



TO THE MAYOR AND COUNCILLORS OF THE MACKENZIE DISTRICT COUNCIL

Membership of the Finance Committee:

Cr Graham Smith (Chairman)
Claire Barlow (Mayor)
Cr Russell Armstrong
Cr Murray Cox
Cr Noel Jackson
Cr James Leslie
Cr Evan Williams

*Notice is given of a meeting of the Finance Committee to be
held on Tuesday, April 26, 2016, at the 9:30am.*

VENUE: Mackenzie District Council Chambers, Fairlie

BUSINESS: As per agenda attached

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER



FINANCE COMMITTEE

Agenda for Tuesday, April 26, 2016

APOLOGIES

DECLARATIONS OF INTEREST

CONFIRM MINUTES:

That the minutes of the Finance Committee meeting held on March 15, 2016, be adopted and confirmed as a correct record.

RECEIVE SUB-COMMITTEE MINUTES:

1. Receive the minutes of the Tekapo Property Group meeting held on March 1, 2016, April 12, 2016, including such parts as were taken with the public excluded.
2. Receive the minutes of the Forestry Board meeting held on March 15, 2016.

REPORTS:

1. Financial Report (attached).

PUBLIC EXCLUDED RESOLUTION:

Resolve that the public be excluded from the following part of the proceedings of this meeting namely:

1. Development of Lakeside Drive Land
2. Previous Minutes Tekapo Property Group 1 March 2016
3. Previous Minutes Tekapo Property Group 12 April 2016

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Development of Lakeside Drive Land	Commercial Sensitivity	48(1)(a)(i)
Previous minutes Tekapo Property Group 1 March 2016	Commercial Sensitivity	48(1)(a)(i)
Previous minutes Tekapo Property Group 12 April 2016	Commercial Sensitivity	48(1)(a)(i)

This resolution is made in reliance on Section 48(1)(a)(i) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows: *Development of Lakeside Drive Land and previous Tekapo Property Group minutes; 12 April 2016 and 1 March 2016* 7(2)(b)(ii).

ADJOURNMENTS: 10.30am - Morning Tea
12pm - Lunch

**MACKENZIE DISTRICT COUNCIL
MINUTES OF A MEETING OF THE FINANCE COMMITTEE HELD IN
THE MACKENZIE COUNCIL CHAMBERS, FAIRLIE, ON TUESDAY,
MARCH 15, 2016, AT 10.44AM**

PRESENT:

Cr Graham Smith (Chair)
Mayor Claire Barlow
Cr Murray Cox
Cr James Leslie
Cr Russell Armstrong
Cr Evan Williams
Cr Noel Jackson

IN ATTENDANCE:

Wayne Barnett, Chief Executive
Paul Morris, Finance Manager
Bernie Haar, Asset Manager
Arlene Goss, Committee Secretary
Chris Hyde, Timaru Herald

APOLOGIES:

There were no apologies.

DECLARATIONS OF INTEREST:

There were no declarations of interest.

MINUTES:

Resolved that the minutes of the meeting of the Finance Committee held on February 2, 2016, including those parts taken in public excluded, be confirmed and adopted as the correct record of the meeting.

Cr Armstrong/Mayor

REPORTS:

FINANCIAL ACTIVITY REPORT TO JANUARY, 2016:

Finance Manager Paul Morris took councillors through the financial report. The matters discussed included, but were not limited to, the following:

There have been some extra costs on the Twizel and Kimbell water lines. Sewer is on budget. Capital expenditure of \$902,000 has been budgeted to upgrade the sewer in Twizel but this is unlikely to be spent this year due to issues regarding land in Twizel.

Under Planning, employment and consultancy expenses are lower than budget. Council is expecting more costs for plan change 13 to be incurred soon. The Finance Manager suggested that any surpluses made by the planning department should go towards paying the debt that plan change 13 has incurred.

Under Regulatory the large variance is from building activity. Due to high activity in the building area it is expected to make a surplus by the end of the year. Council is currently advertising for two new building inspectors. The Finance manager suggested looking at the pricing structure in building services at the time of the next Long Term Plan, if building activity remains high.

Capital funds have been put aside for a generator in Tekapo. The chief executive said Council is currently considering whether it would be better to buy a generator or have an arrangement to hire one in an emergency situation. The chairman and councillors questioned whether it would be possible to get a generator from Timaru to Tekapo during an emergency such as a snow storm. Cr Cox said there are not a lot of organisations in Tekapo with a generator. The chairman and Mayor requested a report from staff on this matter.

Regarding solid waste, operational costs spike in the summer time. The Mayor asked if there was any way to determine where the bulk of the waste is coming from. Discussion was held on the sources of waste and what other councils are trialling in terms of rubbish disposal, including coin operated rubbish bins.

Under commercial activities, the sale of two sections in Tekapo will result in money coming into this account. Interest rates have not picked up as expected. The new interest rate on Council's day to day account is one percent, with two million dollars in that account at the moment. The Finance manager said more attention will be paid to earning investment income from this money. The chairman requested a report and workshop to be organised to look at spending this money on work that needs to be done in the district, instead of it sitting in the bank earning nothing.

The chairman thanked Paul Morris for his work on the finances.

Resolved that the report be received.

Cr Williams/Mayor

Asset manager Bernie Haar joined the meeting at 11.27am.

APPLICATION FOR GRANT, SOUTH ISLAND ROWING:

The purpose of this report is to consider a request from South Island Rowing for a grant of up to \$150,000 to assist with funding an upgrade to the sewerage disposal system of South Island Rowing, and to consider whether

the Council needs to review, clarify and/or update its policy on such applications.

The report was taken as read. Cr Leslie said infrastructure work being done by South Island Rowing impacts on the whole area and Council should step back and take a wider view, and look at future-proofing the development in that area by putting in the appropriate infrastructure so subdivision can take place.

He suggested changing the recommendation to “Do not fund the application until further work has been done pending input from other parties.”

The Mayor said this was a matter of urgency. Cr Leslie said he was aware of this and the Asset Manager has offered to consult with Ecan regarding allowing more time for a decision to be made.

The chief executive said he understood the urgency to be related to a possible grant from the Lotteries Commission that requires Council backing.

The chief executive said the development of infrastructure was usually the responsibility of the developer of a new subdivision. Cr Leslie said in the past Council has paid for the infrastructure up to the boundary, so why is this different.

Further debate occurred on whether the matter could be postponed.

The pipe connecting the South Island rowing system into the council system would only be large enough for the use of South Island Rowing, and would be owned by them unless Council took ownership and make the pipe larger allowing other users. This would allow for future development.

The Mayor said a decision needed to be made on whether Council will either grant or loan the \$150,000, before looking at the size of the pipe.

Cr Armstrong is in favour of loaning \$150,000.

Cr Williams favours funding the application as a loan subject to further negotiations on upsizing the rising main. Cr Armstrong seconded this.

The Mayor would like to extend a loan facility with very tight rules. She would like to ensure that if South Island Rowing does not need the loan money they don't put it towards other projects.

Regarding the review of the council grants policy, councillors discussed this and agreed they were happy not to review the grants policy at present.

Resolved:

1. That the report be received.

Cr Cox/Cr Williams

2. That the Finance Committee agrees to loan up to \$150,000 to South Island Rowing towards an upgrade to their sewerage disposal system.

Cr Williams/Cr Armstrong

Cr Jackson voted against the motion and asked for his vote to be recorded.

