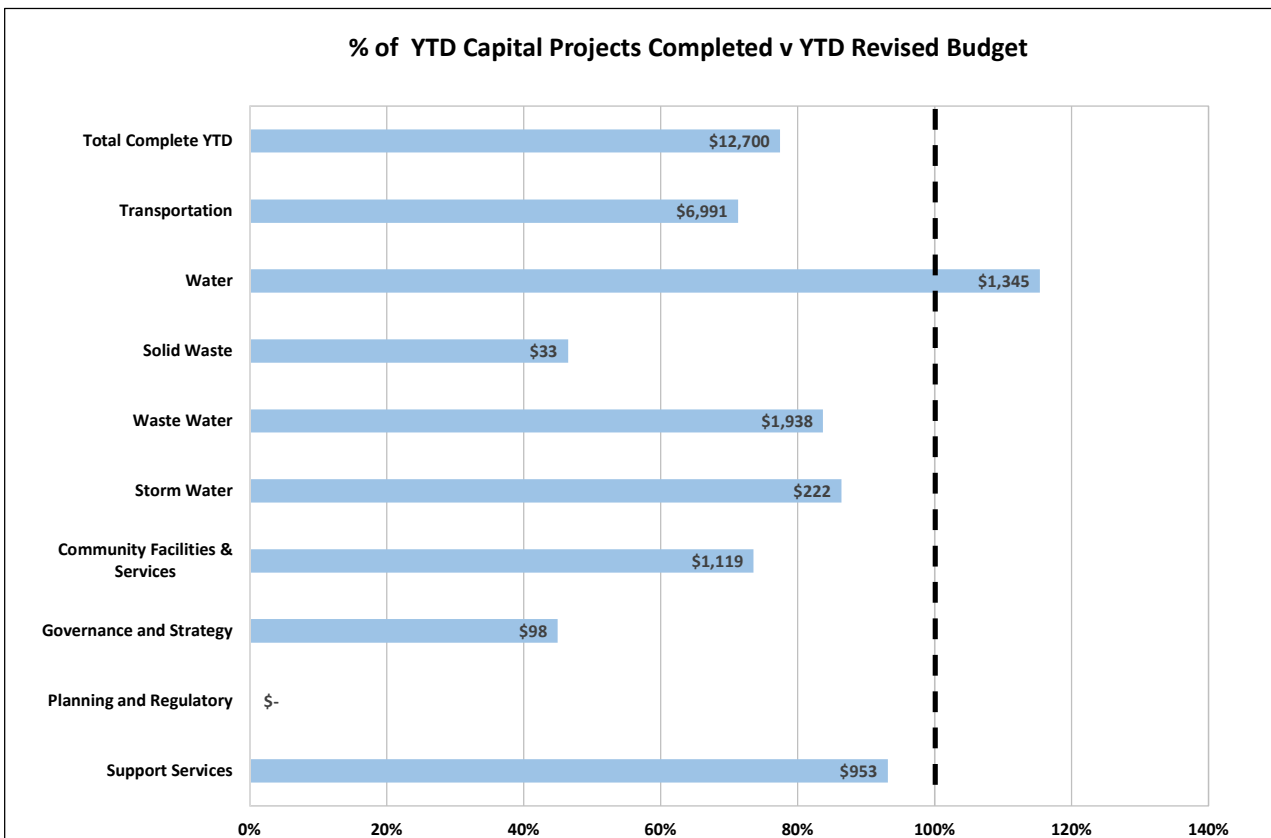
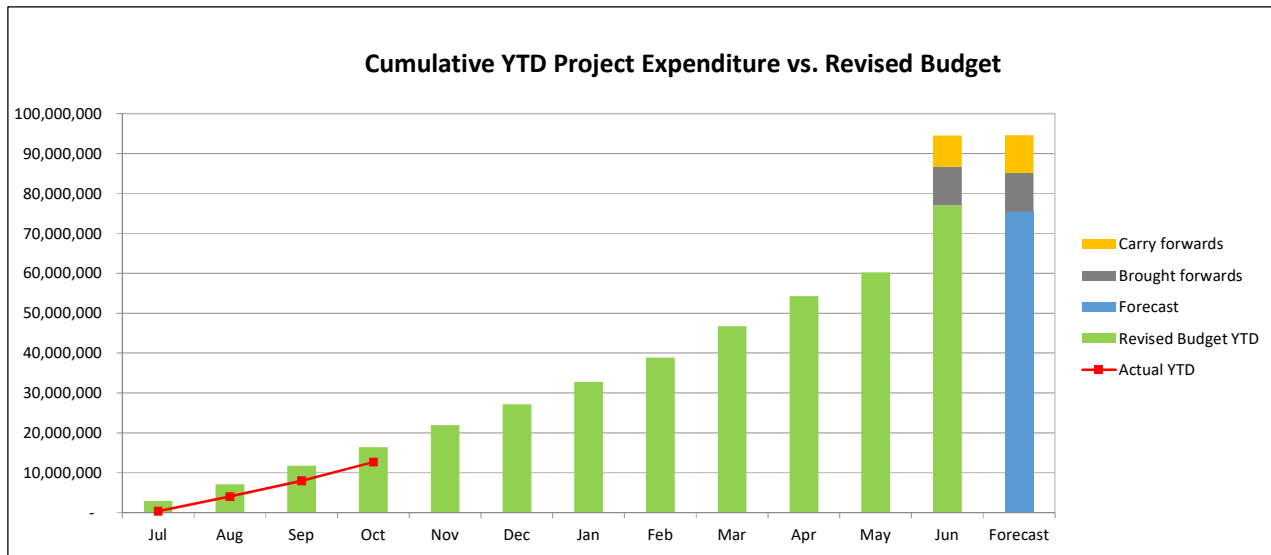
31 OCTOBER 2018

