

NOTICE IS HEREBY GIVEN THAT THE MONTHLY MEETING OF THE FINANCE AND POLICY COMMITTEE, WILL BE HELD IN THE COUNCIL CHAMBERS, 29 CIVIC AVENUE, GORE, ON TUESDAY 11 NOVEMBER 2008, FOLLOWING THE CONCLUSION OF THE REGULATORY COMMITTEE MEETING

**Stephen Parry
CHIEF EXECUTIVE**

5 November 2008

A G E N D A

1. Waikaka Development Area (Pages 1-2)
2. Financial report for September 2008 (Pages 3-12)

FINANCE AND POLICY MEETING AGENDA

NOVEMBER 2008

1. WAIKAKA DEVELOPMENT AREA

(Memo from Parks and Recreation – 10.10.08)

This report is a progress update from a resolution passed at the Committee meeting held in February this year. The resolution read “that the Council make contact with the Waikaka Progress League and consult with it about the best way to ascertain views of the community before any further action was taken.”

On 5 March a meeting was held between Council officers and Louise Meehan on behalf of the Waikaka Progress League. The above resolution was discussed and Ms Meehan agreed to take it back to the Progress league for action and consultation with the noted stakeholders. In August, I contacted Ms Meehan requesting an update and a follow up phone call on 7 October where Ms Meehan was able to confirm she had spoken to representatives of the majority of stakeholders but still had a couple to contact. She then went on to give an undertaking that the bones of the consultation would be completed as soon as possible and thereafter a letter stating the outcome would be forwarded to the Council for its consideration.

- 1 A copy the letter received from the Waikaka Progress League is attached.

RECOMMENDATION

THAT the information be received.

2. FINANCIAL REPORT FOR SEPTEMBER 2008

(Memo from Management Accountant 04.11.08)

Operating Results

For the two months ended 30 September 2008, the Gore District Council recorded a deficit of \$26k. This is favourable by \$231k on the budget result for the same period.

Our performance for the period is summarised in the table below. The full results can be found in the statements throughout this report.

Operating Results

September						
Actual	Budget	Variance		Actual	Budget	Variance
\$000	\$000	\$000		\$000	\$000	\$000
Revenue						
841	839	1	Rates	2,522	2,518	3
3	11	(8)	Petroleum Tax	23	33	(10)
135	141	(6)	LTNZ Subsidy	270	264	6
222	194	27	Licenses Fees & Other Revenue	768	669	100
0	0	0	External Funding for Smiths City Building	0	0	0
0	0	0	Wind Farm Revenue	0	0	0
0	0	0	Interest and Dividends	21	0	21
264	264	(0)	Administration Recoveries	793	793	(0)
1,465	1,451	14		4,397	4,277	120
Expenses						
67	116	49	Democracy	177	235	59
892	964	72	Assets	2,740	2,892	152
495	496	1	Corporate Services	1,504	1,404	(100)
1,454	1,576	122		4,420	4,531	110
11	(125)	136	Surplus (Deficit)	(23)	(253)	231

Variance Explanation

Income

Overall income is favourable by \$120k.

LTNZ Subsidy

The LTNZ subsidy is in line with budget.

Rates

Rates are spread evenly over the full financial year.

License Fees & Other Revenue

Is up on budget by \$101k for the period. This is mixture of small increases in revenues across many departments. This will be monitored in the coming months to see it is a permanent or a timing difference.

Expenditure

Overall expenditure is favourable by \$110k.

Several departments have overspends at this stage, however, all of them have an increase in revenue which offsets the increases in expenditure.

Gore District Council
Statement of Financial Performance
1 July - 30 September 2008

