# NOTICE OF MEETING

## Notice is hereby given of the Meeting of the

## Committee of Council

## The meeting will be conducted by Audio / visual link via the Platform of Zoom on

## Monday 4 May 2020 at 3.00 pm

Sir T R Shadbolt, KNZM JP
Cr T M Biddle (Deputy Mayor)
Cr R R Amundsen
Cr R L Abbott
Cr A J Arnold
Cr W S Clark
Cr A H Crackett
Cr P W Kett
Cr G D Lewis
Cr D J Ludlow
Cr I R Pottinger
Cr N D Skelt
Cr L F Soper

CLARE HADLEY
CHIEF EXECUTIVE

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3. **INTEREST REGISTER**
A2279220

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10. **PUBLIC EXCLUDED SESSION**

Moved, seconded that the public be excluded from the following parts of the proceedings of this meeting; namely

*(a) Confirming of Minutes of the Public Excluded Session of the Committee of Council - 28 April 2020.*

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

| 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 |
|---|---|---|
| (a) Confirming of Minutes – Committee of Council 28 April 2020 | **Section 7(2)(i)** To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) | **Section 48(1)(a)** That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7 |

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS**

**INTEREST REGISTER**

A2279220

| ELECTED MEMBERS | | | |
|---|---|---|---|
| **NAME** | **ENTITY** | **INTERESTS** | **PROPERTY** |
| **RONALD LINDSAY ABBOTT** | Invercargill City Council<br>Kiwi-Pie Radio 88FM Invercargill | Councillor<br>Director / Broadcaster | |
| **REBECCA RAE AMUNDSEN** | Invercargill City Council<br>Arch Draught Ltd<br>BP Orr Ltd<br>Task Ltd<br>Arts Murihiku<br>Dan Davin Literary Foundation<br>Heritage South<br>Glengarry Community Action Group<br>SMAG Board | Councillor<br>Director<br>Director<br>Director<br>Trustee<br>Trustee/Chair<br>Contractor<br>Events Co-ordinator (Volunteer)<br><br>Council Representative | |

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS**

**INTEREST REGISTER**

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| | | | |
|---|---|---|---|
| **ALLAN JAMES ARNOLD** | Invercargill City Council<br>Ziff's Café Bar Ltd<br>Buster Crabb Ltd<br>Ziff's HR Ltd<br>Ziff's Trust<br>Southland Aero Club<br>Invercargill Club<br>Invercargill East Rotary | Councillor<br>Executive Director<br>Executive Director<br>Executive Director<br>Trustee Administrator<br>Member<br>Member<br>Member | |
| **TONI MARIE BIDDLE** | Invercargill City Council<br>Southland Museum and Art Gallery Trust Board<br>McIntyre and Dick | Councillor<br>Trustee<br><br>Husband (Kris MacLellan) – Chief Executive Officer | |
| **WILLIAM STUART CLARK** | Invercargill City Council<br>Invercargill Ratepayers Advocacy Group | Councillor<br>Member | |

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS**

**INTEREST REGISTER**

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|---|---|---|---|
| **ALEX HOLLY CRACKETT** | Invercargill City Council<br>Ride Southland<br>Southland Youth Futures Advisory Board<br>Sport Southland<br>McIntyre Dick | Councillor<br>Chair<br>Chair<br><br>Trustee<br>Marketing Manager | High Street<br>Invercargill |
| **PETER WARREN KETT** | Invercargill City Council<br>Age Concern Southland<br>Kite Investments Limited<br>Invercargill Harness Racing Club<br>Board Member Ascot Consortium | Councillor<br>Board Member<br>Director<br>Vice President and Life Member<br>Member | |
| **GRAHAM DAVID LEWIS** | Invercargill City Council<br>Bluff 2024 Rejuvenation<br>Hospice Southland<br>City Centre Heritage Steering Group | Councillor<br>Officer<br>Trustee<br>Member | |
| **DARREN JAMES LUDLOW** | Invercargill City Council<br>Radio Southland<br>Healthy Families Invercargill<br>Murihiku Maori Wardens<br>Southland Community Law Centre<br>Thrive Community Trust<br>Environment Southland | Councillor<br>Manager<br>Board Member<br>Board Member<br>Board Member<br>Trustee<br>Lyndal Ludlow (wife) – Councillor | 770 Queens Drive<br>Invercargill |

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS**

**INTEREST REGISTER**

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| | | | |
|---|---|---|---|
| **IAN REAY POTTINGER** | Invercargill City Council<br>Southland Electronics Limited<br>Santa Parade Organiser | Councillor<br>Director<br>Alice Pottinger (Wife) | 171 Terrace Street<br>Invercargill 9810 |
| **TIMOTHY RICHARD SHADBOLT** | Invercargill City Council<br>Kiwi Speakers Limited<br>SIT Ambassador | Mayor<br>Director<br>Member | |
| **NIGEL DEAN SKELT** | Invercargill City Council<br>Badminton New Zealand<br>Badminton Oceania<br>Badminton World Federation<br><br>ILT Stadium Southland | Councillor<br>Board Member<br>Vice President<br>Council Member (Chair of Communications and Media)<br>General Manager | |
| **LESLEY FRANCES SOPER** | Invercargill City Council<br>Breathing Space Southland Trust (Emergency Housing)<br>Omaui Tracks Trust<br>National Council of Women (NCW)<br>Citizens Advice Bureau<br>Southland ACC Advocacy Trust<br>Southern District Health Board<br>Southland Warm Homes Trust | Councillor<br>Chair<br>Director<br>Secretary / Treasurer<br>Member<br>Board Member<br>Employee<br>Member<br>Member | 137 Morton Street<br>Strathern<br>Invercargill<br>24 Margaret Street<br>Glengarry<br>Invercargill |

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS**

**INTEREST REGISTER**

A2279220

| EXECUTIVE STAFF | | | |
|---|---|---|---|
| **NAME** | **ENTITY** | **INTERESTS** | **PROPERTY** |
| **CLARE HADLEY** | Invercargill City Council<br>Hadley Family Trust | Chief Executive<br>Trustee | |
| **CAMERON MCINTOSH** | Invercargill City Council | Group Manager - Works and Services | |
| **DAVID FOSTER** | Invercargill City Council | Acting Group Manager - Finance and Corporate Services<br>Executive Director Foster and Associates Ltd | |
| **DARREN EDWARDS** | Invercargill City Council | Group Manager - Environmental and Planning Services | |

**MINUTES OF THE MEETING OF THE INVERCARGILL CITY COMMITTEE OF COUNCIL THE MEETING WAS CONDUCTED BY AUDIO / VISUAL LINK VIA THE PLATFORM OF ZOOM ON TUESDAY 28 APRIL 2020 AT 3.00 PM**

**PRESENT:** Sir T R Shadbolt, KNZM JP
Cr T M Biddle (Chair)
Cr R L Abbott
Cr R R Amundsen
Cr A J Arnold
Cr W S Clark
Cr A H Crackett
Cr P W Kett
Cr G D Lewis
Cr D J Ludlow
Cr I R Pottinger
Cr N D Skelt
Cr L F Soper

**IN ATTENDANCE:** Mrs C Hadley – Chief Executive
Mrs J Parfitt – Interim Group Manager - Infrastructure
Mr D Foster – Interim Group Manager – Finance
Mr P Thompson – Executive Manager, Operations
Ms R Suter - Manager – Strategy and Policy
Mr J Rees – Engineering Services Manager
Mr M Morris – Environmental Legal / Technical Support Manager
Ms H McLeod – Interim Team Leader, Communications
Ms L Kuresa – Governance Officer

2. **APOLOGIES**

Nil.

3. **PUBLIC FORUM**

Nil.

4. **INTEREST REGISTER**

Nil.

5. **ADMINISTRATIVE MATTERS**

Mrs Hadley took the meeting through the report.

Moved Cr Biddle, seconded Cr Soper and **RESOLVED** that the report be received.

Moved Cr Pottinger, seconded Cr Soper and **RESOLVED** that the Committee receive the Infrastructure Committee minutes of 23 March 2020 and

A2990774

THAT
1. Council adopts the amended Elizabeth Park Management Plan as per Appendix 1 (A2944516); and
2. The Elizabeth Park Management Plan be amended, to allow in principle, the development of a BMX facility, in general accordance with Appendix 3 – BMX Race Concept (A2944514). The development details will require approval by the Parks and Recreation Manager prior to commencement; and
3. That all costs associated with development of the BMX track and disestablishment of the old BMX track is at the Southland BMX Club's cost.

The second item on the administrative matters report was the regularity of Committee of Council meetings.

Mrs Hadley explained that the Committee had all delegated authorities of Council other than the six matters explicitly referred to in the Local Government Act and it replaced standing committee meetings. While the schedule could be demanding there was the option of cancelling a meeting if need be.

After discussions, it was agreed that the meetings would be held weekly as per the Meeting schedule included as Appendix 2.

Moved Cr Soper, seconded Cr Kett and **RESOLVED** that the Committee of Council adopt the April / May meeting schedule.

The Committee discussed the WasteNet Appointee and Cr Crackett outlined what this role involved and its responsibilities.

Moved Cr Soper, seconded Cr Kett and **RESOLVED** that Cr Ludlow be appointed as Council's elected representative on WasteNet.

## 6. PRINCIPLES OF THE INFRASTRUCTURE STRATEGY 2021-2031

Mrs Parfitt introduced Mr Rees, as the author of the report.

Moved Cr Pottinger, seconded Cr Lewis and **RESOLVED** that the report "Principles of the Infrastructure Strategy – 2021-2031" be received.

## 7. SUSPENSION OF SOLID WASTE BYLAW

Moved Cr Soper, seconded Cr Abbott and **RESOLVED** that the report "Suspension of Solid Waste Bylaw", be received; and

That the Committee of Council agrees with the Chief Executive decision to suspend the Invercargill City Council Solid Waste Bylaw in reference to garden waste being a prohibited waste during the COVID-19 Level 4 alert.

## 8. INVERCARGILL CITY HOLDINGS LIMITED STATEMENT OF INTENT

Mr Foster took the meeting through the report.

Moved Cr Lewis, seconded Cr Clark and that the draft Statement of Intent for the 2020/2021 years Invercargill City Holdings Limited be received; and

That Council provides no specific comment for changes to the Statement of Intent.

In response to a question, Mr Foster explained that there needed to be a mix of formal versus informal meetings with Holdco, but the meeting referred to in the Statement of Intent was the Annual General Meeting that Holdco host and for which they drive the agenda.

There would also be the opportunity for Council to host a meeting and agenda and invite Holdco to update Council on progress. Those meetings would triggered by Council and should be held every six months.

After discussion, it was recognised that there had been a previous agreement the meetings would be held quarterly. It was also agreed that a meeting would be scheduled after the Covid-19 situation.

The motion, now being put, was **RESOLVED** in the **affirmative.**

9. **INVERCARGILL CITY CHARITABLE TRUST STATEMENT OF INTENT**

Mr Foster took the meeting through the report.

Moved Cr Abbott, seconded Cr Clark and **RESOLVED** that the draft Statement of Intent for financial year ending 30 June 2021 be received; and

That Council makes no comment back to ICCT and await the final Statement of Intent.

10. **SOUTHLAND MUSEUM AND ART GALLERY STATEMENT OF INTENT**

Cr Biddle said that because she was the Chair of the Southland Museum and Art Gallery Trust, any questions should be directed to the Deputy Chair, Cr Ludlow.

Mr Foster took the meeting through the report.

In response to a question, Cr Ludlow explained that the Trust was waiting to formally satisfy itself that the building was owned by Council and not SMAG.

In response to a question, Cr Ludlow explained that there was no dispute about ownership of the building; the Trustees have queried it and asked for some reassurance around it. The Trust had not met since that question was asked.

Mr Foster said that SMAG financial statements had the building within its financial statements and that issue needed to be worked through. It did not denote ownership but it did denote accounting issues around control. The Trust had controlled maintenance, access and the activities within the building, it was accounted as its asset, and the issue of ownership had only come up over the last six months.

After discussions, Cr Ludlow said that feedback from today's meeting would be taken back to the Trust and the Board would amend the Statement of Intent.

In response to a question, Mrs Hadley explained that the original intent was that the consultation on the SMAG Governance would take place as part of the

Annual Plan. That advice had indicated it was not legally necessary. She would review the situation and advise Council.

Moved Cr Soper, seconded Cr Ludlow and **RESOLVED** that the draft Statement of Intent for the 2020/21 years Southland Museum and Art Gallery be received; and

That Council provides no specific comment for changes to the SOI.

## 11. GREAT SOUTH STATEMENT OF INTENT

Ms Suter took the meeting through the report.

Moved Cr Lewis, seconded Cr Soper that the report, "Great South Statement of Intent", be received; and

That Council confirm funding breakdown and feedback to Great South to be prepared by officers on the basis outlined in this report and incorporating any additional feedback as directed.

The Committee discussed the impact that Covid-19 has had on tourism in Southland.

The motion, now being put, was **RESOLVED** in the **affirmative.**

## 12. RATES POSTPONEMENT AND REMISSION POLICY

In response to a question, Mrs Hadley explained that previous discussions on this item did not suggest the rates being struck at this meeting. She reminded Councillors that the Annual Plan was not ready for adoption, which was when the rates increase was formally dealt with.

If Council wanted to consider the rates increase and signal its community, that could be done without the adoption of the Annual Plan. The adoption of the Annual Plan would be undertaken in early June.

Councillors discussed this item further and the following was discussed:

- That an indicative rate be made going forward;
- That a 20% decrease in income be proposed as it was easier to assess;

Moved Cr Abbott, seconded Cr Ludlow and **RESOLVED** that the report, "Rates Postponement and Remission Policy, be received; and

That Council approve the appended Rates Postponement and Remissions Policy (Option 1) for consultation.

## 13. GAMBLING POLICIES REVIEWS

Mr Morris took the meeting through the report.

Moved Cr Biddle, seconded Cr Ludlow and **RESOLVED** that the report, "Gambling Policies Review" be received; and

That the appended Class 4 Gambling Venues Policy and the Board (TAB) Venues Policy be adopted.

**Note:** Cr Clark voted against the recommendation.

## 14. MAJOR LATE ITEM – YOUNG ELECTED MEMBERS COMMITTEE ZONE 6 NOMINATION

Moved Cr Biddle, seconded Cr Soper and **RESOLVED** that Council receive the item Young Elected Members Committee Zone 6 Nomination as a major late item on the basis of being time bound.

Cr Crackett took the meeting through the report.

Moved Cr Biddle, seconded Cr Soper and **RESOLVED** that Council nominates Cr Crackett as the Young Elected Members Committee's Zone Six Representatives and agrees to issue a letter supporting her nomination bid.

## 15. COUNCIL IN PUBLIC EXCLUDED SESSION

Moved Cr Biddle, seconded Cr Abbott and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, namely:

*(a) Administration Matters – Confidential.*
*(b) Future of 40 Forth Street – Bowling Green – Otepuni Gardens – Town Belt Addendum.*

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

| 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 |
|---|---|---|
| (a) Administration Matters – Confidential | **Section 7(2)(i)** To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) | **Section 48(1)(a)** That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7 |

| | | | |
|---|---|---|---|
| (b) | Future of 40 Forth Street – Bowling Green – Otepuni Gardens – Town Belt Addendum | **Section 7(2)(i)**<br>To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) | **Section 48(1)(a)**<br>That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7 |

**TO:** **COMMITTEE OF COUNCIL**

**FROM:** **MICHELE FREY – INTERIM PARKS AND RECREATION MANAGER**

**MEETING DATE:** **MONDAY 4 MAY 2020**

# DEREK GOSTELOW'S LEGACY
# ($90,000 BEQUEST TO INVERCARGILL CITY COUNCIL)

## SUMMARY

In late 2019, Derek Gostelow left a legacy of $90,000 to Invercargill City Council (ICC) in his will stating "*One part to the Invercargill City Council for community projects within the Otatara area and community*."

The Council Officer's view is that the bequest should be spent on '*one specific significant project (Fosbender Park enhancements)'*.

## RECOMMENDATIONS

**That the report "Derek Gostelow's Legacy ($90,000 Bequest to Invercargill City Council)" be received**

**AND THAT**

**Council approve the recommendation that Derek Gostelow's $90,000 bequest be spent on Option 3: One specific significant project, Fosbender Park enhancements.**

## IMPLICATIONS

| | |
|---|---|
| 1. | *Has this been provided for in the Long Term Plan/Annual Plan?*<br>No |
| 2. | *Is a budget amendment required?*<br>N/A |
| 3. | *Is this matter significant in terms of Council's Policy on Significance?*<br>Yes |
| 4. | *Implications in terms of other Council Strategic Documents or Council Policy?*<br>N/A |
| 5. | *Have the views of affected or interested persons been obtained and is any further public consultation required?*<br>A community consultation night has been undertaken by Cr Clark and Cr Pottinger, with information gathered and collated |
| 6. | *Has the Child, Youth and Family Friendly Policy been considered?*<br>Yes |

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## FINANCIAL IMPLICATIONS

Nil.

## BACKGROUND

In late 2019 Derek Gostelow, a local Otatara resident, passed away leaving a legacy of $90,000 to Invercargill City Council (ICC) with his will stating "One part to the Invercargill City Council for community projects within the Otatara area and community."

Following an announcement of the bequest, Councillors Clark and Arnold facilitated a community meeting on Tuesday 11 February 2020, seeking ideas and feedback on how the legacy left to ICC for the benefit of Otatara, could be used. The meeting resulted in 17 suggestions for use of the funds (refer to **Appendix 1**).

In summary these include:

- New project developments around Otatara (bike park)
- Donations to local community organisations
- Improvements to existing reserves

ICC's Parks and Recreation Officers have subsequently been asked to consider the suggestions obtained from the meeting on 11 February 2020, and present a report to Council on the recommended way forward for use of the $90,000.

## UNDERSTANDING DEREK GOSTELOW

In order to better understand the wishes of Derek Gostelow, Council Officers contacted his lawyer, who was able to share some limited information. The following information was obtained about Derek Gostelow:

- The provision to leave part of his estate to ICC existed in Mr Gostelow's will for many years
- The money has been gifted to Council for Council to determine what happens, but that it be applied to the Otatara area and community
- The Gostelows had no children and "spent a lot of their time exploring on foot the Otatara area and walking the bush tracks around that area"
- "When he spent time walking around Otatara I know he looked for and spent time sitting on seats he could find as he would walk for miles"

## FACTORS FOR ASSESSING THE BEQUEST

Officers have attempted to interpret the aspirations of the donor alongside a series of factors including:

- Alignment to the interests and aspirations of Mr Gostelow (based on the information known about him)
- Impact
- Community need
- Community desires
- Cost (construction costs and ongoing maintenance costs)

- Alignment with development plans for Otatara (this is limited to site by site Reserve Management Plan guidance, noting that there is no Otatara-wide Masterplan for what has been, and will be developed in the future)

## BEQUEST USE SUGGESTIONS

**Appendix 2** summarises bequest use suggestions provided from the community (through the Otatara Community Meeting held on Tuesday 11 February 2020 and facilitated by Crs Clark and Arnold) and Council officer suggestions. The detail of bequest use suggestions obtained from the Otatara Community Meeting are outlined in further detail in **Appendix 1**.

## OPTIONS WHEN CONSIDERING HOW BEST TO UTILISE THE BEQUEST

The following options have been considered:

| Option | Advantages | Disadvantages |
|---|---|---|
| 1. Do nothing | This is not an option | |
| 2. Multiple projects and donations to organisations are made, dispersing the bequest across the community. | More money is dispersed across projects / organisations around the community.<br><br>Multiple projects can realise the benefits of the bequest. | Having too many projects can take away the significance of the person who donated the money.<br><br>Administration time required to plan for and implement the projects, and monitor expenditure by Trusts. This takes away from Council Officers undertaking other work.<br><br>The bequest states that the funds are to be spent on 'community projects'. Donations to trusts are not 'community projects'. |
| 3. Bequest funds to be spent on one specific significant project (example Fosbender Park). | More money is invested in one significant project which gives more long term emphasis to the donation made by the donor.<br><br>Council Officers can plan and implement a discrete package of work, utilising existing knowledge of costs and maintenance requirements.<br><br>A significant project can be realised that might not otherwise be realised. | Donation is focussed on one site only and not dispersed around the community. |
| 4. Commit bequest funds to ICC land based projects only (and not Trust donations), noting concern that funds should be spent by ICC on ICC land. | Focus on ICC land improvements in Otatara for the benefit of Otatara community. | Discounts support for Trusts, even if they present attractive options. |
| 5. Gifting to land parcel down road. | This is not an option due to lack of community appetite. | |

## RECOMMENDATION

Officers have aligned the recommendation to the clear direction outlined in Mr Gostelow's will, stating "*One part to the Invercargill City Council for community projects within the Otatara area and community*."

Discussions with the lawyer confirms the following option as the best use for the bequest.

**Option 3: That the Derek Gostelow bequest of $90,000 be spent on one specific significant project (Fosbender Park)**

Based on feedback obtained from the community meeting held on 11 February 2020 and the limited information known about Mr Gostelow, Council Officers recommend that the bequest be spent on a package of improvements at Fosbender Park site including a BBQ, and other possible features (pending remaining budget) - natural play, seating, a path and re-vegetation (infill planting to remove grass and weeds) for the community to enjoy and participate in activities in a better environment. If power was established (which is proposed) there could also be the possibility of CCTV coverage improving the general security of the area. A water connection could also be considered to enable a drinking fountain to be installed.

This would also enable Council Officers to focus on completing one project well as opposed to dispersing the resources across multiple projects.

