



TO THE MAYOR AND COUNCILLORS OF THE MACKENZIE DISTRICT COUNCIL

MEMBERSHIP OF THE FINANCE COMMITTEE

| | |
|-------------------------|---------------|
| Graham Smith (Chairman) | |
| Claire Barlow (Mayor) | John Bishop |
| Peter Maxwell | Annette Money |
| Graeme Page | Evan Williams |

*Notice is given of a meeting of the Finance Committee
to be held on Tuesday 30 July 2013 following the Planning Committee*

VENUE: Council Chambers, Fairlie

BUSINESS: As per agenda attached

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

24 July 2013



FINANCE COMMITTEE

Agenda for Tuesday 30 July 2013

I APOLOGIES

II DECLARATIONS OF INTEREST

III MINUTES

Confirm and adopt as the correct record the Minutes of the meeting of the Finance Committee held on 13 June 2013, including such parts as were taken with the Public Excluded.

IV REPORTS

1. Financial Report May 2013
2. Bancorp Report June 2013
3. Grant for Landsar and Coastguard Facility at Twizel
4. Honorarium to Canterbury Water Management Committee's
5. Elections – verbal report

V PUBLIC EXCLUDED

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

1. Previous minutes of the Finance Committee 13 June 2013

| 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 of the Finance Committee 13 June 2013 | 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 of the Finance Committee 13 June 2013 under section 7(2)(b)(ii).*

MACKENZIE DISTRICT COUNCIL

MINUTES OF A MEETING OF THE FINANCE COMMITTEE HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON THURSDAY 13 JUNE 2013 AT 2:02PM

PRESENT:

Graham Smith (Chairman)
Claire Barlow (Mayor)
Annette Money
Graeme Page
Evan Williams

IN ATTENDANCE:

Wayne Barnett (Chief Executive Officer)
Paul Morris (Manager – Finance and Administration)
Garth Nixon (Community Facilities Manager)
Nathan Hole (Manager Planning and Regulations)
Keri-Ann Little (Committee Clerk)

I APOLOGY:

Resolved that an apology be received from Councillor John Bishop.

Graeme Page/ Annette Money

II MINUTES:

Resolved that the Minutes of the meeting of the Finance Committee held on 23rd of April 2013, including such parts as were taken with the Public Excluded, be confirmed and adopted as the correct record of the meeting.

Annette Money/ Peter Maxwell

Matters arising from the Minutes:

Update Section Sale:

Mr and Mrs Armstrong have paid for the three phase power on site and Council have agreed to allow them access on to the site on condition that the Armstrong's settle in full when the title is issued.

Old Library Café:

Mr Morris, Public consultation and a public meeting, 82% were in favour of repairing the building. We will proceed to gather information for a further meeting which gives the community the cost to replace the building and also costing's for a repair method. Both outcomes will be taken to the public and then on to Council. The current Tenant would still like the Tenancy. A rental valuation will be performed on the proposed repair/replacement outcome.

III REPORTS:

1. LOCAL ELECTORAL REGULATIONS 2001:

This report from the Manager Finance was to decide the order of candidates' names on voting documents.

Resolved:

1. that the report be received.
2. That the name under which each candidate is seeking election be arranged in random order on all voting documents.

Claire Barlow/ Annette Money

2. TWIZEL OFFICE HEAT PUMP:

This report from the Manager Community Facilities for Council to approve unbudgeted expenditure to replace night store and under floor heating in the Twizel Office.

Resolved:

1. That the report be received.
2. That Council approve the over expenditure of \$4,000 to install a heat pump in the Twizel Office.

Claire Barlow/ Annette Money

3. ALPINE ENERGY LTD STATEMENT OF INTENT:

This report from the Manager Finance and Administration was to provide analysis to Council in relation to Alpine Energy Ltd (AEL) Statement of Intent.

Resolved: that the report be received.

Annette Money/ Evan Williams

Resolved: that Council adopt the Statement of Intent for 2013/2016 of Alpine Energy Ltd. Provided the Smart Metering is added.

Annette Money/ Claire Barlow

4. MACKENZIE TOURISM AND DEVELOPMENT TRUST:

This report from the Manager Finance and Administration was for Council to recommend to the trustees of the Mackenzie Tourism and Development Trust (the Trust) to wind up the Trust.

Resolved: that the report be received.

Annette Money/ Claire Barlow

Resolved:

1. That the Council recommend to the Trustees of the Mackenzie Tourism and Development Trust that the Trust be wound up immediately.
2. That Council exempt the Trust under Section 7 of the Local Government Act 2002.

Evan Williams/ Annette Money

5. FINANCIAL REPORT APRIL 2013:

This report from the Manager – Finance and Administration, Mr Morris, was accompanied by the financial report for the period to 30 April 2013.

Mr Morris introduced the new reporting structure now used due to the new financial software.

Mr Morris spoke to any significant variances.

Resolved that the report be received.

Annette Money/ Evan Williams

The Chairman thanked Mr Morris for his report and the new reporting layout.

IV PUBLIC EXCLUDED

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

1. Robin Hughes Development Limited.

| <u>General subject of each matter to be considered</u> | <u>Reason for passing this resolution in relation to each matter</u> | <u>Ground(s) under Section 48(1) for the passing of this resolution</u> |
|---|---|--|
| Robin Hughes Development Limited | Project the privacy of natural persons | 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: *Robin Hughes Development LTD* Section 7(2)(a).

Annette Money/ Evan Williams

THE CHAIRMAN DECLARED THE MEETING CLOSED AT 3:41PM

CHAIRMAN: _____

DATE: _____

MACKENZIE DISTRICT COUNCIL

REPORT TO: FINANCE COMMITTEE
SUBJECT: FINANCIAL REPORT – MAY 2013
MEETING DATE: 22 JULY 2013
REF: FIN 1/2/1
FROM: MANAGER – FINANCE AND ADMINISTRATION
ENDORSED BY: CHIEF EXECUTIVE OFFICER

PURPOSE OF REPORT:

Attached is the financial report for May 2013.

STAFF RECOMMENDATIONS:

1. That the report be received.

PAUL MORRIS
MANAGER – FINANCE & ADMINISTRATION

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

Mackenzie District Council
Activity Report
For the Period Ended May 2013

| | YTD Last Year | YTD May 2013 | YTD Budget May 2013 | YTD Variance | Notes | Full Year Budget |
|---|------------------|------------------|------------------------|-------------------|-------|------------------|
| Governance and Corporate Services | | | | | | |
| Income | | | | | | |
| General Rates | 669,559 | 1,763,278 | 1,752,190 | 11,088 ✓ | | 1,923,627 |
| Targeted Rates | 76,516 | 26,840 | 26,840 | 0 ✓ | | 29,300 |
| Other Income | 90,325 | 104,078 | 86,857 | 17,221 ✓ | | 102,500 |
| Internal Income | 1,787,149 | 90,689 | 98,692 | (8,003) ✗ | | 107,717 |
| Gain on Sale - Assets | - | 5,000 | - | 5,000 ✓ | | - |
| Total Income | 2,623,549 | 1,989,885 | 1,964,579 | 25,306 ✓ | | 2,163,144 |
| Expenses | | | | | | |
| Employment Expenses | 939,187 | 1,016,647 | 1,001,333 | (15,314) ✗ | | 1,088,729 |
| Members Expenses | 212,304 | 267,354 | 256,168 | (11,186) ✗ | | 279,500 |
| Consultancy Expenses | 144,407 | 116,655 | 105,387 | (11,268) ✗ | | 113,635 |
| Administration Expenses | 312,806 | 253,000 | 232,229 | (20,771) ✗ | | 285,352 |
| Operational and Maintenance | 215,074 | 234,841 | 239,437 | 4,596 ✓ | | 261,480 |
| Depreciation | 81,653 | 72,512 | 72,512 | 0 ✓ | | 79,183 |
| Internal Charges | 749,784 | 41,558 | 43,516 | 1,958 ✓ | | 56,361 |
| Total Expenses | 2,655,217 | 2,002,567 | 1,950,582 | (51,985) ✗ | | 2,164,240 |
| Governance and Corporate Services Activity Surplus/(Deficit) | (31,667) | (12,682) | 13,997 | (26,679) | | (1,096) |

Variance analysis

This is a summary of the Corporate Services and Governance activities. Variance analysis is provided for each of the activities that make up this group.

Mackenzie District Council
Activity Report
For the Period Ended May 2013

| | YTD Last Year | YTD May 2013 | YTD Budget May 2013 | YTD Variance | Notes | Full Year Budget |
|--|----------------|----------------|------------------------|------------------|-------|------------------|
| Governance | | | | | | |
| Income | | | | | | |
| General Rates | 669,559 | 316,569 | 305,635 | 10,934 ✓ | | 345,347 |
| Targeted Rates | 76,516 | 26,840 | 26,840 | 0 ✓ | | 29,300 |
| Other Income | - | 6,636 | 22,020 | 13,750 ✓ | 1 | 15,000 |
| Total Income | 739,439 | 365,429 | 346,225 | 19,204 ✓ | | 389,647 |
| Expenses | | | | | | |
| Employment Expenses | 51,301 | 43,971 | 47,773 | 3,802 ✓ | | 52,139 |
| Members Expenses | 212,304 | 267,354 | 256,168 | (11,186) ✗ | 2 | 279,500 |
| Consultancy Expenses | 19,594 | 456 | - | (456) ✗ | | - |
| Administration Expenses | 29,309 | 37,456 | 42,130 | 4,674 ✓ | 3 | 49,000 |
| Internal Charges | 408,330 | 1,712 | 154 | (1,558) ✗ | 4 | 9,007 |
| Total Expenses | 720,838 | 350,949 | 346,225 | (4,724) ✗ | | 389,646 |
| Governance Activity Surplus/(Deficit) | 18,602 | 14,480 | 0 | 14,480 | | 1 |

Variance analysis

1. Other income shows a favourable variance due to the oncharging of costs for the water zone committees.
2. Costs associated with the water zone committees are \$30,759 above budget. Costs for Conference and training is higher than budget by \$9,608. this is offset by lower than expected Travelling expense costs which is \$10,731 below budget.
3. Lower than anticipated costs to date for advertising (\$2,576) has contributed to this favourable variance.
4. Higher than anticipated vehicle charges (Council vehicles) has resulted in this unfavourable variance

Mackenzie District Council
Activity Report
For the Period Ended May 2013

| | YTD Last Year | YTD May 2013 | YTD Budget May 2013 | YTD Variance | Notes | Full Year Budget |
|--|------------------|------------------|------------------------|-------------------|-------|------------------|
| Corporate Services | | | | | | |
| Income | | | | | | |
| General Rates | - | 1,446,709 | 1,446,555 | 154 ✓ | | 1,578,280 |
| Other Income | 96,961 | 82,059 | 73,107 | 8,952 ✓ | | 87,500 |
| Internal Income | 1,787,149 | 90,689 | 98,692 | (8,003) ✗ | 1 | 107,717 |
| Gain on Sale - Assets | - | 5,000 | - | 5,000 ✓ | | - |
| Total Income | 1,884,110 | 1,624,457 | 1,618,354 | 6,103 ✓ | | 1,773,497 |
| Expenses | | | | | | |
| Employment Expenses | 887,887 | 972,675 | 953,560 | (19,115) ✗ | 2 | 1,036,590 |
| Consultancy Expenses | 124,813 | 116,199 | 105,387 | (10,812) ✗ | 3 | 113,635 |
| Administration Expenses | 283,497 | 215,544 | 190,099 | (25,445) ✗ | 4 | 236,352 |
| Operational and Maintenance | 215,074 | 234,841 | 239,437 | 4,596 ✓ | | 261,480 |
| Depreciation | 81,653 | 72,512 | 72,512 | 0 ✓ | | 79,183 |
| Internal Charges | 341,455 | 39,846 | 43,362 | 3,516 ✓ | | 47,354 |
| Total Expenses | 1,934,379 | 1,651,618 | 1,604,357 | (47,261) ✗ | | 1,774,594 |
| Corporate Services Activity Surplus/(Deficit) | (50,269) | (53,816) | 42,997 | 96,813 | | (1,097) |