September						
Actual	Budget	Variance		Actual	Budget	Variance
\$000	\$000	\$000		\$000	\$000	\$000
Revenue						
78	77		1 Democracy	232	232	0
344	342		2 Essential services	1,038	1,025	14
303	318	(15)	Roads	789	793	(4)
207	202		5 Reserves & Sport Facilities	622	606	16
68	67		1 Property	219	201	18
79	77		2 Regulatory	355	321	34
0	0		0 Wind Farm Revenue Received	0	0	0
95	86		9 Aquatic Centres	287	278	9
119	113		6 Heritage Precinct	337	338	(1)
0	0		0 External Funding for Smiths City Building	(0)	0	(0)
172	169		3 Administration	519	483	35
1,465	1,451	14		4,397	4,277	120
Expenses						
67	116	49	Democracy	177	235	59
350	386	36	Essential services	1,049	1,157	108
319	304	(15)	Roads	875	913	38
173	201	28	Reserves & Sport Facilities	599	602	3
38	73	35	Property	220	220	(0)
80	81	1	Regulatory	281	244	(37)
17	0	(17)	Wind Farm Expenses Incurred	23	0	(23)
116	119	3	Aquatic Centres	337	318	(19)
93	112	19	Heritage Precinct	356	355	(1)
201	184	(17)	Administration	505	488	(18)
1,454	1,576	122		4,420	4,531	110
11	(125)	136	Surplus (Deficit)	(23)	(253)	231

Infrastructural Divisions

Essential Services

Statement of Cost of Service				
Essential Services				
for the period ending 30 September 2008				
2006/07		Actual	Budget	Variance
	<i>Revenue</i>			
544,108	Rates	629,367	629,367	-
(1,407,044)	Sales & Services	408,871	395,289	13,582
(862,936)	Total Revenue	1,038,238	1,024,656	13,582
717,043	Total Expenses	1,049,007	1,157,253	(108,246)
(1,579,978)	Gross Operating Margin	(10,769)	(132,597)	121,828
16,046	Capital Expenditure	891,696	191,994	699,702
<u>(1,596,024)</u>	Total Surplus/(Deficit)	<u>(902,465)</u>	<u>(324,591)</u>	<u>(577,874)</u>

Included in this area are water, wastewater and solid waste.

This Division is on track at this early stage in the year, the \$100k underspend of the expenses is due to the timing of maintenance requirements which is expected to come in line later in the year. Revenue is also tracking well.

The overspend in the capital works department is due to the Actiflow project, which was budgeted for last year but carried over till this year. At 30 June 2008 there was \$960k of budgeted capital work still to be carried out on the project. For a more accurate picture this carried over budget should be added to this years budgeted capital expenditure. When this is taken into account we are tracking well overall.

Parks & Reserves

Statement of Cost of Service				
Parks & Reserves				
for the period ending 30 September 2008				
2006/07		Actual	Budget	Variance
	<i>Revenue</i>			
344,630	Rates	393,567	393,567	-
(960,750)	Sales & Services	228,261	212,547	15,713
(616,120)	Total Revenue	621,827	606,114	15,713
335,284	Total Expenses	598,748	601,533	(2,785)
(951,404)	Gross Operating Margin	23,079	4,581	18,498
65,530	Capital Expenditure	86,736	101,896	(15,160)
(1,016,934)	Total Surplus/(Deficit)	(63,657)	(97,315)	33,658

Included in this area are the various Parks & Reserves around the District including Dolamore Park and all the Cemeteries.

Parks and Reserves are inline, the apparent increase in revenue is due to the trade-in's of various items of plant and Equipment Scheduled for replacement under the Capital Expenditure Budget, and as such the gains should be offset against the Capital Spending, which would make the capital budget variance appear more favourable. Though majority of the favourable capital expenditure variance is primarily due to the timing of the capital work and this variance will reduce over time.

Expenditure is tracking closely to budget.

Roading

Statement of Cost of Service				
Roading				
for the period ending 30 September 2008				
2006/07		Actual	Budget	Variance
	<i>Revenue</i>			
440,154	Rates	484,050	484,050	-
(954,366)	Sales & Services	304,703	308,849	(4,146)
(514,212)	Total Revenue	788,753	792,899	(4,146)
762,094	Total Expenses	875,109	913,308	(38,199)
(1,276,306)	Gross Operating Margin	(86,356)	(120,409)	34,053
330,702	Capital Expenditure	154,790	269,794	(115,004)
<u>(1,607,008)</u>	Total Surplus/(Deficit)	<u>(241,146)</u>	<u>(390,203)</u>	<u>149,057</u>

Further breakdowns have been provided for some of the activities that make up the roading division.

Overall this department is on target; capital expenditure is down due to timing and the seasonal nature of roading capital work.