Council Summary	Actual	Revised Budget	Forecast	Revised Budget	Variance*
	YTD \$000	YTD \$000	2018-19 \$000	2018-19 \$000	2018-19 \$000
Operating income					
Rates	30,255	30,266	96,981	97,322	(342)
Development and other contributions	4,271	1,547	6,830	4,640	2,190
Subsidies and grants	7,084	7,309	23,129	22,970	158
Fees and charges	4,865	4,560	14,353	14,144	209
Interest revenue	484	16	684	53	631
Other revenue	3,616	3,080	10,196	10,013	184
Total operating income	50,576	46,779	152,172	149,142	3,030
Operating expenditure					
Other expenditure	18,267	19,677	60,504	60,782	278
Depreciation and amortisation	12,782	12,907	38,888	38,720	(168)
Finance costs	2,638	2,052	6,998	6,609	(389)
Personnel costs	9,239	10,154	29,141	29,806	666
Total operating expenditure	42,927	44,789	135,530	135,918	388
Surplus/(deficit) from operations	7,649	1,989	16,642	13,225	3,417
Plus non-cash income adjustments					
Vested assets income	4,528	1,000	9,140	3,000	6,140
Gain on disposal of assets	-	-	-	-	-
Total non-cash income adjustments	4,528	1,000	9,140	3,000	6,140
Less non-cash expenditure adjustments					
OPEX on capital projects**	643	778	4,098	4,275	177
Loss on disposal of assets	1,242	-	-	-	-
Total non-cash expenditure adjustments	1,885	778	4,098	4,275	177
Total non-cash adjustment	2,643	222	5,042	(1,275)	6,317
Total surplus/(deficit)	10,292	2,211	21,684	11,949	9,735

* Favourable variances are recorded as positive amounts (Unfavourable variances as negative amounts)

** This expenditure is included within the Capital Projects Report

CAPITAL PROJECT EXPENDITURE AS AT 31 OCTOBER 2018



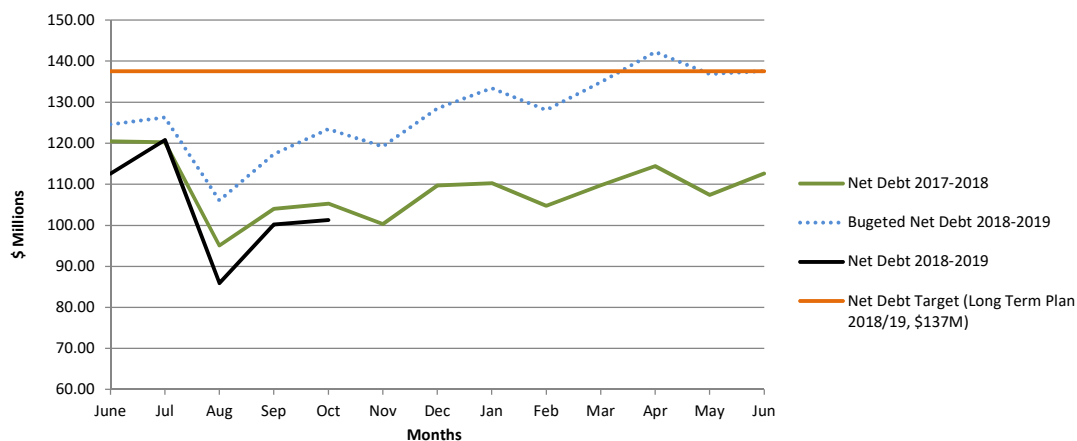
TREASURY REPORT
31 OCTOBER 2018

**STANDARD AND POORS CREDIT RATING:****AA**

Outlook: Stable

DEBT SUMMARY:**As at 31 October 2018**

External Debt		
Opening public debt as at 1 October 2018		152,000,000
Plus loans raised during month	5,000,000	
Less loan repayments made during month (Note: Facility movement has been netted)	(5,000,000)	
Net movement in external debt		-
Total External Debt		152,000,000
Less: Cash balances (excluding funds held on behalf)	7,736,893	
Term deposits (Funds held on deposit until required for project funding)	43,000,000	
Total cash and term deposits		50,736,893
Total Net External Debt		101,263,107
<i>Note: Council also holds \$2.1m of LGFA borrower notes. These are not included in net external debt as per Council's Treasury Risk Management Policy.</i>		
External debt is represented by:		
Less than 1 Year		29,000,000
1-3 Years		43,000,000
3-5 Years		30,000,000
Greater than 5 Years		50,000,000
Total		152,000,000

NET EXTERNAL DEBT COMPARED TO BUDGET:

Internal Funding*		
Community Development Funds		10,357,515
Property Reinvestment Reserve - Available for Reinvestment	3,261,435	
Property Reinvestment Reserve - Accumulated	28,981,960	
		32,243,395
Water Reserve		31,231,000
Total		73,831,910

Note: Reserves Funding is disclosed to ensure transparency of Council's use of cashflow management to fund capital works.