3. That the Finance Committee instructs staff to investigate the practicality of constructing additional capacity to allow future development next to the rowing facility.

Cr Leslie/Cr Armstrong

4. That the Finance Committee instruct staff not to review the Council's Grants Policy and Evaluation Criteria and it's approach to requests for funding.

Cr Smith/Cr Leslie

THE CHAIRMAN DECLARED THE MEETING CLOSED AT 12.05PM

CHAIRMAN: _____

DATE: _____

MACKENZIE DISTRICT COUNCIL

MINUTES OF A MEETING OF THE MACKENZIE FORESTRY BOARD HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON TUESDAY, MARCH 15, 2016 AT 9.31AM.

PRESENT:

Cr Graham Smith (Chairman)
Cr Murray Cox
Cr Noel Jackson
Cr Evan Williams

IN ATTENDANCE:

Wayne Barnett (Chief Executive)
Paul Morris (Manager Finance)
Kevin O'Neil (Forestry Manager)
Arlene Goss (Committee Secretary)
Terry O'Neill (District Forester, attending by conference phone)
Chris Hyde (Timaru Herald) from 9.37am

APOLOGIES:

There were no apologies.

DECLARATIONS OF INTEREST:

There were no declarations of interest.

MINUTES:

Forestry manager Kevin O'Neil requested that the words "We will have to see how many we can repair" under the heading Forestry Manager's Report, be replaced with "We will have to see how many damaged trees will stand back up". This was noted.

Resolved that the minutes of the meeting of the Mackenzie Forestry Board held on September 1, 2015, be confirmed and adopted as the correct record of the meeting with the change noted above.

Cr Cox/Cr Smith

REPORTS:

FINANCIAL REPORT – JANUARY 2016:

The Finance Manager explained the variances in his report. Discussion was held on the management of carbon credits. Council maintains enough carbon credits to allow the harvesting of its plantations without needing to buy credits.

Resolved that the report be received

FORESTRY MANAGERS REPORT FEBRUARY TO DECEMBER, 2015:

The Forestry Manager presented his report as read. Thinning has been completed for the year.

LATE REPORT: MURICATA PINE SIMONS HILL PLANTATION:

The chairman tabled a late report from District Forester Terry O'Neill on this issue. It is available as an attachment to these minutes. Terry O'Neill joined the meeting by speaker phone from Ashburton.

Terry O'Neill spoke regarding his report. This pine is rough wood with snow damage, so the price is variable, but he believes now is a good opportunity for harvest with crews at the door step and log prices at a reasonable level. The chairman asked whether keeping the forest for another 10 years would allow it increase in value much. Terry O'Neill said he doubted it. He originally intended to harvest the forest in four years time but did not anticipate a lot of extra growth. As time goes on you get more damage to the trees.

The chairman asked how firm the contractors are on being able to do the job. Terry O'Neill said prices change so he would like to get prices nailed down prior to the start of the job. These trees were not thinned because it was thought that spending money on thinning was not a good investment, because of the poor quality of the wood.

Resolved that District Forester Terry O'Neill be instructed to firm the price up, and that the Forestry Board is prepared to mill the Muricata Pine at Simons Hill at about \$40-50,000 return.

Cr Smith/Cr Williams

GENERAL BUSINESS:

SPRAYING OF BROOM AT CAVE:

The forestry manager said the spraying of broom at Cave took place over the last weekend.

WILDINGS SPREADING ON ROLLESBY STATION AT BURKES PASS:

The chairman said he has received feedback from an advisor who believes that wilding pines are spreading from Council-owned forestry onto private land at Burkes Pass. The Forestry Board questioned whether the wildings were coming from the council plantation but there was no way to tell without DNA testing. DOC have cleared up pines on the other side of the road. The chairman said if Council cleaned up the wildings it would be setting a precedent that would apply to other plantations. The chairman said he would leave this matter on the table for now.

REVIEW OF GRAZING LICENSES:

The forestry manager is having trouble finding grazing licenses so he could ascertain things like payment and responsibilities for grazed land. The forestry manager would like the leases to be gathered together within Council records and work carried out to get them up to date. The chief executive said staff are working on assembling those leases and updating them.

THE CHAIRMAN DECLARED THE MEETING CLOSED AT 10.08AM

CHAIRMAN: _____

DATE: _____

MACKENZIE DISTRICT COUNCIL

REPORT TO: FINANCE COMMITTEE

SUBJECT: FINANCIAL REPORT

MEETING DATE: APRIL 26, 2016

REF: FIN 1/2/1

FROM: MANAGER – FINANCE AND ADMINISTRATION

ENDORSED BY: CHIEF EXECUTIVE OFFICER

PURPOSE OF REPORT:

Attached is the financial report for Council for the period ended February 2016.

STAFF RECOMMENDATIONS:

1. That the report be received.

PAUL MORRIS
MANAGER – FINANCE

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

**MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016**

GOVERNANCE		LYTD Actual February 2015	YTD Actual February 2016	YTD Budget February 2016	Variance	Full year Budget June 2016
Income						
	238,896		263,965	263,963	2	395,947
	16,992		16,800	16,800	-	25,200
	15,561		19,960	24,498	(4,538)	36,750
	271,449		300,724	305,261	(4,537)	457,897
Expenses						
	39,952		41,383	39,354	(2,029)	59,034
	195,152		193,811	214,294	20,483	321,450
	720		-	17,664	17,664	26,500
	29,345		36,643	30,800	(5,843)	46,200
	-		-	159	159	239
	192		-	-	-	-
	2,952		6,407	2,982	(3,425)	4,474
	268,312		278,245	305,253	27,008	457,897
	3,137		22,480	8	22,472	-

Variance Analysis:

1. Other Income variance due to budget timing. Budget is phased evenly across the 12 months but Water Zone committee income is invoiced and received quarterly.
2. Members expenses for conferences, training and election expenses less than budgeted year to date.
3. No consultancy expenses have been incurred to date this financial year. Budget has been spread evenly across the year.
4. Administration expenses are ahead of budget year to date due to a number of smaller annual subscription charges not phased across the year.
5. Internal charges for mileage higher than forecast due to increased vehicle use.

**MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016**

GOVERNANCE		YTD Actual February 2015	YTD Actual February 2016	YTD Budget February 2016	Variance	Full year Budget June 2016
Operating and Capital Reserves						
	192		-	-		-
	(192)		-	-		-
	3,137		22,480	8		-
	3,137		22,480	8		-
Equity						
	(4,771)		(3,945)	(4,771)		(4,771)
	192		-	-		-
	(4,579)		(3,945)	(4,771)		(4,771)

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

LYTD Actual February 2015	PLANNING		YTD Actual February 2016	YTD Budget February 2016	Variance	Full year Budget June 2016
	Income					
157,272	General Rates	262,477	262,476	1	✓	393,716
69,222	Other Income	93,299	82,200	11,099	✓	123,300
2,701	Reserve Contributions	11,741	80,000	(68,259)	✗	120,000
9	Internal Interest Income	-	17	(17)	✗	25
229,204	Total Income	367,517	424,693	(57,176)		637,041
163,016	Expenses					
119,474	Employment Expenses	207,005	282,849	75,844	✓	424,277
9,548	Consultancy Expenses	240,010	263,332	23,322	✓	395,000
553	Administrative Expenses	3,620	11,000	7,380	✓	16,500
-	Operational and Maintenance	1,255	5,000	3,745	✓	7,500
16	Internal Interest Expense	44,930	37,578	(7,352)	✗	56,366
3,261	Depreciation	24	18	(6)	✗	30
	Internal Charges	3,304	4,691	1,387	✓	7,039
295,868	Total Expenses	500,148	604,468	104,320		906,712
(66,664)	Operating Surplus/(Deficit)	(132,631)	(179,775)	47,145		(269,671)

Variance Analysis:

1. Other income is ahead of budget due to higher than forecast levels of LIM Reports.
2. Reserve contributions are behind budget due to fewer than forecast subdivision applications. This is based on developer activity.
3. Employment Expenses - behind budget year to date due to delays in employing planning staff. There was also provision in the budget for a position for the district plan review. This position will now not be filled.
4. Consultancy expenses for legal fees and consent application assistance are less than forecast. Expected to be on budget for full year.
5. Administrative expenses are less than forecast due to publication and legislation costs that are incurred later in the year.
6. Operational and maintenance costs are less than forecast due to the budget for the Heritage Fund spread evenly across the year but not paid until year end.
7. Internal Interest Expense is over budget due to higher capital reserve balances than forecast which has resulted in the planning activity incurring higher interest expense.