Variance analysis

1. Lower than anticipated overall vehicle chargeouts has resulted in this unfavourable variance.
2. Employment costs for Admin - District are below budget by \$9,044, Facilities management is below budget by \$11,483 and IT is below budget by \$9,569. This is offset by higher than anticipated costs in the CEO department for recruitment costs (\$22,600).
3. Unbudgeted costs of legal expenses relating to Union negotiations (\$5,027) and position grading (\$10,028) has resulted in this unfavourable variance.
4. Higher than anticipated Insurance costs for the year (\$11,119) coupled with higher than anticipated printing and stationary (\$9,057) has contributed to this unfavourable variance

| | | | | | | |
|---|---------------|----------------|----------------|-----------------|---|----------------|
| Capex | | | | | | |
| Administration | | | | | | |
| 0018001. Computers | 12,768 | 2,776 | 18,326 | 15,550 ✓ | | 20,000 |
| 0018925. Plant & Equipment | - | 1,180 | 2,431 | 1,251 ✓ | | 2,655 |
| Council Building Fairlie | | | | | | |
| 0088916. Building Renovations | - | - | 20,000 | 20,000 ✓ | | 20,000 |
| 0088925. Plant & Equipment | - | 1,273 | - | (1,273) ✗ | | - |
| 0088935. Furniture & Fittings - Admin | - | 16,155 | 22,000 | 5,845 ✓ | | 22,000 |
| 0088940. Furniture & Fittings - Other | 571 | 110 | - | (110) ✗ | | - |
| Council Building Twizel | | | | | | |
| 0098935. Carpets | - | 8,791 | 4,000 | (4,791) ✗ | 1 | 4,000 |
| Information Technology | | | | | | |
| 0788002. PC Server | - | 13,544 | 31,000 | 17,456 ✓ | | 35,000 |
| 0788005. Printers, Copiers & Scanners | 1,725 | 4,000 | 4,000 | 0 ✓ | | 4,000 |
| 0788006. GIS Aerials | 27,136 | - | - | 0 ✓ | | - |
| 0788010. Network Infrastructure | 2,235 | - | - | 0 ✓ | | - |
| 0788012. Software | 10,932 | 17,500 | 14,500 | (3,000) ✗ | | 14,500 |
| 0788013. Information Management Systems | 715 | - | - | 0 ✓ | | - |
| 0788014. Web site development | - | - | 4,000 | 4,000 ✓ | | 4,000 |
| 0788925. Plant & Equipment | 292 | 2,249 | 3,000 | 751 ✓ | | 3,000 |
| Plant (Motor Vehicles) | | | | | | |
| 2658930. Vehicles | - | 123,938 | 108,000 | (15,938) ✗ | 2 | 108,000 |
| Total Capex | 56,374 | 191,516 | 231,257 | 39,741 ✓ | | 237,155 |

Variance analysis

1. Overspend on costs associated with Carpeting the Twizel Office have created this unfavourable variance
2. Costs associated with the purchase of the CEO vehicle has created this unfavourable variance. This vehicle was scheduled to be purchased in the 2014 financial year. This will not now happen.

Mackenzie District Council
Activity Report
For the Period Ended May 2013

| | YTD Last Year | YTD May 2013 | YTD Budget May 2013 | YTD Variance | Notes | Full Year Budget |
|---|----------------|----------------|------------------------|------------------|-------|------------------|
| Water | | | | | | |
| Income | | | | | | |
| Targeted Rates | 805,715 | 713,611 | 720,160 | (6,549) ✗ | | 778,298 |
| Other Income | - | 1,003 | 8,339 | 1,826 ✓ | | 81,000 |
| Financial Contributions | 128,243 | 129,471 | - | 129,471 ✓ | 1 | - |
| Internal Income | 36,796 | 42,666 | 11,484 | 31,182 ✓ | 2 | 12,563 |
| Total Income | 969,751 | 894,086 | 733,470 | 160,616 ✓ | | 871,861 |
| Expenses | | | | | | |
| Employment Expenses | - | 198 | 3,104 | (3,104) ✗ | 3 | - |
| Consultancy Expenses | 2,899 | 300 | 17,413 | 17,113 ✓ | 4 | 17,500 |
| Administration Expenses | 6,795 | 6,573 | 8,415 | 1,842 ✓ | | 9,220 |
| Operational and Maintenance | 322,805 | 340,864 | 369,253 | 28,389 ✓ | 5 | 401,875 |
| Depreciation | 366,619 | 336,105 | 336,105 | 0 ✓ | | 366,742 |
| Internal Charges | 156,130 | 53,024 | 61,182 | 8,158 ✓ | 6 | 66,773 |
| Total Expenses | 855,051 | 739,969 | 792,368 | 52,399 ✓ | | 862,110 |
| Water Activity Surplus/(Deficit) | 114,700 | 154,117 | (58,898) | 213,015 | | 9,751 |

Variance analysis

1. Unbudgeted financial contributions has resulted in this favourable variance
2. Interest earned on capital reserves is higher in Twizel (\$26,522) as the capital reserve balance is higher due to lower than anticipated capital spend.
3. Raceman employed by the Allandale water scheme.
4. Unspent budget for engineering consultancy across all schemes has created this favourable variance
5. Lower than anticipated contractor costs (\$15,878) and quality monitoring costs (\$3,447) for Fairlie along with lower than anticipated contractor costs (\$18,633) and Repairs and maintenance (\$18,188) for Tekapo, offset by higher than anticipated contractor costs (\$32,274) for Twizel relating to pump repairs and electricity (\$10,808) has contributed to this favourable variance.
6. Due to capital expenditure not being undertaken especially for Manuka Terrace the capital reserve balance and therefore interest charged on that balance was not as high as budgeted.

Capex

| | | | | | | |
|--------------------|----------------|----------------|------------------|------------------|---|------------------|
| Fairlie | 214,000 | 255,146 | 197,826 | (57,320) ✗ | 1 | 243,000 |
| Rural | 37,514 | 1,394 | 112,826 | 111,432 ✓ | 2 | 133,000 |
| Tekapo | 20,714 | 160,127 | 39,391 | (120,736) ✗ | 3 | 43,000 |
| Twizel | 51,941 | 123,242 | 1,012,989 | 889,747 ✓ | 4 | 1,036,000 |
| Total Capex | 324,168 | 539,909 | 1,363,032 | 823,123 ✓ | | 1,455,000 |

Variance analysis

1. Tender prices associated with the Fairlie reticulation Renewal were above the expected price. The unfavourable variance will be covered by the surplus expected from the Fairlie water operating activity
2. Budgeted work for Manuka Terrace has not yet been undertaken (\$100,000). This has created this favourable variance.
3. Costs associated with Tekapo treatment has created this unfavourable variance (\$126,151).
4. Unspent money on the Twizel water supply upgrade.

Mackenzie District Council
Activity Report
For the Period Ended May 2013

| | YTD Last Year | YTD May 2013 | YTD Budget May 2013 | YTD Variance | Notes | Full Year Budget |
|---|----------------|----------------|------------------------|------------------|-------|------------------|
| Sewer | | | | | | |
| Income | | | | | | |
| Targeted Rates | 471,626 | 354,315 | 359,916 | (5,601) ✗ | | 386,611 |
| Other Income | 792 | 629 | - | 629 ✓ | | - |
| Financial Contributions | 19,561 | 31,379 | - | 31,379 ✓ | 1 | - |
| Upgrade Contributions | 166,749 | 129,115 | - | 129,115 ✓ | 2 | - |
| Internal Income | 17,500 | 21,874 | 20,768 | 1,106 ✓ | | 22,667 |
| Total Income | 676,228 | 537,313 | 380,684 | 156,629 ✓ | | 409,278 |
| Expenses | | | | | | |
| Consultancy Expenses | - | - | 9,152 | 9,152 ✓ | 3 | 10,000 |
| Administration Expenses | 6,253 | 6,635 | 9,427 | 2,792 ✓ | | 10,310 |
| Operational and Maintenance | 113,784 | 98,625 | 132,915 | 34,290 ✓ | 4 | 138,800 |
| Depreciation | 205,084 | 224,334 | 224,334 | 0 ✓ | | 244,756 |
| Internal Charges | 101,934 | 15,517 | 20,438 | 4,921 ✓ | 5 | 22,319 |
| Total Expenses | 427,055 | 345,111 | 396,266 | 51,155 ✓ | | 426,185 |
| Sewer Activity Surplus/(Deficit) | 249,173 | 192,203 | (15,582) | 207,785 | | (16,907) |

Variance analysis

1. Unbudgeted upgrade contributions has resulted in this favourable variance
2. Unbudgeted financial contributions has resulted in this favourable variance
3. Unspent budget for engineering consultancy across all schemes has created this favourable variance
4. Lower costs in Tekapo of monitoring (\$3,881), electricity charges (\$3,205) and repairs and maintenance (\$10,000) along with Lower than anticipated contractor costs (\$4,877), consent monitoring costs (\$1,123) and electricity costs (\$1,065) in Fairlie has resulted in this favourable variance.
5. Lower than anticipated Internal interest due to lower than anticipated capital spend.

Capex

| | | | | | | |
|--------------------|--------------|---------------|---------------|-----------------|---|---------------|
| Fairlie | - | - | 1,700 | 1,700 ✓ | | 1,700 |
| Twizel | 9,073 | 24,477 | 50,000 | 25,523 ✓ | 1 | 50,000 |
| Total Capex | 9,073 | 24,477 | 51,700 | 27,223 ✓ | | 51,700 |

Variance analysis

1. Preliminary costs associated with purchase of land for Twizel Sewerage outlet

Mackenzie District Council
Activity Report
For the Period Ended May 2013

| | YTD Last Year | YTD May 2013 | YTD Budget May 2013 | YTD Variance | Notes | Full Year Budget |
|--|---------------|---------------|------------------------|-----------------|-------|------------------|
| Stormwater | | | | | | |
| Income | | | | | | |
| Targeted Rates | 77,242 | 73,656 | 74,427 | (771) ✗ | | 80,353 |
| Financial Contributions | 1,151 | 15,837 | - | 15,837 ✓ | 1 | - |
| Internal Income | 5,637 | 7,966 | 7,458 | 508 ✓ | | 8,146 |
| Total Income | 84,030 | 97,460 | 81,885 | 15,575 ✓ | | 88,499 |
| Expenses | | | | | | |
| Administration Expenses | 310 | 325 | 2,739 | 2,414 ✓ | | 3,000 |
| Operational and Maintenance | 9,291 | 12,098 | 25,279 | 13,181 ✓ | 2 | 26,700 |
| Depreciation | 51,480 | 53,284 | 53,284 | 0 ✓ | | 58,155 |
| Internal Charges | 21,197 | 649 | 583 | (66) ✗ | | 644 |
| Total Expenses | 82,279 | 66,356 | 81,885 | 15,529 ✓ | | 88,499 |
| Stormwater Activity Surplus/(Deficit) | 1,751 | 31,103 | 0 | 31,103 | | 0 |

Variance analysis

1. Unbudgeted financial contributions received.
2. Lower than anticipated repairs and maintenance costs in Twizel (\$10,000) have contributed to this favourable variance

Mackenzie District Council
Activity Report
For the Period Ended May 2013

| | YTD Last Year | YTD May 2013 | YTD Budget May 2013 | YTD Variance | Notes | Full Year Budget |
|---|------------------|------------------|------------------------|------------------|-------|------------------|
| Roading | | | | | | |
| Income | | | | | | |
| General Rates | - | 1,213,222 | 1,240,305 | (27,083) ✗ | | 1,353,060 |
| Targeted Rates | 1,286,571 | 10,340 | 10,340 | 0 ✓ | | 11,280 |
| Subsidies and Grants | 1,649,772 | 2,060,786 | 1,423,983 | 636,803 ✓ | 1 | 1,473,365 |
| Other Income | 86,124 | 31,486 | 25,762 | 5,724 ✓ | | 28,104 |
| Upgrade Contributions | - | 11,717 | - | 11,717 ✓ | | - |
| Internal Income | 147,785 | - | - | 0 ✓ | | - |
| Total Income | 3,170,252 | 3,327,552 | 2,700,390 | 627,162 ✓ | | 2,865,809 |
| Expenses | | | | | | |
| Employment Expenses | 80,602 | 100,066 | 97,801 | 2,265 ✗ | | 106,700 |
| Consultancy Expenses | 38,360 | 13,808 | 21,076 | 7,268 ✓ | | 23,000 |
| Administration Expenses | 501 | 3,580 | 14,740 | 11,160 ✓ | | 5,250 |
| Roading | 1,101,076 | 1,813,972 | 1,065,306 | 748,666 ✗ | 2 | 1,142,357 |
| Depreciation | 1,564,288 | 1,456,697 | 1,456,697 | - ✓ | | 1,589,132 |
| Internal Charges | 296,198 | 16,226 | 11,385 | 4,841 ✓ | | 22,394 |
| Total Expenses | 3,081,025 | 3,404,349 | 2,667,005 | 737,344 ✗ | | 2,888,833 |
| Roading Activity Surplus/(Deficit) | 89,228 | (76,797) | 33,385 | (110,182) | | (13,024) |

Variance analysis

- Increased levels of expenditure on emergency re-instatement costs has increased the level of income from NZTA
- Includes increased costs due to emergency re-instatement of \$847,890 which are not budgeted. If these costs are removed the spend on roading maintenance is \$99,224 below budget.