Where funds are raised through property sales or targeted rates for Water, but they are not required for immediate investment in that asset category, Council's Revenue and Financing policy allows them to be used for other purposes, rather than being held on deposit.

To ensure total transparency of this we create Reserve Accounts so that the appropriate funding can be made available and transferred back when it is required. The timing of projects requiring these funds is set out in our Long Term Plan (LTP) and/or Annual Plan (AP).

These Reserves are not a liability to an external party, and are not part of Council's debt obligations.

The Property Reinvestment Reserve is split to record funds that were used specifically for capital works in previous years; and a smaller amount representing recent unbudgeted sales where the funds received have offset external debt.

The only situation where our Net Debt would increase as a result of these Reserves is if major expenditure on Water Assets or property purchases is brought forward from the dates set out in the LTP/AP.

4.2 Corporate Capital Projects Report for the month ending 31 October 2018

Meeting: Finance and Corporate Committee
Date of meeting: 29 November 2018
Reporting officer: Alan Adcock (General Manager – Corporate/CFO)

1 Purpose

To provide the Corporate Capital Projects Report for the month ending 31 October 2018.

2 Recommendation

That the Finance and Corporate Committee notes the Corporate Capital Projects Report for the month ending 31 October 2018.

3 Background

This report provides an update on Corporate Capital Projects expenditure to date compared to budget, as well as the forecast spend for the year and carry forwards against budget.

4 Discussion

The Capital Projects expenditure for Corporate as at 31 October 2018 is currently \$85k less than budget. Corporate is forecasting to spend a total of \$15.6 million against the \$16.2 million budget, with forecast carryforwards of \$0.6 million. These carry forwards relate to ICT projects.

However, the bulk of this expenditure relates to the Civic Centre project and its timing will be affected by some complex decisions over the next few months.

5 Significance and engagement

The decisions or matters of this agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda publication on the website.

6 Attachment

Corporate Capital Projects Report

CORPORATE CAPITAL PROJECTS REPORT

AS AT 31 October 2018

(Figures include both Operating and Capital Expenditure)

	Actual YTD \$000	Revised Budget YTD \$000	Variance YTD \$000	Full Year Forecast \$000	Full Year Revised Budget \$000	Forecast (Underspent)/ Overspent \$000	Forecast Carry Forwards \$000	Total (Underspent)/ Overspent \$000
Support Services								
<i>Business Improvement</i>								
Business Improvement Projects	0	13	(13)	100	100	0	0	0
Workflow Systems Development	0	38	(38)	226	226	0	0	0
Business Improvement Total	0	51	(51)	326	326	0	0	0
<i>Business Support</i>								
Business Support Projects	0	0	0	102	102	0	0	0
Council Premises	5	5	0	9,968	9,968	0	0	0
Council Vehicle Replacements	45	47	(2)	257	235	22	0	22
Furniture Renewals	0	3	(3)	8	10	(2)	0	(2)
Information Centre Upgrade	0	0	0	126	126	0	0	0
Business Support Total	51	55	(5)	10,461	10,441	20	0	20
<i>ICT</i>								
Accounts Payable Automation	4	23	(19)	4	23	(19)	0	(19)
Asset Management Software Upgrade	336	145	191	611	854	(244)	245	1
CiA Upgrade	131	149	(18)	1,240	1,480	(240)	253	13
Computer Tech for Building, Animal Control & Parking	0	0	0	104	124	(20)	20	0
Corporate Performance Management	35	62	(27)	346	435	(89)	91	1
Decision Support System Development	0	15	(15)	161	161	0	0	0
Digitisation of Records	263	202	62	876	899	(23)	23	(0)
IT Equipment New	10	10	(0)	44	51	(7)	8	1
IT Network Upgrades	0	28	(28)	7	33	(27)	0	(27)
LIDAR	0	0	0	128	128	0	0	0
Minor ICT Projects	11	19	(8)	90	82	8	0	8
Web & Intranet Development	75	242	(167)	1,182	1,127	55	0	55
ICT Total	864	893	(29)	4,791	5,397	(606)	640	34
<i>People & Capability</i>								
Office Furniture	3	3	(1)	9	10	(1)	0	(1)
People & Capability Total	3	3	(1)	9	10	(1)	0	(1)
Support Services Total	918	1,003	(85)	15,587	16,174	(587)	640	53
Total	918	1,003	(85)	15,587	16,174	(587)	640	53

4.3 Operational Report – Finance and Corporate – November 2018

Meeting: Finance and Corporate Committee
Date of meeting: 29 November 2018
Reporting officer: Alan Adcock (General Manager – Corporate/CFO)

1 Purpose

To provide a brief overview of work across services that the Finance and Corporate Committee is responsible for.

2 Recommendation

That the Finance and Corporate Committee notes the operational report for November 2018.

3 Background

The purpose of the Finance and Corporate Committee is to oversee Council and CCOs financial management and performance, including operation of the administrative and internal support functions of Council.

This report provides a brief overview of some of the operational highlights for November 2018 and provides some further comment on future planned activities.

4 Significance and engagement

The decisions or matters of this agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda publication on the website.

5 Attachment

Operational Report – Finance and Corporate – November 2018

Operational Report – Finance and Corporate – November 2018

Information Communications Technology (ICT)

ICT Teams are supporting the organisation with business as usual (BAU) requests, incidents and critical infrastructure improvements as well as assisting the Business Improvement Team with organisational system improvements. Project work is not without challenges but overall progressing well.