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

PLANNING		YTD Actual February 2016		YTD Budget February 2016		Variance		Full year Budget June 2016	
LYTD Actual February 2015									
Operating and Capital Reserves									
	(66,664)		(132,631)		(179,775)				(269,671)
	(66,664)		(132,631)		(179,775)				(269,671)
Equity									
631	Opening Balance		-		(1,235,398)				(1,235,398)
16	Transfer Funded Depreciation from Operating Reserves		24		18				30
-	Transfers between Reserves		(1,404,565)		32,964				49,444
647	Total Capital Reserves		(1,404,541)		(1,202,416)				(1,185,924)

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

CORPORATE SERVICES		YTD Actual February 2016	YTD Budget February 2016	Variance	Full year Budget June 2016
LYTD Actual February 2015					
	Income				
1,241,352	General Rates	1,458,227	1,458,228	(1)	2,187,340
76,754	Other Income	88,283	73,398	14,885	129,350
711,161	Internal Income	78,872	82,499	(3,627)	123,751
(427)	Internal Interest Income	1,877	163	1,714	247
1,388,840	Total Income	1,627,258	1,614,288	12,970	2,440,688
	Expenses				
815,875	Employment Expenses	873,583	935,242	61,659	1,387,381
156,242	Consultancy Expenses	170,048	101,573	(68,475)	149,605
161,937	Administration Expenses	227,554	292,170	64,616	377,270
147,239	Operational and Maintenance	202,705	195,505	(3,200)	298,261
5,575	Internal Interest Expense	4,673	6,646	1,973	9,974
82,671	Depreciation	102,248	102,254	6	153,378
39,888	Internal Charges	39,581	41,433	1,852	62,153
(11,261)	Loss On Sale and Assets Written Off	-	-	-	-
1,398,166	Total Expenses	1,620,391	1,678,823	58,432	2,439,022
(9,326)	Operating Surplus/(Deficit)	6,867	(64,535)	71,402	1,666

Variance Analysis:

- Other income is slightly ahead of budget due to income from commission and rates penalties not budgeted, partially offset by recoverable services for asset management not charged.
- Employment expenses are less than budget due to an unfilled position in the Information Technology.
- Consultancy expenses are ahead of budget due to additional legal fees, remuneration review costs and additional unbudgeted consultant costs for monthly management reporting.
- Administration expenses are less than budget due to the timing of the audit fees. Total budget is sitting in December and a portion of audit fees were paid in September and October. Expected to be on budget for the full year.

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

LYTD Actual February 2015		CORPORATE SERVICES		YTD Actual February 2016		YTD Budget February 2016		Variance		Full year Budget June 2016	
Operating and Capital Reserves											
(9,326)		Operating Surplus/(Deficit)		6,867		(64,535)					
(9,326)		Total Operating Reserves		6,867		(64,535)				1,666	
Equity											
(112,900)		Opening Balance		(91,619)		(167,936)				(167,936)	
81,768		Transfer Funded Depreciation from Operating Reserves		102,208		101,509				152,261	
(126,116)		Transfer Capital Expenditure from Operating Reserve		(35,120)		(55,664)				(112,000)	
-		Transfers between Reserves		1,092		1,242				1,866	
(157,248)		Total Capital Reserves		(23,439)		(120,849)				(125,809)	
Capital Expenditure											
Administration - District											
535		0018925. Plant and Equipment		-		-		✓		-	
535		Total Administration - District		-		-				-	
Council building - Fairlie											
536		0088935. Furniture & Fittings - Admin		2,174		-		(2,174)		1	
1,681		0088940. Furniture & Fittings - Other		3,766		2,000		(1,766)		2	
2,217		Total Council Building - Fairlie		5,940		2,000		(3,940)		3,000	

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

CORPORATE SERVICES		LYTD Actual February 2015	YTD Actual February 2016	YTD Budget February 2016	Variance	Full year Budget June 2016
	Council Building - Twizel					
12,591	0098916. Building Renovations	-	-	-	-	-
1,828	0098940. Furniture & Fittings - Other	436	1,332	896	✓	2,000
14,419	Total Council Building - Twizel	436	1,332	896	✓	2,000
	Information Technology Support					
-	0788001. Records Mngt Program	375	4,000	3,625	✓	8,000
-	0788002. PC Server	-	-	-	✓	0
-	0788004. Virtual Server	20,994	20,000	(994)	✗	20,000
-	0788006. GIS Aerials	3,000	-	(3,000)	✗	-
174	0788010. Network Infrastructure	-	1,332	1,332	✓	2,000
482	0788011. Communications Equipment	-	-	-	✓	-
17,100	0788012. Software	5,000	17,000	12,000	✓	18,000
-	0788014. Web site development	-	28,000	28,000	✓	28,000
-	0788925. Plant and Equipment	-	2,000	2,000	✓	3,000
17,756	Total Information Technology Support	29,369	72,332	42,963	✓	79,000
	Plant Operations					
80,821	2658930. Vehicles	34,060	-	(34,060)	✗	28,000
80,821	Total Plant Operations	34,060	-	(34,060)	✗	28,000
115,748	Total Capital Expenditure	69,805	75,664	5,859		112,000

Variance Analysis:

1. Higher than anticipated costs associated with office furniture.
2. Higher than anticipated costs associated with office furniture.
3. Website development costs budgeted for but not yet undertaken.
4. Purchase of Rounding Vehicle made in advance of budget timing.

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

WATER		LYTD Actual February 2015	YTD Actual February 2016	YTD Budget February 2016	Variance	Full year Budget June 2016
Income						
	643,124		607,922	608,075	(153)	912,119
	-		-	3,044	(3,044)	4,568
	(6,822)		(12,484)	132,592	(145,076)	1
	6,000		20,780	-	20,780	2
	2,000		2,000	2,000	-	3,000
	33,426		4,030	2,084	1,946	3,128
	677,728		622,247	747,795	(125,548)	1,078,203
Expenses						
	-		-	7,332	7,332	11,000
	3,618		-	1,332	1,332	2,000
	6,520		52,704	24,230	(28,474)	3
	277,043		387,417	306,495	(80,922)	4
	-		-	2,276	2,276	3,412
	38,548		28,588	36,798	8,210	55,194
	314,928		330,544	330,555	11	495,827
	2,000		2,000	2,000	-	3,000
	642,656		801,252	711,018	(90,234)	1,066,538
	35,072		(179,005)	36,777	(215,782)	11,665

Variance Analysis:

1. Other income has a debit balance due to a refund of rates levied in error. Also budget for Council share of the Albury water supply is spread evenly across the year but is not received until year end.
2. Financial Contributions are not budgeted for as they are dependent upon developer activity.
3. Administration expenses are ahead of budget due to rates expenses being charged to the activity that incurs them. These are paid in full for the year and have not been budgeted for.
4. Operational and maintenance costs are ahead of budget due to seasonal increase in contractor spend associated with works in Twizel and the Kimbell lines.