Capex

| | | | | | | |
|--|------------------|------------------|------------------|------------------|---|------------------|
| 0868001. Computers | - | 8,517 | 9,163 | 646 ✓ | | 10,000 |
| 2548211. Unsealed Road Metalling | 368,251 | 491,887 | 425,000 | 66,887 ✗ | | 425,000 |
| 2548212. Sealed Road Resurfacing | 649,322 | 668,099 | 520,000 | 148,099 ✗ | | 520,000 |
| 2548213. Drainage Renewal | 46,113 | 44,199 | 42,019 | 2,180 ✗ | | 43,189 |
| 2548214. Sealed Road Pavement Rehabilitation | 102,065 | - | 120,929 | 120,929 ✓ | | 120,929 |
| 25482151. Structures Component replacements cattlesops | 17,518 | 5,780 | 10,000 | 4,220 ✓ | | 10,000 |
| 2548215. Structures Component replacements bridges | 47,460 | 4,281 | 15,686 | 11,405 ✓ | | 15,686 |
| 2548222. Traffic Services Renewals | 46,086 | 69,241 | 71,088 | 1,847 ✓ | | 74,196 |
| 2548231. Associated Improvements | - | - | 5,000 | 5,000 ✓ | | 5,000 |
| 2548300. Twizel Projects | 24,533 | - | - | - ✗ | | - |
| 2548310. Footpaths - Surfacing | 68,951 | 71,636 | 66,500 | 1,761 ✗ | | 66,500 |
| 2548341. Minor Improvements | 264,583 | 175,021 | 250,000 | 74,979 ✓ | | 250,000 |
| 2548390. Streetscape Improvements | - | 62,644 | 20,000 | 42,644 ✗ | | 20,000 |
| 2548394. Cemetery carpark overflow | - | 8,529 | 15,000 | 6,471 ✓ | | 15,000 |
| 2548395. Sealing Past Houses | 24,238 | - | 10,000 | 10,000 ✓ | | 10,000 |
| 2548396. Manuka Terrace | - | 23,798 | 460,000 | 436,202 ✓ | 1 | 460,000 |
| Total Capex | 1,659,118 | 1,633,632 | 2,040,385 | 410,128 ✓ | | 2,045,500 |

Variance analysis

- The majority of the Manuka Terrace sealing will not take place until next financial year. If this variance is removed then capital expenditure is over budget by \$26,074. This is offset by the underspend in maintenance of \$99,224

Mackenzie District Council
Activity Report
For the Period Ended May 2013

| | YTD Last Year | YTD May 2013 | YTD Budget May 2013 | YTD Variance | Notes | Full Year Budget |
|--|------------------|------------------|------------------------|------------------|----------|------------------|
| Roading Expenditure Breakdown | | | | | | |
| Expenses | | | | | | |
| Roading | | | | | | |
| 2546111. Sealed Pavement Mtce | 226,602 | 163,214 | 162,181 | - 1,033 | ✗ | 167,181 |
| 2546112. Unsealed Pavement Mtce | 290,905 | 329,668 | 325,380 | - 4,288 | ✗ | 354,960 |
| 25461131. Drainage Mtce - St Cleaning | 22,900 | 22,405 | 45,562 | 23,157 | ✓ | 49,704 |
| 2546113. Routine Drainage Mtce | 71,708 | 64,636 | 73,860 | 9,224 | ✓ | 75,232 |
| 25461141. Structures Maintenance Cattlestops | 2,571 | 25,440 | 22,000 | - 3,440 | ✗ | 24,000 |
| 2546114. Structures Maintenance Bridges | 76,633 | 32,399 | 69,640 | 37,241 | ✓ | 72,640 |
| 2546121. Environmental Mtce | 252,606 | 121,148 | 132,792 | 11,644 | ✓ | 144,864 |
| 25461221. Street Lighting - Maintenanc | 27,935 | 41,762 | 41,800 | 38 | ✓ | 45,600 |
| 25461222. Street Lighting - Electricit | 35,314 | 44,217 | 39,413 | - 4,804 | ✗ | 42,996 |
| 2546122. Traffic Services Mtce | 39,104 | 44,498 | 54,516 | 10,018 | ✓ | 59,472 |
| 2546288. Emergency Reinstatement | - | 847,890 | - | - 847,890 | ✗ 1 | - |
| 2546301. Street Lights - Mtce - Trans | 4,758 | 5,431 | 15,675 | 10,244 | ✓ | 17,100 |
| 2546302. Street Lights-Elect - Transi | 7,922 | 11,141 | 10,087 | - 1,054 | ✗ | 11,004 |
| 2546303. Drainage Mtce - St Cleaning Transit | 18,071 | 21,414 | 21,087 | - 327 | ✗ | 23,004 |
| 2546304. Footpaths | 24,047 | 26,032 | 27,800 | 1,768 | ✓ | 29,000 |
| 2546305. New Year Road Sweep | - | - | 600 | 600 | ✓ | 600 |
| 2546306. Alps2ocean | - | 12,678 | 22,913 | 10,235 | ✓ | 25,000 |
| 2606905. Fairlie Footpaths | - | - | - | - | ✓ | - |
| 2616910. Tekapo Footpaths | - | - | - | - | ✓ | - |
| 2626915. Twizel Footpaths | - | - | - | - | ✓ | - |
| Total Roding | 1,101,076 | 1,813,972 | 1,065,306 | - 748,666 | ✗ | 1,142,357 |

Variance analysis

1. The unbudgeted emergency re-instatement totals \$847,890. If this is removed from the total variance of (\$748,666) this results in an underspend in maintenance of \$99,224

Mackenzie District Council
Activity Report
For the Period Ended May 2013

| | YTD Last Year | YTD May 2013 | YTD Budget May 2013 | YTD Variance | Notes | Full Year Budget |
|--|------------------|------------------|------------------------|-------------------|-------|------------------|
| Community and Township Services | | | | | | |
| Income | | | | | | |
| General Rates | 799,045 | 855,274 | 830,446 | 24,828 ✓ | | 935,043 |
| Targeted Rates | 1,183,092 | 1,069,115 | 1,074,218 | - 5,103 ✗ | | 1,200,268 |
| Subsidies and Grants | 18,805 | 18,047 | 28,160 | - 10,113 ✗ | | 30,741 |
| Other Income | 445,060 | 290,655 | 387,262 | - 96,607 ✗ | | 432,637 |
| Internal Income | 96,478 | 11,987 | 15,829 | - 3,842 ✗ | | 17,338 |
| Gain on Sale - Assets | 14,809 | 826 | - | 826 ✓ | | - |
| Total Income | 2,557,287 | 2,245,904 | 2,335,915 | - 90,011 ✗ | | 2,616,027 |
| Expenses | | | | | | |
| Employment Expenses | 146,106 | 122,616 | 120,616 | - 2,000 ✗ | | 126,247 |
| Consultancy Expenses | 5,269 | 3,910 | 34,969 | 31,059 ✓ | | 38,167 |
| Administration Expenses | 257,655 | 253,640 | 261,904 | 8,264 ✓ | | 282,919 |
| Operational and Maintenance | 1,466,843 | 1,526,624 | 1,752,124 | 225,500 ✓ | | 1,947,350 |
| Depreciation | 281,837 | 249,810 | 250,723 | 913 ✓ | | 273,714 |
| Internal Charges | 412,302 | 35,789 | 44,508 | 8,719 ✓ | | 58,892 |
| Total Expenses | 2,570,011 | 2,192,388 | 2,464,844 | 272,456 ✓ | | 2,727,289 |
| Surplus/(Deficit) | (12,724) | 53,516 | (128,929) | 182,445 | | (111,262) |

Variance analysis

This is the Community and Township activity and includes Solid Waste, Recreational Facilities and Community Facilities. Variance analysis of these activities are shown in the following pages.

Mackenzie District Council
Activity Report
For the Period Ended May 2013

| | YTD Last Year | YTD May 2013 | YTD Budget May 2013 | YTD Variance | Notes | Full Year Budget |
|-----------------------------|-----------------|----------------|------------------------|-----------------|-------|------------------|
| Solid Waste | | | | | | |
| Income | | | | | | |
| General Rates | 380,809 | 500,665 | 500,808 | - 143 | ✗ | 546,336 |
| Targeted Rates | 120,987 | 12,487 | 12,485 | 2 | ✓ | 13,620 |
| Other Income | 141,668 | 117,809 | 122,617 | - 4,808 | ✗ | 133,784 |
| Internal Income | 87,329 | 72 | - | 72 | ✓ | - |
| Gain on Sale - Assets | 14,809 | 826 | - | 826 | ✓ | - |
| Total Income | 745,601 | 631,859 | 635,910 | - 4,051 | ✗ | 693,740 |
| Expenses | | | | | | |
| Employment Expenses | 70,891 | 25,934 | 48,290 | 22,356 | ✓ | 52,688 |
| Consultancy Expenses | 5,269 | 3,910 | 34,969 | 31,059 | ✓ | 38,167 |
| Administration Expenses | 8,076 | 10,264 | 4,532 | - 5,732 | ✗ | 4,971 |
| Operational and Maintenance | 488,679 | 519,766 | 529,991 | 10,225 | ✓ | 578,186 |
| Depreciation | 60,781 | 6,171 | 6,171 | - | ✓ | 6,752 |
| Internal Charges | 159,908 | 1,968 | 13,640 | 11,672 | ✓ | 25,130 |
| Total Expenses | 793,604 | 568,012 | 637,593 | 69,581 | ✓ | 705,894 |
| Surplus/(Deficit) | (48,002) | 63,847 | (1,683) | 65,530 | | (12,154) |

Variance analysis

1. Employment costs reduced due mainly to the role becoming part time. Budget was for a full time person
2. Education program is underspent by \$24,776 coupled with unspent general consultancy of 45,104 has led to this favourable variance.
3. Higher than anticipated rates costs has created this unfavourable variance
4. ESL Contract is \$15,391 above a budget of \$490,149. This is offset by lower than anticipated costs in Spraying (\$6,875), Pest Control (\$3,113), Consent Monitoring (\$4,633)

Mackenzie District Council
Activity Report
For the Period Ended May 2013

| | YTD Last Year | YTD May 2013 | YTD Budget May 2013 | YTD Variance | Notes | Full Year Budget |
|-----------------------------|-----------------|-----------------|------------------------|-----------------|-------|------------------|
| Community Services | | | | | | |
| Income | | | | | | |
| General Rates | 301,697 | 248,930 | 228,489 | 20,441 ✓ | | 271,567 |
| Subsidies and Grants | 757 | 757 | 9,746 | - 8,989 ✗ | | 10,641 |
| Other Income | 88,781 | 91,195 | 95,546 | - 4,351 ✗ | 1 | 114,779 |
| Internal Income | 1,726 | 1,999 | 2,651 | - 652 ✗ | | 2,917 |
| Total Income | 392,960 | 342,880 | 336,432 | 6,448 ✓ | | 399,904 |
| Expenses | | | | | | |
| Administration Expenses | 22,459 | 24,494 | 35,167 | 10,673 ✓ | 2 | 38,400 |
| Operational and Maintenance | 301,495 | 295,152 | 285,524 | - 9,628 ✗ | 3 | 344,343 |
| Depreciation | 48,466 | 46,310 | 46,310 | - ✓ | | 50,548 |
| Internal Charges | 51,986 | - | 5,280 | 5,280 ✓ | | 5,770 |
| Total Expenses | 424,405 | 365,956 | 372,281 | 6,325 ✓ | | 439,061 |
| Surplus/(Deficit) | (31,445) | (23,076) | (35,849) | 12,773 | | (39,157) |

Variance Analysis

1. Lower than anticipated income from burial fees (\$7,433) has resulted in this unfavourable variance
2. Lower than anticipated Telephone costs (\$9,163) has contributed to this favourable variance.
3. Lower than anticipated costs of repairs (\$13,542) and Grave digging (\$8,576) offset by higher than budgeted costs associated with Libraries (\$31,727) due to budget timing (which will correct next month) has contributed to this favourable variance.