ICT Operations

While service levels for the month of October were on target at 96.4% the team has had an increasing number of requests for Minor Works. On top of this we are also assisting the Business Improvement department to investigate new initiatives being requested from Council staff.

Operational activities include:

- Conducting a third-party security review – implementation planning in progress
- Cyber training management plan – deployment in progress
- Password reset protocol change - to be communicated
- Remediating critical Disaster Recovery recommendations – in progress
- Application and Desktop support – business as usual
- Windows 10 Feature Upgrade (1803) – deployed to Key Business Users
- Reporting on service levels
- Firewall and infrastructure upgrades scheduled for weekends 17/11 and 8/12.

ICT Projects

In general, the Trilogy Phase 2 projects are progressing well although we have seen some delay across two of them.

- **Upgrade of Technology One Ci to CiAnywhere** – next software upgrade for Core Council system.
 - The Statement of Work including costing is under review with anticipated completion 19/11/2018. Analyst training has taken place during November to upskill the team on how to configure the new system. Planning for sample data migration is in progress.
- **Corporate Performance Management** – implementation of software to track, trace, monitor manage and report key performance indicators across Council. Phase 1 was LTP measures, Phase 2 will cover WDC operational measures.
 - Phase 2 planning continues. The approach will be to set the system up for one area of council (Planning & Development) and use that as a showcase for other areas.

- **Website Platform Redevelopment (Digital Platform)** – Review and re-development of our existing WDC websites.
 - Design Phase – Statement of Work outlining costs and schedule is under review. Key Business Users have been identified. Site consolidation is being progressed.
- **Asset Management and GIS upgrade/replacement** – review, upgrade and/or replacement of the existing Asset Management system including a GIS (Spatial System) upgrade (necessary due to the dependencies between the software products).
 - A Statement of Work is currently under review with the vendor. Workshops are scheduled for analysis of data cleansing required prior to migration.
- **Digitisation of Property Files** – Execution Phase
 - We have completed 67% of the scanning of back-capture files, thereby keeping on track for completion by June 2019. A proposal for a centralised in-house scanning bureau is being finalised.

Finance

Financial Reporting

As part of our continual reporting and process improvements, slight changes have been made to the October year to date financial reports. The main purpose of these changes is to apply a consistent format when presenting financial information. The reporting now aligns more closely with the Annual Report and Annual Plan. Further details of the changes have been included in the October 2018 financial report.

Annual Plan 2019-20

Planning and preparation of the 2019-20 Annual Plan is now underway. Budget managers were provided access to begin populating their budgets at the beginning of November.

Purchase to Pay

A project was established several months ago to investigate areas identified for improvement within our Accounts Payable Automation system. Over this period various improvements have been implemented and well received by various stakeholders. Further work has been carried out to improve the completeness of our Supplier records to enable additional automated functionality to be introduced. This will be implemented and reviewed over the month of November. Monitoring of our Accounts Payable Automation system will be ongoing as we continue to maximise efficiency.

Revenue

Land Rates

The second instalment was sent in October, resulting in increased customer queries. There were 300 properties sold in October; sales are tracking 1% higher than last year. There are 265 newly subdivided properties that will be actioned by our valuers once the general revaluation is complete.

Water Rates

Details of water rates transactions are as follows:

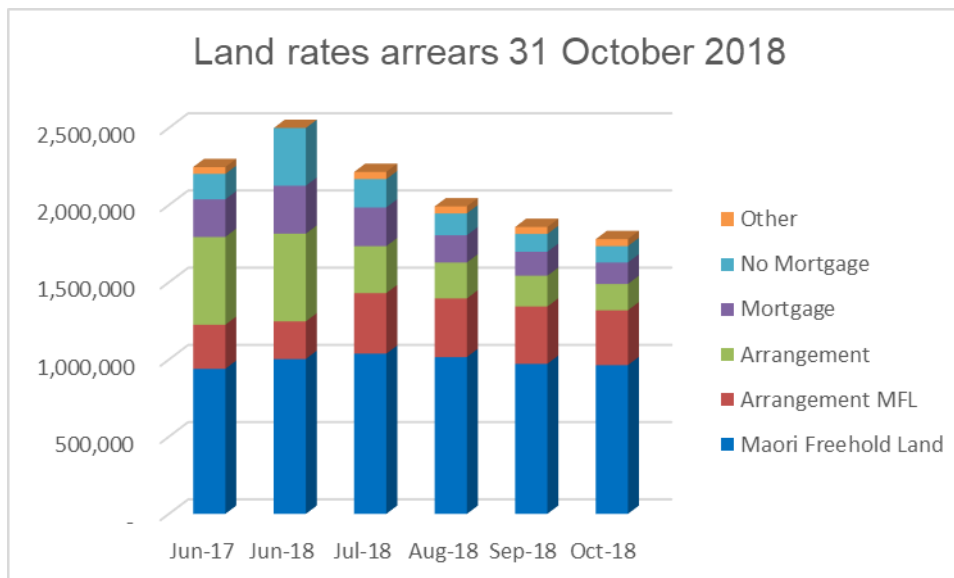
Water Rates Summary - October 2018							
	Consumption	Supply Charge	Backflow	Special Reading Fee	Penalties	Excess Water Remission	Arrears
Amount(\$)	1,230,303	78,325	11,003	9,380	10,490	- 16,031	312,563
Transactions (Number)	5,441	5,428	314	174	510	21	1,575
Average (\$)	226.12					- 763.40	

Collection and Recovery

Land rate arrears at 31 October arrears are:

- \$1,779,000 (September 2018 \$1,858,000)
- Māori Freehold Land comprises \$1,318,000 (September 2018 \$1,343,000) of arrears.