## CONCLUSION

After considering the advantages and disadvantages of all suggestions presented through a community meeting and the desires of Mr Gostelow indicated through his will and reconfirmed through the discussions of his lawyer, the recommendation "**That the Derek Gostelow bequest of $90,000 be spent on one specific significant project (Fosbender Park)"** fulfils the desire of Mr Gostelow. Council Officers will ensure the bequest and the benefit that it has provided to the Otatara community, is recognised.

**APPENDIX 1: OTATARA COMMUNITY MEETING NOTES**

## Otatara Community meeting - Tues 11 February 2020
## Derek Gostelow legacy ($90,000)

Crs Clark and Arnold facilitated a community meeting for ideas and feedback on how the legacy left to ICC for the benefit of Otatara could be used.
About 70 people turned out – which is a high number in relation to other Otatara community meetings.
We also received 15 written submissions - these are available to ICC.
The community came up with 17 proposals - which were discussed and we then prioritised the list by a show on hands on each idea.

The list below is in order of that priority and in some cases, also has some funding / cost assessment:

**Bush Haven Native Bird Rehabilitation Trust - $7,500**

The trust operates a rehabilitation service for injured birds from 33 Oreti Street (Kathy and Douglas).
Subsidise window transfers to 100 new residents to minimise bird strikes on bush sections - $1,500 for 2 years supply
Publicity material for educational campaign about how to avoid strikes and deal with injured birds - $1,000
Materials to complete a long term recovery aviary so that birds that are damaged can learn to fly again (they currently need to be transferred to Dunedin – which is costly) - $5,000

**Bike training areas for children - cost unknown ($10,000)**
Suggested a combination of areas:
Otatara School courts – set up mock roads with signs (similar to facility in Onslow Street in town) that allows parents at the weekend to teach the children to ride with road rules – school are supportive of this initiative.

Reserve of the corner of Taiepa and Grant Roads - intertwined tracks over this sloping land could help increase the skills as children get more confident.
As a side issue, they believe that ICC should fund a greater level of playground equipment in this reserve.

**Otatara Landcare Trust - $7,500**
The trust currently operates a track development and native replanting programme in several areas with local volunteers.

**Southland Community Nursery Trust - $7,500**
The nursey grows native plants but more importantly, does significant educational work with schools throughout Southland - regarding native plants and birds.
The funds would allow them to expand this educational experience for children from schools.

**Replace existing Otatara signage - $10,000**
Considerable debate about this – community would like a new designed Otarata sign that may also include Derek's name on one corner – would be looking to a feature / sculptured sign we have examples of design options)

**Elderly transport to the city** - cost unknown
It was recommended that a weekly service be contracted to transport the elderly in the community to the city.

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An alternative was also suggested (Kathy and Douglas). That a volunteer roster be developed who would take turns of transporting the elderly into the city as needed – we are doping more work on this option.

**Otatara Gala day Trust** - **$2,000**
To set up a trust that would organise an annual gala day – with community fundraising and fun day out.

**School Pool upgrade** **- $20,000**
Significant support to help the current upgrade of the pool surface (the current project requires $70,000) – to include some improvement to the heating pump system.

**Bushy Point** **- estimated $8,000**
A new walkway that could acknowledge Derek through this area.

**Grant / Taiepa Road reserve** - cost unknown
To incorporate a 'pump track' – that has jumps, twists etc for older children. We acknowledge that the cost of concrete is too expensive – so maybe grit compacted course. Other towns like Alexandra have this concept.

**Otatara Reserve** **- $10,000 for one walkway**
Create to more entrance / exit points into the existing track - that links in Korimako and Marama North (each at an estimated cost of $10,000). Could be just one link depending on funding availability.

- Korimako – bridge access over the drain and access through reserve northern area
- Marama North – access via Council owned land between 113 an 119 Marama North

This work could be undertaken by Parks and Reserves staff at a cost to the legacy.

**BBQ / seating area** **- cost unknown ($5,000)**
We would like a BBQ / seating area set up at Fosbender Park - so that people could combine a walk around the tracks and a BBQ / seat as well.
It would be helpful to have fixed BBQ run on wood or/and a concrete pad extension that allowe the public to use their own BBQ.
Fixed table close to the BBQ area would help as well.

**Suggestions not supported:**

- **A contribution from the legacy for the purchase of a bush parcel of land (Peter Knight estate – 344 Oreti Road)**
- **Large sculpture - but wished to have some design feature in the new Otatara signage**
- **New walkway through Crawford Road (between Oreti and France Roads)**

## APPENDIX 2: SUMMARY OF BEQUEST SUGGESTIONS FROM COMMUNITY MEETING WITH COUNCIL OFFICER SUGGESTIONS

| Suggestion | Proposals Supported | Council Officer Comments | Suggested funds | Actual funds (if significantly different) |
|---|---|---|---|---|
| a. | **Donation to Bush Haven Native Bird Rehabilitation Trust** for funding towards window transfers across community (reduction in bird strike), recovery aviary and educational signage. | This could be something that aligns with conditions of the bequest and desires of the donor, however more information is required to understand what the money would be used for.<br><br>There is some concern that donations to external agencies for use of funds not on ICC land, is inconsistent with the bequest terms. The vagueness of the bequest makes this difficult to interpret. | **$7,500** | N/A |
| b. | **Bike training areas** for children. Suggested a combination of areas:<br>• Otatara School courts<br>• Reserve on the corner of Taiepa and Grant Roads<br><br>As a side issue, the community believe that ICC should fund a greater level of playground equipment in this reserve. | This proposal is less aligned with the desires of the donor, and one facility alone would consume the bequest funding, and to do it well would require additional further funding. Further to this, the Reserve Management Plan for this area proposes that an application be made to the Minister to amend the status of the reserve from 'Recreation' to 'Scenic Reserve', increasing the emphasis of the area for ecological protection (refer to ***Appendix 3***).<br><br>A pump track could also result in high maintenance and erosion of the slopes.<br><br>This can be considered through Council's Play Strategy, currently under review. | **Cost unknown ($10,000)** | Cost for Mataura Pump track was $220,000. Asphalt track approximate area of 3,200m².<br><br>600m³ would be a decent volume of material. Anticipate approximately $25,000 as a minimum.<br><br>A tarmac pump track built by a high end builder can be closer to $250,000. |
| c. | **Donation to Otatara Landcare Trust** The trust currently operates a track development and native replanting programme in several areas with local volunteers. | This could be something that aligns with conditions of the bequest and desires of the donor, however more information is required to understand what the money would be used for.<br><br>There is some concern that donations to external agencies for use of funds potentially not on ICC land, is inconsistent with the | **$7,500** | |

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| | | bequest terms. The vagueness of the bequest makes this difficult to interpret. | | |
| d. | **Donation to Southland Community Nursery Trust** for increased educational offering with schools throughout Southland - regarding native plants and birds. | This could be something that aligns with conditions of the bequest and desires of the donor, however more information is required to understand what the money would be used for.<br><br>There is some concern that donations to external agencies for use of funds not on ICC land, is inconsistent with the bequest terms. The vagueness of the bequest makes this difficult to interpret. | **$7,500** | |
| e. | **Replace existing Otatara signage** Considerable debate about this – community would like a new designed Otatara sign that may also include Dere's name on one corner – would be looking to a feature / sculptured sign (design option examples are available). | Suggest that the donor was not a high profile person and while subtle reference to Mr Gostelow would be appropriate, a new designed sign emphasising ecological features of the area may be appropriate. | **$10,000** | Level of expenditure could be significantly more than $10,000 but depends on the type of signage. |
| f. | A **weekly elderly transport service** contracted to transport the elderly in the community to the city. OR A volunteer roster be developed who would take turns in transporting the elderly into the city as needed. | Do not feel it is in line with the conditions of the donation as the bequest was for the funds to be used in Otatara, and given the donor enjoyed time spent in the local community, Council Officers suggest funds spent in the local community setting would be more appropriate. | Cost unknown | Significant ongoing operating costs. |
| g. | **Otatara Gala Day Trust** To set up a trust that would organise an annual gala day – with community fundraising and fun day out. | While this is less aligned with the interests and aspirations of Mr Gostelow, this could be considered if a business case was provided to ensure its longevity and interest by the community.<br><br>There is however some concern that donations to external agencies for use of funds not on ICC land, is inconsistent with the | **$2,000** | |

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| | | bequest terms. The vagueness of the bequest makes this difficult to interpret. | | |
| h. | **School pool upgrade** Significant support to help the current upgrade of the pool surface (the current project requires $70,000) – to include some improvements to the heating pump system. | Do not feel it is in line with the interests and aspirations of Mr Gostelow. | **$20,000** | |
| i. | **Bushy Point new walkway** - that could acknowledge Mr Gostelow through this area. | Aligns with the interests and aspirations of Mr Gostelow however is not ICC land (Depatment of Conservation Land and managed by the Otatara Landcare Group. | | **$14,500** (however depends on the length of the track) |
| j. | **Otatara Reserve - more entrance / exit points into the existing track** - that links in Korimako and Marama North.<br><br>Could be just one link depending on funding availability. | Options:<br>• Korimako – bridge access over the drain and access through reserve northern area<br>• Marama North – access via Council owned land between 113 and 119 Marama North<br><br>One or both options is possible - while tracks are not anticipated to be technically difficult, a short board walk would be required to cross a small water course at Korimako Avenue. Archaeological Authority is also likely to be required.<br><br>Access points onto road ways would require appropriate controls with a key issue being how those exiting can be seen from the roadway. Would require features such as kissing gates and no bikes allowed. | | Korimako Ave **$31,750**<br><br>Marama Ave **$20,450** |
| k. | **BBQ / seating area at Fosbender Park** to combine a walk around the tracks and a BBQ / seat experience.<br><br>Fixed table close to the BBQ area would | This aligns with the conditions of the will as Derek loved walking and the lawyer suggested seating might be something he would have liked. | | **$70,000** for an electric BBQ.<br><br>Additional **$20,000** for appropriate seating, tables, increased |

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| | help as well. | | | landscaping / revegetation and signage promoting the experience. |
| | **Proposals Not Supported by the Community** | | | |
| | **Proposal Not Supported** | **Council Officer Comment – if any** | | |
| l. | A contribution from the legacy for the purchase of a bush parcel of land (Peter Knight estate – 344 Oreti Road) | While a contribution of this nature would significantly assist the attempt to purchase the new parcel of land and aligns well with the type of setting Derek Gostelow might have enjoyed, Council Officers acknowledge the feedback received. | | |
| m. | Large sculpture - but wished to have some design feature in the new Otatara signage | Noted. | | |
| n. | New walkway through Crawford Road (between Oreti and France Roads) | Noted. | | |

## APPENDIX 3: RELEVANT SECTIONS OF THE OTATARA RESERVE MANAGEMENT PLAN AND ENVIRONMENTAL RESERVES MANAGEMENT PLAN

The Otatara Reserves are Managed currently through two Reserve Management Plans;

- Otatara Scenic Reserve Management Plan
- Environmental Reserves Management Plan

The information presented below, outlines future development plans identified for each of the respective reserves through these Plans:

Otatara Scenic Reserve

4.0 Future Development

A Reserve Management Plan is developed to reflect current reserve use and reserve values.

A Management Plan should also highlight anticipated future development or change to the reserve and the likely impact a development will have on reserve users, reserve values and reserve neighbours. Any development not anticipated in, or meeting the policies of the current Reserve Management Plan, will require an amendment to the Management Plan.

Any future development at the reserve shall only be to the extent which is in accordance with the overall management objectives and policies and subject to meeting the requirements defined in Policy 3.23.1 - Requests for Development on Reserves. Before any development is implemented, it must be established that there is a need for such development and that what is proposed will be of benefit to the reserve and to those using it.

- 4.1 Picnic Area Development
  Further plantings are to be carried out to enhance the area which will then be promoted to increase utilisation of this space.
- 4.2 Walking Track Development
  Walking Tracks may be developed if there is a demonstrated need for improved access and linkage through the reserve.

Grant Road

Future development includes restoration work and weed control to preserve the intrinsic and natural values within the reserve. It is hoped to eventually become a scenic reserve, where there will be more preservation of the reserve in the future.

5.1.10 Policies

5.1.10.1 Classification
While Grant Road Reserve is presently classified as Recreation Reserve, it is foreshadowed that, as a consequence of this Management Plan, application shall be made to the Minister for the area to be classified as a Scenic Reserve. This would not inhibit public use of the reserve but would recognise the importance of the preservation of the vegetation to the local community.

Objectives:

- To protect, preserve and enhance the intrinsic values of Grant Road Reserve as a forest remnant.
- To apply to Minister of Conservation to have Grant Road Reserve classified as a Scenic Reserve as defined in Section 19 of the Reserves Act.

Policies:

- Grant Road Reserve shall be managed as a Recreation Reserve pursuant to Section 17 of the Reserves Act 1977.

5.1.10.1.2 Council eventually aims to manage Grant Road Reserve as a Scenic Reserve pursuant to Section 19 of the Reserves Act 1977. A request will be made to the Minister to have Grant Road Reserve classified as a Scenic Reserve as defined in Section 19 of the Reserves Act 1977.

5.1.10.2 Trees and Vegetation

Policy:

- 5.1.10.2.1 Council intends to encourage the growth of native vegetation at Grant Road Reserve. The grassed clearing will be phased out by staged re-vegetation plantings of native species

John Street Reserve

5.3.9 Policies

5.3.9.1 Classification
While John Street Reserve is presently classified as Recreation Reserve, it is foreshadowed that, as a consequence of this Management Plan, application shall be made to the Minister for the area to be classified as a Scenic Reserve. The goal is to manage and eventually change the John Street Reserve classification to a Scenic Reserve. This would not inhibit public use of the reserve but would recognise the importance of the preservation of the vegetation to the local community.

Objectives:
- To protect, preserve and enhance the intrinsic values of John Street Reserve as a forest remnant.
- To apply to Minister of Conservation to have John Street Reserve classified as a Scenic Reserve as defined in Section 19 of the Reserves Act.

Policies:

- 5.3.9.1.1 John Street Reserve shall be managed as a Recreation Reserve pursuant to Section 17 the Reserves Act 1977.
- 5.3.9.1.2 Council eventually aims to manage John Street Reserve as a Scenic Reserve pursuant to Section 19 of the Reserves Act 1977. A request will be made to the Minister to have John Street Reserve classified as a Scenic Reserve as defined in Section 19 of the Reserves Act 1977.

5.3.9.2 Play Equipment - Play equipment complements the areas of open space available to children for informal play. John Street Reserve provides natural values that are to be protected for future generations. Play equipment cannot be viewed from John Street. It does not appear well used and offers little play value, therefore Council sees no future requirement for playground equipment at John Street Reserve.

Policy:

- 5.3.9.2.1 John Street Reserve play equipment shall be removed once it no longer meets the New Zealand Safety Standards for Playgrounds

Matua Road Reserve

5.4.9 Policies

5.4.9.1 Classification
While Matua Road Reserve is presently classified as Recreation Reserve, it is foreshadowed that, as a consequence of this Management Plan, application shall be made to the Minister for the area to be classified as a Scenic Reserve. Although Matua Road Reserve is currently classified as recreation, the main intention of the reserve has been the preservation of the native flora. This would not inhibit public use of the reserve but would recognise the importance of the preservation of the vegetation to the local community.

Objectives:
- To protect, preserve and enhance the intrinsic values of Matua Road Reserve as a forest remnant.
- To apply to Minister of Conservation to have Matua Road Reserve classified as a Scenic Reserve as defined in Section 19 of the Reserves Act.

Policies:
- 5.4.9.1.1 Matua Road Reserve shall be managed as a Recreation Reserve pursuant to Section 17 of the Reserves Act 1977.
- 5.4.9.1.2 Council eventually aims to manage Matua Road Reserve as a Scenic Reserve pursuant to Section 19 of the Reserves Act 1977. A request will be made to the Minister to have Matua Road Reserve classified as a Scenic Reserve as defined in Section 19 of the Reserves Act 1977.

5.4.9.2 Play Equipment
Matua Road Reserve is currently a recreational reserve providing a site of natural values that are protected and managed for future generations. As a reserve available for public use, it is important that the recreational facilities within Matua Road Reserve are maintained to the standard that provides for the appropriate and safe use of the reserve. There is minimal equipment provision, it is not able to be viewed from the road and it does not appear to get a lot of use.

Policy:
- 5.4.9.2.1 Play equipment at Matua Road Reserve shall be removed once it no longer meets the New Zealand Safety Standards for Playgrounds.

5.4.9.3 Trees and Vegetation

Policy:
- 5.4.9.3.1 The grassed clearing will eventually be phased out by staged re-vegetation plantings of native species.

<u>Parnell Sanctuary Reserve</u>

5.7.9 Policies

5.7.9.1 Access Into and Through Reserves
There is no public access into Parnell Sanctuary Reserve. A very preliminary concept for this Reserve is to provide a pedestrian link between Ariki Avenue and the Oreti River while ensuring the natural values of the Reserve are protected.

Policy:
- 5.7.9.1.1 To provide the necessary tracks and facilities to allow the public safe access through the Reserve in the distant future when the need arises and as resources permit.

5.7.9.2 Boundaries and Fencing

- Policy: 5.7.9.2.1 Should public access be developed through to the Oreti River, fencing may be required to separate track users from adjoining properties.

Paterson Reserve

5.8.9 Policy

5.8.9.1 Classification
While Paterson Reserve is presently classified as Local Purpose Reserve, it is foreshadowed that, as a consequence of this Management Plan, application shall be made to the Minister for the area to be classified as a Scenic Reserve. This would not inhibit public use of the Reserve but would recognise the importance of the preservation of the vegetation to the local community.

Objectives:
- To protect, preserve and enhance the intrinsic values of Paterson Reserve.
- To apply to Minister of Conservation to have Paterson Reserve classified as a Scenic Reserve as defined in Section 19 of the Reserves Act.

Policies:
- 5.8.9.1.1 Paterson Reserve shall be managed as a Local Purpose Reserve pursuant to Section 23 of the Reserves Act 1977. 5.8.9.1.2 Council eventually aims to manage Paterson Reserve as a Scenic Reserve pursuant to Section 19 of the Reserves Act 1977. A request will be made to the Minister to have Paterson Reserve classified as a Scenic Reserve as defined in Section 19 of the Reserves Act 1977.

Taiepa Dune Reserve

5.11.9 Policies

5.11.9.1 Classification
While part of Taiepa Dune Reserve is presently classified as Recreation Reserve, it is foreshadowed that, as a consequence of this Management Plan, application shall be made to the Minister for the area to be classified as a Scenic Reserve. This would not inhibit public use of the Reserve but would recognise the importance of the preservation of the remnant to the local community.

Objectives:
- To protect, preserve and enhance the intrinsic values of Taiepa Dune Reserve as a sand dune and forest remnant. Environmental Reserves Management Plan 2011
- To apply to Minister of Conservation to have Taiepa Dune Reserve classified as a Scenic Reserve as defined in Section 19 of the Reserves Act.

Policies:
- 5.11.9.1.1 Taiepa Dune Reserve shall be managed as a Recreation and Scenic Reserve pursuant to Sections 17 and 19 the Reserves Act 1977.
- 5.11.9.1.2 Council eventually aims to manage all of Taiepa Dune Reserve as a Scenic Reserve pursuant to Section 19 of the Reserves Act 1977. A request will be made to the Minister to have Taiepa Dune Reserve classified as a Scenic Reserve as defined in Section 19 of the Reserves Act 1977.

5.11.9.2 Boundaries and Fencing
Fencing exists around and within the Taiepa Dune Reserve boundaries, including between the north boundary of the area previously known as Raeburn Bush and the narrow mown access strip along Taiepa Dune Reserve. Fencing consists of fence wire and posts.

Policy:
5.11.9.2.1 Rural style fencing at Taiepa Dune Reserve is currently more than adequate for defining boundaries around the Reserve.

There is no overall future development across all reserves

**TO:** **COMMITTEE OF COUNCIL**

**FROM:** **ALISTER MURRAY, WATER MANAGER**

**MEETING DATE:** **MONDAY 4 MAY 2020**

# EMERGENCY WATER SUPPLY – UPDATE ON PROGRESS

## SUMMARY

This report has been submitted to keep Councillors advised of the status of the investigation into underground aquifer systems to act as an emergency water supply in the event of Invercargill's sole supply becoming inoperable. It is a provisional report in that much of the information received since March 2019, in various reports, has yet to be peer reviewed. The main points are:

1. Water quality. Water will require treatment to meet drinking water standard.
    a. Cost of treatment would be of the order of $26 million for a stand alone plant, reducing to $2.5 million if the existing Branxholme Plant had an appropriate treatment process installed.
    b. Resilience of the complete water supply system would be lessened if all water is treated at Branxholme then conveyed through the same trunk main system to reservoir storage in the city, compared to the stand alone treatment option.
2. Likely locations to prospect for an underground water supply.
    a. Awarua Plains-Greenhills (20 km south of Invercargill)
    b. Gorge Road Kapuka (30 km from Invercargill)
    c. Taramoa and Wallacetown (20 km northwest of Invercargill) – Geological mapping indicates a potential site at the confluence of the Oreti and Makarewa Rivers
    d. In addition to those locations above, a site in the Myers reserve would be worth investigation as it is convenient from a water infrastructure perspective being immediately adjacent to the City's largest reservoir storage, the Waikiwi reservoir. Therefore there would not be the need for a long pipeline which may be required for the other locations to transport water either to the Invercargill distribution system or to the Branxholme Treatment Plant.

The next progression will be to seek peer reviews of the reports received since March 2019.