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

WATER	LYTD Actual February 2015	YTD Actual February 2016	YTD Budget February 2016	Variance	Full year Budget June 2016
Operating and Capital Reserves					
Operating Surplus/(Deficit)	35,072	(179,005)	36,777		11,665
Total Operating Reserves	35,072	(179,005)	36,777		11,665
Equity					
Opening Balance	1,014,566	236,321	(1,819,897)		(1,819,897)
Transfer - Financial Contributions	6,000	9,482	-		-
Transfer - from Operating Reserve	-	-	800		800
Transfer Funded Depreciation from Operating Reserves	297,064	309,608	301,695		452,543
Transfer Capital Expenditure from Operating Reserve	(408,599)	(1,539,176)	(1,104,598)		(1,451,400)
Transfers between Reserves	-	8,344	9,537		14,305
Total Capital Reserves	909,031	(975,422)	(2,612,463)		(2,803,649)
Capital Expenditure					
Fairlie Community Water Supply					
0118201. Town Reticulation - Renewal	12,358	-	-	✓	-
0118206. Service Connections - Renewal	1,089	-	-	✓	-
0118211. Treatment - New	14,365	-	-	✓	-
Total Fairlie Community Water Supply	27,812	-	-		-
Manuka Terrace Water Supply					
0238210. Headworks	13,860	-	-	✓	-
Total Manuka Terrace Water Supply	13,860	-	-		-
Tekapo Community Water Supply					
0128251. Reticulation - Renewal	1,911	-	-	✓	-
Total Tekapo Community Water Supply	1,911	-	-		-
Twizel Community Water Supply					
0138206. Service Connections - Renewal	25,876	-	-	✓	-
0138210. HeadWorks - New	60,378	-	-	✓	-
0138211. Treatment - New	285,776	-	-	✓	-
0138212. Service Connections - New	536	-	-	✓	-
0138980. Community Assets- Water Supply	3,390	-	-	✓	-
0138984. Water Meters	444	-	-	✓	-
Total Twizel Community Water Supply	376,400	-	-		-

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

LYTD Actual February 2015	WATER	YTD Actual February 2016	YTD Budget February 2016	Variance	Full year Budget June 2016
	Urban Water Supply				
-	0248201. Town Reticulation - Renewal	436,685	381,000	(55,685)	511,000
-	0248205. Treatment - renewal	221,805	716,666	494,861	930,000
-	0248206. Service Connections - Renewal	39,180	-	(39,180)	-
-	0248207. Town Reticulation - New	-	-	-	-
-	0248210. Head Works - New	-	-	-	-
-	0248211. Treatment - New	840,427	-	(840,427)	-
-	0248251. Fire Hydrant Markers	1,080	-	(1,080)	-
-	0248980. Community Assets- Water Supply	6,932	6,932	6,932	10,400
-	Total Urban Water Supply	1,539,176	1,104,598	(434,578)	1,451,400
419,982	Total Capital Expenditure	1,539,176	1,104,598	(434,578)	1,451,400

Variance Analysis:

1. Urban Water Supply - Renewal of the Twizel line was budgeted for, however the actual spend was on the Kimbell line.
2. This is replacement of the Twizel toiles. These costs will be ongoing and were not budgeted for.

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

LYTD Actual February 2015	SEWER	YTD Actual February 2016	YTD Budget February 2016	Variance	Full year Budget June 2016
	Income				
307,323	Targeted Rates	295,534	295,537	(3)	443,309
6,060	Other Income	3,702	4,000	(298)	6,000
4,768	Financial Contributions	13,843	-	13,843	1
25,480	Internal Interest Income	39,189	30,807	8,382	2
343,631	Total Income	352,267	330,344	21,923	495,520
	Expenses				
-	Consultancy Expenses	11,407	-	(11,407)	3
5,038	Administration Expenses	35,839	7,013	(28,826)	4
83,927	Operational and Maintenance	107,635	97,964	(9,671)	5
3,076	Internal Interest Expense	-	3,937	3,937	5,905
197,592	Depreciation	215,584	215,577	(7)	323,369
289,632	Total Expenses	370,465	324,491	(45,974)	486,739
53,998	Operating Surplus/(Deficit)	(18,198)	5,853	(24,051)	8,781

Variance Analysis:

1. Financial Contributions are not budgeted for as they are dependent upon developer activity.
2. Internal interest income received on capital reserves is ahead of budget year to date due to higher levels of reserves held than forecast.
3. Unbudgeted consultancy expenses have arisen due to late invoices for valuation fees relating to the prior year.
4. Administration expenses are ahead of budget due to rates expenses paid in full for the year and not budgeted.
5. Operational and maintenance expenses are ahead of budget year to date due to higher than forecast contractor expenses resulting from the sewer spill in December. Expected to be on budget for the full year.

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

SEWER		YTD Actual February 2016		YTD Budget February 2016		Variance		Full year Budget June 2016	
Operating and Capital Reserves									
		53,998		(18,198)	5,853				8,781
		53,998	Total Operating Reserves		(18,198)	5,853			8,781
Equity									
1,399,313		Opening Balance		1,622,816	1,320,313				1,320,313
4,768		Transfer - Financial Contributions		1,098	-				-
197,592		Transfer Funded Depreciation from Operating Reserves		215,584	215,581				323,369
(29,923)		Transfer Capital Expenditure from Operating Reserve		(220,948)	(521,000)				(902,000)
1,571,750		Total Capital Reserves		1,618,551	1,014,894				741,682
Capital Expenditure									
Fairlie Community Sewerage									
7,648		0278401. Sewer Reticulation Renewal		-	-			✓	-
13,366		0278403. Sewer Pump Station Renewal		-	-			✓	-
862		0278410. New Reticulation - Eversley		-	-			✓	-
21,875		Total Fairlie Community Sewerage		-	-			-	-
Twizel Community Sewerage									
1,073		0298410. Sewer Reticulation - New		-	-			✓	-
6,974		0298411. Sewer Treatment - New		-	-			✓	-
8,047		Total Twizel Community Sewerage		-	-			-	-
Urban Sewerage									
-		0258401. Sewer Reticulation Renewal		9,767	521,000			✓	902,000
-		0258411. Sewer Treatment - New		194,168	-			✗	-
-		Total Urban Sewerage		203,935	521,000			317,065	902,000
29,923		Total Capital Expenditure		203,935	521,000			317,065	902,000

Variance Analysis:

1. Project has now commenced. Behind schedule year to date.

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

STORMWATER		YTD Actual February 2016		YTD Budget February 2016		Variance		Full year Budget June 2016	
LYTD Actual February 2015									
	Income								
54,368	Targeted Rates	52,846	52,860	(14)	✗			79,288	
1,062	Financial Contributions	-	-	-	✓			-	
6,308	Internal Interest Income	9,942	5,627	4,315	✓	1		8,443	
61,738	Total Income	62,787	58,487	4,300				87,731	
	Expenses								
291	Administration Expenses	9,587	434	(9,153)	✗	2		650	
19,612	Operational and Maintenance	11,131	16,868	5,737	✓	3		25,300	
41,288	Depreciation	41,192	41,185	(7)	✗			61,781	
61,192	Total Expenses	61,910	58,487	(3,423)				87,731	
	546 Operating Surplus/(Deficit)	878	-	878				-	

Variance Analysis:

1. Internal interest income received on capital reserves is ahead of budget year to date due to higher levels of reserves held than forecast.
2. Administration expenses are ahead of budget due to rates expenses paid in full for the year and not budgeted.
3. Operational and maintenance expenses are slightly behind budget due to contractor expenses not yet incurred. Expected to be on budget for the full year.