. The team followed up on arrears letter with telephone calls.



Water rates arrears are \$313,000 (1,575 debtors), with \$120,000 (743 debtors) being 90 days or more.

Business Improvement

The Business Improvement Department is heavily involved in a number of ICT Strategic Projects as well as a number of high priority business initiatives. Below is a breakdown of the progress of some of the initiatives:

Forward Works Viewer Initiative

The Roading Department approached the Business Improvement Department looking for a solution to allow themselves and other departments including Waste and Drainage and Water to have a spatial view (map) of their planned forward works to see where there are overlaps in planned future work and to ensure that the Departments can collaborate better.

Progress Made

- Work is completed on the Forward Works Viewer.
- Stakeholder viewing of product, acceptance of requested updates.

Next Steps

- Test and roll out the viewer into production – scheduled for 3-5 December.

Cemetery Management System Initiative

The cemeteries database in use by Council at present is legacy software which no longer performs to acceptable standards. There are also some manual processes in place (such as paper forms and database extracts) which can delay the time taken to transfer data between families, funeral directors, Council internal staff, Council external websites and burial/cremation physical sites. These could benefit from re-engineering and automation where possible.

Progress Made

- Solution analysis document created.
- Discussed issues with several other councils and chair of Cemeteries and Crematoria Association on concerns over Assure32 (the current application).
- Spreadsheet comparing other council usage of cemeteries software created.
- Meeting held to discuss integration with UDR in Ci and CiA.

Next Steps

- TechnologyOne discussion on integration with Ci registers and CiA receipting.

Business Support

Information Management

Collaboration with ICT and Business Improvement

The Information Management Team are working closely with ICT and Business Improvement on projects and business innovation that has touchpoints across our information assets.

This will improve decisions around the management of information and the taking of a pragmatic approach when the needs of project delivery, our key business users and information management compliance are viewed. The management of information needs to be planned in a timeline much longer than current technologies. Items such as digital preservation and exit strategies are drivers for thinking up front being driven by Archives New Zealand.

Change management and the impact on our organisational capacity is a focus given the work we are undertaking on the Kete review up against Trilogy projects (including digitisation).

Management and workflows – Policies, Procedures, Strategies, Guidelines and Forms

The implementation of the Policy and Strategy aspects of this work has been completed successfully with training given to not only use the system but also enhancing the understanding and use cases for Policy & Strategy throughout the business.

Procedures, Guidelines and Forms is also set to go live this month. There is strong collaboration on this piece of work between Information Management and Business Improvement as there is alignment required between how we manage documents relating to process and the overarching practice of business process management. Linkages to our ProMapp process mapping system will ensure there is consistency regardless of the point of reference for our teams managing them.

Procurement

A major focus has been the Civic Centre tender processes, which will continue as the Registrations of Interest (ROI) and Requests for Proposal (RFP) for the Lead Contract Team and Principal's Agent work through their stages over the course of the next two months.

The changes and implications of the newly approved Procurement Policy are being communicated across the business via meetings with managers, team leaders and staff; follow up emails, and one on one assistance.

Procurement support and advice continues to be available across the business.

Major workstreams include:

- Civic Centre
- Security and Related Services
- EFTPOS
- Staffroom supplies
- Electricity Supply
- Staff Travel.

Property Assets

Civic Buildings

- Security Services Contract – RFP closed and assessments completed. Good interest received with a total of six companies submitting RFPs for various parts of the contract. Workshops completed with the two leading contenders and the procurement report will be submitted for review in the next two weeks.
- Forum North lift upgrade – this work is required to ensure the lift operates safely and there is no risk of users being trapped inside due to a fault. Unfortunately work will not get started until early January. There is no acceptable period that the theatre access can be closed to facilitate the work.
- Forum North roof leaks – because of the inclement weather and trying to work in with BAU for Forum North staff, the work on the roof is progressing slowly. Emergency repairs have been completed but the major works will follow towards end of November.
- I-Site – all maintenance work at the i-Site is now completed. Positive feedback has been received from members of the public on the fresh, modern look.
- Town Basin – Scheduled maintenance progressing as planned.
- Rebranding for vehicles and Civic Buildings in support of the Communications Team –
 - Progressing well with 40% of vehicles rebranded and the rest scheduled weekly to finish this work by 3 December. Positive feedback received from staff and members of the public.
 - Signage for the internal areas of Forum North and Walton Plaza will start going up in the next two weeks and is planned to be completed in three weeks after that. External signage postponed until next year January due to time constraints from the contractors.
 - Some internal areas, focusing on the public facing areas like Receptions and bigger meeting rooms, painted as part of the scheduled maintenance but tied in with the rebranding.
 - Awaiting quotes on scheduled, external wash and paint of Forum North to tie in with the rebranding.

Communications

Digital Council

The Communications team is highly active in supporting digital activities across the business with several of our key staff assigned to supporting the ICT department as Key Business Users over the coming months. We are currently supporting the planning and design of the new website under the ICT department's Digital Platform Project.

Branding refresh

The Communications Team is currently under significant additional workload as we phase in the new Council logo. We are nearing completion of a new 'brand book' and brand video that will give clear guidelines to all staff for use of our logo, colour palette and tone of voice for all types of communication. We are also working on a Love It Here revitalisation plan to align this brand more closely with the parent Council brand.