Capex

| | | | | | | |
|-----------------------|----------|----------|----------|------------|---|----------------|
| Twizel Public Toilets | - | - | - | - ✓ | 1 | 200,000 |
| Total Capex | - | - | - | - ✓ | | 200,000 |

Variance Analysis

1. Costs associated with the Twizel Public toilet upgrade has been carried forward into 2013/14 budget year.

Mackenzie District Council
Activity Report
For the Period Ended May 2013

| | YTD Last Year | YTD May 2013 | YTD Budget May 2013 | YTD Variance | Notes | Full Year Budget |
|--------------------------------|------------------|------------------|------------------------|------------------|-------|------------------|
| Recreational Facilities | | | | | | |
| Income | | | | | | |
| General Rates | 116,539 | 105,679 | 101,149 | 4,530 ✓ | | 117,140 |
| Targeted Rates | 1,062,105 | 1,056,629 | 1,061,733 | - 5,104 ✗ | | 1,186,648 |
| Subsidies and Grants | 18,048 | 17,291 | 18,414 | - 1,123 ✗ | | 20,100 |
| Other Income | 214,611 | 93,151 | 88,718 | 4,433 ✓ | | 184,074 |
| Internal Income | 7,423 | 9,915 | 13,178 | - 3,263 ✗ | | 14,421 |
| Total Income | 1,418,726 | 1,282,664 | 1,283,192 | - 528 ✗ | | 1,522,383 |
| Expenses | | | | | | |
| Employment Expenses | 75,403 | 96,682 | 72,326 | - 24,356 ✗ | 1 | 73,559 |
| Administration Expenses | 235,032 | 218,882 | 222,205 | 3,323 ✓ | | 239,548 |
| Operational and Maintenance | 717,458 | 711,706 | 936,609 | 224,903 ✓ | 2 | 1,024,821 |
| Depreciation | 225,604 | 197,329 | 198,242 | 913 ✓ | | 216,414 |
| Internal Charges | 218,592 | 33,822 | 25,588 | - 8,234 ✗ | | 27,992 |
| Total Expenses | 1,472,088 | 1,258,420 | 1,454,970 | 196,550 ✓ | | 1,582,334 |
| Surplus/(Deficit) | (53,363) | 24,245 | (171,778) | 196,023 | | (59,951) |

Variance Analysis

1. Additional costs associated with swimming pools totalled \$9,953. Tekapo temporarily employed a person to undertake township work. This was unbudgeted and amounted to \$19,992.
2. Costs associated with the Twizel events center are down on budget by \$15,521 along with unspent budget in the Fairlie community centre's floor (\$25,507). Township expenditure in Fairlie is \$57,997 below budget mainly from unspent project money. Tekapo is \$153,503 again due to unspent project money.

Capex

| | | | | | | |
|--|----------------|----------------|---------------|--------------------|---|---------------|
| 0488916. Community Assets - Other | - | - | 9,163 | 9,163 ✓ | | 10,000 |
| 0528977. Playground Upgrade | - | - | - | - ✓ | | - |
| 0528979. Village Green Upgrades | 11,759 | 5,256 | 27,500 | 22,244 ✓ | | 30,000 |
| 0558516. Implement of Development Plan | - | 71,468 | - | 71,468 ✗ | 1 | - |
| 1248917. Aorangi Cres Upgrade | - | 349,861 | - | 349,861 ✗ | 2 | - |
| 1248940. Furniture & Fittings - Other | - | - | 13,750 | 13,750 ✓ | | 15,000 |
| 1248950. Community Assets - Buildings | - | 0 | - | 0 ✓ | | - |
| 1248978. Resurfacing Tennis Court | 210,899 | - | - | - ✓ | | - |
| 1408925. Plant and Equipment | 2,498 | 2,016 | - | 2,016 ✗ | | - |
| 1428965. Comm Asset - Public Amenities | - | - | 36,663 | 36,663 ✓ | | 40,000 |
| Total Capex | 225,156 | 428,601 | 87,076 | - 341,525 ✗ | | 95,000 |

Variance Analysis

1. Costs associated with replacing the Town entrance in Twizel at the Herron 45square end. Costs will be funded from the Real Estate reserve.
2. Costs associated with upgrading the Tekapo community Hall. This will be funded from the Capital Reserve of the Tekapo Community hall

Mackenzie District Council
Activity Report
For the Period Ended May 2013

| | YTD Last Year | YTD May 2013 | YTD Budget May 2013 | YTD Variance | Notes | Full Year Budget |
|--------------------------------|----------------|----------------|------------------------|-----------------|-------|------------------|
| Planning and Regulation | | | | | | |
| Income | | | | | | |
| General Rates | 416,636 | 283,547 | 355,150 | 71,603 ✗ | | 309,368 |
| Targeted Rates | 112,849 | 124,212 | 112,423 | 11,789 ✓ | | 135,498 |
| Other Income | 341,931 | 400,363 | 341,730 | 58,633 ✓ | | 378,762 |
| Reserve Contributions | 90,157 | 129,799 | 123,013 | 6,786 ✓ | | 134,200 |
| Internal Income | 29,644 | 668 | 242 | 426 ✓ | | 2,726 |
| Total Income | 991,217 | 938,589 | 932,558 | 6,031 ✓ | | 960,554 |
| Expenses | | | | | | |
| Employment Expenses | 315,284 | 312,751 | 349,041 | 36,290 ✓ | | 380,837 |
| Consultancy Expenses | 149,524 | 186,254 | 210,815 | 24,561 ✓ | | 230,000 |
| Administration Expenses | 61,700 | 86,406 | 94,776 | 8,370 ✓ | | 103,517 |
| Operational and Maintenance | 107,916 | 108,694 | 120,783 | 12,089 ✓ | | 147,075 |
| Depreciation | 20,317 | 33,561 | 33,561 | - ✓ | | 36,656 |
| Internal Charges | 274,605 | 34,125 | 31,691 | 2,434 ✗ | | 39,318 |
| Total Expenses | 929,346 | 761,792 | 840,667 | 78,875 ✓ | | 937,403 |
| Surplus/(Deficit) | 61,871 | 176,797 | 91,891 | 84,906 | | 23,151 |

Variance Analysis

This is the Planning and regulatory activity and includes Planning, Animal Control, Civil Defence Health and liquor and Rural Fires. Variance analysis of these activities are shown in the relevant activities below.

Mackenzie District Council
Activity Report
For the Period Ended May 2013

| | YTD Last Year | YTD May 2013 | YTD Budget May 2013 | YTD Variance | Notes | Full Year Budget |
|--------------------------|----------------|----------------|------------------------|-----------------|-------|------------------|
| Building | | | | | | |
| Income | | | | | | |
| General Rates | 73,029 | 16,489 | 16,445 | 44 ✓ | | 17,986 |
| Other Income | 249,439 | 269,758 | 202,103 | 67,655 ✓ | 1 | 220,500 |
| Internal Income | 2,750 | - | - | - ✓ | | - |
| Total Income | 325,218 | 286,247 | 218,548 | 67,699 ✓ | | 238,486 |
| Expenses | | | | | | |
| Employment Expenses | 120,045 | 119,032 | 130,086 | 11,054 ✓ | 2 | 141,936 |
| Consultancy Expenses | 16,203 | 38,113 | 13,739 | 24,374 ✗ | 3 | 15,000 |
| Administration Expenses | 45,952 | 48,963 | 47,179 | 1,784 ✗ | | 51,500 |
| Internal Charges | 131,753 | 27,465 | 27,544 | 79 ✓ | | 30,050 |
| Total Expenses | 313,952 | 233,574 | 218,548 | 15,026 ✗ | | 238,486 |
| Surplus/(Deficit) | 11,266 | 52,674 | 0 | 52,674 | | 0 |

Variance Analysis

1. Higher than anticipated revenue from building permits has resulted in this favourable variance
2. Employment costs are lower than expected due to salaries and wages being lower than expected.
3. Additional costs relating to BCA audit and accreditation.

Mackenzie District Council
Activity Report
For the Period Ended May 2013

| | YTD Last Year | YTD May 2013 | YTD Budget May 2013 | YTD Variance | Notes | Full Year Budget |
|-----------------------------|----------------|----------------|------------------------|-----------------|-------|------------------|
| Planning | | | | | | |
| Income | | | | | | |
| General Rates | 293,425 | 217,514 | 217,514 | - ✓ | | 237,288 |
| Other Income | 88,454 | 89,648 | 74,426 | 15,222 ✓ | | 81,200 |
| Reserve Contributions | 90,157 | 129,799 | 123,013 | 6,786 ✓ | 1 | 134,200 |
| Internal Income | 26,587 | 8 | - | 8 ✓ | | - |
| Total Income | 498,622 | 436,969 | 414,953 | 22,016 ✓ | | 452,688 |
| Expenses | | | | | | |
| Employment Expenses | 175,331 | 172,549 | 200,981 | 28,432 ✓ | 2 | 219,279 |
| Consultancy Expenses | 133,322 | 148,141 | 197,076 | 48,935 ✓ | 3 | 215,000 |
| Administration Expenses | 5,194 | 11,836 | 20,009 | 8,173 ✓ | | 21,867 |
| Operational and Maintenance | 100 | 588 | 7,777 | 7,189 ✓ | | 8,500 |
| Depreciation | 77 | 132 | 132 | - ✓ | | 158 |
| Internal Charges | 123,079 | 3,539 | - | 3,539 ✗ | 4 | 4,736 |
| Total Expenses | 437,103 | 336,784 | 425,975 | 89,191 ✓ | | 469,540 |
| Surplus/(Deficit) | 61,520 | 100,185 | (11,022) | 111,207 | | (16,852) |

Variance Analysis

1. Higher than anticipated Reserve Contributions including the balance of the Bluewater reserves has created this favourable variance.
2. Employment expenditure is down on budget due to planner being on parental leave and having no replacement. The budget contemplated a temp person in that role.
3. Costs associated with PC 13 are below budget by \$38,349.
4. Unbudgetd costs associated with District plan review travel.