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

STORMWATER		LYTD Actual February 2015	YTD Actual February 2015	YTD Budget February 2015	Variance	Full year Budget June 2016
Operating and Capital Reserves						
	546			878	-	-
	546 Total Operating Reserves		878	-		-
Equity						
	397,208		402,334	241,229		241,229
	1,062		-	-		-
	41,288		41,192	41,189		61,781
	(1,202)		(1,976)	-		-
	438,356 Total Capital Reserves		441,549	282,418		303,010
Capital Expenditure						
	Tekapo Stormwater					
	1,202		-	-		-
	1,202 Total Tekapo Stormwater		-	-		-
	Urban Stormwater					
	-		1,976	-	(1,976)	-
	-		1,976	-	(1,976)	-
	1,202 Total Capital Expenditure		1,976	-	(1,976)	-

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

ROADING		YTD Actual February 2016		YTD Budget February 2016		Variance		Full year Budget June 2016	
LYTD Actual February 2015									
	Income								
879,152	Targeted Rates	634,589	634,644	(55)	✓			951,968	
989,047	Subsidies and Grants	1,000,458	706,675	293,783	✓	1		1,584,000	
19,351	Other Income	19,905	17,000	2,905	✓			25,500	
4,733	Internal Interest Income	-	4,324	(4,324)	✓			6,484	
1,892,283	Total Income	1,654,952	1,362,643	292,309				2,567,952	
	Expenses								
73,308	Employment Expenses	83,685	101,306	17,621	✓	2		151,958	
48,088	Consultancy Expenses	56,148	49,668	(6,480)	✓			95,000	
1,248	Administration Expenses	6,551	-	(6,551)	✓			-	
938	Internal Interest Expense	7,289	1,176	(6,113)	✓			1,764	
799,460	Roadings	735,152	731,179	(3,973)	✓	3		1,172,640	
1,257,656	Depreciation	1,254,008	1,254,004	(4)	✓			1,881,006	
6,569	Internal Charges	7,728	9,126	1,398	✓			13,690	
2,187,267	Total Expenses	2,150,561	2,146,459	(4,102)				3,316,058	
(294,984)	Operating Surplus/(Deficit)	(495,609)	(783,816)	288,207				(748,106)	

Variance Analysis:

- Subsidies and grants income is higher than forecast due to more LTNZ capital works subsidy claimed than forecast year to date. This is a timing variance and income is expected to be on budget for the full year.
- Employment expenses are less than forecast year to date due to lower oncharge of management time. This will be corrected at year end.
- Roadings expenses - more detailed variance explanation is provided with the detailed roadings expenses report.

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

ROADING		YTD Actual February 2016		YTD Budget February 2016		Variance		Full year Budget June 2016	
LYTD Actual February 2015									
Operating and Capital Reserves									
	(294,984)		(495,609)		(783,816)				(748,106)
	(294,984)		(495,609)		(783,816)				(748,106)
Equity									
	580,439		141,469		149,973				149,973
	1,257,656		1,254,008		610,369				915,553
	-		-		222,408				857,128
	(865,455)		(870,731)		(694,482)				(1,871,140)
	-		-		351,555				527,331
	972,640		524,746		639,823				578,845
Capital Expenditure									
District Roading									
	273,336		91,535		397,333		305,798		596,000
	-		620,788		-		(620,788)	1	671,540
	44,661		54,107		45,000		(9,107)		60,000
	155,283		7,727		43,000		35,273		173,000
	40,267		-		10,000		10,000		20,000
	-		-		4,267		4,267		6,400
	22,649		27,992		46,132		18,140		69,200
	3,120		-		-		-		-
	-		-		20,000		20,000		20,000
	247,258		67,264		125,000		57,736		250,000
	71,611		-		-		-		-
	858,185		869,413		690,732		(178,681)		1,866,140

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

LYTD Actual February 2015	ROADING	YTD Actual February 2016	YTD Budget February 2016	Variance	Full year Budget June 2016
	Roading Professional Services				
13,631	0868001. Computers	1,069	-	(1,069)	-
532	0868925. Plant and Equipment	-	3,750	3,750	5,000
14,163	Total Roding Professional Services	1,069	3,750	2,681	5,000
872,348	Total Capital Expenditure	870,482	694,482	(176,000)	1,871,140

Variance Analysis:

1. Expenditure exceeds year to date forecast. This overspend will be covered by reduced spend in other roading areas, including operational expenditure.

MACKENZIE DISTRICT COUNCIL
DETAILED ROADING EXPENSES
For the period ended February 2016

LYTD Actual February 2015	LYTD Actual February 2016	YTD Budget February 2016	Variance	Notes	Full Year Budget June 2016
151,404	122,950	128,668	5,718	✓	193,000
224,345	169,015	223,468	54,453	✓	335,200
86,520	65,361	63,332	(2,029)	✓	95,000
16,034	12,423	16,668	4,245	✓	25,000
42,189	65,354	51,750	(13,604)	✓	103,500
7,550	1,795	5,333	3,539	✓	8,000
126,736	98,314	86,132	(12,182)	✓	129,200
20,509	16,309	29,828	13,519	✓	44,740
29,649	49,220	26,668	(22,552)	✓	40,000
27,920	30,073	33,332	3,259	✓	50,000
-	-	-	-	✓	50,000
-	65,780	-	(65,780)	✓	-
6,738	5,662	4,000	(1,662)	✓	6,000
6,221	7,180	8,000	820	✓	12,000
15,512	11,669	5,000	(6,669)	✓	7,500
20,599	11,393	23,332	11,939	✓	35,000
-	2,655	25,668	23,013	✓	38,500
17,535	-	-	-	✓	-
799,460	795,152	731,179	(3,973)		1,172,640

Variance Analysis:

1. Street lighting maintenance expenses are ahead of budget for the full year due to an unbudgeted full street light audit required by the Electricity Authority costing \$8,463. Further work is to be carried out arising from the audit with costs coming through in March. Maintenance is also tracking higher than usual due to the replacement cost of Low Pressure Sodium bulbs. The LED replacement programme should address this issue over time.

2. Emergency reinstatement costs relate to the snow event in the prior financial year. These costs are not budgeted however they have been approved for NZTA subsidy. There are additional costs still to be incurred as works are not yet complete.