## RECOMMENDATIONS

**That this report "Emergency Water Supply – Update on Progress" be received;**

**AND THAT**

**Council receive notification of the validity of the recommendations outlined in this report once the peer review process has been completed.**

A2986598

**IMPLICATIONS**

| | |
|---|---|
| 1. | *Has this been provided for in the Long Term Plan/Annual Plan?*<br>No |
| 2. | *Is a budget amendment required?*<br>It will need inclusion into the 2020/21 Annual Plan |
| 3. | *Is this matter significant in terms of Council's Policy on Significance?*<br>No |
| 4. | *Implications in terms of other Council Strategic Documents or Council Policy?*<br>None |
| 5. | *Have the views of affected or interested persons been obtained and is any further public consultation required?*<br>No |
| 6. | *Has the Child, Youth and Family Friendly Policy been considered?*<br>N/A |

**FINANCIAL IMPLICATIONS**

As above.

**BACKGROUND**

This report has been prepared at the request of the Chairman of the Infrastructure and Services Committee, Councillor Ian Pottinger, to keep Councillors updated on the search for an alternative supply to that from the Oreti River, to act as a backup in emergencies.

**Project History**

Invercargill has only one source of water supply, that being from the Oreti River with treatment at the Branxholme Plant. Having complete dependence on only one supply does expose the Invercargill and Bluff communities to an unacceptable risk should the Oreti supply or treatment become inoperable. Risks such as drought or contamination could threaten the continuance of supply (as recently observed during the 2017/18 dry summer) and restrictions on the amount of water able to be drawn from the Oreti may have to be faced in the future.

An underground source is considered to offer the best protection from the threats likely to be experienced by the Oreti source and be the most cost effective. In a year 2000 exercise, sources from lakes such as Hauroko and Wakatipu were costed at over $50 million to develop.

Accordingly provision was made in the Long Term Plan to develop an alternative source to act as an emergency supply midway through this decade with an allocation of $11 million. The expectation being that the source would be from an underground water aquifer system. Before committing to the development of any source, investigative works need to be undertaken sufficient to check its viability and enable detailed design.

The search for an underground water supply has the same risk of uncertainty as the search for anything underground such as minerals or petroleum. That is to say, it is possible to incur significant costs by way of putting down bores without striking the desired resource and so a

cautious approach has been taken to first obtain the best information available, then use expert analysis to the likely location and quality of water aquifer systems in the near vicinity of Invercargill. To date, Council has contributed to a regional study convened by the then Venture Southland to extend regional knowledge of the geophysical makeup of Southland, part of which was to look at underground water supplies as well as the presence of minerals and seismic faulting. That study concluded that the most likely source to supply Invercargill's needs would be from a deep source known as the Chatton Formation.

In March 2019, Council approved a commitment to undertake the first two phases of a four phase investigation and that phases 3 and 4 are considered in the 20/21 Annual Plan Process subject to a peer review of the results of phase 1 and 2. [Phase 1 was to evaluate likely water parameters with a view to evaluate extent of treatment to comply with the drinking water standard. Phase 2 was to model the likely position of the Chatton Formation and therefore best places to prospect for it. Phase 3 was to carry out exploratory drilling to prove water quality and likely yield. Phase 4 was to construct a pilot test well and undertake pumped aquifer testing. Note that none of the bores as drilled in phases 3 and 4 would be production bores.]

**Progress since March 2019**

Reports for phases 1 and 2 have been received but have not yet been peer reviewed and so recommendations made should be considered as provisional at this stage. In summary, the main points to come out of phase 1 and 2 reports are as listed below.

**Water Quality / Treatability**

- Chatton Formation water is likely to be 'hard' water with levels of manganese and possibly iron which will require treatment to comply with drinking water standards. Treatment will take the form of softening by lime addition, oxidation of manganese and iron, ultraviolet radiation for protozoal removal and chlorination for disinfection.

- Capital cost of establishing a stand alone treatment plant of 20,000 cubic metres per day capability would be of the order of $26 million +/- 50%. This estimate does not include pipeline cost to convey water to the water distribution system.

- Capital costs would be greatly reduced if the water was brought to the existing Branxholme plant, which in turn would need to incorporate a treatment process for the underground water source. [The existing treatment process does not include water softening.] Capital cost to develop the Branxholme plant would be of the order of $2.5 million +/- 50% and does not include pipe line cost to convey water to Branxholme.

**Likely Locations to Prospect for the Chatton Formation**

- There is an underground formation known as the East Southland group comprising the Gore Lignite measures and the Chatton Formation described as "a multi layered leaky ground water system with water bearing layers separated above and below by lignite seams or lower permeability sediments which probably has the best potential to act as an emergency water supply for Invercargill".

- The shallower and hence more accessible parts of the East Southland Group with the Chatton Formation at its base, are found at three main localities within pipeline reach of Invercargill:

    1. Awarua Plains-Greenhills (20 km south of Invercargill)
    2. Gorge Road Kapuka (30 km from Invercargill)
    3. Taramoa and Wallacetown (20 km northwest of Invercargill) – geological mapping indicates a potential site at the confluence of the Oreti and Makarewa Rivers

- In addition to those locations above, a site in the Myers reserve would be worth investigation as it is convenient from a water infrastructure perspective being immediately adjacent to the City's largest reservoir storage, the Waikiwi reservoir. Therefore there would not be the need for a long pipeline which may be required for the other locations to transport water either to the Invercargill distribution system or to the Branxholme Treatment Plant.

**Observations**

The cost of treatment is significant, especially if it is to be addressed by a stand alone treatment facility. A compromise (at a lower cost but at the expense of decreasing resilience, as all supplies would then be dependant on the common Branxholme trunk main system) may be to incorporate treatment at the existing Branxholme Plant. However, viability would be further influenced by where the source was developed, i.e. if the source was located in the Awarua plains south of the city, it would not be practical to pipe the water north past the city to Branxholme.

**Where to From Here?**

Proceed with the peer review process and confirm findings by report back to Council.

**TO:** **COMMITTEE OF COUNCIL**

**FROM:** **DAVE FOSTER, GROUP MANAGER OF FINANCE AND CORPORATE SERVICES**

**MEETING DATE:** **MONDAY 4 MAY 2020**

# RATES RISE FOR JULY 2020 TO JUNE 2021 FINANCIAL YEAR

## SUMMARY

The current Covid-19 and subsequent economic consequences is having an impact on all Councils' plans and on planning for future years. Staff have been reworking our Annual Plan and longer term models to be able to give some guidance for the Annual Plan currently being prepared.

Our modelling shows that a 2% rates rise is a practical compromise between the interest of having lower rates rises than were included in the LTP 2018 to 2028, and a need for Council to be able to respond to community recovery through maintaining a valuable capital work programme.

## RECOMMENDATIONS

**That the report "*Rates Rise for July 2020 to June 2021 Financial Year*" be received; and**

**That the rates rise for the year commencing 1 July 2020 be set at 2%; and**

**That the rates rise be applied evenly to all rates types, to ensure that individual ratepayers will have rates increases closely relating to the 2%; and**

**That actual striking of the rates will occur after adoption of the Annual Plan;**

**That Council notes that where a property has been improved or developed since 30 June 2019 different rates rises may occur.**

## IMPLICATIONS

| | |
|---|---|
| 1. | *Has this been provided for in the Long Term Plan/Annual Plan?* Yes |
| 2. | *Is a budget amendment required?* No |
| 3. | *Is this matter significant in terms of Council's Policy on Significance?* No |
| 4. | *Implications in terms of other Council Strategic Documents or Council Policy?* No |
| 5. | *Have the views of affected or interested persons been obtained and is any further public consultation required?* No |
| 6. | *Has the Child, Youth and Family Friendly Policy been considered?* N/A |

## REPORT

At the Committee of Council meeting of 28 April, staff gave an undertaking to bring a report to the 4 May 2020 Committee of Council meeting. Because of the public holiday in this

week, preparation time has been reduced. Therefore this paper is a little abbreviated, and further information will be presented to the meeting.

Staff have worked on our Annual Plan parameters during Alert level 4, and have considered economic analysis prepared by multiple advisory organisations.

Councillors will be aware that changes made during this financial year have seen a number of favourable changes to our forecasts including:

1. Lower interest costs due to lower interest rates and also a lower opening debt compared to our LTP;
2. Slightly higher interest revenue compared to our LTP assumptions;
3. Increased NZTA subsidies made available for footpath works;
4. Increased revenue for building activity.

Also there have been some increased costs;

1. Increased electricity charges;
2. Increased costs for waste;
3. Higher costs for contractors to cope with increased building activity.

Year 3 of the LTP was forecasting a 3.5% rates rise with the following 2 years being around 5%. Changes to Council's cost structure were seeing this become a proposal as high as 6%. This was causing some consternation prior to Covid lockdowns and a forecast economic downturn. Clearly increases at this level were seen to be untenable.

There has been some push from sector groups for lower rates rises and some for a zero rates rise. This has been considered. It is becoming increasingly clear that the economic downturn is going to be longer rather than shorter, and also that Central Government and Local Government will need to play a part in the economic recovery.

Council needs to be mindful of future consequences of its decisions and a zero rates rise has a significant long term implication. A zero rates rise compared to a 2% rates rise would mean that the debt level of Council in 10 years' time will be $12.5m higher, pushing the City very close to its debt limits. This means that $12.5m of reductions would need to be made to the capital work programme. A zero rates rise is considered to not be a sustainable position.

It is important when considering the rates rise to consider what will happen in future years. The Local Government Act states that one of the reasons for Financial policies and Long term plans is to create some predictability for the ratepayers. This has been a factor behind our recent emphasis of having more even rates rises rather than significant variations.

We have modelled multiple variables out for 10 years, and that includes a fuller capital work programme than in the 2018 LTP. All of the items have community awareness and include items that Council has been criticised for not progressing. The fuller list of capital will be contained in the Annual Plan and also in the subsequent LTP 2021 to 2031.

Council resolved not to consult on the Annual Plan on the basis matters are not materially different to year 3 of the LTP. Year 3 of the LTP was forecasting a 3.5% rates rise however the following items support that it would be prudent to go with a lower rise:

1. Interest rates are still going lower, and are predicted to stay lower for longer. This will reduce our cost of borrowing.
2. Inflation was assumed to be about 2.3% it is now expected to be close to 1% for the next year and then slowly rising but staying comfortably below 2%
3. Our current year operations are creating surpluses to help support a lower rates rise.

**TO:** **COMMITTEE OF COUNCIL**

**FROM:** **DAVE FOSTER – ACTING GROUP MANAGER FINANCE**

**DATE:** **MONDAY 4 MAY 2020**

# QUARTERLY FINANCIAL REPORT – 31 MARCH 2020

## SUMMARY

This report is to update the Council on the financial performance and position for the third quarter ended 31 March 2020 and the year-end forecast to 30 June 2020.

## RECOMMENDATIONS

**That the report be received**

## IMPLICATIONS

| | |
|---|---|
| 1. | *Has this been provided for in the Long Term Plan/Annual Plan?*<br>No |
| 2. | *Is a budget amendment required?*<br>No |
| 3. | *Is this matter significant in terms of Council's Policy on Significance?*<br>No |
| 4. | *Implications in terms of other Council Strategic Documents or Council Policy?*<br>No |
| 5. | *Have the views of affected or interested persons been obtained and is any further public consultation required?*<br>Not required |
| 6. | *Has the Child, Youth and Family Friendly Policy been considered?*<br>N/A |

## REPORT

Presented is the Council's quarterly performance report for the 3rd quarter ended 31 March 2020, including a forecast for the year ended 30 June 2020.

The quarter reporting format include the following content:

- Commentary
- Total Council Financial Snapshot
- Performance Summary
  - Key Indicator Graphs
  - Consolidated Financial Performance
  - Net operating surplus by activity group
  - Capital expenditure by activity group

- Treasury Report
- Statement of Comprehensive Revenue & Expenses
- Statement of Cash Flows
- Statement of Financial Position
- Detailed performance by activity group
- Schedule of Forecast Changes

Appendix

1. Key capital projects over $250,000 summary.
2. Funding Impact Statements
3. Detailed Key Performance Indicators
4. Bancorp Treasury Report
    a. Market Environment
    b. Current Position
    c. Policy Compliance Report
5. Operating forecast assumptions at Alert level 2-4 for each activity of Council

# QUARTERLY FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2020

## Year to date performance

***Impacts from the arrival of Covid-19 and the alert level system started to show mid to late March and escalated very quickly. This however has not impacted on the third quarter result too much as most of the quarter had already been completed.***

***At the end of the third financial quarter ending 31 March 2020, Council is showing an $11.8m net operating surplus on the Statement of Comprehensive Revenue and Expenses for the year, lower than the forecasted surplus of $12.6m by $0.8m.***

- Total revenue for the year to date is $1.6m higher than forecast. This increased revenue is primarily due to the following:
  - $2.2m higher fees received including above normal levels of consent lodgements received for the year and higher volumes of refuse waste received during February.
  - $0.2m lower NZTA capital subsidies received by Roading. This reflects the restricted capital works able to be carried out on street lights upgrade and road pavement renewals due contractor's availability.

- Operating expenses, being total expenses less depreciation, is $2.4m higher than forecast at the end of the third quarter. This is comprised of a number of variations including:
  - Lower employee expenses which reflects vacancies that are currently unfilled.
  - Higher levels of contractors and consultants used to perform work requests. This includes in the Building Services areas to meet the volume of consents demand and tax advisory services.
  - Higher levels of maintenance carried out during the summer season. This will lower over the next quarter as winter conditions arrive and restricts the work which can be carried out.

- Other gains/ (losses) includes the gains on sale of various assets including disposal of some Investment property land.

## Year-end forecast

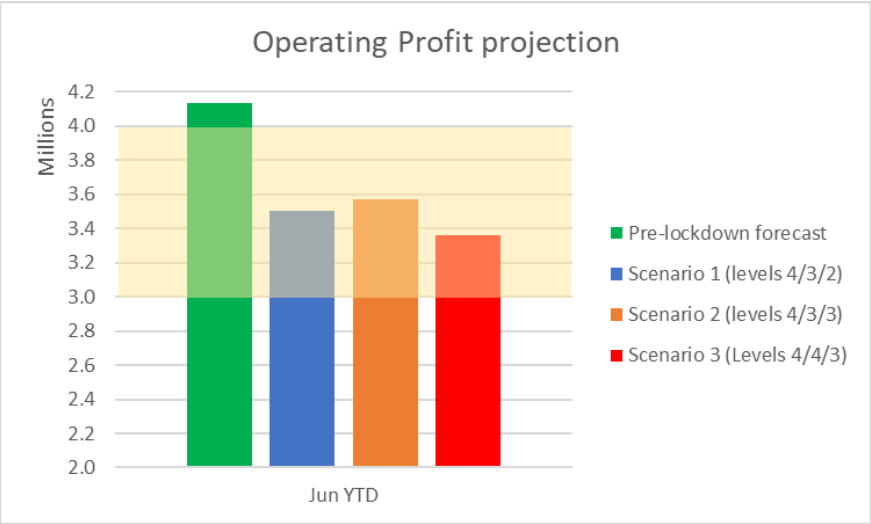
***The Covid-19 situation has introduced a number of new variables which will affect both the operational and cash flow positions of the Council.***

***The year-end forecast net operating performance on the Statement of Comprehensive Revenue and Expenses reflects a "Pre-lockdown" forecast which remains better than the Annual Plan by $4.3m to show a $4.1m surplus***

- Some of the significant forecast changes from last quarter's forecast includes:
  - $1.0m dividend revenue received from the Civic Financial Services in Q1.
  - $2.2m subvention revenue received from ICC group companies.
  - $0.6m less employee expenses to reflect vacancies that are currently unfilled during quarter 3 & 4.
  - $0.8m more contracting expenses to fill the additional resources required to meet the demands for building services. This has been offset by additional fee revenue.

*Further details of Pre-lockdown forecast changes can be found in the "Schedule of forecast changes" section*

**The Covid-19 situation is expected to reduce the Pre-lockdown net operating surplus forecast, down to a surplus range of $3m to $4m (a decrease of $0.1m to $1.1m). This is based on a number of alert level scenarios from a longer period at Level 4 to quickly stepping down the levels.**




- Some key impacted areas include:
  - Reduced direct charges revenue from:
    - Roading (lower NZTA subsidies received due to less roadwork underway)
    - Water (lower water meter-reading charges)
    - Building and Planning (fewer consents being applied for)
    - Parking (fewer users of public car parks)
    - Forestry (harvesting stopped at level 4)
    - Transport (reduced public transport passengers)
    - Theatre (no shows being held).
    - Pools (fewer or no admissions)

  - Rates revenue will no change however outstanding rates receivables on the year-end balance sheet is expected to increase with some ratepayer's financial situation expected to worsen.

  - Expenditure is also expected to decrease but is dependent on a number of factors, including:
    - The length of time spend at each alert level
    - The level of service Council's activities can operate at each alert level
    - The level of service third party contractors and suppliers used by Council can operate at each alert level

*Further details of the impacts on Council Activities can be found in the "Operating forecast assumptions at Alert level 2-4 for each activity of Council" Appendix section*

***The Statement of Cashflows shows the year end capital expenditure and borrowing required to fund it, and also the sale or acquisition of investments.***

- The capital expenditure forecast has further reduced from quarter two by an extra $9.8m and now shows a projection of $20.0m compared to the Annual Plan of $39.2m. Half of the $9.8m reduction in capital works has been forecast to the 2020/21 year due to delays cause by the Covid-19 lockdown on underway projects. The rest is expected to be absorbed into existing programmes for future years. These figures are dependent of when external contractors are available to work again and weather conditions.

- Investment movements are forecast to have a net purchase of $49.9m, compared to the planned net sale of $11.2m. The change of $61.1m reflects three factors:
  - Council redistributed investment funds across our banking partners in line with the Council's Finance Strategy at the end of the 2018/19 financial year. Some of these funds were not reinvested until this year and therefore are reflected in the decrease in the Cash and cash equivalents balance.
  - The reduction of the capital expenditure forecast which is to be accomplished by the end of this financial year.
  - Investment of $25m into the CBD development.

- Borrowing movements are forecast to increase with a drawdown of $25m to fund the contributions to the CBD development investment.

*Further details of forecast changes can be found in the "Schedule of forecast changes" and "Capital expenditures by activity" sections within the quarterly report.*

## INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
## TOTAL COUNCIL FINANCIAL SNAPSHOT

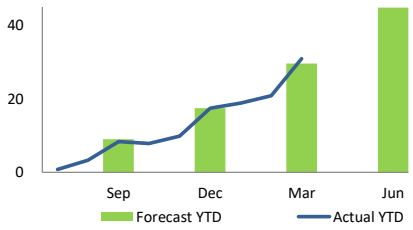
**NON-RATES REVENUE ($Millions)**
*Fees and charges, grants, interest and dividends.*

**$30.9m**

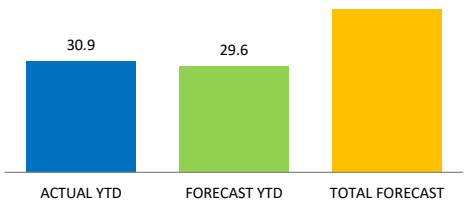
**$1.4m favourable YTD**

Full year forecast of $46.6m

**NON-RATES REVENUE ($Millions)**
*Fees and charges, grants, interest and dividends.*




**NON-RATES REVENUE ($Millions)**
*Fees and charges, grants, interest and dividends.*



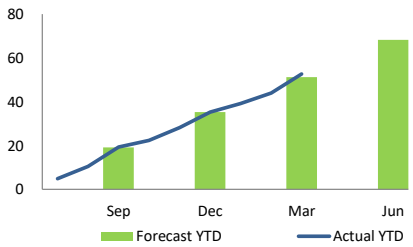

**OPERATING EXPENDITURE**
*Cost to deliver existing levels of service.*

**$53.7m**

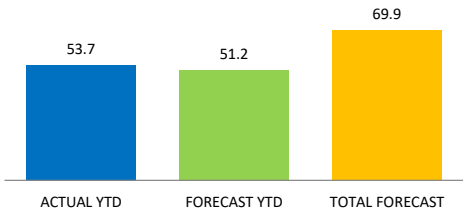
**$2.4m unfavourable YTD**

Full year forecast of $69.9m

**OPERATING EXPENDITURE ($Millions)**
*Cost to deliver existing levels of service.*




**OPERATING EXPENDITURE ($Millions)**
*Cost to deliver existing levels of service.*



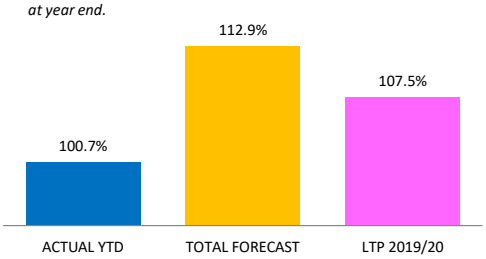

**NET DEBT**
*Total debt less total investments.*

**$26.4m**

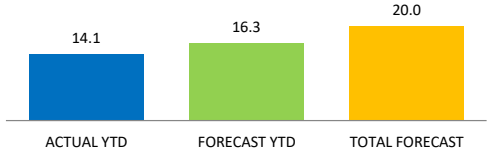
**$18.2m favourable to LTP year end**

LTP year end of $44.6m

**DEBT/REVENUE RATIO**
*Council's External Debt/Operating Revenue and Rates at year end.*



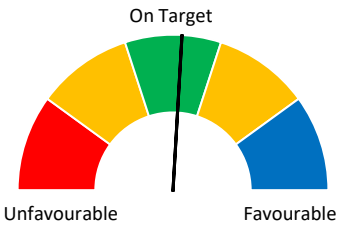

**CAPITAL EXPENDITURE ($Millions)**
*To provide new and replacement assets.*



# INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
# PERFORMANCE SUMMARY

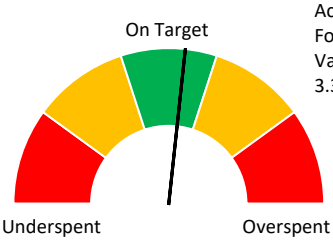
## Financial performance YTD ($000)