Statement of Cost of Service

**Roading Administration
for the period ending 30 September 2008**

2006/07		Actual	Budget	Variance
	<i>Revenue</i>			
-	Rates	-	-	-
29,988	Sales & Services	74,203	90,624	(16,421)
29,988	Total Revenue	74,203	90,624	(16,421)
35,731	Total Expenses	82,729	99,390	(16,661)
(5,744)	Gross Operating Margin	(8,526)	(8,766)	240
20,471	Capital Expenditure	-	-	-
<u>(26,215)</u>	Total Surplus/(Deficit)	<u>(8,526)</u>	<u>(8,766)</u>	<u>240</u>

Statement of Cost of Service

**Urban Roading
for the period ending 30 September 2008**

2006/07		Actual	Budget	Variance
	<i>Revenue</i>			
156,137	Rates	172,591	172,591	-
(366,831)	Sales & Services	63,196	65,070	(1,874)
(210,694)	Total Revenue	235,787	237,661	(1,874)
288,040	Total Expenses	255,667	280,503	(24,836)
(498,734)	Gross Operating Margin	(19,880)	(42,842)	22,962
44,174	Capital Expenditure	38,724	82,773	(44,049)
<u>(542,907)</u>	Total Surplus/(Deficit)	<u>(58,604)</u>	<u>(125,615)</u>	<u>67,011</u>

**Statement of Cost of Service
Rural Roding
for the period ending 31 March 2008**

2006/07		Actual	Budget	Variance
	<i>Revenue</i>			
260,856	Rates	285,367	285,367	-
(562,056)	Sales & Services	145,144	144,999	145
(301,199)	Total Revenue	430,511	430,366	145
398,119	Total Expenses	478,414	499,179	(20,765)
(699,318)	Gross Operating Margin	(47,903)	(68,813)	20,910
226,411	Capital Expenditure	84,087	112,021	(27,934)
(925,729)	Total Surplus/(Deficit)	(131,990)	(180,834)	48,844

**Statement of Cost of Service
Other Roding
for the period ending 31 March 2008**

2006/07		Actual	Budget	Variance
	<i>Revenue</i>			
23,161	Rates	26,092	26,092	-
(55,467)	Sales & Services	22,160	8,156	14,005
(32,306)	Total Revenue	48,253	34,248	14,005
40,204	Total Expenses	58,300	34,236	24,064
(72,510)	Gross Operating Margin	(10,047)	12	(10,059)
39,646	Capital Expenditure	31,979	75,000	(43,021)
(112,157)	Total Surplus/(Deficit)	(42,026)	(74,988)	32,962

Balance Sheet

The major changes in the balance sheet from the same month in prior year:

Assets

- Debtors are down on 30 September 2007 due to timing
- Investments are down on the same month last year due to the revaluation of the interest Swaps
- Loans to community groups have increased to reflect the recent loans given to the Multi-sports Charitable Trust and the St James Theatre.

Liabilities

- Term debt has increased due to the planned borrowing for the Smiths City building purchase, the St James Theatre Loan, multi-sports car park Loan and the acti-flow project.

Capital Expenditure

As at 30 September 2008 \$1.839m has been spent on Capital works. A large portion of this is for the acti-flow project and Mataura Community Centre.

All other areas are tracking as expected for the first quarter.

RECOMMENDATION

THAT the financial report for the three months ended 30 September 2008 be received.

**Gore District Council
Balance Sheet
As at 30 September 2008**

Actual 30 Sep 2007 \$000		Actual 30 Sep 2008 \$000	LTCCP 30 Jun 2008 \$000
	Equity		
138,251	Accumulated funds	138,588	137,392
163,503	Asset Revaluation Reserve	163,503	122,459
301,754		302,091	259,851
	Assets		
	Current Assets		
225	Bank	50	78
1,442	Debtors	1,377	900
1,773	Short Term Deposits	1,966	1,207
38	Inventory	58	0
3,479		3,451	2,185
	Non current Assets		
702	Investments	462	68
10	Loans to Community Groups	50	0
308,834	Fixed Assets	310,650	270,349
309,546		311,163	270,417
313,024	Total Assets	314,614	272,602
	Liabilities		
	Current Liabilities		
3,035	Creditors	2,324	1,525
	Non Current Liabilities		
8,094	Term Loans	10,086	11,090
142	Landfill Aftercare Provision	113	136
8,236		10,199	11,226
11,270	Total Liabilities	12,523	12,751
301,754	Net Assets	302,091	259,851