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

SOLID WASTE		LYTD Actual February 2015	YTD Actual February 2016	YTD Budget February 2016	Variance	Full year Budget June 2016
Income						
88,040	General Rates	111,393	111,394	(1)	X	167,090
338,346	Targeted Rates	396,199	391,374	4,825	✓	587,062
98,463	Other Income	136,809	96,736	40,073	✓	145,100
-	Internal Interest Income	458	8	450	✓	12
524,849	Total Income	644,859	599,512	45,347		899,264
Expenses						
22,272	Employment Expenses	29,423	22,453	(6,970)	X	2
7,978	Consultancy Expenses	6,052	18,264	12,212	✓	3
7,053	Administration Expenses	8,689	6,930	(1,759)	X	10,390
469,016	Operational and Maintenance	599,666	499,796	(99,870)	X	749,700
7,958	Internal Interest Expense	24,933	24,089	(844)	X	36,133
13,640	Depreciation	12,968	12,971	3	✓	19,455
1,622	Internal Charges	4,043	4,044	1	✓	6,068
529,538	Total Expenses	685,774	588,547	(97,227)		882,823
(4,689)	Operating Surplus/(Deficit)	(40,915)	10,965	(51,880)		16,441

Variance Analysis:

1. Other income is ahead of budget due to increased income from RRP gate sales and recoverable services.
2. Employment expenses are over budget due to a mismatch between leave accrual and budget allocation. This will be corrected before year end.
3. Consultancy expenses are less than budgeted as levies, contributions and legal expenses have not yet been incurred this financial year.
4. Operational and maintenance costs are ahead of budget due to seasonal increases in waste volumes that are not forecast to continue throughout the year.

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

SOLID WASTE		YTD Actual February 2016		YTD Budget February 2016		Variance		Full year Budget June 2016	
LYTD Actual February 2015		YTD Actual February 2016		YTD Budget February 2016					
Operating and Capital Reserves									
	(4,689)	(40,915)		10,965					16,441
	(4,689)	(40,915)		10,965					16,441
Equity									
	(448,033)	(431,927)		(792,054)					(792,054)
	10,584	10,312		10,312					15,469
	-	(334,650)		10,816					16,227
	(437,449)	(756,266)		(770,926)					(760,358)

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

LYTD Actual February 2015	REGULATORY	YTD Actual February 2016	YTD Budget February 2016	Variance	Full year Budget June 2016
	Income				
26,584	General Rates	17,944	17,944	-	26,916
103,248	Targeted Rates	110,073	110,074	(1)	165,110
269,599	Other Income	379,828	334,180	45,648	501,280
354	Internal Interest Income	460	671	(211)	1,007
399,785	Total Income	508,305	462,869	45,436	694,313
	Expenses				
195,222	Employment Expenses	188,103	210,432	22,329	315,652
26,531	Consultancy Expenses	11,780	24,668	12,888	37,000
36,853	Administration Expenses	13,098	41,272	28,174	61,900
84,065	Operational and Maintenance	88,389	136,668	48,279	205,000
3,411	Internal interest Expense	3,626	3,017	(609)	4,525
30,248	Depreciation	27,688	27,686	(2)	41,530
17,047	Internal Charges	18,164	19,220	1,056	28,828
393,377	Total Expenses	350,848	462,963	112,115	694,435
6,409	Operating Surplus/(Deficit)	157,458	(94)	157,552	(122)

Variance Analysis:

1. Other income is ahead of budget due to higher than projected levels of building consents and PIMs.
2. Employment expenses are under budget as there was a vacant position in the building department. This position has now been filled.
3. Consultancy expenses are less than forecast year to date but expected to be on budget for the full year.
4. Administration expenses are less than budget due to insurance costs not yet incurred.
5. Operational and maintenance expenditure is currently less than forecast due to the Health and Liquor Licensing contract yet to be received.

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

LYTD Actual February 2015		REGULATORY	YTD Actual February 2016		YTD Budget February 2016	Variance	Full year Budget June 2016
Operating and Capital Reserves							
	6,409	Operating Surplus/(Deficit)	157,458	(94)			(122)
	6,409	Total Operating Reserves	157,458	(94)			(122)
		Equity					
	(86,294)	Opening Balance	(51,967)	(64,751)			(64,751)
	30,248	Transfer Funded Depreciation from Operating Reserves	27,688	26,691			40,035
	(7,774)	Transfer Capital Expenditure from Operating Reserve	(62,500)	(69,000)			(86,000)
	-	Transfers between Reserves	798	917			1,373
	(63,820)	Total Capital Reserves	(85,981)	(106,143)			(109,343)
Capital Expenditure							
		Civil Defence					
	7,774	0108925. Plant and Equipment	-	10,000	10,000	✓ 1	25,000
	7,774	Total Civil Defence	-	10,000	10,000		25,000
		Rural Fires					
	-	0838925. Plant and Equipment	7,500	4,000	(3,500)	✗ 2	6,000
	-	0838930. Vehicles	55,000	55,000	-	✓	55,000
	-	Total Rural Fires	62,500	59,000	(3,500)		61,000
	7,774	Total Capital Expenditure	62,500	69,000	6,500		86,000

Variance Analysis:

- 1 There was provision in the budget for a generator to be installed at the Tekapo Community Centre.
- 2 Rural fire spend is over budget this month due to the timing of the budget spread. There was additional expenditure of \$1500 due to the purchase of a GPS unit.

RECREATIONAL FACILITIES

Variance Analysis:

- Operational and Maintenance - Twizel township projects are under budget by \$49,517 year to date. Expecting to be on budget for the full year.

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

RECREATIONAL FACILITIES		YTD Actual February 2016	YTD Budget February 2016	Variance	Full year Budget June 2016
Operating and Capital Reserves					
211,216	Operating Surplus/(Deficit)	75,912	15,568		(42,268)
211,216	Total Operating Reserves	75,912	15,568		(42,268)
Equity					
(589,269)	Opening Balance	(470,451)	(529,034)		(529,034)
84,616	Transfer Funded Depreciation from Operating Reserves	49,392	49,383		74,075
(10,786)	Transfer Capital Expenditure from Operating Reserve	(3,269)	-		-
-	Transfers between Reserves	53,137	60,723		91,087
(515,439)	Total Capital Reserves	(371,191)	(418,928)		(363,872)
Capital Expenditure					
Fairlie Domain					
-	0958940: Furniture & Fittings - Other	6,392	-	(6,392)	1
-	Total Fairlie Domain	6,392	-	(6,392)	-
Fairlie Township					
80	0528965: Comm Asset - Public Amenities	-	-	-	-
80	Total Fairlie Township	-	-	-	-
Mackenzie Community Centre					
499	1228925: Plant and Equipment	-	-	-	-
499	Total Mackenzie Community Centre	-	-	-	-

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

LYTD Actual February 2015	RECREATIONAL FACILITIES	YTD Actual February 2016	YTD Budget February 2016	Variance	Full year Budget June 2016
	Tekapo Community Hall				
10,207	1248940, Furniture & Fittings - Other	-	-	-	-
10,207	Total Tekapo Community Hall	-	-	-	-
	Twizel Community Centre				
-	1268925, Plant and Equipment	3,269	-	(3,269)	2
-	Total Twizel Community Centre	3,269	-	(3,269)	-
	Twizel Reserves				
18,418	1068192, Other Projects	-	-	-	-
22,462	1068925, Plant and Equipment	-	-	-	-
40,880	Total Twizel Reserves	-	-	-	-
51,666	Total Capital Expenditure	9,661	-	(9,661)	-

Variance Analysis:

1. Washing machines were purchased for the Holiday Park to get this operational again. Rental income will be received to offset this spend due to no budget allocation.
2. A replacement fridge was purchased for the Twizel Community Centre. As there is no budget allocation for this area, this will be covered by an underspend in the repairs and maintenance budget.