### Income



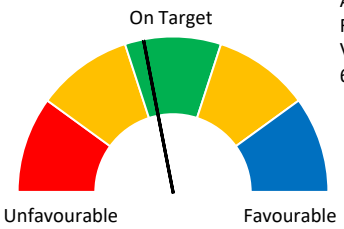

Actual: $ 86,378
Forecast: $ 84,824
Variance: $ 1,554
or 1.8% favourable

### Expenditure



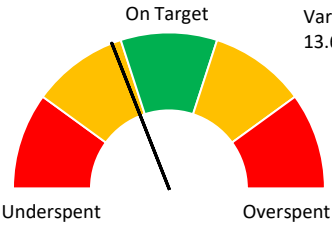

Actual: $ 74,587
Forecast: $ 72,213
Variance: $ 2,374 or
3.3% overspent

### Net operating surplus



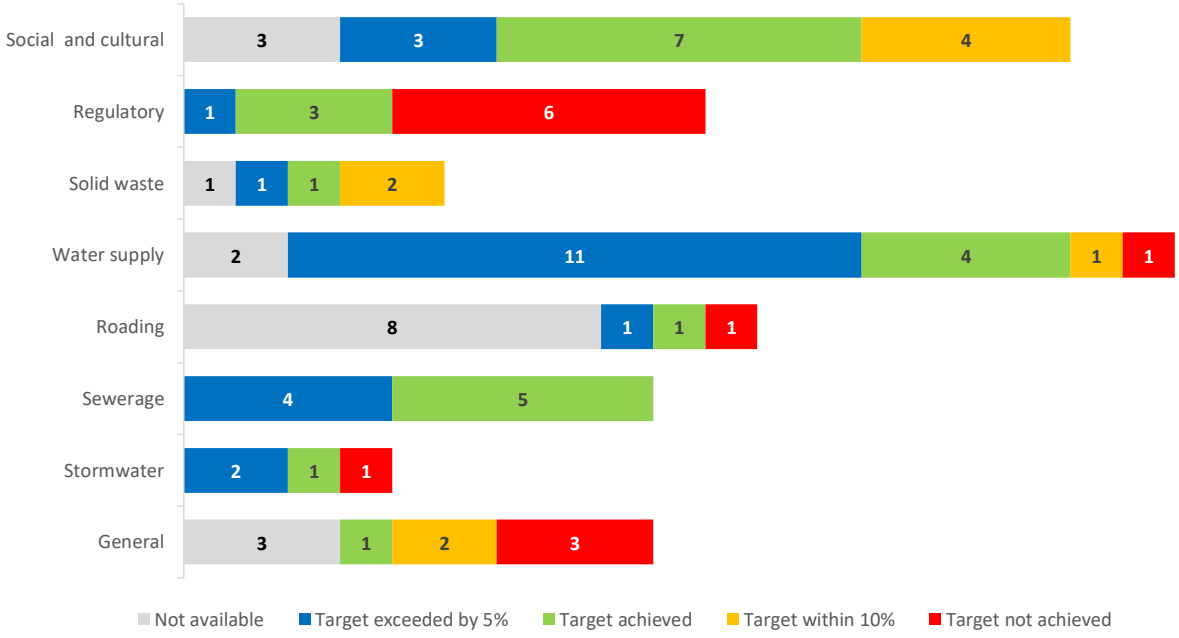

Actual: $ 11,791
Forecast: $ 12,611
Variance: $ 820 or
6.5% favourable

### Capital expenditure




Actual: $ 14,097
Forecast: $ 16,307
Variance: $ 2,210 or
13.6% underspent

## Non-financial performance



# INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
# PERFORMANCE SUMMARY

## Consolidated financial performance

| | Actual YTD ($000) | Forecast YTD ($000) | Variance ($000) | | Full year forecast ($000) | Long-term plan ($000) |
|---|---|---|---|---|---|---|
| Rates and penalties | 55,460 | 55,267 | 193 | | 55,372 | 55,372 |
| Income from activities | 24,046 | 22,275 | 1,771 | | 33,126 | 33,612 |
| Rental revenue | 2,156 | 2,231 | (75) | | 2,983 | 2,966 |
| Investment revenue | 4,716 | 5,051 | (335) | | 10,526 | 7,411 |
| **Total income** | **86,378** | **84,824** | **1,554** | | **102,007** | **99,361** |
| Employee expenses | 18,234 | 18,694 | (460) | | 24,596 | 25,429 |
| Other operating expenses | 33,571 | 30,652 | 2,919 | | 42,702 | 42,808 |
| Finance expenses | 1,856 | 1,901 | (45) | | 2,624 | 3,260 |
| Depreciation and amortisation | 20,926 | 20,966 | (40) | | 27,954 | 28,053 |
| **Total expenditure** | **74,587** | **72,213** | **2,374** | | **97,876** | **99,550** |
| **Net operating surplus / (deficit)** | **11,791** | **12,611** | **(820)** | | **4,131** | **(189)** |

## Net operating surplus by activity group

| Activity group | Actual YTD ($000) | Forecast YTD ($000) | Variance ($000) | | Full year forecast ($000) | Long-term plan ($000) |
|---|---|---|---|---|---|---|
| Roading | 3,566 | 3,609 | (43) | | 2,264 | 2,194 |
| Sewerage | 1,162 | 1,021 | 141 | | (342) | 116 |
| Solid waste | 1,626 | 1,331 | 295 | | 332 | 71 |
| Stormwater | 256 | 242 | 14 | | (979) | (653) |
| Water supply | 2,258 | 2,748 | (490) | | 931 | 832 |
| Regulatory | 2,677 | 2,168 | 509 | | 1,966 | 1,914 |
| Social and cultural | 3,970 | 4,989 | (1,019) | | 2,438 | 2,242 |
| General | (3,724) | (3,497) | (227) | | (2,479) | (6,905) |
| **Council** | **11,791** | **12,611** | **(820)** | | **4,131** | **(189)** |

Positive or nil variance  5% or lower negative variance  greater than 5% negative variance

# INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
# PERFORMANCE SUMMARY

## Capital expenditure by activity group

| Activity group | Actual YTD ($000) | Forecast YTD ($000) | Variance ($000) | Percentage of full year spent | Full year forecast ($000) | Long-term plan ($000) |
|---|---|---|---|---|---|---|
| Roading | 6,470 | 6,029 | 441 | 92% | 7,032 | 10,923 |
| Sewerage | 875 | 1,306 | (431) | 47% | 1,869 | 2,311 |
| Solid waste | 59 | 0 | 59 | 98% | 60 | 0 |
| Stormwater | 1,607 | 1,343 | 264 | 117% | 1,374 | 2,833 |
| Water supply | 1,920 | 2,371 | (451) | 83% | 2,311 | 7,630 |
| Regulatory | 5 | 15 | (10) | 16% | 32 | 298 |
| Social and cultural | 2,567 | 4,092 | (1,525) | 53% | 4,861 | 7,189 |
| General | 594 | 1,151 | (557) | 24% | 2,462 | 8,056 |
| **Council** | **14,097** | **16,307** | **(2,210)** | **70%** | **20,001** | **39,240** |

Less than 45% of total year's budget is spent

45% to 75% of total year's budget is spent

More than 75% of total year's budget is spent

The full year forecast capital expenditure position includes the following reprogramming of capital expenditure:

- $3.2m Branxholme water pipeline renewals deferred to 2020/21
- $1.4m Conversion of Don Street between Dee and Kelvin Street to two lanes and introduction of a right hand turn into Esk Street's one lane system deferred start in Q4 2019/20 and into 2020/21.
- $1.2m Civic Theatre interior renewal deferred to a future year
- $0.7m Sewerage pipe network renewals deferred to future years
- $0.5m Stormwater pipe network renewals deferred to future years
- $1.7m Anderson House strenghtening deferred until a decision is made on future use (2020/21)
- $0.8m capital fitout for museum presence on Corner of Kelvin & Don Street
- $1.6m lower capital work expected on 20 Don Street

The current capital programme has also been impacted from the Covid-19 virus and lockdown situation.
Under alert level 3, Council will work with it's contractors to recommence the programme as long as it is safe to do so.

A list of the key capital projects over $250,000 can be found in Appendix 1

# INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
# TREASURY REPORT

## Debt

### Statement of borrowings

| | Actual YTD 31 Mar 2020 ($000) | Forecast to 30 Jun 2020 ($000) |
|---|---|---|
| Borrowings at the start of the year | 90,205 | 90,205 |
| New loans raised | 12,500 | 25,000 |
| Loan repayments | (5) | 0 |
| **Borrowings at the end of the period** | **102,700** | **115,205** |

### Borrowing facility

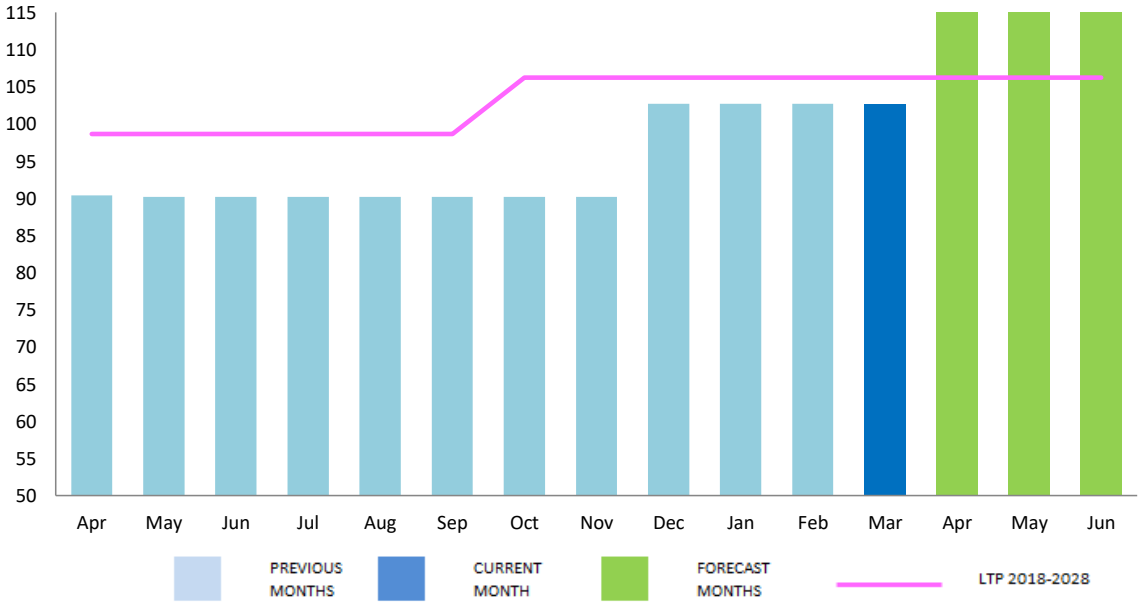
*Invercargill City Council funding lines consist of:*

| | | |
|---|---|---|
| Bank of New Zealand* | 10,000 | 10,000 |
| LGFA | 40,000 | 40,000 |
| LGFA - On lent to ICHL | 15,000 | 15,000 |
| LGFA - CBD development | 12,500 | 25,000 |
| ANZ Issued Bond | 20,000 | 20,000 |
| ANZ Issued Bond - On lent to ICHL | 15,000 | 15,000 |
| **Total borrowing facility** | **112,500** | **125,000** |
| **Facility headroom at the end of the period** | **9,800** | **9,795** |

*The BNZ loan facility was renewed in November 2018 for a further two years

### BORROWINGS ($Millions)

*12 Month trend of external debt levels and 3 month forecast compared to closing LTP*




Borrowings will be higher than planned in the Long-term Plan 2018-2028 due to investment into shares of Invercargill Central Limited for the CBD development ($25m).

# INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
# TREASURY REPORT

## Investments

| Investment | Amount ($000) | Interest Rate | Date Invested | Maturity Date |
|---|---|---|---|---|
| SBS 2 | 3,959 | 2.91% | 29 Oct 2019 | 29 Apr 2020 |
| SBS 3 | 3,968 | 2.87% | 28 Nov 2019 | 29 May 2020 |
| SBS 4 | 3,987 | 2.82% | 30 Dec 2019 | 29 Jun 2020 |
| BNZ Term Deposit #1 | 3,985 | 2.80% | 31 Jan 2020 | 29 Jul 2020 |
| BNZ Term Deposit #2 | 3,976 | 2.70% | 28 Feb 2020 | 28 Aug 2020 |
| BNZ Term Deposit #3 | 3,999 | 2.41% | 26 Mar 2020 | 28 Sep 2020 |
| Westpac | 11,764 | 2.75% | 06 Sep 2019 | 30 Jun 2020 |
| Invercargill City Properties Limited | 3,200 | 5.00% | 01 Jul 2019 | 30 Jun 2020 |
| SBS - Staff Welfare Fund | 118 | 2.70% | 30 Dec 2019 | 29 Jun 2020 |
| Invercargill City Holdings Limited - Fixed | 15,000 | 3.66% | 08 Apr 2016 | 08 Apr 2021 |
| Invercargill City Holdings Limited - Floating | 15,000 | 1.89% | 09 Dec 2019 | 09 Jun 2020 |
| CBD development | 13,600 | | | |
| Shares | 1,377 | | | |
| Miscellaneous | 316 | | | |
| Investments under Cash & cash equivalents | (7,927) | | | |
| **Total** | **76,323** | | | |

## Treasury Policy Compliance

| Investment | Policy Limit (%) | Actual | | Compliant |
|---|---|---|---|---|
| Fixed Interest | | Minimum (%) | Maximum (%) | |
| 0 - 2 Years | 50 - 100 | 41% | 48% | Yes |
| 2 - 5 Years | 30 - 80 | 12% | 41% | Yes |
| 5 - 10 Years | 0 - 60 | 0% | 12% | Yes |

This is using the Council's current debt of $60.3

## INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

| | YTD Actual Mar 2020 ($000) | YTD Forecast Mar 2020 ($000) | Full Year Forecast 2020 ($000) | Annual Plan 2020 ($000) |
|---|---|---|---|---|
| **REVENUE** | | | | |
| Rates and penalties | 55,460 | 55,267 | 55,372 | 55,372 |
| Fines | 198 | 376 | 497 | 497 |
| Subsidies and grants | 6,679 | 6,889 | 9,126 | 9,126 |
| Direct charges revenue | 17,169 | 15,010 | 23,503 | 22,171 |
| Other revenue | 0 | 0 | 0 | 1,818 |
| Rental revenue | 2,156 | 2,231 | 2,983 | 2,966 |
| Finance revenue | 1,492 | 1,827 | 2,452 | 2,561 |
| Dividends & subvention revenue | 3,224 | 3,224 | 8,074 | 4,850 |
| **Total revenue** | **86,378** | **84,824** | **102,007** | **99,361** |
| **EXPENSES** | | | | |
| Employee expenses | 18,234 | 18,694 | 24,596 | 25,429 |
| Other operating expenses | 33,571 | 30,652 | 42,702 | 42,808 |
| Finance expenses | 1,856 | 1,901 | 2,624 | 3,260 |
| Depreciation and amortisation | 20,926 | 20,966 | 27,954 | 28,053 |
| **Total expenses** | **74,587** | **72,213** | **97,876** | **99,550** |
| **Net operating surplus (deficit)** | **11,791** | **12,611** | **4,131** | **(189)** |
| Other gains/(losses) | 433 | 0 | 943 | 943 |
| **Surplus / (deficit) before tax** | **12,224** | **12,611** | **5,074** | **754** |
| Income tax expense | 0 | 0 | 0 | 0 |
| **Surplus (deficit) after tax** | **12,224** | **12,611** | **5,074** | **754** |
| **OTHER COMPREHENSIVE REVENUE AND EXPENSE** | | | | |
| Property, plant and equipment revaluation gain (loss) | 0 | 0 | 0 | 0 |
| Carbon credit revaluation gains/(losses) | 0 | 0 | 0 | 0 |
| Cash flow hedges | 0 | 0 | 0 | 0 |
| **Total other comprehensive revenue and expense** | **0** | **0** | **0** | **0** |
| **TOTAL COMPREHENSIVE REVENUE AND EXPENSE** | **12,224** | **12,611** | **5,074** | **754** |

## INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020

## STATEMENT OF CASHFLOWS

| | YTD Actual Mar 2020 ($000) | Full Year Forecast 2020 ($000) | Annual Plan 2020 ($000) |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Net surplus from operations | 11,791 | 4,131 | (189) |
| Reverse depreciation and non cash provisions | 20,926 | 27,954 | 28,012 |
| Change in current assets | (15,178) | 37 | - |
| Change in current liabilities | 1,246 | 0 | - |
| **Net cash flows from operating activities** | **18,785** | **32,122** | **27,823** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Proceeds from sale of property, plant and equipment | 1,257 | 221 | 251 |
| Proceeds from sale of investments | 0 | 8,361 | 16,800 |
| Purchase of property, plant and equipment | (14,097) | (18,127) | (36,364) |
| Purchase of biological assets | - | - | - |
| Purchase of intangible assets | 0 | (675) | (1,075) |
| Purchase of investment property | 0 | (1,200) | (1,800) |
| Purchase of investments | (29,990) | (58,234) | (5,621) |
| **Net cash flows from investing activities** | **(42,830)** | **(69,654)** | **(27,809)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from borrowings | 12,500 | 25,000 | 0 |
| Repayment of borrowings | 0 | 0 | 0 |
| **Net cash flows from financing activities** | **12,500** | **25,000** | **0** |
| **Net (decrease) increase in cash and cash equivalents** | **(11,545)** | **(12,532)** | **14** |
| Cash and cash equivalents at the beginning of the year | 27,270 | 27,270 | 1,679 |
| **Cash and cash equivalents at the end of the year** | **15,725** | **14,738** | **1,693** |

## INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020

## STATEMENT OF FINANCIAL POSITION

| | YTD Actual Mar 2020 ($000) | Full Year Forecast 2020 ($000) | Annual Report 2019 ($000) |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | 15,725 | 14,738 | 27,270 |
| Trade and other receivables | 24,587 | 9,372 | 9,409 |
| Inventories | 1,681 | 1,681 | 1,681 |
| Property, plant and equipment | 854,778 | 851,792 | 861,747 |
| Intangible assets | 951 | 1,591 | 1,010 |
| Biological assets | 3,156 | 3,237 | 3,156 |
| Investment property | 35,660 | 38,347 | 36,285 |
| Investment in CCOs and similar entities | 36,069 | 36,069 | 36,069 |
| Other financial assets - other investments | 76,323 | 96,213 | 46,338 |
| **TOTAL ASSETS** | **1,048,930** | **1,053,040** | **1,022,965** |
| **LIABILITIES** | | | |
| Trade and other payables | 13,202 | 11,956 | 11,956 |
| Provisions | 928 | 928 | 928 |
| Employee benefit liabilities | 3,252 | 3,252 | 3,252 |
| Borrowings | 102,700 | 115,205 | 90,205 |
| Derivative financial instruments | 2,460 | 2,460 | 2,460 |
| **Total liabilities** | **122,542** | **133,801** | **108,801** |
| **TOTAL EQUITY** | | | |
| Retained earnings | 387,433 | 368,197 | 375,856 |
| Restricted reserves | 40,752 | 52,839 | 40,105 |
| Hedging reserves | (2,460) | (2,460) | (2,460) |
| Carbon credit revaluation reserves | 527 | 527 | 527 |
| Asset revaluation reserves | 500,136 | 500,136 | 500,136 |
| **Total equity** | **926,388** | **919,239** | **914,164** |
| **TOTAL LIABILITIES AND EQUITY** | **1,048,930** | **1,053,040** | **1,022,965** |

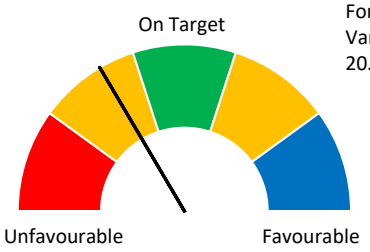
# INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
# PERFORMANCE BY ACTIVITY

## Social and cultural

### Financial performance YTD ($000)

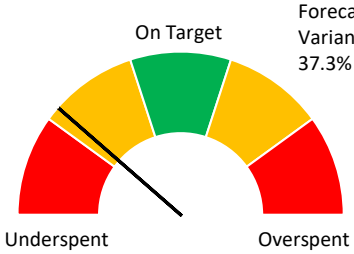
#### Net operating surplus

Actual: $ 3,970
Forecast: $ 4,989
Variance: $ 1,019 or 20.4% unfavourable




#### Capital expenditure

Actual: $ 2,567
Forecast: $ 4,092
Variance: $ 1,525 or 37.3% underspent




| | Actual YTD ($000) | Forecast YTD ($000) | Variance ($000) | | Full year forecast ($000) | Long-term plan ($000) |
|---|---|---|---|---|---|---|
| Rates and penalties | 15,259 | 15,239 | 20 | | 15,239 | 15,239 |
| Income from activities | 5,417 | 5,261 | 156 | | 8,319 | 9,028 |
| Rental revenue | 1,001 | 984 | 17 | | 1,321 | 1,321 |
| Investment revenue | 194 | 193 | 1 | | 257 | 264 |
| **Total revenue** | **21,871** | **21,677** | **194** | | **25,136** | **25,852** |
| Employee expenses | 6,861 | 6,743 | 118 | | 8,801 | 8,781 |
| Other operating expenses | 7,566 | 6,460 | 1,106 | | 9,251 | 9,852 |
| Finance expenses | 140 | 138 | 2 | | 184 | 251 |
| Depreciation and amortisation | 3,334 | 3,347 | (13) | | 4,462 | 4,726 |
| **Total expenditure** | **17,901** | **16,688** | **1,213** | | **22,698** | **23,610** |
| **Net operating surplus / (deficit)** | **3,970** | **4,989** | **(1,019)** | | **2,438** | **2,242** |

Positive or nil variance | 5% or lower negative variance | greater than 5% negative variance

| Net operating surplus by activity | Actual YTD ($000) | Forecast YTD ($000) | Variance ($000) | | Full year forecast ($000) | Long-term plan ($000) |
|---|---|---|---|---|---|---|
| Cemeteries | 427 | 330 | 97 | | 355 | 354 |
| Housing care services | (294) | (385) | 91 | | (432) | (641) |
| Libraries and archives | 1,305 | 1,381 | (76) | | 463 | 327 |
| Museum | 242 | 369 | (127) | | 450 | 412 |
| Parks | 1,383 | 2,224 | (841) | | 1,563 | 1,566 |
| Passenger transport | 427 | 381 | 46 | | 237 | 219 |
| Pools | 254 | 445 | (191) | | (218) | (15) |
| Regional heritage | 227 | 246 | (19) | | 20 | 21 |
| Support services | 0 | 0 | 0 | | 0 | 0 |
| **Social and cultural** | **3,971** | **4,991** | **(1,020)** | | **2,438** | **2,243** |

# INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
# PERFORMANCE BY ACTIVITY

**Commentary:** Total revenue is ahead of forecast YTD by $194 but other operating expenditure is also ahead of forecast by $1,106 so the net surplus YTD is $1,019 below forecast. The Cemeteries and Housing care activities are showing combined net surpluses YTD of $188 whereas Parks activities is showing a net deficit of $841 (a 37.8% variance from forecast).