Mackenzie District Council
Activity Report
For the Period Ended May 2013

| | YTD Last Year | YTD May 2013 | YTD Budget May 2013 | YTD Variance | Notes | Full Year Budget |
|-----------------------------|-----------------|----------------|------------------------|-----------------|-------|------------------|
| Regulatory | | | | | | |
| Income | | | | | | |
| General Rates | 50,182 | 49,544 | 121,191 | - 71,647 | ✗ | 54,094 |
| Targeted Rates | 112,849 | 124,212 | 112,423 | 11,789 | ✓ | 135,498 |
| Other Income | 4,038 | 40,957 | 39,513 | 1,444 | ✓ | 77,062 |
| Internal Income | 307 | 660 | 242 | 418 | ✓ | 2,726 |
| Total Income | 167,376 | 215,373 | 273,369 | - 57,996 | ✗ | 269,380 |
| Expenses | | | | | | |
| Employment Expenses | 19,908 | 21,170 | 17,974 | - 3,196 | ✗ | 19,622 |
| Administration Expenses | 10,555 | 25,608 | 27,588 | 1,980 | ✓ | 30,150 |
| Operational and Maintenance | 107,816 | 108,107 | 113,006 | 4,899 | ✓ | 138,575 |
| Depreciation | 20,240 | 33,429 | 33,429 | - | ✓ | 36,498 |
| Internal Charges | 19,772 | 3,120 | 4,147 | 1,027 | ✓ | 4,532 |
| Total Expenses | 178,291 | 191,434 | 196,144 | 4,710 | ✓ | 229,377 |
| Surplus/(Deficit) | (10,915) | 23,939 | 36,663 | 12,724 | | 40,003 |

Variance Analysis

No significant variances.

Capex

| | | | | | | | |
|----------------------------|---------------|---------------|---------------|---------------|---|---|---------------|
| 0108925. Plant & Equipment | - | - | 15,000 | 15,000 | ✓ | 1 | 15,000 |
| 0698925. Plant & Equipment | 192 | 8,000 | 7,326 | - 674 | ✗ | | 8,000 |
| 0838925. Plant & Equipment | - | - | 5,500 | 5,500 | ✓ | | 6,000 |
| 0838930. Vehicles | 86,367 | 8,000 | - | 8,000 | ✗ | | - |
| Total Capex | 86,559 | 16,000 | 27,826 | 11,826 | ✓ | | 29,000 |

Variance Analysis

1. Generator for Twizel has been postponed until 2013/14 financial year.

Mackenzie District Council
Activity Report
For the Period Ended May 2013

| | YTD Last Year | YTD May 2013 | YTD Budget May 2013 | YTD Variance | Notes | Full Year Budget |
|------------------------------|------------------|------------------|------------------------|-------------------|-------|------------------|
| Commercial Activities | | | | | | |
| Income | | | | | | |
| General Rates | - 755,491 | - 992,950 | - 992,970 | 20 ✓ | - | 1,083,240 |
| Targeted Rates | 77,282 | 97,821 | 98,227 | - 406 ✗ | | 107,150 |
| Investment Income | 848,046 | 772,570 | 875,377 | - 102,807 ✗ | 1 | 1,080,212 |
| Other Income | 70,622 | 180,536 | 116,845 | 63,691 ✓ | 2 | 289,975 |
| Other Gains and Losses | 952,154 | 5,223 | - | 5,223 ✗ | | - |
| Internal Income | 134,079 | 84,514 | 57,827 | - 26,687 ✗ | - | 63,090 |
| Total Income | 1,326,692 | 31,760 | 39,652 | - 71,412 ✗ | | 331,007 |
| Expenses | | | | | | |
| Employment Expenses | 23,365 | 1,538 | - | 1,538 ✗ | | - |
| Members Expenses | 8,077 | 17,554 | 23,826 | 6,272 ✓ | | 26,000 |
| Consultancy Expenses | 197,360 | 149,051 | 72,239 | 76,812 ✗ | 3 | 76,000 |
| Administration Expenses | 69,363 | 61,556 | 99,374 | 37,818 ✓ | | 108,444 |
| Operational and Maintenance | 297,108 | 235,303 | 271,194 | 35,891 ✓ | | 295,881 |
| Depreciation | 47,223 | 48,576 | 48,576 | - ✓ | | 53,025 |
| Internal Charges | 242,956 | 105,548 | 130,955 | - 25,407 ✗ | - | 142,869 |
| Total Expenses | 885,452 | 408,031 | 384,254 | - 23,777 ✗ | | 416,481 |
| Surplus/(Deficit) | 441,240 | (439,791) | (344,602) | (95,189) | | (85,474) |

Variance Analysis

1. Lower than expected investment income has led to this unfavourable variance.
2. Higher than anticipated revenue from property Rentals and the transfer of the Tekapo Camping Ground rental to commercial has produced this favourable variance.
3. Unbudgeted Legal costs for the Tekapo lakefront development (\$26,414) and Tekapo camping ground (\$18,778) along with costs associated with Boffa Miskel and the Tekapo Lakefront development (\$26,334) and the subdivision of the Tekapo camping ground (\$14,600) has created this unfavourable variance

Capex

| | | | | | | |
|---|----------|---------------|----------|-----------------|---|----------|
| 0818905. Land - Administrative, Operato | - | 19,100 | - | 19,100 ✗ | 1 | - |
| Total Capex | - | 19,100 | - | 19,100 ✗ | | - |

Variance Analysis

1. Costs associated with the subdivision of the Tekapo Lakefront land.

Mackenzie District Council
Activity Report
For the Period Ended May 2013

| | YTD Last Year | YTD May 2013 | YTD Budget May 2013 | YTD Variance | Notes | Full Year Budget |
|-----------------------------|-------------------|-------------------|------------------------|------------------|-------|-------------------|
| Summary | | | | | | |
| Income | | | | | | |
| General Rates | 1,129,749 | 3,122,371 | 3,185,121 | - 62,750 | ✗ | 3,437,858 |
| Targeted Rates | 4,090,893 | 2,469,911 | 2,476,551 | - 6,640 | ✗ | 2,728,758 |
| Subsidies and Grants | 1,668,576 | 2,078,833 | 1,452,143 | 626,690 | ✓ | 1,504,106 |
| Investment Income | 848,046 | 772,570 | 875,377 | - 102,807 | ✗ | 1,080,212 |
| Other Income | 1,033,851 | 1,004,587 | 920,463 | 84,124 | ✓ | 1,312,978 |
| Financial Contributions | 148,955 | 176,687 | - | 176,687 | ✓ | - |
| Upgrade Contributions | 166,749 | 140,833 | - | 140,833 | ✓ | - |
| Reserve Contributions | 90,157 | 129,799 | 123,013 | 6,786 | ✓ | 134,200 |
| Other Gains and Losses | 952,154 | 5,223 | - | 5,223 | ✗ | - |
| Internal Income | 2,255,068 | 281,397 | 285,468 | - 4,071 | ✗ | 314,026 |
| Gain on Sale - Assets | 14,809 | 5,826 | - | 5,826 | ✓ | - |
| Total Income | 12,399,007 | 10,177,590 | 9,318,136 | 859,454 | ✓ | 10,512,138 |
| Expenses | | | | | | |
| Employment Expenses | 1,504,348 | 1,556,722 | 1,568,791 | 12,069 | ✓ | 1,702,513 |
| Members Expenses | 220,380 | 284,908 | 279,994 | - 4,914 | ✗ | 305,500 |
| Consultancy Expenses | 537,819 | 469,979 | 471,051 | 1,072 | ✓ | 508,302 |
| Administration Expenses | 715,384 | 671,715 | 709,604 | 37,889 | ✓ | 808,012 |
| Operational and Maintenance | 2,532,822 | 2,557,049 | 2,910,985 | 353,936 | ✓ | 3,219,161 |
| Roading | 1,101,076 | 1,813,972 | 1,065,306 | 748,666 | ✗ | 1,142,357 |
| Depreciation | 2,618,501 | 2,474,879 | 2,475,792 | 913 | ✓ | 2,701,363 |
| Internal Charges | 2,255,105 | 281,401 | 271,130 | - 10,271 | ✗ | 319,791 |
| Total Expenses | 11,485,436 | 10,110,624 | 9,752,653 | - 357,971 | ✗ | 10,706,999 |
| Surplus/(Deficit) | 913,572 | 66,966 | (434,517) | 501,483 | | (194,861) |

MACKENZIE DISTRICT COUNCIL

REPORT TO: FINANCE COMMITTEE

SUBJECT: BANCORP QUARTERLY REPORT – JUNE 2013

MEETING DATE: 30 JULY 2013

REF: FIN 9/1/9

FROM: MANAGER – FINANCE AND ADMINISTRATION

ENDORSED BY: CHIEF EXECUTIVE OFFICER

PURPOSE OF REPORT:

The report has been tabled to inform Councillors of the performance of the Council's investment portfolio, which is managed by Bancorp Treasury Services Limited.

STAFF RECOMMENDATIONS:

1. That the report be received.

PAUL MORRIS
MANAGER – FINANCE & ADMINISTRATION

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

ATTACHMENTS:

Appendix 1: Quarterly report from Bancorp Treasury Services to 30 June 2013.

PARTICULAR POINTS TO NOTE:

Comparison with the Benchmark

The Council's portfolio increased in value by 0.51%, whereas the benchmark portfolio increased in value by 0.37% over the quarter, therefore the Council's Portfolio outperformed compared to the benchmark. The main reason why Council's portfolio outperformed the benchmark index is as follows;

Medium and longer-term interest rates rose sharply due to the US Federal reserve announcing its intention to taper off its quantitative easing programme while short term rates remained tied to the Official Cash Rate (OCR).

Movements in the Portfolio

The portfolio stands at \$4.03 Million.

- The ANZ Bank 9.66% was rolled on 18 April 2013 for a further 5 years at 5.28%.
- The BNZ May 2013 bond with a nominal value of \$500,000 matured.

At the end of June the weighted average running yield of Council's bond portfolio was 6.29%.

Policy Adherence

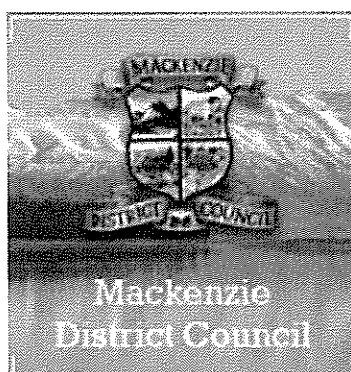
- All financial market investments comply with the counterparty exposure limits as outlined in the Treasury Policy.
- All investments are readily tradable (liquid) on the secondary market.
- The duration of MDC's portfolio at 2.56 years is within the 25% allowable fluctuation band of the benchmark portfolio's duration of 2.57 years.
- Assets category percentages are as follows (excluding the call deposit):
 - Corporates 6.21%
 - Registered Banks 68.96%
 - Local Authorities 24.83%

Financial Market Movements

There were no movements in the Official Cash rate during the period.

QUARTERLY PORTFOLIO REPORT

PREPARED FOR



For the quarter ended 30 June 2013

PREPARED BY BANCORP TREASURY SERVICES LIMITED



BANCORP

BANCORP TREASURY SERVICES LIMITED

AUCKLAND • WELLINGTON • CHRISTCHURCH

PORTFOLIO REPORT

Below is a summary of the performance of Mackenzie District Council's ("MDC") Long Term Funds Portfolio ("LTFP") and the benchmark portfolio for the quarter ended 30 June 2013.