Graphics and Communications

We handled weekly Council News production together with general communications and marketing, content production, and design service requests from within Council.

Promotional design work included completing Council and Forum North signage re-brand across Forum North and Walton Plaza; redesign of Fritter Festival and all collateral to better match new Council brand incorporating new brighter brand colours; redesign of Christmas festival and all collateral to incorporate new Council brand and to portray a more 'Kiwi Christmas' aesthetic; redesign of Endless Summer Festival for new brand and new year.

Team members have also been involved in Easter trading policy document design; Freedom camping bylaw review, including new look Council brand signs and information brochures and collateral for the Responsible Freedom Camping project; Sustainability Strategy design; Kete Rauemi Maori (Maori Resource Kit) document; finalised components for Walking and Cycling strategy; and finalised signage concept for Kamo Shared path.

Communications team members have attended regular working groups for the Carpark to Park, Waterfront group, Revaluation Opteon, Operation Splash and Election 2019. We have finished the first draft of a Waterfront Communications Campaign to bring together all the Council projects going on in this key area and are getting costings for installing public information billboards in the area.

Internal Communications

Internal Communications included compiling the monthly All Staff PowerPoint presentation and collaborating with various departments to produce banners and news stories for Kete.

Annual Plan

Initial meetings have begun for the Annual Plan.

Mayoral communications

We researched and wrote speeches for the Mayor and Deputy Mayor, plus crafted the fortnightly Whangarei Report column. We also managed communications for the Mayor's office including letters of complaint, congratulations, thanks, requests for mayoral media statements and articles for local publications.

Media and public relations

The following stories relating to Council were covered by local media in October:

- Feedback sought on Easter Sunday trading policy
- Otangarei concrete slab to be turned into basketball facility
- water testing device developed by students
- sound installation on Old Library
- Night Markets impact on local food outlets
- new kiwi chick in Pukenui forest
- policy to make Whangarei smokefree by 2025
- applications for events or activities over the holidays need to be in to Council by 22 November

- Criticism of NRC for excluding Regional Policy Statement on GMOs from proposed Regional Plan
- landscaping for Riverside apartments constructed in keeping with central city areas
- commendation by planning association for Northland designed toolkit for Maori land owners
- landscape improvements begin at Whangarei Falls, new toilet block for Fishbone Park, new parallel road proposed for SH 1
- freedom camping ambassadors sought
- volunteers needed for Rest Home Olympics
- complaint laid about unconsented “tiny home”
- Council checking boundaries after balcony on 275 Cove Road built close to Waipu River reserve
- proposed plan changes not allowing enough space for small industrial lots
- annual clean for Te Matau a Pohe and Kotuitui Whitinga
- Matakohē Island Drains to Harbour field trip for school students
- wandering stock M. bovis threat
- Ruud Kleinpaste aka the Bug Man at library
- wastewater tested for drugs
- contract for stage three of Kamo Shared Path let
- new valuations issued before the end of the year
- Kamo Shared Path open meeting
- Drax Project to perform at Fritter Festival
- SH1 upgrade
- Bascule bridge carpark upgrade
- positive feedback on walking and cycling strategy.
- Dragon announced as headline act for 2019 Fritter Festival
- Mauri stone laid for Hundertwasser building
- fire damaged buildings in Waipu demolished
- clean-up at illegal dump at Puhipuhi
- new premises for Café following Waipu fire
- Ruakaka skate park grounds
- people ignoring “No Dog” area in Ruakaka estuary
- New plans for old Countdown site at Kensington
- Archie Dixon remembered
- KFC upgrade.

The following stories relating to Council were covered by local media in September (this list was not available at the time of printing last month’s operational report):

- three Waipu shops razed in blaze
- no funding for Ruakaka Recreation Centre
- damage to Waipu wildlife reserve
- America’s Cup catamarans to be tested in Bream Bay
- marathon runners asked to clean shoes
- confidence in Whangarei housing marked lifts in response to infrastructure projects
- 2017/18 annual report expected to be adopted at Council meeting
- sign language students perform waiata at Council meeting
- new air service for Whangarei
- volunteer ambassadors for freedom campers
- memorial service for late staff members Richard and Cheryl Lee
- second section of Kamo shared path open

- tsunami siren testing
- Porowini Avenue intersection upgrade begins
- NRC funding for sporting initiatives
- Drive Electric week
- Big Day In at library
- posthumous recognition for Greg Guy for work on Te Kakano
- \$3M plus required if 2021 Womens Rugby World Cup bid successful
- Government funding for tourism projects
- reducing litter
- Civic honours
- transport funding
- Councillors remuneration
- new WDC logo
- vision for entertainment centre takes shape
- upgrading Whangarei intersections
- funding boost for Northland roads
- ward boundary changes
- Parua Bay transfer station
- nuisance dogs
- cyclists on Hatea Loop.

Website and social media

The Communications team is working closely with Big Fish Creative on our 'Tone of Voice' this is the way we speak to our community and it reflects our brand personality.

Highest Posts Reach on Facebook in November so far.

1. *"Kamo Shared Path's \$4.5million Stage Three project from Kamo Road to Fisher Terrace can now go ahead."*

3,588 people reached. 477 people engage by either post clicks and/or comments/recreations/shares.