## Non-financial performance

**Commentary:** Three of the seventeen KPIs measured against target were exceeded, seven were met, four were substantially met (within 10%) this year to date and the remaining three KPIs did not have the data available to report on. The table below outlines only KPIs with an unfavourable variance of 10% or more, or those KPIs where the data is unavailable. The full list of KPIs are included as an appendix.

| Measure | Actual | Target | Variance | Explanation |
|---|---|---|---|---|
| % of passengers satisfied with the level of fares | N/A | 82% | N/A | |
| % of passengers satisfied that the fare system is easy to understand | N/A | 82% | N/A | |
| Increasing use of targeted reserves as measured by visitor counters at access points | N/A | ↑ | N/A | Data unable to be acquired due to Covid 19 lockdown |

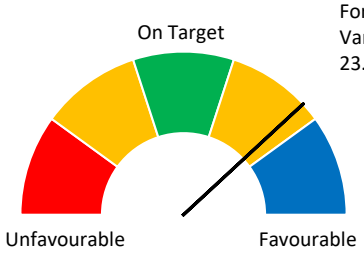
# INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
# PERFORMANCE BY ACTIVITY

## Regulatory

### Financial performance YTD ($000)

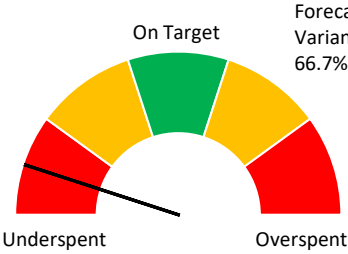
#### Net operating surplus

Actual: $ 2,677
Forecast: $ 2,168
Variance: $ 509 or 23.5% favourable




#### Capital expenditure

Actual: $ 5
Forecast: $ 15
Variance: $ 10 or 66.7% underspent




| | Actual YTD ($000) | Forecast YTD ($000) | Variance ($000) | | Full year forecast ($000) | Long-term plan ($000) |
|---|---|---|---|---|---|---|
| Rates and penalties | 3,831 | 3,819 | 12 | | 3,819 | 3,819 |
| Income from activities | 4,616 | 4,019 | 597 | | 5,431 | 4,631 |
| Rental revenue | 0 | 0 | 0 | | 0 | 0 |
| Investment revenue | 11 | 7 | 4 | | 9 | 9 |
| **Total revenue** | **8,458** | **7,845** | **613** | | **9,259** | **8,459** |
| Employee expenses | 3,052 | 3,203 | (151) | | 4,196 | 4,566 |
| Other operating expenses | 2,671 | 2,412 | 259 | | 3,015 | 1,822 |
| Finance expenses | (4) | 0 | (4) | | 0 | 2 |
| Depreciation and amortisation | 62 | 62 | 0 | | 82 | 155 |
| **Total expenditure** | **5,781** | **5,677** | **104** | | **7,293** | **6,545** |
| **Net operating surplus / (deficit)** | **2,677** | **2,168** | **509** | | **1,966** | **1,914** |

**Commentary:** Regulatory has a net surplus YTD variance of $509 which is due to more income from building consents than forecasted.

# INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
# PERFORMANCE BY ACTIVITY

## Non-financial performance

**Commentary:** One of the ten KPIs measured against target was exceeded by 5% or more, three were met and six KPIs had unfavourable variances of more than 10%. The table below outlines only KPIs with an unfavourable variance of 10% or more, or those KPIs where the data is unavailable. The full list of KPIs are included as an appendix.

| Measure | Actual | Target | Variance | Explanation |
|---|---|---|---|---|
| Building consents are issued within 20 working days | 59% | 100% | (41%) | |
| % of LIM applications lodged electronically | 55% | 80% | (25%) | This measure's target is at the end of a 3 year period. The actual measurement is in year 2. |
| % of resource consent applications lodged electronically | 24% | 80% | (56%) | This measure's target is at the end of a 3 year period. The actual measurement is in year 2. |
| % of dog registrations lodged electronically | 23% | 80% | (57%) | This measure's target is at the end of a 3 year period. The actual measurement is in year 2. |
| Earthquake-prone buildings incentives are developed and implemented | No | Yes | (100%) | |
| Plans and bylaws are reviewed in line with the timetable included in the Regulatory Services Activity Management Plan | No | Yes | (100%) | |

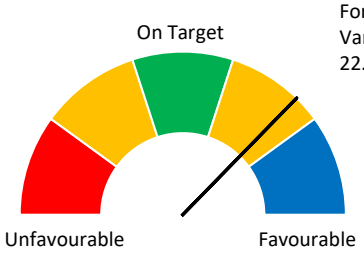
# INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
# PERFORMANCE BY ACTIVITY

## Solid waste

### Financial performance YTD ($000)

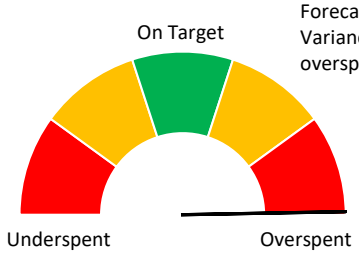
#### Net operating surplus

Actual: $ 1,626
Forecast: $ 1,331
Variance: $ 295 or 22.2% favourable




#### Capital expenditure

Actual: $ 59
Forecast: $ Nil
Variance: $ 59 overspent




| | Actual YTD ($000) | Forecast YTD ($000) | Variance ($000) | | Full year forecast ($000) | Long-term plan ($000) |
|---|---|---|---|---|---|---|
| Rates and penalties | 4,476 | 4,479 | (3) | | 4,479 | 4,479 |
| Income from activities | 3,416 | 1,879 | 1,537 | | 4,315 | 4,315 |
| Rental revenue | 16 | 0 | 16 | | 0 | 0 |
| Investment revenue | 24 | 17 | 7 | | 38 | 45 |
| **Total revenue** | **7,932** | **6,375** | **1,557** | | **8,832** | **8,839** |
| Employee expenses | 0 | 0 | 0 | | 0 | 0 |
| Other operating expenses | 6,217 | 4,957 | 1,260 | | 8,384 | 8,384 |
| Finance expenses | 5 | 4 | 1 | | 5 | 0 |
| Depreciation and amortisation | 84 | 83 | 1 | | 111 | 384 |
| **Total expenditure** | **6,306** | **5,044** | **1,262** | | **8,500** | **8,768** |
| **Net operating surplus / (deficit)** | **1,626** | **1,331** | **295** | | **332** | **71** |

**Commentary:** Solid waste's net surplus YTD variance is $295 ahead of forecast which is a variance of 22.2%. The capital overspend is the final costs of the weigh bridge repairs started in 2018/19.

### Non-financial performance

**Commentary:** One of the five KPIs measured against target was met, two were substantially met (within 10%) and one had an unfavourable variance of more than 10% this year to date. The table below outlines only KPIs with an unfavourable variance of 10% or more, or those KPIs where the data is unavailable. The full list of KPIs are included as an appendix.

| Measure | Actual | Target | Variance | Explanation |
|---|---|---|---|---|
| Regional discarded materials rate per person per annum (kgs) | N/A | 488 | N/A | |

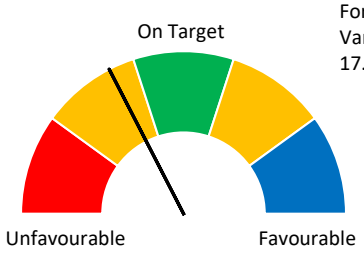
# INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
# PERFORMANCE BY ACTIVITY

## Water supply

### Financial performance YTD ($000)

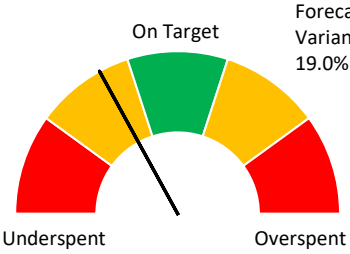
#### Net operating surplus

Actual: $ 2,258
Forecast: $ 2,748
Variance: $ 490 or
17.8% unfavourable




#### Capital expenditure

Actual: $ 1,920
Forecast: $ 2,371
Variance: $ 451 or
19.0% overspent




| | Actual YTD ($000) | Forecast YTD ($000) | Variance ($000) | | Full year forecast ($000) | Long-term plan ($000) |
|---|---|---|---|---|---|---|
| Rates and penalties | 7,982 | 7,960 | 22 | | 7,960 | 7,960 |
| Income from activities | 1,126 | 1,099 | 27 | | 1,466 | 1,466 |
| Rental revenue | 0 | 0 | 0 | | 0 | 0 |
| Investment revenue | 29 | 29 | 0 | | 38 | 0 |
| **Total revenue** | **9,137** | **9,088** | **49** | | **9,464** | **9,426** |
| Employee expenses | 0 | 0 | 0 | | 0 | 0 |
| Other operating expenses | 3,547 | 3,000 | 547 | | 4,080 | 4,108 |
| Finance expenses | 303 | 311 | (8) | | 415 | 479 |
| Depreciation and amortisation | 3,029 | 3,029 | 0 | | 4,038 | 4,007 |
| **Total expenditure** | **6,879** | **6,340** | **539** | | **8,533** | **8,594** |
| **Net operating surplus / (deficit)** | **2,258** | **2,748** | **(490)** | | **931** | **832** |

**Commentary:** Water supply has a YTD net surplus variance of ($490), largely due to increased contractor costs in the first quarter ($755 more than forecast). Revenue from water consumption charges is also $27 less than expected at YTD.

### Non-financial performance

**Commentary:** Eleven of the nineteen KPIs measured against target were exceeded by 5%, four were met, one was substantially met and one had an unfavourable variance of more than 10%. The remaining two KPIs did not have the data available to report on. The table below outlines only KPIs with an unfavourable variance of 10% or more, or those KPIs where the data is unavailable. The full list of KPIs are included as an appendix.

| Measure | Actual | Target | Variance | Explanation |
|---|---|---|---|---|
| % of real water loss from the networked reticulation system | N/A | 30% | N/A | |
| The Bluff water supply is safe to drink as measured by the Ministry of Health grades | Ab | Aa | (100%) | |
| % of hydrants tested that exceed a flow rate of 12.5 litres per second | N/A | 97.5% | N/A | |

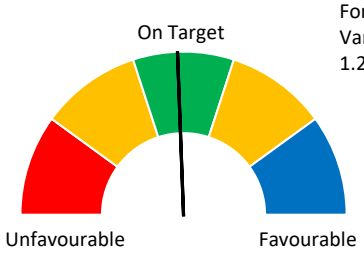
# INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
# PERFORMANCE BY ACTIVITY

## Roading

### Financial performance YTD ($000)

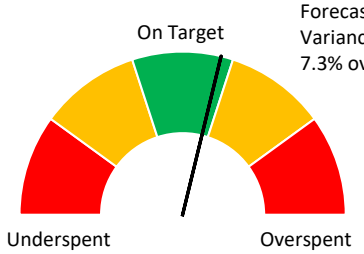
#### Net operating surplus

Actual: $ 3,566
Forecast: $ 3,609
Variance: $ 43 or
1.2% unfavourable




#### Capital expenditure

Actual: $ 6,470
Forecast: $ 6,029
Variance: $ 441 or
7.3% overspent




| | Actual YTD ($000) | Forecast YTD ($000) | Variance ($000) | | Full year forecast ($000) | Long-term plan ($000) |
|---|---|---|---|---|---|---|
| Rates and penalties | 8,123 | 8,101 | 22 | | 8,101 | 8,101 |
| Income from activities | 6,429 | 7,095 | (666) | | 9,585 | 9,585 |
| Rental revenue | 51 | 19 | 32 | | 26 | 26 |
| Investment revenue | 70 | 70 | 0 | | 93 | 128 |
| **Total revenue** | **14,673** | **15,285** | **(612)** | | **17,805** | **17,840** |
| Employee expenses | 0 | 0 | 0 | | 0 | 0 |
| Other operating expenses | 3,771 | 4,316 | (545) | | 5,728 | 5,615 |
| Finance expenses | (9) | 0 | (9) | | 0 | 0 |
| Depreciation and amortisation | 7,345 | 7,360 | (15) | | 9,813 | 10,031 |
| **Total expenditure** | **11,107** | **11,676** | **(569)** | | **15,541** | **15,646** |
| **Net operating surplus / (deficit)** | **3,566** | **3,609** | **(43)** | | **2,264** | **2,194** |

**Commentary:** Roading shows a net surplus YTD $43 behind forecast which is a variance of 1.19%. Capital expenditure has increased in the last quarter and is now in line with the full year forecast.

# INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
# PERFORMANCE BY ACTIVITY

## Non-financial performance

**Commentary:** One of the eleven KPIs measured against target was exceeded by 5%, one was met, and one had an unfavourable variance of more than 10%. The remaining eight KPIs did not have the data available to report on. The table below outlines only KPIs with an unfavourable variance of 10% or more, or those KPIs where the data is unavailable. The full list of KPIs are included as an appendix.

| Measure | Actual | Target | Variance | Explanation |
|---|---|---|---|---|
| Damaged signs are responded to within 48 hours of notification | 73% | > 85% | (12%) | |
| Decrease in the annual number of fatalities and serious crashes on the local road network | N/A | ↓ | N/A | |
| Higher than the national average quality of ride on a sealed local network - Urban | N/A | N/A | N/A | |
| Higher than the national average quality of ride on a sealed local network - Rural | N/A | N/A | N/A | |
| % of the sealed local road network that is resurfaced | N/A | > 6.25% | N/A | |
| % of footpaths in very poor condition | N/A | < 8% | N/A | |
| Street lighting is compliant with AS/NZS 1158 to agreed levels | N/A | ↑ | N/A | |
| Number of unplanned road closures | N/A | < 8 | N/A | |
| The overall annual cost per km and vkt of routine maintenance on each road network | N/A | < Peer Group Average | N/A | |

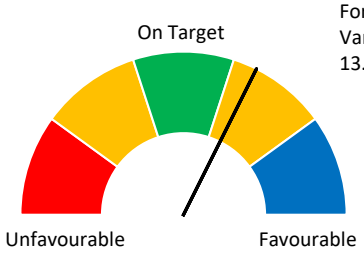
# INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
# PERFORMANCE BY ACTIVITY

## Sewerage

### Financial performance YTD ($000)

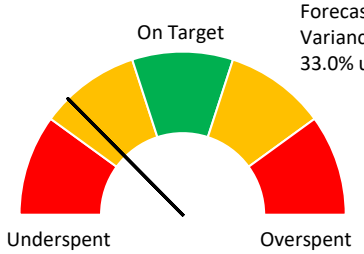
#### Net operating surplus

Actual: $ 1,162
Forecast: $ 1,021
Variance: $ 141 or 13.8% favourable




#### Capital expenditure

Actual: $ 875
Forecast: $ 1,306
Variance: $ 431 or 33.0% underspent




| | Actual YTD ($000) | Forecast YTD ($000) | Variance ($000) | | Full year forecast ($000) | Long-term plan ($000) |
|---|---|---|---|---|---|---|
| Rates and penalties | 6,136 | 6,098 | 38 | | 6,098 | 6,098 |
| Income from activities | 610 | 449 | 161 | | 700 | 700 |
| Rental revenue | 0 | 0 | 0 | | 0 | 0 |
| Investment revenue | 0 | 0 | 0 | | 0 | 0 |
| **Total revenue** | **6,746** | **6,547** | **199** | | **6,798** | **6,798** |
| Employee expenses | 1 | 0 | 1 | | 0 | 0 |
| Other operating expenses | 2,416 | 2,347 | 69 | | 2,901 | 2,775 |
| Finance expenses | 87 | 99 | (12) | | 133 | 175 |
| Depreciation and amortisation | 3,080 | 3,080 | 0 | | 4,106 | 3,732 |
| **Total expenditure** | **5,584** | **5,526** | **58** | | **7,140** | **6,682** |
| **Net operating surplus / (deficit)** | **1,162** | **1,021** | **141** | | **(342)** | **116** |

**Commentary:** Sewerage has a net YTD surplus variance of $141 due to more income from activities than expected. Capital expenditure is currently tracking below forecast but is expected to meet forecast at year end depending on the effects of Covid 19 factors on the availability of contratcors.

### Non-financial performance

**Commentary:** All nine KPIs were met with four being exceeded by 5% or more. The full list of KPIs are included as an appendix.

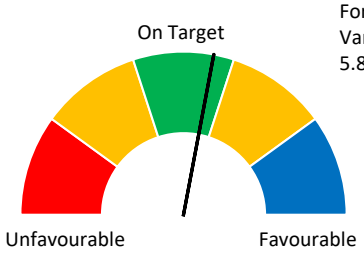
# INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
# PERFORMANCE BY ACTIVITY

## Stormwater

### Financial performance YTD ($000)

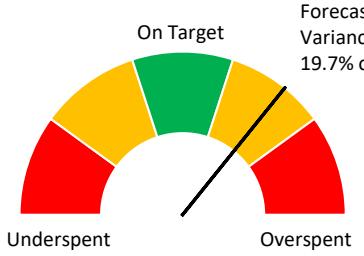
#### Net operating surplus

Actual: $ 256
Forecast: $ 242
Variance: $ 14 or 5.8% favourable




#### Capital expenditure

Actual: $ 1,607
Forecast: $ 1,343
Variance: $ 264 or 19.7% overspent




| | Actual YTD ($000) | Forecast YTD ($000) | Variance ($000) | | Full year forecast ($000) | Long-term plan ($000) |
|---|---|---|---|---|---|---|
| Rates and penalties | 4,229 | 4,212 | 17 | | 4,212 | 4,212 |
| Income from activities | 40 | 6 | 34 | | 6 | 6 |
| Rental revenue | 3 | 3 | 0 | | 3 | 3 |
| Investment revenue | 0 | 0 | 0 | | 0 | 0 |
| **Total revenue** | **4,272** | **4,221** | **51** | | **4,221** | **4,221** |
| Employee expenses | 0 | 0 | 0 | | 0 | 0 |
| Other operating expenses | 1,084 | 1,053 | 31 | | 1,298 | 1,292 |
| Finance expenses | 36 | 30 | 6 | | 40 | 69 |
| Depreciation and amortisation | 2,896 | 2,896 | 0 | | 3,862 | 3,513 |
| **Total expenditure** | **4,016** | **3,979** | **37** | | **5,200** | **4,874** |
| **Net operating surplus / (deficit)** | **256** | **242** | **14** | | **(979)** | **(653)** |

**Commentary:** Stormwater has a YTD net surplus variance of $14. Capital expenditure is currently ahead of forecast with additional work required at the Branxholme Street settling ponds and is still in line to meet the full year forecast.