MDC's LTFP, on an open to close valuation basis with coupons received during the quarter included, increased in value by 0.51%:

| | |
|---|----------------------------|
| MDC portfolio value at 31 March 2013 | \$ 4,793,853 |
| MDC portfolio value at 30 June 2013 | \$ 4,238,753 |
| Add coupon payments | \$ 84,712 |
| Net – purchases/sales/maturities | \$ 494,624 |
| Total | <u>\$ 4,818,089</u> |
| Percentage change in effective cash value | +0.51% |

The benchmark portfolio, on an open to close valuation basis with coupons received during the quarter included, increased in value by 0.37%:

| | |
|--|----------------------------|
| Benchmark portfolio value at 31 March 2013 | \$ 9,678,092 |
| Benchmark portfolio value at 30 June 2013 | \$ 9,545,077 |
| Add coupon payments | <u>\$ 168,600</u> |
| Total | <u>\$ 9,713,677</u> |
| Percentage change in effective cash value | +0.37 |

OVERVIEW

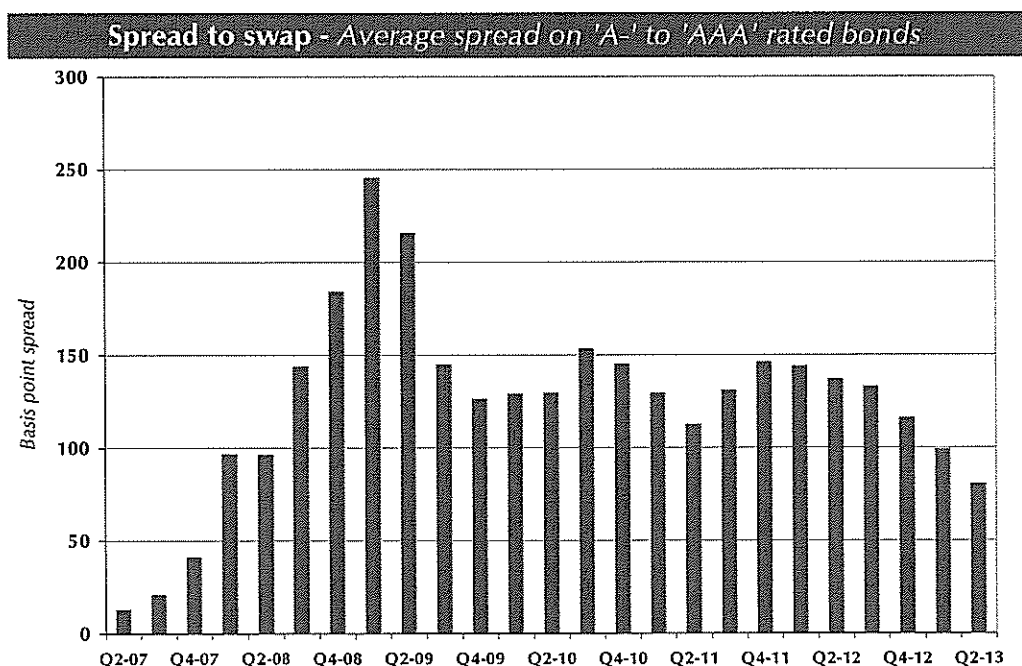
A summary of the performance of MDC's LTFF during the June 2013 quarter is as follows:

- The LTFF outperformed the benchmark index, increasing in value by 0.51% compared to the benchmark portfolio's increase of 0.37%.
- The running yield of the portfolio as at 30 June 2013 was 6.29%.
- The nominal value of the portfolio declined by \$500,000 to remained constant at \$4,027,000 during the quarter. However, \$6.0 million has been invested on term deposit (see commentary next section).

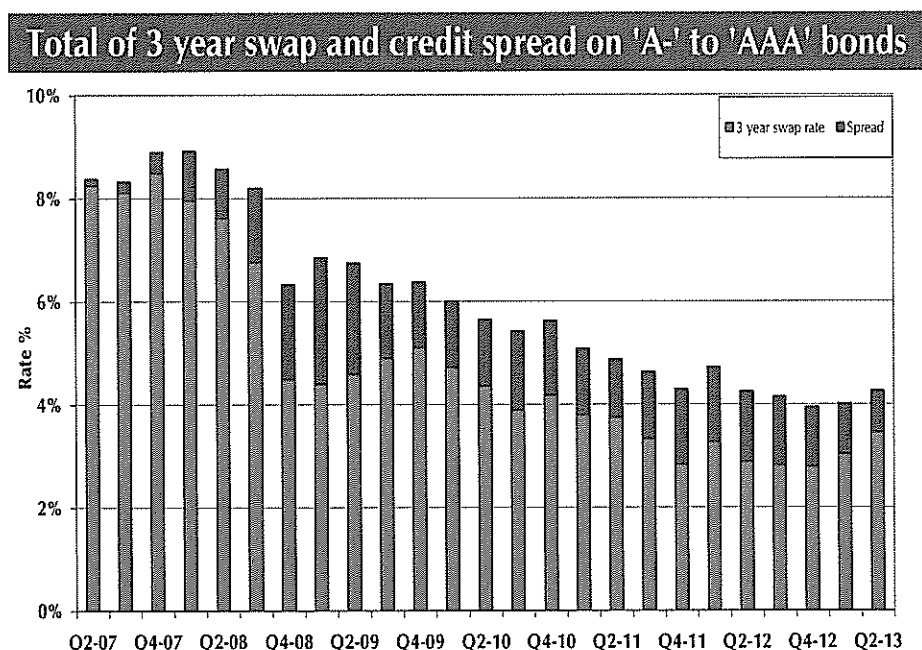
| | OCR | 90 day | 1 year swap | 2 year swap | 3 year swap | 5 year swap | 10 year swap |
|---------------|-------|--------|-------------|-------------|-------------|-------------|--------------|
| 31 March 2013 | 2.50% | 2.64% | 2.68% | 2.84% | 3.03% | 3.38% | 3.96% |
| 30 June 2013 | 2.50% | 2.65% | 2.82% | 3.17% | 3.46% | 3.88% | 4.49% |
| Change | Nil | +0.01% | +0.14% | +0.33% | +0.43% | +0.50% | +0.53% |

During the June 2013 quarter, medium and long term swap and bond rates in New Zealand moved sharply higher in reaction to the US Federal Reserve's ("Fed") announcement that it will begin to taper off its quantitative easing ("QE") programme later this year and end it by mid 2014. Short term rates on the other hand remain anchored by the Official Cash Rate ("OCR") sitting at 2.50% and likely to remain there until mid 2014. The move in medium and longer term rates resulted in a steepening of the yield curve with the spread between the 2 year swap and the 10 year swap increasing from 112 basis points at the end of the March quarter to 132 by the end of the June quarter.

Credit spreads in New Zealand declined further during the quarter with the average credit spread for bonds issued in New Zealand rated 'A-' to 'AAA' falling from 99 basis points to 80 basis points.



To get a true indication of the overall movement in bond yields, it is necessary to analyse the movement in both credit spreads and underlying interest rates. The chart below incorporates the credit spreads depicted in the preceding chart and the 3 year swap rate which is used because it is close to the duration of the portfolio of bonds that make up the credit spread graph. At the end of the March 2013 quarter, the all up interest rate was 4.02%, and by the end of the June 2013 quarter had increased to 4.26% despite the smaller credit spread.



PORTFOLIO ACTIVITY

The LTFP outperformed the benchmark portfolio over the June quarter, increasing in value by 0.51% while the benchmark portfolio increased by 0.37%. The durations of the two portfolios were very similar (2.56 years for the LTFP and 2.57 for the benchmark). The LTFP outperformed the benchmark portfolio due to specific asset selections made in previous quarters. At a micro level, a number of bonds in the LTFP outperformed similar duration bonds in the benchmark index.

The ANZ Bank 9.66% coupon hybrid bond was rolled over on 18 April 2013 for a further 5 years at a margin of 200 basis points over the 5 year swap rate to produce a new coupon rate of 5.28%. The adjusted bond will now be valued as an 18 April 2018 maturity.

During the quarter, the BNZ 27 May 2013 bond with a nominal value of \$500,000 matured. Rather than invest in the bond market, MDC choose to invest the maturity proceeds in term deposits as these offer higher yields than non-sovereign bonds. As at 30 June 2013, MDC had the following term deposits with Westpac Bank.

- \$1.0 million for 30 days maturing on 28 July at a rate of 3.32%.
- \$1.0 million for 60 days maturing on 27 August at a rate of 3.57%.
- \$1.0 million for 120 days maturing on 26 October at a rate of 3.99%.

To obtain rates in excess of current term deposit rates, the LTFP would have to invest for extended terms which Bancorp Treasury Services Limited ("Bancorp Treasury") does not believe is an appropriate strategy in the current interest rate environment. The unwinding of the Federal Reserve's quantitative easing ("QE") programme is expected to result in New Zealand medium and longer term interest rates rising over the next year or so. The rates for various bonds as at 30 June 2013 are listed in the table below.

| Security | Maturity | Coupon | Rating | Yield |
|------------------|----------|--------|--------|-------|
| ASB Bank | 18-11-13 | 5.51% | AA- | 3.06% |
| BNZ | 31-03-14 | 6.70% | AA- | 3.17% |
| Auckland Council | 02-10-14 | 6.68% | AA | 3.34% |
| Westpac | 16-03-15 | 4.86% | AA- | 3.71% |
| BNZ | 27-05-15 | 8.67% | AA- | 3.77% |
| Tauranga CC | 15-04-16 | 6.25% | A+ | 4.00% |
| NZ Post | 15-11-16 | 5.22% | AA- | 4.75% |
| ASB Bank | 08-06-17 | 6.06% | AA- | 4.63% |
| Transpower | 30-11-18 | 5.14% | AA- | 4.89% |
| BNZ | 20-12-18 | 6.10% | AA- | 5.09% |
| Rabobank | 19-03-19 | 6.10% | AA | 5.23% |

The table indicates that, to obtain equivalent rates on the bond market to what MDC achieved for the 120 day term deposit in late June, it would need to invest for terms of 2¾ years. With interest rates more likely to rise than fall over the next year or so, it was decided to access the term deposit market for a shorter maturity.

As at 30 June 2013, MDC complied with the credit rating criteria contained in the Treasury Policy. Bancorp Treasury is classifying the ANZ Bank April 2018 bond under the Moody's Investors Service 'equivalent test' which is permissible under the Treasury Policy.

Overall, Bancorp Treasury is satisfied with the makeup and profile of MDC's portfolio. The running yield of the LTFP, at 6.29%, still delivers considerable benefits over the interest rates available for shorter term money market investments, which themselves are trading at 'elevated' levels compared to deposit rates available in the wholesale market. The running yield has declined since the end of March when it was 7.02% due to the BNZ May 2013 bond maturing which was bought at a rate of 8.54% and the ANZ Bank 2018 hybrid bond being rolled over at a new coupon rate of 5.28% compared to the previous coupon of 9.66%.

GLOBAL MARKETS OVERVIEW

The June 2013 quarter started out in much the same way as the March quarter ended with markets continuing to adopt a pessimistic view regarding the global economic outlook. In Europe, the messy Cypriot bailout in late March was still fresh in many peoples' minds, with a number of other smaller

European nations considered to be next off the block in terms of requiring assistance. Unemployment continued to rise, especially in the problematic countries such as Greece and Spain, with youth unemployment endemic at over 50% in both of these Mediterranean nations.

In the US, economic data prints were downbeat, the March quarter GDP rate coming in 0.5% below expectations, restrained in part by declining government defence spending. The March employment reading showed that only 88,000 jobs were added for the month, compared with an approximate figure of upwards of 200,000 required for the economy to grow. The less than spectacular economic data brought into question the robustness of the US economy, and whether it would be able to weather the series of public spending cuts, known as the sequester, that took effect on 1 March.

Against this backdrop, interest rates continued to fall as the markets expected more of the same in terms of hard economic data, a prolonging of QE in the US, Europe remaining entrapped in a mountain of sovereign debt and the Chinese economy continuing to slow. The benchmark US 10 year Treasury bond yield fell to a low of 1.61% by the end of April while in Germany, the 10 year bund rate declined to 1.16%.

In early May, the situation changed with Fed Chairman Ben Bernanke at a Congressional testimony stating somewhat ambiguously that a premature tightening of stimulus could stymie the economic recovery, then doing an about turn and saying that a winding down of the programme couldn't be ruled out if the economic recovery continued. The result was that the markets pounced on the latter comments and started a brutal selloff of bonds. In the lead up to Fed's June meeting, some market participants believed that Bernanke would water down his previous comments about tapering off the QE programme, especially considering that the 10 year Treasury bond rate had climbed to 2.16%.