2. *"The site for Whangarei's new Civic Centre has been narrowed down to two areas – either the Forum North/RSA precinct in Rust Avenue, or within the City Core, and the search is now on for the right team to help locate, design and build it."*

3,304 people reached. 435 people engage by either post clicks and/or comments/recreations/shares.

Facebook page 'Likes' have been increasing organically and steadily for the month.

- Likes for October (at time of report) = 6,028
- Likes for November (as at 14.11.18) = 6,171

Our primary goal in using social media technologies (primarily Facebook) is to communicate and engage with our communities whilst directing traffic back to our website for further information.

Advances in technology mean we can now determine the best time of the day and day of the week to post information to social platforms to yield maximum coverage and engagement.

By using the content already created for the website and Council News pages (i.e. Council News Items and Press Releases) – we are increasing awareness of Council in the local community by linking back to the web-based stories/information from our primary social media channels, Facebook, Twitter and Neighbourly).

We can also see how many customers click on the links included in our social media posts by using a system called Bit.ly. – Which is how we know certain people are arriving on our website - from a link we 'advertise' on social media platform posts.

Regular post updates on Facebook/Twitter/Neighbourly are continuing to drive traffic back to our website (hence further optimising our website and giving it greater credibility/rankings in Google).

Our social media and website activity includes the following:

- WhangareiNZ.com – attractions, accommodation and event information is updated approximately three times weekly; plus fresh content is created, published and refreshed bi-weekly
- Facebook / Whangarei:LoveltHere – posts made daily through the week and some weekends
- Facebook WDC and Twitter – share fresh stories weekly and post relevant news topics/events daily
- Neighbourly – link to website stories
- Instagram / WhangareiNZ – mostly destination marketing posts made daily
- Main website – fresh news stories to our Latest news weekly.

People and Capability

Cadets

We are delighted to have welcomed six cadets into the organisation this month. They will be working in Customer Services, the i-Site, the Cemetery, Business Support and Strategy/Community Development.

Scholarships

We have received a number of applications for scholarships this year. We hope to fill opportunities in Engineering, Finance and Planning.

Our korero

We have just completed the pulse survey for our organisation survey *our korero*. The pulse survey will give us an indication of how the Action Plans developed by departments are addressing areas for improvement identified through the feedback staff gave in the survey.

New Employees, Transfers, Vacant Positions and Leavers

New Employees/Transfers	Name	Start Date
Support Assistant - Building Inspections (Fixed Term)	Royalene Whittaker	1-Oct-18
Information Analyst (Fixed Term)	Missy Ulrich	1-Oct-18
Manager - Democracy & Assurance	Tracey Schiebli	8-Oct-18
Senior Financial Accountant	Jonathan White	8-Oct-18
Property Assessment Officer	Toni Satherley	8-Oct-18
Environmental Health Officer	Fiona Eames	15-Oct-18
Communications Adviser	Emma Jelsma	15-Oct-18
Stormwater Engineer	Phanida Phukoetphim	23-Oct-18
Manager - ICT	Ian Fernandes	29-Oct-18
Manager - District Development	Tony Collins	29-Oct-18
Capital Projects Accountant	Justine Johnson	29-Oct-18
Project Manager - Business Improvement	Becky Patu	29-Oct-18
Community Development Adviser	Nicole Stanton	29-Oct-18
Team Leader - RMA Approvals and Compliance	Rochelle Deane	29-Oct-18
Roles filled and waiting to start	Name	Start Date
Support Assistant - Infrastructure	Annick Le Lagadec	5-Nov-18
Team Leader - Operations	Nic McCully	5-Nov-18
Cadet - Parks & Recreation	Rawiri Campbell-Mamea	12-Nov-18
Cadet - Customer Services	Storme Terry	12-Nov-18
Systems Engineer	Stefan van Gruenen	3-Dec-18
Planner - District Plan	Sam Pickering	TBA
Roles not yet filled	Status	
Manager – Infrastructure Development	Interviewing	
Urban Designer	Interviewing	
Manager – Communications	Interviewing	
Wastewater Treatment Technician	Interviewing	
Infrastructure Planner	Interviewing	
Northland Transportation Alliance Manager	Interviewing	
Support Assistant – Building Processing (Fixed Term)	Interviewing	
Senior Planner – RMA Consents	Interviewing	
Strategic Planner	Interviewing	
Graduate Planner	Interviewing	
Operations Engineer – Waste & Drainage	Shortlisting	
District Plan Planner	Shortlisting	
Senior Project Engineer – Pavements (NTA)	Shortlisting	
Roading Project Engineer	Shortlisting	
Engineering Officer – Waste & Drainage	Shortlisting	
Water Treatment Technician	Shortlisting	
Librarian – Central & Outreach Services	Shortlisting	
Rates Administrator	Shortlisting	
Bylaws Enforcement Coordinator	Shortlisting	
Building Control Officer	Shortlisting	
Management Accountant	Shortlisting	
RMA Approvals and Compliance Officer	Shortlisting	
Water Treatment Administrator	Advertising	
CCO Coordinator (Fixed Term)	Readvertising	
Water Treatment Coordinator	Hold	

Leavers	
Katie Hislop	RMA Approvals and Compliance Officer
Vivienne Lepper	Planner – District Plan
Shane Gebhardt	Water Treatment Technician
Nicole Marwick	Water Treatment Administrator

Democracy and Assurance

The Democracy Team supported ten Council and Committee meetings and two Council Workshops. Thirty-seven liquor licence applications were processed for determination by the Chair of the District Licensing Committee. The team also administered a District Licensing Committee Hearing and a Resource Consent Hearing.