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

COMMUNITY FACILITIES		YTD Actual February 2016		YTD Budget February 2016	Variance	Full year Budget June 2016
LYTD Actual February 2015						
	Income					
218,800	General Rates	208,467		208,465	2	312,701
757	Subsidies and Grants	757		440	317	660
81,445	Other Income	81,667		86,998	(5,331)	130,750
1,848	Internal Interest Income	3,391		3,106	285	4,658
302,849	Total Income	294,282		295,009	(4,727)	448,769
	Expenses					
25,522	Administration Expenses	25,007		19,176	(8,831)	28,764
225,432	Operational and Maintenance	239,216		254,731	15,515	361,110
9,213	Internal Interest Expense	13,838		13,683	(155)	20,523
32,816	Depreciation	40,778		40,547	(231)	60,823
292,984	Total Expenses	321,840		328,137	6,297	471,220
9,865	Operating Surplus/(Deficit)	(27,557)		(29,128)	1,571	(22,451)

Variance Analysis:

1. Other income is slightly less than forecast due to rental income from public toilets less than the budget year to date.
2. Administration expenses are showing as ahead of budget year to date as the rates expense was paid in full in July and the budget is phased evenly across the year. Expected to be on budget for the full year.
3. Operational and maintenance expenses are below budget as payment to the oft under club for Tekapo has not yet been made (\$12,000). Contributions to Libraries is lower than budget (\$15,525) due to timing of payment. This is offset by higher than anticipated Public Toilet costs (\$17,436) due to higher than anticipated electricity costs (\$7,545) and R&M costs (\$14,778).

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

LYTD Actual February 2015		COMMUNITY FACILITIES		YTD Actual February 2016	YTD Budget February 2016	Variance	Full year Budget June 2016
Operating and Capital Reserves							
	9,865		Operating Surplus/(Deficit)	(27,557)	(29,128)		(22,451)
	9,865		Total Operating Reserves	(27,557)	(29,128)		(22,451)
Equity							
	8,745		Opening Balance	(303,939)	(277,370)		(277,370)
	32,816		Transfer Funded Depreciation from Operating Reserves	27,324	25,581		38,373
	(297,250)		Transfer Capital Expenditure from Operating Reserve	(35,844)	(430,000)		(465,000)
	(255,689)		Total Capital Reserves	(312,459)	(681,789)		(703,997)
Capital Expenditure							
Public Toilets							
	343,265		1518916, Buildings	34,105	430,000	✓	1 465,000
	343,265		Total Public Toilets	34,105	430,000		465,000
Pensioner Housing - Twizel							
	-		1918925, Plant and Equipment	1,739	-	✗	2 -
	-		Total Pensioner Housing - Twizel	1,739	-	(1,739)	-
	343,265		Total Capital Expenditure	35,844	430,000		465,000

Variance Analysis:

1. Tekapo public toilet project is unlikely to proceed so no further capital expenditure expected this financial year.
2. New stoves were purchased for the Pensioner Flats.

COMMERCIAL ACTIVITIES

Variance Analysis:

- Investment income is less than forecast due to the timing of the budget spread evenly across the year while dividend income from Alpine Energy is received quarterly.
- Other income is ahead of budget due to rental income higher than forecast in forestry and commercial areas.
- Other gains and losses income of \$2,541,079 relates to proceeds from the sale of land at Tekapo Lakefront Development. Yet to be bought to account is the share of the subdivision costs that relate to this land. This will occur at year end.
- Internal interest income received on capital reserves is ahead of budget year to date due to higher levels of forestry reserves held than forecast.
- Asset impairment is considered at year end and relates to Carbon credits. This may not occur as carbon prices have increased on the period so far.
- Consultancy fees are over budget due to legal fees arising from the Tekapo development and additional unbudgeted property sales.
- Administration expenses are showing as ahead of budget year to date as the rates expense was paid in full in July and the budget is phased evenly across the year. Unbudgeted payments of \$18,308 for rental for the minigolf site. This will occur until settlement of that land purchase.
- Operational and maintenance expenditure is below budget due to the timing of contribution payments for A20 and tourism that have not yet been made.
- Internal Interest Expense is over budget due to higher capital expenditure spent at the beginning of the year which has resulted in capital reserve balances costing the commercial activity higher interest expense.

MACKENZIE DISTRICT COUNCIL
FINANCE REPORT
For The Period Ended February 2016

LYTD Actual February 2015	COMMERCIAL ACTIVITIES		YTD Actual February 2016	YTD Budget February 2016	Variance	Full year Budget June 2016
	Operating and Capital Reserves					
(497,775)		Operating Surplus/(Deficit)	2,251,061	277,566		117,141
(497,775)		Total Operating Reserves	2,251,061	277,566		117,141
	Equity					
(431,554)		Opening Balance	(1,327,145)	(4,625,533)		(4,625,533)
-		Transfer from Operating reserves	609,360	-		-
-		Transfers between Reserves	-	3,880,400		3,880,400
(431,554)		Total Capital Reserves	(717,785)	(745,133)		(745,133)
	Capital Expenditure					
	Rental					
642,048		0668920. Building - Renewal	(1,069)	-	1,069	1
642,048		Total Rental	(1,069)	-	1,069	-
	Real Estate					
650,162		0818906. Subdivision Costs	1,227,649	-	(1,227,649)	2
650,162		Total Real Estate	1,227,649	-	(1,227,649)	-
1,292,210		Total Capital Expenditure	1,226,580	-	(1,226,580)	-

Variance Analysis:

1. Credit balance relates to a Genesis Energy power credit relating to the prior year.
2. Tekapo lake front development budgeted for in the prior year. Delayed due to resource consent issues around stormwater.

MACKENZIE DISTRICT COUNCIL

MINUTES OF A MEETING OF THE TEKAPO PROPERTY GROUP HELD IN THE LAKE TEKAPO COMMUNITY HALL, TEKAPO ON TUESDAY, MARCH 1, 2016, AT 1.05PM

PRESENT:

Cr Murray Cox (Chair)
Mayor Claire Barlow
Cr Russell Armstrong

IN ATTENDANCE:

Wayne Barnett, Chief Executive Officer
Paul Morris, Finance Manager
Nathan Hole, Planning & Regulations Manager

APOLOGIES:

Resolved that an apology be received from Cr Graham Smith and Richie Smith.

Cr Armstrong/ Mayor

DECLARATIONS OF INTEREST:

There were no declarations of interest.

MINUTES:

Resolved that the minutes of the meeting of the Tekapo Property Group held on Tuesday, January 18 2016, be confirmed and adopted as the correct record of the meeting, including those matters taken in public excluded.

Cr Armstrong/ Mayor

PUBLIC EXCLUDED:

Resolve: that the public be excluded from the following part of the proceedings of this meeting namely:

1. Previous minutes Tekapo Property Group, January 18 2016.
2. Stage 2 Construction Report
3. Summary of Tekapo Development Property Sales

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Previous minutes Tekapo Property Group, January 18 2016	Commercial sensitivity	48(1)(a)(i)
Stage 2 Construction Contract	Commercial sensitivity	48(1)(a)(i)
Summary of Tekapo Development Property Sales	Commercial sensitivity	48(1)(a)(i)

This resolution is made in reliance on Section 48(1)(a)(i) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows: *Previous minutes Tekapo Property Group, Stage 2 Construction Contract, Summary of Tekapo Development Property Sales under section 7(2)(b)(ii)*

Cr Armstrong/ Mayor

The property group resumed in open meeting.

GENERAL BUSINESS:

Residual Land on Lakeside Drive:

A report from Aurecon (draft) has arrived but has not been read at the time of this meeting.