The markets were surprised when the Fed Chairman not only confirmed that it would look to trim its monthly bond purchases later in 2013, but also noted that QE could be finished by mid 2014 if the economic recovery supports this. Not surprisingly, interest rates rocketed higher with the 10 year Treasury bond climbing to a high of 2.66% before finishing the quarter at 2.49%. The speed and extent of the rise in rates led to a number of Fed members to push the case for a continuation of QE in an effort to suppress the increase in yields. Even one supposedly 'hawkish' Fed member, while echoing the case for a 'dialling back' of QE later this year, nonetheless cautioned against an overreaction to Fed Chairman Ben Bernanke's most recent 'tapering off' remarks, referring to the behaviour of market participants over the past few days as akin to those of *"feral hogs"*.

In Europe and the UK, central bankers waded into the argument too, in an effort to quell rising bond yields. European Central Bank ("ECB") official Benoit Coeure said that monetary stimulus would stay *"as long as necessary"* and that it could even go further if needed, while ECB President Draghi repeated that its bond purchase programme was ready to be activated if necessary. Departing Bank of England ("BoE")

Governor Mervyn King issued a cautionary statement, noting that that the markets had "*jumped the gun*" on Bernanke's comments.

Central bankers have good reason to be worried, as the rise in bond yields that has occurred since Bernanke's initial comments in early May have been fierce and have the potential to threaten any economic recovery with sovereigns and corporate alike facing sharply higher borrowing costs. In the US, the 10 year Treasury bond yield has risen 88 basis points (using the quarter end close of 2.49%) or in percentage terms by 55%. In Germany, the 10 year bund has climbed 57 basis points or 49%, while the 10 year Japanese Government Bond has risen 48 basis points from its low in April, or a whopping 141%. For a country with a government debt to GDP ratio of 220% and climbing, this represents a serious economic and fiscal challenge.

NEW ZEALAND MARKET OVERVIEW

New Zealand economic data releases announced during the June quarter were generally on the positive side. March quarter retail sales posted a healthy 0.5% gain and unemployment fell from 6.8% to 6.2%, affirming the positive sentiment conveyed in a number of business surveys. The March quarter GDP data released in the third week in June showed that the New Zealand economy grew by 0.3%. This was lower than the expected 0.6% increase but still sees annual growth at a healthy 2.4%. The Canterbury rebuild was the main driver of growth, but there were larger than expected negative offsets from the drought and reduced business investment. Inflation remains well contained at an annual rate of increase of 0.9%

Against this backdrop, the Reserve Bank of New Zealand ("RBNZ") kept the OCR unchanged at 2.50% at both its April OCR Review and in the June Monetary Policy Statement ("MPS"). In the MPS, the RBNZ stated that it continues to *"expect to keep the OCR unchanged through the end of the year"* because *"inflation remains subdued"* and *"the global outlook remains mixed"* although *"continued GDP growth of around 3 percent is expected to cause inflationary pressures to pick up"*. The RBNZ's main worries are *"considerable uncertainty around the cost and timing of reconstruction [in Canterbury]"* and *"rapid house price inflation [that] persists in Auckland and Canterbury"*.

The RBNZ is introducing macro prudential tools to curb excessive lending to sectors of the economy that are posing a potential inflation threat. The RBNZ, according to Governor Graeme Wheeler, is introducing *"instruments such as counter cyclical capital buffers and overlays on sectoral risk weights [which] are aimed more at increasing banks' capital adequacy rather than increasing the cost of lending for borrowers."* It seems that the two sectors that the RBNZ will target are the housing and agricultural sectors, the former no surprise, but the second more contentious due to the contribution the rural economy makes to New Zealand's export performance.

As could be expected, bond yields and swap rates rose in New Zealand in sympathy with the moves in offshore markets. The 5 year bond rate reached a high of 4.00% before finishing the quarter at 3.88% while the 10 year swap touched 4.66% before retreating to 4.49% by quarter end. With so much attention on the global situation and in particular the US, it is likely that New Zealand rates will continue to be driven by moves in offshore markets rather than be subject to domestic influences.

LOCAL AUTHORITY SECTOR

Margins for local authority debt continued to contract over the June quarter with strong demand for Local Government Funding Agency ("LGFA") bonds evident at its three tenders during the quarter. In the June tender, the May 2021 bonds were issued to 'AA' rated borrowers at 4.66% and to unrated entities at 4.86% which equated to a margin of 59 basis points and 79 basis points over swap respectively.

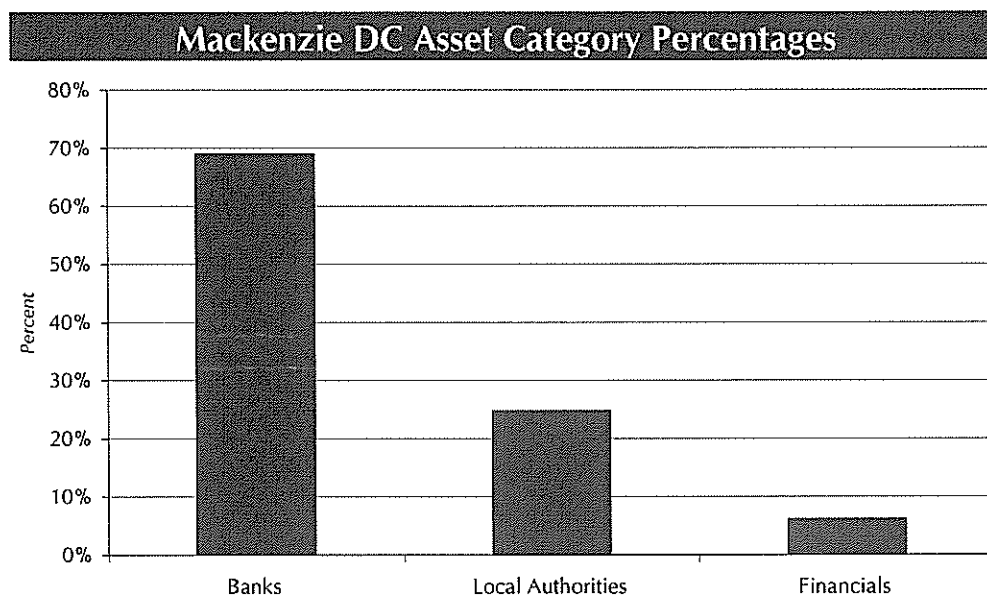
As a result of the fall in local government credit margins at both an LGFA and single name issuance level, borrowers are increasingly choosing to fund off the capital markets rather than from bank facilities.

Many local authorities are now viewing bank facilities as liquidity facilities rather than core funding vehicles. Hence, there is a push to get the line fee as low as possible due to a higher level of non-utilisation.

POLICY ADHERENCE

- As at 30 June 2013, MDC was compliant with the investment parameters contained in its Treasury Policy.
- The duration of the LTFF at 2.56 years is within the 25% allowable fluctuation band of the benchmark portfolio's duration of 2.57 years.
- As far as liquidity is concerned, all of the bonds in the portfolio have been traded regularly on the secondary market during the December quarter. We are confident that the portfolio would be able to be sold at short notice if required.
- As at 30 June 2013, the asset category percentages complied with the Treasury Policy. These are as listed below and are graphically illustrated below:

| | |
|---------------------|--------|
| - Banks | 68.96% |
| - Local Authorities | 24.83% |
| - Financials | 6.21% |