### Non-financial performance

**Commentary:** Three of the four KPIs measured were met with two being exceeded by 5% or more. One was not met. The full list of KPIs are included as an appendix.

| Measure | Actual | Target | Variance | Explanation |
|---|---|---|---|---|
| Number of flooding events | 1 | 0 | (100%) | |

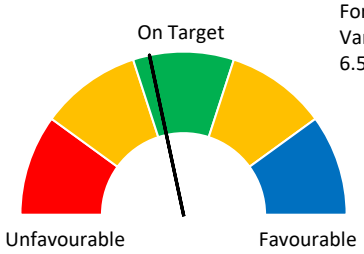
# INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
# PERFORMANCE BY ACTIVITY

## General

## Financial performance YTD ($000)

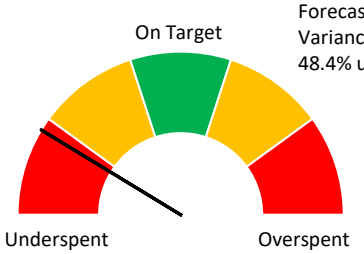
### Net operating surplus

Actual: $ (3,724)
Forecast: $ (3,497)
Variance: $ 227 or 6.5% favourable




### Capital expenditure

Actual: $ 594
Forecast: $ 1,151
Variance: $ 557 or 48.4% underspent




| | Actual YTD ($000) | Forecast YTD ($000) | Variance ($000) | | Full year forecast ($000) | Long-term plan ($000) |
|---|---|---|---|---|---|---|
| Rates and penalties | 5,424 | 5,359 | 65 | | 5,464 | 5,464 |
| Income from activities | 2,392 | 2,467 | (75) | | 3,304 | 3,881 |
| Rental revenue | 1,085 | 1,225 | (140) | | 1,633 | 1,616 |
| Investment revenue | 4,388 | 4,735 | (347) | | 10,091 | 6,965 |
| **Total revenue** | **13,289** | **13,786** | **(497)** | | **20,492** | **17,926** |
| Employee expenses | 8,320 | 8,748 | (428) | | 11,599 | 12,082 |
| Other operating expenses | 6,299 | 6,107 | 192 | | 8,045 | 8,960 |
| Finance expenses | 1,298 | 1,319 | (21) | | 1,847 | 2,284 |
| Depreciation and amortisation | 1,096 | 1,109 | (13) | | 1,480 | 1,505 |
| **Total expenditure** | **17,013** | **17,283** | **(270)** | | **22,971** | **24,831** |
| **Net operating surplus / (deficit)** | **(3,724)** | **(3,497)** | **(227)** | | **(2,479)** | **(6,905)** |

| Net operating surplus by activity | Actual YTD ($000) | Forecast YTD ($000) | Variance ($000) | | Full year forecast ($000) | Long-term plan ($000) |
|---|---|---|---|---|---|---|
| Communtiy development | 302 | 191 | 111 | | 67 | 65 |
| Democratic services | 777 | 802 | (25) | | (9) | (99) |
| Halls and theatres | 543 | 305 | 238 | | 269 | 242 |
| Investment property | (44) | 223 | (267) | | 398 | (115) |
| Investments | (5,234) | (2,500) | (2,734) | | 2,345 | (1,119) |
| Public toilets | 196 | 183 | 13 | | 111 | 120 |
| Regional development | 388 | 381 | 7 | | 381 | 41 |
| Specialised community services | 1,260 | 1,363 | (103) | | 197 | 199 |
| Arts and Living dinosaurs | 176 | 175 | 1 | | 175 | (51) |
| City centre revitalisation | 112 | 105 | 7 | | 95 | 109 |
| Support services | (2,178) | (4,723) | 2,545 | | (6,507) | (6,299) |
| **General** | **(3,702)** | **(3,495)** | **(207)** | | **(2,478)** | **(6,907)** |

# INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
# PERFORMANCE BY ACTIVITY

**Commentary:** General's net deficit variance of $227 is more than forecast resulting from various factors. Rental revenue is below forecast due to delays in filling vacant spaces at 20 Don Street but is partly offset by reduced operating and capital expenditure . Employee expenses are running lower than forecast which reflects vacancies that are currently unfilled. This is partly offset by higher contractors and consultants expenses used to cover work requests.

## Non-financial performance

**Commentary:** One of the nine KPIs measured against target was met, two were substantially met (within 10%) and three were not met this year to date. The remaining three KPIs did not have the data available. The table below outlines only KPIs with an unfavourable variance of 10% or more, or those KPIs where the data is unavailable. The full list of KPIs are included as an appendix.

| Measure | Actual | Target | Variance | Explanation |
|---|---|---|---|---|
| Number of residents participating in funded programmes | 174 | 10,000 | (98%) | |
| Number of events, agencies and businesses achieving the use of the friendly brand | 1 | 9 | (89%) | |
| Number of young people participating in initiatives | 139 | 300 | (54%) | |
| % of surveyed residents satisfied or greater with opportunities Council provides for Community involvement in decision-making | N/A | 50% | N/A | |
| Number of alternative methods of communicating to and receiving information from the community introduced | N/A | 1 | N/A | |
| Investment property's net rate of return ≥ current market interest rate | N/A | Yes | N/A | |

## INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
## TOTAL COUNCIL - SCHEDULE OF FORECAST CHANGES

| Item Name | Nature Of Change | Quarter 1 ($000) | Quarter 2 ($000) | Quarter 3 ($000) | Quarter 4 ($000) | 30 Jun 2020 ($000) |
|---|---|---|---|---|---|---|
| **STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES** | | | | | | |
| **Revenue** | | | | | | |
| Direct charges revenue | Bringing in IVEM operations into ICC | 683 | - | - | - | 683 |
| Direct charges revenue | Re-forecast admission revenue based on the Hydro slide not openning to the publi until Q2 2021 | - | - | (150) | - | (150) |
| Direct charges revenue | Re-forecast fees revenue to reflect higher demand for building consents for the year | - | - | 800 | - | 800 |
| Rental revenue | Bringing in IVEM operations into ICC | 17 | - | - | - | 17 |
| Other revenue | Remove Consolidated Entities Other revenue from Council activities (Included in ICC group consolidation) | (1,818) | - | - | - | (1,818) |
| Finance revenue | Re-forecast of net debt interest revenue based on funds invested and current interest rate assumption of 2.5% | (103) | - | (6) | - | (109) |
| Dividends | Subvention income from ICC group companies | - | - | 2,227 | - | 2,227 |
| Dividends | Dividend from Civic Financial Services for the sale of Civic Assurance House | - | - | 997 | - | 997 |
| **Total Forecast Adjustments to Revenue** | | **(1,221)** | **-** | **3,868** | **-** | **2,647** |
| **Expenses** | | | | | | |
| Employee expenses | Bringing in IVEM operations into ICC | 622 | - | - | - | 622 |
| Employee expenses | Re-forecast to reflect current vacancies during Q1 & Q2 | (898) | - | - | - | (898) |
| Employee expenses | Re-forecast to reflect current vacancies during Q3 & Q4 | - | - | (556) | - | (556) |
| Depreciation and amortisation | Reforecast of Depreciation expense from 2019 revaluation data | (98) | - | - | - | (98) |
| Other expenses | Bringing in IVEM operations into ICC | 313 | - | - | - | 313 |
| Other expenses | Remove Consolidated Entities Other expenses from Council activities (Included in ICC group consolidation) | (1,818) | - | - | - | (1,818) |
| Other expenses | Remove IVEM grant payments (operations now incorporated into ICC) | (263) | - | - | - | (263) |
| Other expenses | Re-forecast to reflect increase use of consultants and contractors to cover vacanies in key positions | 964 | - | - | - | 964 |
| Other expenses | Re-forecast Landfill aftercare provision to reflect accounting treatment of recognising provision when actual expenses occur. | 41 | - | - | - | 41 |
| Other expenses | Re-forecast operational expenses based on the Hydro slide not openning to the publi until Q2 2021 | - | - | (27) | - | (27) |
| Other expenses | Re-forecast electricity expenses based in increases in supply contracts | - | - | 247 | - | 247 |
| Other expenses | Re-forecast to reflect additional resources required to meet demands for building services | - | - | 800 | - | 800 |
| Other expenses | Forecast for year for Heritage Strategy activity | - | - | 173 | - | 173 |
| Other expenses | Re-forecast initial work on Arts and Creativity Invercargill to 2021 year | - | - | (196) | - | (196) |
| Finance expenses | Re-forecast of net debt interest expenses based on funds drawndown and current interest rate assumption of 2.8% | (727) | - | - | - | (727) |
| Finance expenses | Re-forecast of net debt interest expenses based on addition funds drawndown for CBD development | - | 90 | - | - | 90 |
| **Total Forecast Adjustments to Expenses** | | **(1,865)** | **90** | **441** | **-** | **(1,333)** |
| **Adjustments to Surplus / (Deficit) After Tax** | | **643** | **(90)** | **3,426** | **-** | **3,980** |

## INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
## TOTAL COUNCIL - SCHEDULE OF FORECAST CHANGES

| Item Name | Nature Of Change | Quarter 1 ($000) | Quarter 2 ($000) | Quarter 3 ($000) | Quarter 4 ($000) | 30 Jun 2020 ($000) |
|---|---|---|---|---|---|---|
| **STATEMENT OF FINANCIAL POSITION** | | | | | | |
| **Assets** | | | | | | |
| Cash and cash equivalents | Movements in additional operating surplus (deficit) and movements in investments. | 8,508 | 1,460 | 13,533 | - | 23,501 |
| Property, plant and equipment assets | Re-forecast capital expenditure profiles to reflect revised programme | (7,922) | 102 | (10,418) | - | (18,239) |
| Property, plant and equipment assets | Reforecast of depreciation expense from 2019 revaluation data | 120 | - | - | - | 120 |
| Intangible assets | Reforecast of depreciation expense from 2019 revaluation data | (22) | - | - | - | (22) |
| Intangible assets | Re-forecast capital expenditure profiles to reflect revised programme | - | - | (400) | - | (400) |
| Investment property | Re-forecast capital expenditure profiles to reflect revised programme | - | (1,652) | 1,052 | - | (600) |
| Other financial assets - other investments | Movements in additional reserve uplifts & contributions | - | 13,600 | 11,400 | - | 25,000 |
| **Total Forecast Adjustments to Assets** | | **684** | **13,510** | **15,166** | **-** | **29,361** |
| **Liabilities** | | | | | | |
| Provisions | Re-forecast Landfill aftercare provision to reflect accounting treatment of recognising provision when actual expenses occur. | 41 | - | - | - | 41 |
| Borrowings | Loan funding for Investment into Invercargill Central Limited for CBD development (to $25m) | - | 13,600 | 11,400 | - | 25,000 |
| **Total Forecast Adjustments to Liabilities** | | **41** | **13,600** | **11,400** | **-** | **25,041** |
| **Equity** | | | | | | |
| Retained earnings | Movements in additional operating surplus (deficit). | 643 | (90) | 3,766 | - | 4,320 |
| **Total Forecast Adjustments to Equity** | | **643** | **(90)** | **3,766** | **-** | **4,320** |

## Key capital projects over $250,000 summary

| | Current year | | | Total Project life | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual Dec YTD ($,000) | Forecast current year ($,000) | % of forecast spent | Total Project spend to date ($,000) | Forecast total cost of project ($,000) | % of total project spent | Project timeline | Current status |
| **Roading** | | | | | | | | |
| Sealed road resurfacing 2020 | 1,624 | 2,075 | 78% | 2,519 | 2,075 | 121% | 2020 | In progress |
| | Part of programme has been deferred to next year due to Covid-19 situation | | | | | | | |
| Sealed road pavement rehabilitation 2020 | 1,701 | 1,525 | 112% | 1,701 | 1,525 | 112% | 2020 | In progress |
| | Part of programme has been deferred to next year due to Covid-19 situation | | | | | | | |
| Drainage renewals 2020 | 627 | 1,358 | 46% | 627 | 1,358 | 46% | 2020 | In progress |
| | Part of programme has been deferred to next year due to Covid-19 situation | | | | | | | |
| Footpaths 2020 | 1,172 | 1,347 | 87% | 1,172 | 1,347 | 87% | 2020 | In progress |
| | Part of programme has been deferred to next year due to Covid-19 situation | | | | | | | |
| Traffic services renewals 2020 | 364 | 427 | 85% | 364 | 427 | 85% | 2020 | In progress |
| | Part of programme has been deferred to next year due to Covid-19 situation | | | | | | | |
| Street lighting upgrade 2020 | 313 | 488 | 64% | 313 | 488 | 64% | 2020 | In progress |
| | Part of programme has been deferred to next year due to Covid-19 situation | | | | | | | |
| On street parking meters | 0 | 0 | 0% | 0 | 825 | 0% | 2020 | On hold |
| | On hold until inner city upgrade plans released | | | | | | | |
| **Sewerage** | | | | | | | | |
| Pipe renewals 2020 | 757 | 1,077 | 70% | 757 | 1,077 | 70% | 2020 | In progress |
| | Part of programme has been deferred to next year due to Covid-19 situation | | | | | | | |
| **Stormwater** | | | | | | | | |
| Pipe renewals 2020 | 1,012 | 1,081 | 94% | 1,012 | 1,081 | 94% | 2020 | In progress |
| | Part of programme has been deferred to next year due to Covid-19 situation | | | | | | | |
| **Water Supply** | | | | | | | | |
| Pipe renewals - Distribution 2020 | 1,543 | 2,019 | 76% | 1,543 | 2,019 | 76% | 2020 | In progress |
| | Part of programme has been deferred to next year due to Covid-19 situation | | | | | | | |
| Water tower strengthening | 139 | 100 | 139% | 164 | 1,371 | 12% | 2019-2021 | In progress |
| | Part of programme has been deferred to next year due to Covid-19 situation | | | | | | | |
| **Regulatory** | | | | | | | | |
| Dog Pound - Sound Proofing & exercise area | 5 | 5 | 100% | 5 | 290 | 2% | 2020-2021 | In progress |
| | In design with work planned to start mid June | | | | | | | |

## Key capital projects over $250,000 summary

| | Current year | | | Total Project life | | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual Dec YTD ($,000) | Forecast current year ($,000) | % of forecast spent | Total Project spend to date ($,000) | Forecast total cost of project ($,000) | % of total project spent | Project timeline | Current status |
| **Social & Cultural** | | | | | | | | |
| Library - Chiller replacement | 0 | 50 | 0% | 0 | 250 | 0% | 2020 | Not started |
| | Currently seeking a source of required equipment | | | | | | | |
| Pool - Hydro slide | 592 | 659 | 90% | 1,260 | 2,893 | 44% | 2019-2020 | In progress |
| | Delays in ground work likely to shifted completion into the 2021 year | | | | | | | |
| Parks - Chinese Garden development | 172 | 400 | 43% | 417 | 600 | 70% | 2019-2020 | In progress |
| | Recommenced under revised plan | | | | | | | |
| Parks - Surrey Park grandstand renewal | 0 | 100 | 0% | 35 | 509 | 7% | 2020 | On hold |
| | Full stratgic review of Surrey Park to be completed in 2020 year | | | | | | | |
| Parks - Bluff Boat Ramp | 11 | 11 | 100% | 11 | 1,841 | 1% | 2020-2021 | In progress |
| | Part of programme has been deferred to next year due to Covid-19 situation | | | | | | | |
| Parks - Anderson House strengthening | 12 | 30 | 41% | 12 | 1,741 | 1% | 2020-2021 | Not started |
| | Planning investigation to be current out 2020 with work to start in 2021 | | | | | | | |
| Museum - Kelvin Street Gallery fit out | 332 | 823 | 40% | 0 | 823 | 0% | 2020 | In progress |
| | Building fit out completed, Exhibit fit out to commence when possible | | | | | | | |
| **General** | | | | | | | | |
| Don street development | 192 | 1,200 | 16% | 16,231 | 18,100 | 90% | 2014-2020 | In progress |
| | Part of programme has been deferred to next year due to Covid-19 situation | | | | | | | |
| Arts Creativity Invercargill (ACI) | 0 | 0 | 0% | 0 | 16,000 | 0% | 2019-2022 | On hold |
| | Project on hold until managers appointed | | | | | | | |
| Right hand turn into Esk St / two lane Don St | 0 | 100 | 0% | 0 | 1,645 | 0% | 2020-2021 | Not started |
| | Work to commence in Q4 2020 and run into 2021. | | | | | | | |
| IT Software strategy | 0 | 675 | 0% | 0 | 1,075 | 0% | 2020/2021 | In progress |
| | New finance system implementation to be completed by Jun 2020. Non essential elements to be implemented in 2021. | | | | | | | |
| Halls & Theatre - Civic Theatre Interior renewals | 3 | 205 | 1% | 3 | 1,435 | 0% | 2020/2021 | In progress |
| | Part of programme has been deferred to next year due to Covid-19 situation | | | | | | | |

## FUNDING IMPACT STATEMENT - INVERCARGILL CITY COUNCIL

| | YTD Actual Mar 2020 ($000) | YTD Forecast Mar 2020 ($000) | Full Year Forecast 2020 ($000) | Annual Plan 2020 ($000) |
|---|---|---|---|---|
| **SOURCES OF OPERATING FUNDING** | | | | |
| Rates and penalties | 55,460 | 55,267 | 55,372 | 55,372 |
| Subsidies and grants for operating purposes | 3,822 | 3,543 | 4,664 | 4,664 |
| Fees and charges | 14,529 | 12,401 | 18,527 | 17,360 |
| Interest and dividends from investments | 4,716 | 5,052 | 10,526 | 7,411 |
| Internal charges and overheads recovered | 12,572 | 12,306 | 12,830 | 12,830 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 4,994 | 5,218 | 8,456 | 10,092 |
| **Total operating funding (A)** | **96,093** | **93,787** | **110,375** | **107,729** |
| **APPLICATIONS OF OPERATING FUNDING** | | | | |
| Payments to staff and suppliers | 51,805 | 49,346 | 67,298 | 68,277 |
| Finance costs | 1,856 | 1,900 | 2,624 | 3,260 |
| Internal charges and overheads applied | 12,572 | 12,306 | 12,830 | 12,830 |
| Other operating funding applications | 0 | 0 | 0 | 0 |
| **Total applications of operating funding (B)** | **66,233** | **63,552** | **82,752** | **84,367** |
| **Surplus (deficit) of operating funding (A - B)** | **29,860** | **30,235** | **27,623** | **23,362** |
| **SOURCES OF CAPITAL FUNDING** | | | | |
| Subsidies and grants for capital expenditure | 2,857 | 3,347 | 4,462 | 4,462 |
| Development and financial contributions | 0 | 0 | 0 | 0 |
| Increase (decrease) in debt | 12,500 | 13,600 | 25,000 | 0 |
| Gross proceeds from sale of assets | 1,258 | 0 | 221 | 251 |
| Lump sum contributions | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 |
| **Total sources of capital funding (C)** | **16,615** | **16,947** | **29,683** | **4,713** |
| **APPLICATION OF CAPITAL FUNDING** | | | | |
| Capital expenditure | | | | |
| - to meet additional demand | 830 | 858 | 468 | 2,466 |
| - to improve the level of service | 1,333 | 2,228 | 2,918 | 5,174 |
| - to replace existing assets | 11,934 | 13,221 | 16,615 | 31,600 |
| Increase (decrease) in reserves | 949 | 130 | 12,305 | (85) |
| Increase (decrease) of investments | 13,600 | 13,600 | 25,000 | (11,080) |
| **Total applications of capital funding (D)** | **28,646** | **30,037** | **57,306** | **28,075** |
| **Surplus (deficit) of capital funding (C - D)** | **(12,031)** | **(13,090)** | **(27,623)** | **(23,362)** |
| **FUNDING BALANCE ((A - B) + (C - D))** | **17,829** | **17,145** | **0** | **0** |
| Depreciation expense (not included in the above FIS) | 20,926 | 20,966 | 27,954 | 28,053 |

## FUNDING IMPACT STATEMENT - ROADING

| | YTD Actual Mar 2020 ($000) | YTD Forecast Mar 2020 ($000) | Full Year Forecast 2020 ($000) | Annual Plan 2020 ($000) |
|---|---|---|---|---|
| **SOURCES OF OPERATING FUNDING** | | | | |
| Rates and penalties | 8,123 | 8,101 | 8,101 | 8,101 |
| Subsidies and grants for operating purposes | 2,632 | 2,452 | 3,269 | 3,269 |
| Fees and charges | 343 | 268 | 369 | 369 |
| Interest and dividends from investments | 70 | 70 | 93 | 128 |
| Internal charges and overheads recovered | 0 | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 648 | 1,048 | 1,509 | 1,509 |
| **Total operating funding (A)** | **11,816** | **11,939** | **13,341** | **13,376** |
| **APPLICATIONS OF OPERATING FUNDING** | | | | |
| Payments to staff and suppliers | 3,771 | 4,316 | 5,728 | 5,615 |
| Finance costs | (9) | 0 | 0 | 0 |
| Internal charges and overheads applied | 843 | 842 | 842 | 842 |
| Other operating funding applications | 0 | 0 | 0 | 0 |
| **Total applications of operating funding (B)** | **4,605** | **5,158** | **6,570** | **6,457** |
| **Surplus (deficit) of operating funding (A - B)** | **7,211** | **6,781** | **6,771** | **6,919** |
| **SOURCES OF CAPITAL FUNDING** | | | | |
| Subsidies and grants for capital expenditure | 2,857 | 3,347 | 4,462 | 4,462 |
| Development and financial contributions | 0 | 0 | 0 | 0 |
| Increase (decrease) in debt | 0 | 0 | 0 | 0 |
| Gross proceeds from sale of assets | 0 | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 |
| **Total sources of capital funding (C)** | **2,857** | **3,347** | **4,462** | **4,462** |
| **APPLICATION OF CAPITAL FUNDING** | | | | |
| Capital expenditure | | | | |
| - to meet additional demand | 216 | 225 | 0 | 625 |
| - to improve the level of service | 39 | 1,075 | 1,036 | 2,168 |
| - to replace existing assets | 6,215 | 4,729 | 5,996 | 8,130 |
| Increase (decrease) in reserves | 0 | 0 | 4,201 | 458 |
| Increase (decrease) of investments | 0 | 0 | 0 | 0 |
| **Total applications of capital funding (D)** | **6,470** | **6,029** | **11,233** | **11,381** |
| **Surplus (deficit) of capital funding (C - D)** | **(3,613)** | **(2,682)** | **(6,771)** | **(6,919)** |
| **FUNDING BALANCE ((A - B) + (C - D))** | **3,598** | **4,099** | **0** | **0** |
| Depreciation expense (not included in the above FIS) | 7,345 | 7,360 | 9,813 | 10,031 |