Official information requests

Ten official information requests were received by Council in the last month. The following is a summary of the October/November requests:

- Various follow-up questions regarding resource consents for a specified address.
- Follow-up questions regarding the funding of the Northland Transportation Authority, including applications by the Authority to the Provincial Growth Fund.
- Various questions regarding international travel undertaken by elected members during the 2017/2018 financial year.
- Various questions regarding water sampling tests undertaken by council's laboratory on behalf of the Kaipara District Council.
- Various questions regarding council's weed spraying operations over the last three years.
- Various questions regarding formal complaints received against elected members under the Code of Conduct since the last election in 2016.
- Information on the destruction of a specified dog in 2004.
- Property owner details to assist with service for a Disputes Tribunal hearing.
- Data on noise complaints for multiple properties in a specified street.
- Information on a litter related infringement notice issued in 2016.

Audit and Risk

Staff have reviewed risk registers in time for the collation of a report for the Audit and Risk Committee in December.

Council's insurance renewed on 1 November. There have been changes to some of the Council's insurance providers. The premiums for some insurance schedules have decreased (material damage resulting from fire, forestry and business travel) whilst others have increased. The largest percentage increases have been seen in the business interruption schedule, and the crime/fidelity schedule. We have also seen 10-14% increases in the commercial motor insurance and the material damage from non-fire events. Council's brokers have been invited to attend the December Audit and Risk Meeting to discuss these changes.

The Policy and Strategy register is now live, and the first round of testing complete. There are a number of new policies that will be coming through in the next few months so functionality of the new Kete workflow will get some real life testing. It is great to have on line approvals via the workflow rather than having to rely on scanned documents.

The Delegations Register on Kete has been successfully tested. The first segment of the delegations (Council to Staff) was adopted by Council during the October meeting. A Council briefing was held on 6 November to work through the changes proposed in the delegation's space, and the full delegation register and policy will be put to the November Council meeting.

BDO have now completed the field work for the internal audit of the revenue process. The draft report is due mid-November and the final report should be available to present to the Audit and Risk Committee in December.

Staff are now working on the agenda for the Audit and Risk Committee for December.

Consultation and Engagement

Current consultation activities include the Easter Sunday Trading Policy, and the One Tree Point Erosion project. The Easter Sunday Trading formal consultation period is active through November, and closes 28 November, with hearings scheduled for 12 December.

The Engagement and Consultation Toolkit is progressing, with input from the Communications, Māori Liaison, Strategy and Community Development teams. The whole process will be mapped in ProMapp alongside this toolkit development. This draft document is going to the Council Advisory Groups for feedback next week.

Planning has started for the Annual Plan 2019, with preparations for an engagement and consultation approach underway. Following the Workshop on 13 November staff will work through three options which will be reported to council for a decision in December.

Maori Liaison and Development

Blessings

The department has been actively involved with blessings throughout the district, liaising with local hapū Te Parawhau to facilitate the blessing of the new pontoon at Limestone Island and the shared pathway extension from Vinery Lane to Rust Ave. We appreciate the proactive and comprehensive process by the respective departments as it provides an inclusive pathway for blessings.

Cadets

We have been collaborating with People and Capability to organise a series of welcomes for the new cadets to ensure that they are formally welcomed to the organisation and that their learning journey starts with the proper protocols of the whakatau.

Te Reo - Workplace Workshops

The Te Reo workshops continue to gain popularity and staff are gaining valuable insight in Te Reo me ona Tikanga.

Engagement and Consultation Toolkit

Advice was provided for development of the draft toolkit with council's Consultation Advisor, adding a Māori context to the document.

Active Recreation and Sport Strategy

The department assisted staff with a communications plan to inform Māori organisations of the strategy and its benefits. A database of hapū, Iwi, Marae and Māori groups within Whangarei was supplied as well as a hui with hapū from Te Huinga. Cultural assistance was also provided at one of the hui held at Sport Northland.

Potter Park

We engaged with project engineers and landscape architects to plan and discuss delivering communications to the local schools in the Tikipunga suburb.

RESOLUTION TO EXCLUDE THE PUBLIC

That the public be excluded from the following parts of proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

1.	The making available of information would be likely to unreasonably prejudice the commercial position of persons who are the subject of the information. {Section 7(2)(c)}
2.	To enable the council (the committee) to carry on without prejudice or disadvantage commercial negotiations. {(Section 7(2)(i))}.
3.	To protect the privacy of natural persons. {Section 7(2)(a)}.
4.	Publicity prior to successful prosecution of the individuals named would be contrary to the laws of natural justice and may constitute contempt of court. {Section 48(1)(b)}.
5.	To protect information which is the subject to an obligation of confidence, the publication of such information would be likely to prejudice the supply of information from the same source and it is in the public interest that such information should continue to be supplied. {Section 7(2)(c)(i)}.
6.	In order to maintain legal professional privilege. {Section 2(g)}.
7.	To enable the council to carry on without prejudice or disadvantage, negotiations {Section 7(2)(i)}.

Resolution to allow members of the public to remain

If the council/committee wishes members of the public to remain during discussion of confidential items the following additional recommendation will need to be passed:

Move/Second

"That _____ be permitted to remain at this meeting, after the public has been excluded, because of his/her/their knowledge of Item _____.

This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because _____.

Note:

Every resolution to exclude the public shall be put at a time when the meeting is open to the public.