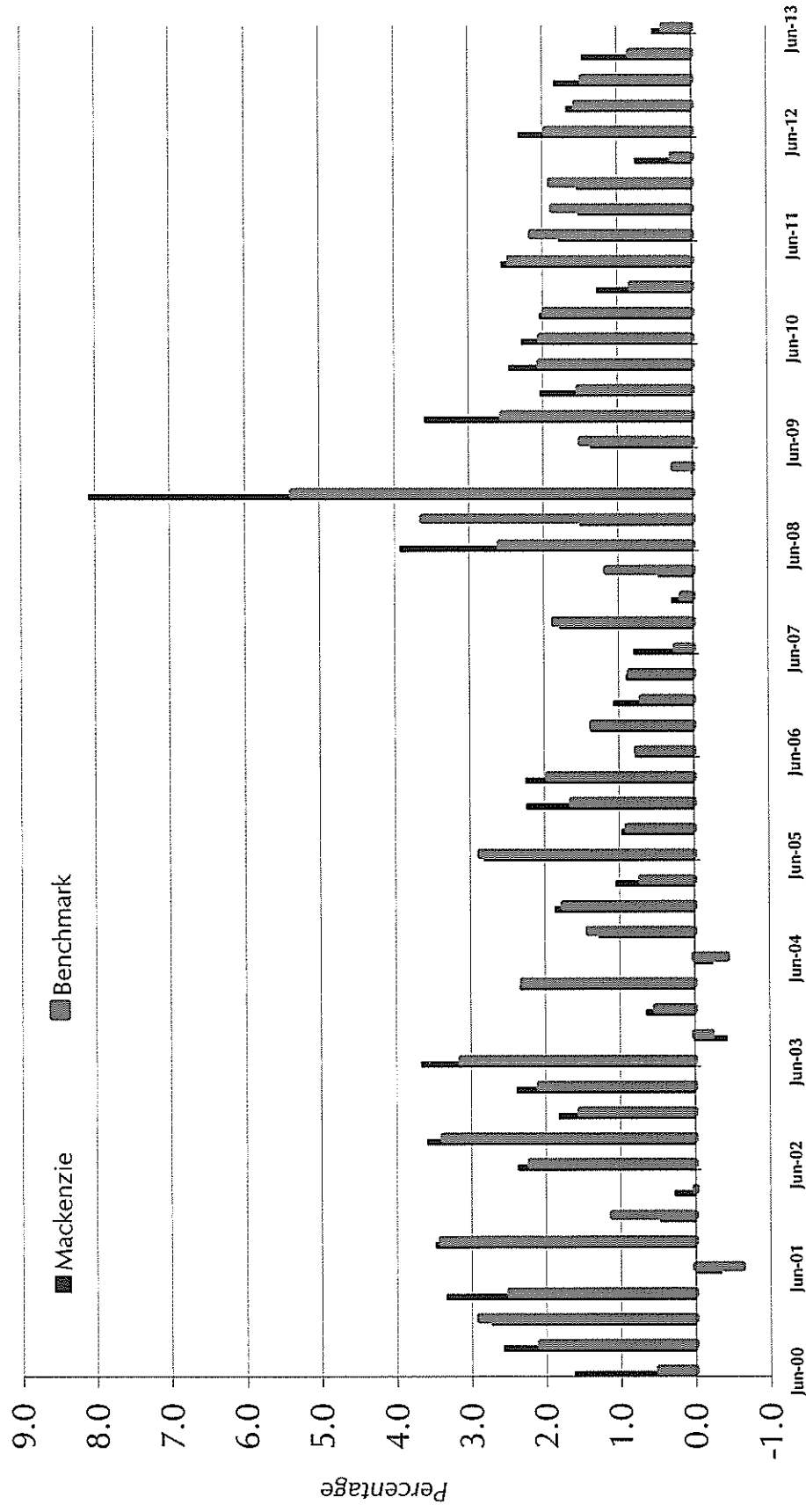


| Benchmark | Security | Issue Date | Maturity Date | Coupon | 31-Mar-13 Nominal \$ | Yield | Value \$ | 30-Jun-13 Nominal \$ | Coupons 01/04 to 30/06 | Yield | Value \$ | Effective cash 30/06/2013 \$ |
|------------------------|--------------------|------------|---------------|--------|----------------------------|-------|--------------------|----------------------------|---------------------------|--------------------------|--------------------|------------------------------------|
| | 3 month Bank Bill | 30-Jun-13 | 30-Sep-13 | | 1,000,000 | 2.64 | 993,465 | 1,000,000 | \$ | 2.65 | 993,440 | 993,440 |
| | Fonterra | 21-Apr-04 | 21-Apr-14 | 6.86 | 1,000,000 | 3.55 | 1,064,376 | 1,000,000 | \$34,300 | 3.27 | 1,041,479 | 1,075,779 |
| | BNZ | 21-Apr-04 | 27-May-15 | 8.67 | 1,000,000 | 3.76 | 1,130,452 | 1,000,000 | \$43,350 | 3.77 | 1,097,330 | 1,140,680 |
| | ASB | 20-Oct-10 | 20-Oct-15 | 6.10 | 1,000,000 | 3.95 | 1,078,885 | 1,000,000 | \$30,500 | 3.95 | 1,058,709 | 1,089,209 |
| | Chch City Holdings | 27-Jun-10 | 27-Jun-16 | 6.87 | 1,000,000 | 4.13 | 1,099,996 | 1,000,000 | \$34,350 | 4.43 | 1,068,228 | 1,102,578 |
| | NZ Post | 15-Nov-11 | 15-Nov-16 | 5.22 | 1,000,000 | 4.44 | 1,045,406 | 1,000,000 | \$26,100 | 4.75 | 1,020,966 | 1,047,066 |
| | Auckland Council | 20-Apr-04 | 29-Sep-17 | 6.52 | 1,000,000 | 4.21 | 1,094,050 | 1,000,000 | | 4.38 | 1,098,512 | 1,098,512 |
| | ANZ/National Bank | 16-Feb-11 | 16-Feb-18 | 6.85 | 1,000,000 | 4.73 | 1,109,111 | 1,000,000 | | 4.86 | 1,106,900 | 1,109,111 |
| | Rabobank NZ | 19-Mar-12 | 19-Mar-19 | 6.10 | 1,000,000 | 4.92 | 1,062,350 | 1,000,000 | | 5.23 | 1,059,512 | 1,059,512 |
| | | | | | <u>\$9,000,000</u> | | <u>\$9,678,092</u> | <u>\$9,000,000</u> | <u>\$168,600</u> | | <u>\$9,545,077</u> | <u>\$9,715,888</u> |
| Value as at 31/03/2013 | | | | | | | \$9,678,092 | | | 30/06/2013 | | 9,545,077 |
| | | | | | | | | | | Coupons | | 168,600 |
| | | | | | | | | | | Net Purchases/Sales | | Nil |
| | | | | | | | | | | | | 9,713,677 |
| | | | | | | | | | | Effective change in cash | | \$35,585 |
| | | | | | | | | | | % change | | 0.37% |
| | | | | | | | | | | Duration-years | | 2.57 |



| Mackenzie District Council | | | | | | | | | | | |
|----------------------------|------------|---------------|--------|----------------------------|-------|-------------|----------------------------|---------------------------|--------------------------------|-------------|------------------------------|
| Security | Issue Date | Maturity Date | Coupon | 31-Mar-13 Nominal \$ | Yield | Value \$ | 30-Jun-13 Nominal \$ | Coupons 01/04 to 30/06 | Yield | Value \$ | Effective Cash 30/06/2013 |
| BNZ | 27-May-08 | 27-May-13 | 8.56 | 500,000 | 2.93 | 519,017 | | 21,400 | | | |
| ASB | 16-Jul-08 | 16-Jul-13 | 8.52 | 500,000 | 2.94 | 516,822 | 500,000 | | 2.87 | 520,644 | 568,473 |
| MERRILL LYNCH | 4-Sep-05 | 4-Sep-13 | 7.16 | 250,000 | 4.36 | 254,229 | 250,000 | | 3.50 | 257,344 | 257,344 |
| DEUTSCHE | 16-Jun-04 | 16-Jun-14 | 7.14 | 250,000 | 3.58 | 246,245 | 250,000 | 2,237 | 3.52 | 247,390 | 249,627 |
| ROTORUA DC | 25-Sep-09 | 25-Sep-14 | 6.49 | 500,000 | 3.36 | 522,992 | 500,000 | | 3.28 | 527,813 | 527,813 |
| BNZ | 27-May-08 | 27-May-15 | 8.67 | 500,000 | 3.76 | 565,226 | 500,000 | 21,675 | 3.77 | 548,665 | 570,340 |
| AUCKLAND COUNCIL | 27-Sep-10 | 27-Sep-17 | 6.52 | 500,000 | 4.21 | 547,149 | 500,000 | | 4.38 | 549,385 | 549,385 |
| ANZNATIONAL | 18-Apr-08 | 18-Apr-18 | 5.27 | 500,000 | 21.12 | 519,000 | 500,000 | 24,150 | 5.49 | 500,626 | 524,776 |
| ANZNATIONAL | 20-Sep-11 | 20-Sep-18 | 6.08 | 500,000 | 4.73 | 533,100 | 500,000 | | 4.96 | 533,871 | 533,871 |
| BNZ | 20-Dec-11 | 20-Dec-18 | 6.10 | 527,000 | 4.79 | 570,073 | 527,000 | 15,250 | 5.09 | 553,016 | 568,266 |
| | | | | \$4,527,000 | | \$4,793,853 | \$4,027,000 | \$84,712 | | \$4,238,753 | \$4,349,894 |
| <hr/> | | | | | | | | | | | |
| Value 31/03/2013 | | | | | | \$4,793,853 | | | Value 30/06/2013 | | |
| | | | | | | | | | Coupons | | |
| | | | | | | | | | Net maturities and adjustments | | |
| | | | | | | | | | <hr/> | | |
| | | | | | | | | | Effective change in cash | | |
| | | | | | | | | | % change | | |
| | | | | | | | | | Duration-Years | | |
| | | | | | | | | | 2.56 | | |

Mackenzie DC vs Benchmark - Quarterly



Mackenzie DC vs Benchmark - Cumulative



MACKENZIE DISTRICT COUNCIL

REPORT TO: FINANCE COMMITTEE
SUBJECT: GRANT FOR LANDSAR & COASTGUARD FACILITY AT
TWIZEL
MEETING DATE: 30 JULY 2013
REF:
FROM: CHIEF EXECUTIVE OFFICER

REASON FOR REPORT:

To provide information regarding a request from Meridian Energy for Council to grant the amount of \$1,105.60 which was the cost of the building consent to construct a Landsar & Coastguard facility at Twizel.

RECOMMENDATION:

1. That the report be received.
2. That Council determines the merit of providing \$1,105.60 as a grant towards the project.

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

ATTACHMENTS:

Copy of MDC invoice for \$1,105.60.
Email history.

BACKGROUND:

Landsar are a land based Search and Rescue in the mid-part of the Mackenzie Basin, responsible via the Police for searching for those that are injured or lost in the high country of this region, the Coastguard unit covers from Lake Opuha up by Fairlie to Lake Waitaki and covers all the lakes in the region (9 major lakes) and associated water ways. Both organisations are manned by trained volunteers who freely give their time, equipment and boats where needed to aid those who have ventured out and gotten lost, injured, or suffered mechanical breakdown in this region. Both organisations are Search and Rescue services and are voluntary organisations.

Through Dene Madden at Meridian Energy, a request has been made to Council for a grant in the amount of the Building Consent Fee of \$1,105.60 to be made to the project. The grant money is to go back into the finishing of the building of a combined headquarters on the Police station property here in Twizel. This will give a base, training area, vehicle and boat storage facility and an operations base for Search and Rescue and Coastguard and could also be used for civil defence operations as required.

SIGNIFICANCE OF DECISION:

Not significant in terms of Council's policy on significance.

CONCLUSION:

These organisations play an important part in our District and offer a valuable service in times of need. A \$1,105.60 grant will help them to complete their project and be able to continue to offer their skilled service, to the Mackenzie community.

P O Box 52
Fairlie
New Zealand

Phone (03) 685-9010 - Fax (03) 685-8533
Email - pauline@mackenzie.govt.nz

Bank Account details for Direct Credit Payments
03-0887-0226851-02, Customer No. as Reference

Police Department
P O Box 167
Twizel 7944

GST Number: 53-030-920

Invoice Date: 20/03/13

Customer No: BC130033

Tax Invoice 65147

| Quantity | Description | Rate | Amount |
|--|---|------------|------------|
| | 130033 : Police Department, 23 -25 Tasman Road, Twizel Construct new storage and meeting shed for the purpose of providing search and rescue response to the Mackenzie Basin. Owner: Police Department | | |
| | Building Consent Fee | | 865.00 * |
| | BRANZ levy (levy is GST exclusive) | | 60.00 00 |
| | DBH Levy | | 120.60 * |
| | Building Accreditation Charge | | 60.00 * |
| | | BEFORE GST | 969.21 |
| | | GST | 136.39 |
| <p>The consent has been approved and will be granted after payment of the fee.</p> | | | |
| | Total incl. GST | | \$1,105.60 |

(Please detach and return this portion with your payment)

MACKENZIE DISTRICT COUNCIL REMITTANCE ADVICE

Police Department
P O Box 167
Twizel 7944

Customer No.: BC130033
Invoice No.: 65147
Total Due: \$1,105.60

From: Dene Madden [<mailto:Dene.Madden@MeridianEnergy.co.nz>]

Sent: Wednesday, 5 June 2013 6:42 a.m.

44

To: Mackenzie District Mayor

Subject: FW: LandSAR and Coast Guard facility at Twizel

Hi Claire, as per the emails below, this is to advise that we are now well underway with the building project, the foundations are now in and the floor is poored, so we were wondering if we can get the grant money from the council back as promised, I understand Glenn has left. Could you advise please.

Cheers Dene Madden

From: mayor@mackenzie.govt.nz [<mailto:mayor@mackenzie.govt.nz>]

Sent: Monday, 2 July 2012 11:23 a.m.

To: Peter Willemse

Subject: FW: LandSAR and Coast Guard facility at Twizel

Hi Peter,

When you are ready to go just let Glen Innes know and he will organise as stated below.

Kind regards

Claire

Claire Barlow

Mayor

Mackenzie District Council

PO Box 52

Fairlie 7925

Ph. (03) 685 9010

From: Glen Innes

Sent: Monday, 2 July 2012 11:05 a.m.

To: Mackenzie District Mayor

Cc: Nathan Hole

Subject: RE: LandSAR and Coast Guard facility at Twizel

Hi

Once they are ready to go, I will get Nathan to devise a report recommending a grant equal to their building fee
Glen

From: Peter Willemse [<mailto:pwillemse@doc.govt.nz>]

Sent: Wednesday, 27 June 2012 4:36 p.m.

To: Mackenzie District Mayor

Subject: LandSAR and Coast Guard facility at Twizel

Hi Claire,

Just a reminder re our discussion regarding the **Land Search & Rescue and Coast Guard** proposed incident management and gear storage facility to be built at Twizel behind the Twizel Police Station.

We discussed an MDC grant to the value of Building Consent as MDC contribution to a community non profit project.

Can you please prepare a note acknowledging this.

Kind regards,

Peter Willemse

Chairman

LandSAR

pwillemse@doc.govt.nz

0276 171 629

MACKENZIE DISTRICT COUNCIL

REPORT TO: FINANCE COMMITTEE

SUBJECT: CONSIDER APPROVAL OF UNBUDGETED EXPENDITURE FOR
ZONE COMMITTEE HONORARIUM

MEETING DATE: 30 JULY 2013

REF: STA 9/2/1

FROM: MANAGER – FINANCE AND ADMINISTRATION

ENDORSED BY: CHIEF EXECUTIVE OFFICER

REASON FOR REPORT:

Council to consider whether to increase the water zone committee honorarium.

RECOMMENDATIONS:

1. That the report is received.

PAUL MORRIS
MANAGER – FINANCE & ADMINISTRATION

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER

BACKGROUND:

Ecan submitted to the Councils Annual Plan 2013-2014 requesting Council consider increasing the honorarium paid to zone committee members. The increase requested was from \$12,000 to \$20,000. Council initially rejected the proposal as the figures presented by Ecan lacked clarity.

It was unclear as to whether this increase related to one zone committee and therefore the increase would be 2 x \$8,000 or for both committees at a maximum of \$8,000.

The following table clarifies the position:

| Total Honorarium | | MDC Share 25% | MDC Share 25% of new honorarium |
|------------------|----------|---------------|---------------------------------|
| Upper Waitaki | \$23,000 | \$6,500 | \$10,500 |
| OOP | \$19,000 | \$5,500 | \$9,500 |
| | | \$12,000 | \$20,000 |

The increase of \$8,000 covers both committees. With this further clarification Council may wish to discuss the merits of increasing its contribution to the zone committees