The Mayor informed the group of an interesting meeting she attended at The Canterbury Mayoral Forum regarding discussion about investor's hotel sites. Auckland has done a lot of work identifying sites for hotels and pre-consenting to make the process more efficient. Perhaps we could do this for this site. Look at re-zoning separately and including Tony's site as well. Hotel developments are difficult to get over the line. There is Chinese money around but they need scale. If pre-consented sites are available they may be able to create necessary scale by investing across more than one area, for example, 1 site in Tekapo, 1 site in Kaikoura and 2 sites in Christchurch.

Mr Barnett suggested that Council land on Hamilton Drive be considered surplus and offered to Ngai Tahu. If Ngai Tahu decline the land then it could be placed on the open market.

Potential Sites for Staff Accommodation:

Mr Barnett has spoken to Sally Jones at DoC about the area behind The Fire Station for a swap and mentioned the Ram Paddock down Lilybank Road as part of the exchange.

Cr Cox said that these are the sorts of issues we need to tidy up now.

Ex-Motor Camp Land rezoning:

Ecan, NZTA, Fire Service and Genesis have submitted as well as two private individuals. Three in support and three against but Mr Hole doesn't think the issues raised will be too problematic. Only two submitters wish to be heard. There has to be notification for further submissions, an officers report written and a hearing held.

Matters that surfaced as a result of the Freedom Camping Workshop on 29 February 2016:

- How quickly can the eastern carpark be established with toilets etc?
- Moving the traffic from around the Church of the Good Shepherd, this needs to be worked out with a view to the whole plan for parking.
- A long term view is that we don't want development around the Church of the Good Shepherd. They are prepared at this stage to make that land available for protection as opposed to being sold for development. Cr Cox suggested that we need to bring this into the picture sooner (the need to secure the land) rather than later. Toilets at

the end could be pay toilets or provide an opportunity for a small coffee/water business to maintain the toilets.

**THERE BEING NO FURTHER BUSINESS
THE CHAIRMAN DECLARED THE MEETING CLOSED AT 2:20pm**

CHAIRMAN: _____

DATE: _____

Unconfirmed and CONFIDENTIAL

MACKENZIE DISTRICT COUNCIL

MINUTES OF A MEETING OF THE TEKAPO PROPERTY GROUP HELD IN THE MACKENZIE ROOM, PEPPERS BLUEWATER RESORT, LAKE TEKAPO ON TUESDAY, APRIL 12, 2016, AT 1.00PM

PRESENT:

Cr Murray Cox (Chair)
Mayor Claire Barlow
Cr Graham Smith

IN ATTENDANCE:

Wayne Barnett, Chief Executive Officer
Paul Morris, Finance Manager
Keri-Ann Little, Committee Secretary

APOLOGIES:

Resolved that an apology be received from Richie Smith and Cr Armstrong

Cr Smith/ Mayor

DECLARATIONS OF INTEREST:

There were no declarations of interest.

MINUTES:

Resolved that the minutes of the meeting of the Tekapo Property Group held on Tuesday, March 1, 2016, be confirmed and adopted as the correct record of the meeting, including those matters taken in public excluded.

General business arising from the minutes:

Discussion in regards to Mr Barnett's comments in the last minutes on page 4 of this agenda, "Mr Barnett suggested that Council land on Hamilton Drive be considered surplus and offered to Ngai Tahu. If Ngai Tahu decline the land then it could be placed on the open market"

The Chairman said there is a piece of residential land that goes up Hamilton Drive, to that block, and in between the houses that are there at the moment.

Mr Morris said I don't think Council has the ability to make that decision, if we say we longer want to use it because it is part of forestry, then the Government will just take ownership.

The Chairman said there is a part right down by Hamilton Drive that the Council may want to keep as a reserve, Mr Barnett said if you did that you would negotiate that as part of the solution.

The Chairman said at some stage someone needs to do a report on this to clarify options.

Mayor/ Cr Smith

GENERAL BUSINESS:

Project Management:

This verbal report was supplied to the Property Group by The Chairman.

The Chairman said we have spoken at the Tekapo Community Board meeting and Council about project management, I would like this recorded in the Property Group minutes.

Bernie Haar, Asset Manager, Mr Barnett, Garth Nixon, Community Facilities Manager, Suzy Ratahi, Roding Manager, Peter Munro, Tekapo Community Board Chairman and myself are getting together regularly to look at the co-ordination between the contractors and the contracts that are taking place down in the town, town projects in terms of the car parking and toilets. This is to try and stop anything from dropping out through the cracks, also to make sure if we have Mr Haar and Mr Nixon working on different projects there is a cross connection there.

The Mayor asked who are you thinking of appointing as Project Manager and how many hours would this role be.

Mr Barnett said this will depend on what stage the project is at, will be variable.

Mr Barnett said the projects are:

- Entry exit of Godley
- Rapuwai Lane
- Profile of Eastern carpark
- Lay out of Eastern carpark
- Boat ramp access and long vehicle parking
- Temporary carparks
- Play area
- Toilets Eastern and Western
- Finishing of domain
- Landscaping of viewing corridors
- Communications out to the public.

The Chairman said there will be some other projects that come up as well in terms of lighting, waste disposal and skips.

The Mayor said if we wanted to fund a Project Manager, would the costs come out of the real estate budget.

The Chairman and Cr Smith agreed.

Mr Barnett said we have set up a meeting of this group, named above, if we can find a suitable candidate to project manage, Cr Smith said we keep Council staff away from Project Manager because it only interferes with their Council duties and Councillors can't be because it is a conflict of interest.

Mr Barnett said the funding for a position is not in the Long Term Plan but the development projects is, so if there are parts of this that can be done within the Tekapo Lakefront Development Project then that is really something I would like direction on today, we can then budget the position and move forward.

The Mayor and Cr Smith suggested the position be advertised. Cr Smith continued, Mr Barnett has done a great job to date, but the project is taking up too much of his time. To be fair and get the best out of Tekapo we need a Project Manager going forward at this stage.

Resolved: that the Tekapo Property Group recommends to the Finance Committee that a person be engaged to take project management of the Tekapo Development.

Cr Smith/ Mayor

Mr Barnett said we will put prices against these activities and report back to them against expected cash surplus of the project.

Cr Smith stated a contract or terms of employment agreement will have to be drawn up, based on so many hours per week.

Mr Barnett said terms of employment will be drawn up with an estimate of hours of work required.

PUBLIC EXCLUDED:

Resolve: that the public be excluded from the following part of the proceedings of this meeting namely:

1. Previous minutes Tekapo Property Group, March 1, 2016.
2. Stage 2 Construction Report
3. Summary of Tekapo Development Property Sales

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Previous minutes Tekapo Property Group, January 18 2016	Commercial sensitivity	48(1)(a)(i)
Stage 2 Construction Contract	Commercial sensitivity	48(1)(a)(i)
Summary of Tekapo Development Property Sales	Commercial sensitivity	48(1)(a)(i)

This resolution is made in reliance on Section 48(1)(a)(i) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows: *Previous minutes Tekapo Property Group, Stage 2 Construction Contract, Summary of Tekapo Development Property Sales under section 7(2)(b)(ii)*

Mayor/ Cr Smith

The property group resumed in open meeting.

**THERE BEING NO FURTHER BUSINESS
THE CHAIRMAN DECLARED THE MEETING CLOSED AT 2:40pm**

CHAIRMAN: _____

DATE: _____

Unconfirmed and CONFIDENTIAL