## FUNDING IMPACT STATEMENT - SEWERAGE

| | YTD Actual Mar 2020 ($000) | YTD Forecast Mar 2020 ($000) | Full Year Forecast 2020 ($000) | Annual Plan 2020 ($000) |
|---|---|---|---|---|
| **SOURCES OF OPERATING FUNDING** | | | | |
| Rates and penalties | 6,136 | 6,098 | 6,098 | 6,098 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | 0 |
| Fees and charges | (6) | 0 | 0 | 0 |
| Interest and dividends from investments | 0 | 0 | 0 | 0 |
| Internal charges and overheads recovered | 0 | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 616 | 449 | 700 | 700 |
| **Total operating funding (A)** | **6,746** | **6,547** | **6,798** | **6,798** |
| **APPLICATIONS OF OPERATING FUNDING** | | | | |
| Payments to staff and suppliers | 2,417 | 2,347 | 2,901 | 2,775 |
| Finance costs | 87 | 99 | 133 | 175 |
| Internal charges and overheads applied | 340 | 340 | 340 | 340 |
| Other operating funding applications | 0 | 0 | 0 | 0 |
| **Total applications of operating funding (B)** | **2,844** | **2,786** | **3,374** | **3,290** |
| **Surplus (deficit) of operating funding (A - B)** | **3,902** | **3,761** | **3,424** | **3,508** |
| **SOURCES OF CAPITAL FUNDING** | | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 0 | 0 |
| Increase (decrease) in debt | 0 | 0 | 0 | 0 |
| Gross proceeds from sale of assets | 0 | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 |
| **Total sources of capital funding (C)** | **0** | **0** | **0** | **0** |
| **APPLICATION OF CAPITAL FUNDING** | | | | |
| Capital expenditure | | | | |
| - to meet additional demand | 0 | 0 | 0 | 0 |
| - to improve the level of service | 3 | 0 | 0 | 0 |
| - to replace existing assets | 872 | 1,306 | 1,869 | 2,311 |
| Increase (decrease) in reserves | 0 | 0 | 1,555 | 0 |
| Increase (decrease) of investments | 0 | 0 | 0 | 1,197 |
| **Total applications of capital funding (D)** | **875** | **1,306** | **3,424** | **3,508** |
| **Surplus (deficit) of capital funding (C - D)** | **(875)** | **(1,306)** | **(3,424)** | **(3,508)** |
| **FUNDING BALANCE ((A - B) + (C - D))** | **3,027** | **2,455** | **0** | **0** |
| Depreciation expense (not included in the above FIS) | 3,080 | 3,080 | 4,106 | 3,732 |

## FUNDING IMPACT STATEMENT - SOLID WASTE

| | YTD Actual Mar 2020 ($000) | YTD Forecast Mar 2020 ($000) | Full Year Forecast 2020 ($000) | Annual Plan 2020 ($000) |
|---|---|---|---|---|
| **SOURCES OF OPERATING FUNDING** | | | | |
| Rates and penalties | 4,476 | 4,479 | 4,479 | 4,479 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | 0 |
| Fees and charges | 3,415 | 1,879 | 4,276 | 4,276 |
| Interest and dividends from investments | 24 | 17 | 38 | 45 |
| Internal charges and overheads recovered | 1,451 | 1,368 | 1,821 | 1,821 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 17 | 0 | 39 | 39 |
| **Total operating funding (A)** | **9,383** | **7,743** | **10,653** | **10,660** |
| **APPLICATIONS OF OPERATING FUNDING** | | | | |
| Payments to staff and suppliers | 6,217 | 4,957 | 8,385 | 8,425 |
| Finance costs | 5 | 4 | 5 | 0 |
| Internal charges and overheads applied | 1,758 | 1,656 | 2,108 | 2,108 |
| Other operating funding applications | 0 | 0 | 0 | 0 |
| **Total applications of operating funding (B)** | **7,980** | **6,617** | **10,498** | **10,533** |
| **Surplus (deficit) of operating funding (A - B)** | **1,403** | **1,126** | **155** | **127** |
| **SOURCES OF CAPITAL FUNDING** | | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 0 | 0 |
| Increase (decrease) in debt | 0 | 0 | 0 | 0 |
| Gross proceeds from sale of assets | 0 | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 |
| **Total sources of capital funding (C)** | **0** | **0** | **0** | **0** |
| **APPLICATION OF CAPITAL FUNDING** | | | | |
| Capital expenditure | | | | |
| - to meet additional demand | 0 | 0 | 0 | 0 |
| - to improve the level of service | 49 | 0 | 0 | 0 |
| - to replace existing assets | 10 | 0 | 60 | 0 |
| Increase (decrease) in reserves | 0 | 0 | 94 | 126 |
| Increase (decrease) of investments | 0 | 0 | 0 | 1 |
| **Total applications of capital funding (D)** | **59** | **0** | **154** | **127** |
| **Surplus (deficit) of capital funding (C - D)** | **(59)** | **0** | **(154)** | **(127)** |
| **FUNDING BALANCE ((A - B) + (C - D))** | **1,344** | **1,126** | **1** | **0** |
| Depreciation expense (not included in the above FIS) | 84 | 83 | 111 | 384 |

## FUNDING IMPACT STATEMENT - STORMWATER

| | YTD Actual Mar 2020 ($000) | YTD Forecast Mar 2020 ($000) | Full Year Forecast 2020 ($000) | Annual Plan 2020 ($000) |
|---|---|---|---|---|
| **SOURCES OF OPERATING FUNDING** | | | | |
| Rates and penalties | 4,229 | 4,212 | 4,212 | 4,212 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | 0 |
| Fees and charges | 2 | 3 | 3 | 3 |
| Interest and dividends from investments | 0 | 0 | 0 | 0 |
| Internal charges and overheads recovered | 0 | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 41 | 6 | 6 | 6 |
| **Total operating funding (A)** | **4,272** | **4,221** | **4,221** | **4,221** |
| **APPLICATIONS OF OPERATING FUNDING** | | | | |
| Payments to staff and suppliers | 1,084 | 1,053 | 1,298 | 1,292 |
| Finance costs | 36 | 30 | 40 | 69 |
| Internal charges and overheads applied | 336 | 335 | 335 | 335 |
| Other operating funding applications | 0 | 0 | 0 | 0 |
| **Total applications of operating funding (B)** | **1,456** | **1,418** | **1,673** | **1,696** |
| **Surplus (deficit) of operating funding (A - B)** | **2,816** | **2,803** | **2,548** | **2,525** |
| **SOURCES OF CAPITAL FUNDING** | | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 0 | 0 |
| Increase (decrease) in debt | 0 | 0 | 0 | 0 |
| Gross proceeds from sale of assets | 0 | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 |
| **Total sources of capital funding (C)** | **0** | **0** | **0** | **0** |
| **APPLICATION OF CAPITAL FUNDING** | | | | |
| Capital expenditure | | | | |
| - to meet additional demand | 0 | 0 | 0 | 0 |
| - to improve the level of service | 173 | 360 | 280 | 265 |
| - to replace existing assets | 1,434 | 983 | 1,094 | 2,568 |
| Increase (decrease) in reserves | 0 | 0 | 1,174 | 6 |
| Increase (decrease) of investments | 0 | 0 | 0 | (314) |
| **Total applications of capital funding (D)** | **1,607** | **1,343** | **2,548** | **2,525** |
| **Surplus (deficit) of capital funding (C - D)** | **(1,607)** | **(1,343)** | **(2,548)** | **(2,525)** |
| **FUNDING BALANCE ((A - B) + (C - D))** | **1,209** | **1,460** | **0** | **0** |
| Depreciation expense (not included in the above FIS) | 2,896 | 2,896 | 3,862 | 3,513 |

## FUNDING IMPACT STATEMENT - WATER SUPPLY

| | YTD Actual Mar 2020 ($000) | YTD Forecast Mar 2020 ($000) | Full Year Forecast 2020 ($000) | Annual Plan 2020 ($000) |
|---|---|---|---|---|
| **SOURCES OF OPERATING FUNDING** | | | | |
| Rates and penalties | 7,982 | 7,960 | 7,960 | 7,960 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | 0 |
| Fees and charges | 1,117 | 1,099 | 1,466 | 1,466 |
| Interest and dividends from investments | 29 | 29 | 38 | 0 |
| Internal charges and overheads recovered | 0 | 0 | 0 | 0 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 9 | 0 | 0 | 0 |
| **Total operating funding (A)** | **9,137** | **9,088** | **9,464** | **9,426** |
| **APPLICATIONS OF OPERATING FUNDING** | | | | |
| Payments to staff and suppliers | 3,547 | 3,000 | 4,080 | 4,108 |
| Finance costs | 303 | 311 | 415 | 479 |
| Internal charges and overheads applied | 678 | 678 | 678 | 678 |
| Other operating funding applications | 0 | 0 | 0 | 0 |
| **Total applications of operating funding (B)** | **4,528** | **3,989** | **5,173** | **5,265** |
| **Surplus (deficit) of operating funding (A - B)** | **4,609** | **5,099** | **4,291** | **4,161** |
| **SOURCES OF CAPITAL FUNDING** | | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 0 | 0 |
| Increase (decrease) in debt | 0 | 0 | 0 | 0 |
| Gross proceeds from sale of assets | 0 | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 |
| **Total sources of capital funding (C)** | **0** | **0** | **0** | **0** |
| **APPLICATION OF CAPITAL FUNDING** | | | | |
| Capital expenditure | | | | |
| - to meet additional demand | 0 | 0 | 0 | 0 |
| - to improve the level of service | 216 | 100 | 100 | 1,282 |
| - to replace existing assets | 1,704 | 2,271 | 2,211 | 6,348 |
| Increase (decrease) in reserves | 0 | 0 | 1,979 | 0 |
| Increase (decrease) of investments | 0 | 0 | 0 | (3,469) |
| **Total applications of capital funding (D)** | **1,920** | **2,371** | **4,290** | **4,161** |
| **Surplus (deficit) of capital funding (C - D)** | **(1,920)** | **(2,371)** | **(4,290)** | **(4,161)** |
| **FUNDING BALANCE ((A - B) + (C - D))** | **2,689** | **2,728** | **1** | **0** |
| Depreciation expense (not included in the above FIS) | 3,029 | 3,029 | 4,038 | 4,007 |

## FUNDING IMPACT STATEMENT - REGULATORY

| | YTD Actual Mar 2020 ($000) | YTD Forecast Mar 2020 ($000) | Full Year Forecast 2020 ($000) | Annual Plan 2020 ($000) |
|---|---|---|---|---|
| **SOURCES OF OPERATING FUNDING** | | | | |
| Rates and penalties | 3,831 | 3,819 | 3,819 | 3,819 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | 0 |
| Fees and charges | 4,001 | 3,170 | 4,304 | 3,504 |
| Interest and dividends from investments | 11 | 7 | 9 | 9 |
| Internal charges and overheads recovered | 0 | 0 | 72 | 72 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 613 | 849 | 1,127 | 1,127 |
| **Total operating funding (A)** | **8,456** | **7,845** | **9,331** | **8,531** |
| **APPLICATIONS OF OPERATING FUNDING** | | | | |
| Payments to staff and suppliers | 5,723 | 5,615 | 7,210 | 6,387 |
| Finance costs | (4) | 0 | 0 | 2 |
| Internal charges and overheads applied | 2,109 | 2,109 | 2,181 | 2,181 |
| Other operating funding applications | 0 | 0 | 0 | 0 |
| **Total applications of operating funding (B)** | **7,828** | **7,724** | **9,391** | **8,570** |
| **Surplus (deficit) of operating funding (A - B)** | **628** | **121** | **(60)** | **(39)** |
| **SOURCES OF CAPITAL FUNDING** | | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 0 | 0 |
| Increase (decrease) in debt | 0 | 0 | 0 | 0 |
| Gross proceeds from sale of assets | 14 | 0 | 90 | 90 |
| Lump sum contributions | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 |
| **Total sources of capital funding (C)** | **14** | **0** | **90** | **90** |
| **APPLICATION OF CAPITAL FUNDING** | | | | |
| Capital expenditure | | | | |
| - to meet additional demand | 5 | 5 | 0 | 0 |
| - to improve the level of service | 0 | 0 | 0 | 0 |
| - to replace existing assets | 0 | 10 | 32 | 298 |
| Increase (decrease) in reserves | 0 | 0 | (3) | (76) |
| Increase (decrease) of investments | 0 | 0 | 0 | (171) |
| **Total applications of capital funding (D)** | **5** | **15** | **29** | **51** |
| **Surplus (deficit) of capital funding (C - D)** | **9** | **(15)** | **61** | **39** |
| **FUNDING BALANCE ((A - B) + (C - D))** | **637** | **106** | **1** | **0** |
| Depreciation expense (not included in the above FIS) | 62 | 62 | 82 | 155 |

## FUNDING IMPACT STATEMENT - SOCIAL AND CULTURAL

| | YTD Actual Mar 2020 ($000) | YTD Forecast Mar 2020 ($000) | Full Year Forecast 2020 ($000) | Annual Plan 2020 ($000) |
|---|---|---|---|---|
| **SOURCES OF OPERATING FUNDING** | | | | |
| Rates and penalties | 15,259 | 15,239 | 15,239 | 15,239 |
| Subsidies and grants for operating purposes | 1,154 | 1,072 | 1,369 | 1,369 |
| Fees and charges | 4,188 | 4,228 | 5,772 | 5,922 |
| Interest and dividends from investments | 194 | 193 | 257 | 264 |
| Internal charges and overheads recovered | 638 | 455 | 455 | 455 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 1,077 | 945 | 2,499 | 3,059 |
| **Total operating funding (A)** | **22,510** | **22,132** | **25,591** | **26,308** |
| **APPLICATIONS OF OPERATING FUNDING** | | | | |
| Payments to staff and suppliers | 14,428 | 13,203 | 18,052 | 18,632 |
| Finance costs | 140 | 138 | 184 | 251 |
| Internal charges and overheads applied | 3,258 | 3,112 | 3,112 | 3,112 |
| Other operating funding applications | 0 | 0 | 0 | 0 |
| **Total applications of operating funding (B)** | **17,826** | **16,453** | **21,348** | **21,995** |
| **Surplus (deficit) of operating funding (A - B)** | **4,684** | **5,679** | **4,243** | **4,313** |
| **SOURCES OF CAPITAL FUNDING** | | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 0 | 0 |
| Increase (decrease) in debt | 0 | 0 | 0 | 0 |
| Gross proceeds from sale of assets | 593 | 0 | 58 | 58 |
| Lump sum contributions | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 |
| **Total sources of capital funding (C)** | **593** | **0** | **58** | **58** |
| **APPLICATION OF CAPITAL FUNDING** | | | | |
| Capital expenditure | | | | |
| - to meet additional demand | 416 | 633 | 468 | 398 |
| - to improve the level of service | 843 | 693 | 1,502 | 1,459 |
| - to replace existing assets | 1,308 | 2,766 | 2,891 | 5,332 |
| Increase (decrease) in reserves | 676 | (1) | (560) | (1,269) |
| Increase (decrease) of investments | 0 | 0 | 0 | (1,549) |
| **Total applications of capital funding (D)** | **3,243** | **4,091** | **4,301** | **4,371** |
| **Surplus (deficit) of capital funding (C - D)** | **(2,650)** | **(4,091)** | **(4,243)** | **(4,313)** |
| **FUNDING BALANCE ((A - B) + (C - D))** | **2,034** | **1,588** | **0** | **0** |
| Depreciation expense (not included in the above FIS) | 3,334 | 3,347 | 4,462 | 4,726 |

## FUNDING IMPACT STATEMENT - GENERAL

| | YTD Actual Mar 2020 ($000) | YTD Forecast Mar 2020 ($000) | Full Year Forecast 2020 ($000) | Annual Plan 2020 ($000) |
|---|---|---|---|---|
| **SOURCES OF OPERATING FUNDING** | | | | |
| Rates and penalties | 5,424 | 5,358 | 5,464 | 5,464 |
| Subsidies and grants for operating purposes | 36 | 19 | 25 | 25 |
| Fees and charges | 1,468 | 1,752 | 2,337 | 1,820 |
| Interest and dividends from investments | 4,386 | 4,737 | 10,091 | 6,964 |
| Internal charges and overheads recovered | 10,483 | 10,483 | 10,483 | 10,483 |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 1,972 | 1,921 | 2,576 | 3,652 |
| **Total operating funding (A)** | **23,769** | **24,270** | **30,976** | **28,408** |
| **APPLICATIONS OF OPERATING FUNDING** | | | | |
| Payments to staff and suppliers | 14,618 | 14,855 | 19,644 | 21,042 |
| Finance costs | 1,297 | 1,317 | 1,846 | 2,284 |
| Internal charges and overheads applied | 3,250 | 3,232 | 3,232 | 3,232 |
| Other operating funding applications | 0 | 0 | 0 | 0 |
| **Total applications of operating funding (B)** | **19,165** | **19,404** | **24,722** | **26,558** |
| **Surplus (deficit) of operating funding (A - B)** | **4,604** | **4,866** | **6,254** | **1,850** |
| **SOURCES OF CAPITAL FUNDING** | | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 0 | 0 |
| Increase (decrease) in debt | 12,500 | 13,600 | 25,000 | 0 |
| Gross proceeds from sale of assets | 651 | 0 | 73 | 103 |
| Lump sum contributions | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 |
| **Total sources of capital funding (C)** | **13,151** | **13,600** | **25,073** | **103** |
| **APPLICATION OF CAPITAL FUNDING** | | | | |
| Capital expenditure | | | | |
| - to meet additional demand | 193 | 0 | 0 | 1,443 |
| - to improve the level of service | 10 | 0 | 0 | 0 |
| - to replace existing assets | 386 | 1,157 | 2,462 | 6,613 |
| Increase (decrease) in reserves | 274 | 131 | 3,865 | 669 |
| Increase (decrease) of investments | 13,600 | 13,600 | 25,000 | (6,771) |
| **Total applications of capital funding (D)** | **14,463** | **14,888** | **31,327** | **1,954** |
| **Surplus (deficit) of capital funding (C - D)** | **(1,312)** | **(1,288)** | **(6,254)** | **(1,851)** |
| **FUNDING BALANCE ((A - B) + (C - D))** | **3,292** | **3,578** | **0** | **(1)** |
| Depreciation expense (not included in the above FIS) | 1,096 | 1,110 | 1,480 | 1,505 |

# INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
# KEY PERFORMANCE INDICATORS

## Social and cultural

| Description | YE 2019 Actual | Q 1 | Q 2 | Q 3 | Q 4 | | YE 2020 Target | Variance |
|---|---|---|---|---|---|---|---|---|
| Library items issued | 613,139 | 147,348 | 298,281 | 437,021 | 0 | 😐 | 600,000 | (3%) |
| Number of library visits | 524,292 | 120,950 | 253,183 | 377,619 | 0 | 😐 | 520,000 | (3%) |
| Number of reference enquiries | 90,432 | 30,575 | 64,181 | 93,505 | 0 | ✓ | 85,000 | 47% |
| Library membership as % of total population | 72% | N/A | 69% | 70% | 0% | ✓ | > 65% | 5% |
| Number of pool visits per head of Invercargill City population | 8 | 8 | 8 | 7 | 0 | ✓ | > 6.5 | 6% |
| Survey of Swim School customers rating good or very good | 78% | 78% | 78% | 78% | 0% | 😐 | 85% | (7%) |
| Time when a minimum of four 25m public lanes are available for swimming | 95% | 96% | 95% | 96% | 0% | ✓ | 90% | 6% |
| Housing care rental does not exceed 30% of gross superannuation benefit | 23% | 26% | 26% | 26% | 0% | ✓ | < 30% | 4% |
| Passenger transport numbers are increasing | 182,627 | 47,623 | 90,835 | 124,140 | 0 | 😐 | ↑ | (9%) |
| % of passengers satisfied with the level of fares | 83% | N/A | N/A | N/A | 0% | 😐 | 82% | N/A |
| % of passengers satisfied that the fare system is easy to understand | 89% | N/A | N/A | N/A | 0% | 😐 | 82% | N/A |
| Council administers and supports the Total Mobility Scheme | Yes | Yes | Yes | Yes | 0% | ✓ | Yes | 0% |
| Queens Park is accredited as a "Garden of National Significance" | Yes | Yes | Yes | Yes | 0% | ✓ | Yes | 0% |
| % of requests actioned within 4 working days | N/A | 100% | 100% | 100% | 0% | ✓ | 100% | 0% |
| Number of justified complaints received relating to safety within parks and cemeteries | 3 | 0 | 3 | 0 | 0 | ✓ | 0 | 0% |
| Policies around pest management are included in Reserve Management Plans | Yes | Yes | Yes | Yes | 0% | ✓ | Yes | 0% |
| Increasing use of targeted reserves as measured by visitor counters at access points | 757,396 | 241,988 | 523,747 | N/A | 0 | 😐 | ↑ | N/A |

## Regulatory

| Description | YE 2019 Actual | Q 1 | Q 2 | Q 3 | Q 4 | | YE 2020 Target | Variance |
|---|---|---|---|---|---|---|---|---|
| Building consents are issued within 20 working days | 64% | 66% | 47% | 59% | 0% | ✗ | 100% | (41%) |
| Non-notified resource consents not requiring a hearing are issued within 20 working days | 100% | 98% | 90% | 100% | 0% | ✓ | 100% | 0% |
| Food applications are issued within 20 working days | 99% | 100% | 100% | 100% | 0% | ✓ | 100% | 0% |
| Alcohol licences not requiring a hearing are issued within 30 working days | 88% | 100% | 100% | 100% | 0% | ✓ | 100% | 0% |
| % of LIM applications lodged electronically | 50% | 45% | 54% | 55% | 0% | ✗ | 80% | (25%) |
| % of resource consent applications lodged electronically | 12% | 26% | 21% | 24% | 0% | ✗ | 80% | (56%) |
| % of dog registrations lodged electronically | 20% | 14% | 25% | 23% | 0% | ✗ | 80% | (57%) |
| % of blocks in the Priority Buildings Area investigated for potentially earthquake-prone buildings | 78% | 82% | 100% | 100% | 0% | ✓ | 40% | 60% |
| Earthquake-prone buildings incentives are developed and implemented | No | No | No | No | 0% | ✗ | Yes | (100%) |
| Plans and bylaws are reviewed in line with the timetable included in the Regulatory Services Activity Management Plan | No | No | No | No | 0% | ✗ | Yes | (100%) |

# INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
# KEY PERFORMANCE INDICATORS

## Solid waste

| Description | YE 2019 Actual | Q 1 | Q 2 | Q 3 | Q 4 | | YE 2020 Target | Variance |
|---|---|---|---|---|---|---|---|---|
| Increase in kerbside recycling (tonnes) | 3,307 | 793 | 1,673 | 2,491 | 0 | ✓ | ↑ | 0% |
| Decrease in kerbside rubbish collection (tonnes) | 10,672 | 2,661 | 5,431 | 8,372 | 0 | 😐 | ↓ | (5%) |
| Decrease in solid waste to landfill (tonnes) | 19,705 | 4,871 | 10,372 | 15,856 | 0 | 😐 | ↓ | (7%) |
| Increase in diverted material (tonnes) | 9,062 | 1,533 | 3,036 | 7,286 | 0 | ✓ | ↑ | 7% |
| Regional discarded materials rate per person per annum (kgs) | 710 | N/A | N/A | N/A | 0 | 😐 | 650 | N/A |

## Water supply

| Description | YE 2019 Actual | Q 1 | Q 2 | Q 3 | Q 4 | | YE 2020 Target | Variance |
|---|---|---|---|---|---|---|---|---|
| Number of breaches of part 4 of the drinking-water standards | 0 | 0 | 0 | 0 | 0 | ✓ | 0 | 0% |
| Number of breaches of part 5 of the drinking-water standards | 0 | 0 | 0 | 0 | 0 | ✓ | 0 | 0% |
| % of real water loss from the networked reticulation system | 9.9% | N/A | N/A | N/A | 0.0% | 😐 | < 30% | N/A |
| Number of complaints received by Council per 1,000 connections about any of the following: | | | | | | | | |
| - Drinking water clarity | 0.24 | 0.05 | 0.14 | 0.18 | 0.00 | ✓ | ≤ 0.45 per month | 60% |
| - Drinking water taste | 0.05 | 0.14 | 0.14 | 0.02 | 0.00 | ✓ | ≤ 0.45 per month | 96% |
| - Drinking water odour | 0.05 | 0.00 | 0.05 | 0.00 | 0.00 | ✓ | ≤ 0.45 per month | 100% |
| - Drinking water pressure of flow | 0.05 | 0.10 | 0.00 | 0.00 | 0.00 | ✓ | ≤ 0.45 per month | 100% |
| - Continuity of supply | 0.14 | 0.14 | 0.05 | 0.09 | 0.00 | ✓ | ≤ 0.45 per month | 80% |
| - Council's response to any of these issues | 0.05 | 0.00 | 0.00 | 0.05 | 0.00 | ✓ | ≤ 0.45 per month | 89% |
| Median time for service personnel to reach site for urgent events | 0h 26m | 0h 16m | 0h 15m | 0h 16m | 0h 00m | ✓ | ≤ 4 hours | 93% |
| Median time for the resolution of urgent events | 0d 1h 17m | 0d 1h 07m | 0d 1h 17m | 0d 1h 23m | 0d 0h 00m | ✓ | ≤ 24 hours | 94% |
| Median time for service personnel to reach site for non-urgent events | 5d 19h 48m | 5d 5h 40m | 5d 18h 08m | 5d 0h 39m | 0d 0h 00m | 😐 | ≤ 5 working days | (1%) |
| Median time for the resolution of non-urgent events | 7d 4h 05m | 6d 3h 28m | 6d 6h 15m | 6d 2h 37m | 0d 0h 00m | ✓ | ≤ 10 working days | 39% |
| Average drinking water consumption (litres per resident per day) | 462 | 389 | 425 | 474 | 0 | ✓ | < 700 | 32% |
| The Invercargill water supply is safe to drink as measured by the Ministry of Health grades | Aa | Aa | Aa | Aa | 0 | ✓ | Aa | 0% |
| The Bluff water supply is safe to drink as measured by the Ministry of Health grades | Ab | Ab | Ab | Ab | 0 | ✗ | Aa | (100%) |
| Notification of planned shutdowns is given at least 24 hours beforehand by letter drop | 1 | 1 | 1 | 1 | 0 | ✓ | 90% | 8% |
| Duration of planned shutdowns is no more than 8 hours | 1 | 1 | 1 | 1 | 0 | ✓ | 100% | 0% |
| % of hydrants tested that exceed a flow rate of 12.5 litres per second | 100% | N/A | N/A | N/A | 0 | 😐 | 97.5% | N/A |

# INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
# KEY PERFORMANCE INDICATORS

## Roading

| Description | YE 2019 Actual | Q 1 | Q 2 | Q 3 | Q 4 | | YE 2020 Target | Variance |
|---|---|---|---|---|---|---|---|---|
| Damaged signs are responded to within 48 hours of notification | 77% | 70% | 71% | 73% | 0% | ✘ | > 85% | (12%) |
| Traffic signal faults are responded to within 1 hour for emergency work, 4 hours for serious faults and 12 hours for minor faults | 100% | 78% | 100% | 100% | 0% | ✓ | > 85% | 15% |
| % of customer service requests responded to within 5 days | 76% | 76% | 77% | 85% | 0% | ✓ | 82% | 3% |
| Decrease in the annual number of fatalities and serious crashes on the local road network | 18 | N/A | N/A | N/A | 0% | 😐 | ↓ | N/A |
| Higher than the national average quality of ride on a sealed local network - Urban | 89% | N/A | N/A | N/A | 0% | 😐 | N/A | N/A |
| Higher than the national average quality of ride on a sealed local network - Rural | 96% | N/A | N/A | N/A | 0% | 😐 | N/A | N/A |
| % of the sealed local road network that is resurfaced | 6% | N/A | N/A | N/A | 0% | 😐 | > 6.25% | N/A |
| % of footpaths in very poor condition | 1% | N/A | N/A | N/A | 0% | 😐 | < 8% | N/A |
| Street lighting is compliant with AS/NZS 1158 to agreed levels | 74% | N/A | N/A | N/A | 0% | 😐 | ↑ | N/A |
| Number of unplanned road closures | N/A | N/A | N/A | N/A | 0% | 😐 | < 8 | N/A |
| The overall annual cost per km and vkt of routine maintenance on each road network | N/A | N/A | N/A | N/A | 0% | 😐 | < Peer Group Average | N/A |

## Sewerage

| Description | YE 2019 Actual | Q 1 | Q 2 | Q 3 | Q 4 | | YE 2020 Target | Variance |
|---|---|---|---|---|---|---|---|---|
| Number of dry weather sewerage overflows per 1,000 properties | 0.49 | 0.18 | 0.18 | 0.23 | 0.00 | ✓ | < 4 | 92% |
| Compliance with the Council's resource consents for discharge from its sewerage system, measured by the number of:<br>- Abatement notices<br>- Infringement notices<br>- Enforcement orders<br>- Convictions | 0 | 0 | 0 | 0 | 0 | ✓ | 0 | 0% |
| Total number of complaints received by Council about sewerage odour | 0 | 0 | 0 | 0 | 0 | ✓ | 0 | 0% |
| Total number of complaints received by Council about blockages and faults per 1,000 connections | 2.50 | 0.45 | 0.54 | 0.90 | 0.00 | ✓ | < 4 | 70% |
| Service personnel reach site within 1 hour for emergency events | 91% | 95% | 97% | 99% | 0% | ✓ | 90% | 9% |
| Temporary repairs completed within 4 hours for emergency events | 95% | 100% | 98% | 97% | 0% | ✓ | 95% | 2% |
| Service disruptions for individual properties are less than 12 hours | 100% | 100% | 100% | 100% | 0% | ✓ | 100% | 0% |
| Trade waste consent applications are responded to within 10 working days | 100% | 100% | 100% | 100% | 0% | ✓ | 80% | 20% |

# INVERCARGILL CITY COUNCIL QUARTERLY REPORT TO 31 MARCH 2020
# KEY PERFORMANCE INDICATORS

## Stormwater

| Description | YE 2019 Actual | Q 1 | Q 2 | Q 3 | Q 4 | | YE 2020 Target | Variance |
|---|---|---|---|---|---|---|---|---|
| Number of flooding events | 0 | 0 | 1 | 1 | 0 | ✗ | 0 | (100%) |
| Compliance with the Council's resource consents for discharge from its sewerage system, measured by the number of:<br>- Abatement notices<br>- Infringement notices<br>- Enforcement orders<br>- Convictions | 0 | 0 | 2 | 0 | 0 | ✓ | 0 | 0% |
| Number of complaints received by Council about stormwater system performance per 1,000 properties | 0.45 | 0.32 | 0.46 | 0.55 | 0.00 | ✓ | < 4 | 82% |
| Service personnel reach site within 1 hour for emergency events | 93% | 100% | 100% | 100% | 0% | ✓ | 90% | 10% |

## General

| Description | YE 2019 Actual | Q 1 | Q 2 | Q 3 | Q 4 | | YE 2020 Target | Variance |
|---|---|---|---|---|---|---|---|---|
| Number of households involved in Neighbourhood Support | 1,290 | 1,289 | 1,266 | 1,275 | 0 | 😐 | ↑ | (1%) |
| Number of groups involved in Neighbourhood Support | 130 | 130 | 125 | 125 | 0 | 😐 | ↑ | (4%) |
| Number of residents participating in funded programmes | 31,160 | N/A | 26,131 | 174 | 0 | ✗ | 10,000 | (98%) |
| Number of events, agencies and businesses achieving the use of the friendly brand | 15 | 5 | 0 | 1 | 0 | ✗ | 12 | (89%) |
| Number of young people participating in initiatives | 514 | 240 | 313 | 139 | 0 | ✗ | 400 | (54%) |
| Automated toilets are available 24 hours | 98% | 93% | 96% | 97% | 0% | ✓ | 95% | 2% |
| % of surveyed residents satisfied or greater with opportunities Council provides for Community involvement in decision-making | 28% | N/A | N/A | N/A | 0% | 😐 | 50% | N/A |
| Number of alternative methods of communicating to and receiving information from the community introduced | 1 | N/A | N/A | N/A | 0 | 😐 | 1 | N/A |
| Investment property's net rate of return ≥ current market interest rate | 4% | N/A | N/A | N/A | 0% | 😐 | Yes | N/A |

**Operating forecast assumptions at Alert level 2-4 for each activity of Council**

The table below shows the impact on profit, based on a month at each Alert level.

| Activity | Level 2 | Profit impact | Level 3 | Profit impact | Level 4 | Profit impact |
|---|---|---|---|---|---|---|
| **Roading** | Business as usual but still maintaining safe/social isolation practices<br><br>- No impact to revenue<br>- No impact to expenses | $0k | Increased level of services above level 4 – must be able to maintain safe/social isolation work practices<br><br>- Revenue reduced by 4%<br>- Expenses reduced by 4% | $155k | Essential road services only – road safety work and some road sweeping<br><br>All general maintenance/capital works deferred<br><br>- Revenue reduced by 6%<br>- Expenses reduced by 6% | $233k |
| **Sewerage** | Business as usual but still maintaining safe/social isolation practices<br><br>- No impact to revenue<br>- No impact to expenses | $0k | Increased level of services above level 4– must be able to maintain safe/social isolation work practices<br><br>- No impact to revenue (only rates revenue)<br>- Expenses reduced by 25%<br><br>*(Overall impact to profit favourable)* | $25k | Essential sewerage services only<br><br>All general maintenance/capital works deferred<br><br>- No impact to revenue (only rates revenue)<br>- Expenses reduced by 34%<br><br>*(Overall impact to profit favourable)* | $48k |
| **Stormwater** | Business as usual but still maintaining safe/social isolation practices<br><br>- No impact to revenue<br>- No impact to expenses | $0k | Increased level of services above level 4– must be able to maintain safe/social isolation work practices<br><br>- No impact to revenue (only rates revenue)<br>- Expenses reduced by 25%<br><br>*(Overall impact to profit favourable)* | $10k | Essential Stormwater services only<br><br>All general maintenance/capital works deferred<br><br>- No impact to revenue (only rates revenue)<br>- Expenses reduced by 34%<br><br>*(Overall impact to profit favourable)* | $23k |

| Activity | Level 2 | Profit impact | Level 3 | Profit impact | Level 4 | Profit impact |
|---|---|---|---|---|---|---|
| **Water** | Business as usual but still maintaining safe/social isolation practices<br><br>- No impact to revenue<br>- No impact to expenses<br><br>*(Water reservoir repaint cost not included in profit impact as unlikely to be completed this year, but not as a result of COVID-19)* | $0k | Increased level of water services – must be able to maintain safe/social isolation work practices<br><br>- Revenue reduced by 7%<br>- Expenses reduced by 6%<br><br>*(Water reservoir repaint cost not included in profit impact as unlikely to be completed this year, but not as a result of COVID-19)* | $10k | Essential water services only<br><br>All general maintenance/capital works deferred<br>*(Water reservoir repaint cost removed, as unlikely to be completed this year, but not due to COVID-19)*<br><br>- Revenue reduced by 33%<br>- Expenses reduced by 11%<br><br>*(Water reservoir repaint cost not included in profit impact as unlikely to be completed this year, but not as a result of COVID-19)* | -$5k |
| **Solid Waste** | Essential Service, continues to operate<br><br>- No impact to revenue<br>- No impact to expenses | $0k | Essential Service, continues to operate<br><br>- No impact to revenue<br>- No impact to expenses | $0k | Essential Service, continues to operate<br><br>- No impact to revenue<br>- No impact to expenses | $0k |
| **Regulatory** | Business as usual<br><br>- No impact to revenue<br>- No impact to expenses | $0k | Building, resource and planning consents continue to be processed off site – at decreased volume<br><br>Building inspections may increase<br><br>Limited health & compliance services<br>- Reduction in direct charges revenue of 20%<br>- Fines revenue decreased 100%<br>- Expenses reduced by 10% | -$91k | Building, resource and planning consents continue to be processed off site – at decreased volume<br><br>No building inspections occurring<br><br>Limited health & compliance services<br><br>- Reduction in direct charges revenue of 30%<br>- Fines revenue decreased 100%<br>- Expenses reduced by 10% | -$134k |

| Activity | Level 2 | Profit impact | Level 3 | Profit impact | Level 4 | Profit impact |
|---|---|---|---|---|---|---|
| **Museum** | Facilities closed to public<br><br>Kelvin St due to open end May, opening maybe delayed<br><br>- No impact to revenue *(revenue all relates to management contracts)*<br>- No impact to expenses | $0k | Facilities closed to public<br><br>Work can recommence Kelvin St site<br><br>- No impact to revenue *(revenue all relates to management contracts)*<br>- No impact to expenses | $0k | Facilities closed to public<br><br>Work will stop at Kelvin St site<br><br>- No impact to revenue *(revenue all relates to management contracts)*<br>- Expenses reduced by 15% *(unable to fit-out pop-up Museum)* | $10k |
| **Housing Care** | Essential service, continues to operate<br><br>- No impact to revenue<br>- No impact to expenses | $0k | Essential service, continues to operate<br><br>- No impact to revenue<br>- No impact to expenses | $0k | Essential service, continues to operate<br><br>- No impact to revenue<br>- No impact to expenses | $0k |
| **Libraries** | Facilities open to the public on a restricted basis<br><br>- Revenue reduced by 70%<br>- Expenses reduced by 5% | -$11k | Facilities closed to public<br><br>- Revenue reduced by 100%<br>- Expenses reduced by 10% | -$10k | Facilities closed to public<br><br>- Revenue reduced by 100%<br>- Expenses reduced by 10% | -$10k |
| **Parks** | Facilities open to the public on a restricted basis<br><br>Able to harvest forest<br><br>- No significant impact to revenue<br>- No impact to expenses | -$5k | Facilities closed to the public<br><br>Able to harvest forest<br><br>- Revenue reduced by 7%<br>- Small impact to expenses but expenses have already exceeded full year forecast, therefore no adjustment | -$30k | Facilities closed to public<br><br>Not able to harvest forest – not an essential service<br><br>- Revenue reduced by 80%<br>- Small impact to expenses but expenses have already exceeded full year forecast, therefore no adjustment | -$363k |

| Activity | Level 2 | Profit impact | Level 3 | Profit impact | Level 4 | Profit impact |
|---|---|---|---|---|---|---|
| **Cemeteries** | This is an essential service, therefore continues to operate<br><br>- No impact to revenue<br>- No impact to expenses | $0k | This is an essential service, therefore continues to operate<br><br>- No impact to revenue<br>- No impact to expenses | $0k | This is an essential service, therefore continues to operate<br><br>- No impact to revenue<br>- No impact to expenses | $0k |
| **Pools** | Facilities open to the public on a restricted basis<br><br>- Revenue reduced by 70%<br>- Expenses reduced by 10% | -$75k | Facilities closed to public<br><br>- Revenue reduced by 100%<br>- Expenses reduced by 20% | -$107k | Facilities closed to public<br><br>- Revenue reduced by 100%<br>- Expenses reduced by 25% | -$99k |
| **Passenger Transport** | Essential service, fares reinstated, but reduced demand<br><br>Demand for Total Mobility services expected to reduce significantly even at level 2<br><br>- Revenue reduced by 55%<br>- Expenses reduced by 10% | -$9k | Essential service, buses continue to run with free fares<br><br>Demand for Total Mobility services expected to reduce significantly<br><br>- Revenue reduced by 60%<br>- Expenses reduced by 10% | -$11k | Essential service, buses continue to run with free fares<br><br>Demand for Total Mobility services expected to reduce significantly<br><br>- Revenue reduced by 75%<br>- Expenses reduced by 15% | -$7k |
| **Community Development** | Public events if held likely to be restricted<br><br>Assume insignificant merchandise sales if any<br><br>Safe in the South functioning<br><br>- Revenue reduced by 100%<br>- Expenses reduced by 5% | $4k | No public events able to be held<br><br>No merchandise being sold<br><br>Safe in the South on hold<br><br>- Revenue reduced by 100%<br>- Expenses reduced by 35% | $27k | No public events able to be held<br><br>No merchandise being sold<br><br>Safe in the South on hold<br><br>- Revenue reduced by 100%<br>- Expenses reduced by 35% | $27k |

| Activity | Level 2 | Profit impact | Level 3 | Profit impact | Level 4 | Profit impact |
|---|---|---|---|---|---|---|
| **Specialised Community Services** | Service contracts continue<br>Grants expected to be allocated as usual<br><br>- No impact on revenue<br>- No impact on expenses | $0k | Service contracts continue<br>Grants expected to be allocated as usual<br><br>- No impact on revenue<br>- No impact on expenses | $0k | Service contracts continue<br>Grants expected to be allocated as usual<br><br>- No impact on revenue<br>- No impact on expenses | $0k |
| **Investment Property** | Awarua farm is an essential service and continues to operate<br><br>- No impact to farm revenue or expenses<br><br>Other investment property, assume most tenants back operating fully<br><br>- No impact to revenue<br>- No impact to expenses | $0k | Awarua farm is an essential service and continues to operate<br><br>- No impact to farm revenue or expenses<br><br>Other investment property, some tenants unable to operate their businesses fully – requests for rent relief<br><br>- Revenue reduced by 20%<br>- No impact to expenses | -$38k | Awarua farm is an essential service and continues to operate<br><br>- No impact to farm revenue or expenses<br><br>Other investment property, some tenants unable to operate their businesses – requests for rent relief<br><br>- Revenue reduced by 40%<br>- Expenses reduced by 20% | -$28k |
| **Public Toilets** | Essential facility therefore remain open<br><br>- No impact to expenses | $0k | Essential facility therefore remain open, except Wachner Place, Library and Stirling Pt closed<br><br>- Expenses reduced by 55% | $11k | Essential facility therefore remain open, except Wachner Place, Library and Stirling Pt closed<br><br>- Expenses reduced by 55% | $11k |
| **Halls & Theatre** | Facilities open to the public on a restricted basis<br>- Revenue reduced by 100%<br>- Expenses reduced by 25%<br><br>*Even though facilities may be open, most bookings cancelled through till end of August 2020* | -$85k | Facilities closed to the public<br><br>- Revenue reduced by 100%<br>- Expenses reduced by 25% | -$85k | Facilities closed to the public<br><br>- Revenue reduced by 100%<br>- Expenses reduced by 30% | -$75k |

| Activity | Level 2 | Profit impact | Level 3 | Profit impact | Level 4 | Profit impact |
|---|---|---|---|---|---|---|
| **Democratic Services** | Restricted travel allowed, meetings held normally<br><br>- No impact to revenue (minimal income for Q4)<br>- Expenses reduced by 3% | -$2k | No travel allowed, meetings held via internet<br><br>- No impact to revenue (minimal income for Q4)<br>- Expenses reduced by 5% | $3k | No travel allowed, meetings held via internet<br><br>- No impact to revenue (minimal income for Q4)<br>- Expenses reduced by 7% | $4k |
| **Support Services** | Support services able to operate<br><br>- No impact to revenue<br>- No impact to expenses | $0k | Support services able to operate remotely/from home or return back to work<br><br>- No impact to revenue<br>- No impact to expenses | $0k | Support services mostly able to operate remotely/from home<br><br>Increase costs for IT associated with remote set-ups – increase offset by any decrease relating to 3 waters/ESG<br><br>Increase cost for flu jab due to increased demand – increase offset by any decrease relating to 3 waters/ESG<br><br>*(3 Waters & ESG may have reduced costs, but any reduction will be offset by increases as noted above.)*<br><br>- No impact to revenue<br>- No impact to expenses | $0k |
| **Total Profit impact for one month** | **Level 2** | **-$183k** | **Level 3** | **-$131k** | **Level 4** | **-$365k** |