

Notice of Meeting:

I hereby give notice that an ordinary meeting of the Finance and Council Controlled Organisations Committee will be held on:

Date: Tuesday 19 March 2019
Time: 1.00 pm
Venue: Edinburgh Room, Municipal Chambers,
The Octagon, Dunedin

Sue Bidrose
Chief Executive Officer

Finance and Council Controlled Organisations Committee PUBLIC AGENDA

MEMBERSHIP

Chairperson	Cr Mike Lord	
Deputy Chairperson	Cr Doug Hall	
Members	Cr David Benson-Pope	Mayor Dave Cull
	Cr Rachel Elder	Cr Christine Garey
	Cr Aaron Hawkins	Cr Marie Laufiso
	Cr Damian Newell	Cr Jim O'Malley
	Cr Chris Staynes	Cr Conrad Stedman
	Cr Lee Vandervis	Cr Andrew Whiley
	Cr Kate Wilson	
Senior Officer	Dave Tombs, General Manager Finance and Commercial	
Governance Support Officer	Wendy Collard	

Wendy Collard
Governance Support Officer

Telephone: 03 477 4000
Wendy.Collard@dcc.govt.nz
www.dunedin.govt.nz

Note: Reports and recommendations contained in this agenda are not to be considered as Council policy until adopted.

19 March 2019

ITEM	TABLE OF CONTENTS	PAGE
1	Public Forum	4
2	Apologies	4
3	Confirmation of Agenda	4
4	Declaration of Interest	5
PART A REPORTS (Committee has power to decide these matters)		
5	Waipori Fund - Quarter Ending December 2018	15
6	Financial Result - Period Ended 31 January 2019	21
7	Items for Consideration by the Chair	40

19 March 2019

1 PUBLIC FORUM

At the close of the agenda no requests for public forum had been received.

2 APOLOGIES

An apology has been received from Mayor Dave Cull.

That the Committee:

Accepts the apology from Mayor Dave Cull.

3 CONFIRMATION OF AGENDA

Note: Any additions must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

DECLARATION OF INTEREST

EXECUTIVE SUMMARY

1. Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have.
2. Elected members are reminded to update their register of interests as soon as practicable, including amending the register at this meeting if necessary.

RECOMMENDATIONS

That the Committee:

- a) **Notes/Amends** if necessary the Elected Members' Interest Register attached as Attachment A; and
- b) **Confirms/Amends** the proposed management plan for Elected Members' Interests.

Attachments

	Title	Page
↓A	Elected Members' Register of Interest	7

Finance and Council Controlled Organisations - Register of Interest - current as at 13 March 2019				
Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Dave Cull	Trustee	Weller Trust - Property Ownership - Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chair	Cosy Homes Charitable Trust	Potential grants applicant which would result in pecuniary interest. Duty to Trust may conflict with duties of Council Office	Do not participate in consideration of grants applications. If the meeting is in confidential, to leave the room.
	Director/Shareholder	McMillan Nominees Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Co-President	UCLG (United Cities and Local Governments) - Asia Pacific Region	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Vice President	CLGF (Commonwealth Local Government Forum)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Popaway Ltd - Property Ownership - Auckland and Tarras	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	President	Local Government New Zealand (LGNZ)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tertiary Sector Steering Group (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Otago Theatre Trust (Council Appointment)	Duties to Trust may conflict with duties of Council Office. Recipient of Council funding	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
David Benson-Pope	Owner	Residential Property Ownership in Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee and Beneficiary	Blind Investment Trusts	Duty to Trust may conflict with duties of Council Office	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Commissioner	District Licensing Committee	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Keep Dunedin Beautiful (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Te Ao Tūroa Partnership (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Teritary Precinct Planning Group (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	New Zealand Labour Party	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Yellow-eyed Penguin Trust	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Dunedin Heritage Fund Committee (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Rachel Elder	Owner	Residential Property Ownership - Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Rental Property Ownership - Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Greater South Dunedin Action Group	Decisions may be considered on the future of South Dunedin.	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Committee Member	Dunedin Toastmasters Club	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Host Parent	Otago Girls High School	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Member	Connect South (Dunedin Council of Social Services) (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Public Art Gallery Society (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Keep Dunedin Beautiful (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Manufacturing Holdings	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Toitū Otago Settlers Museum Board (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chair	Southern Urban Dunedin Community Response Group	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Café Logic Advisory Group	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Youth Partnership Advisory Group (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Christine Garey	Owner	Residential Property Ownership - Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Garey Family Trust - Property Ownership - Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Submitter	2GP	Interest as submitter may conflict with Council responsibilities.	Withdraw from discussion and leave the table. If in confidential leave the room.
	Shareholder	G.T. Gillies Group Limited	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Edinburgh Sister City Society (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Theomin Gallery Management Committee (Council Appointment)	Potential grants applicant which would result in pecuniary interest. Duty to Trust may conflict with duties of Council Office	Do not participate in consideration of grants applications. If the meeting is in confidential, to leave the room.
Doug Hall	Director/Owner	Hall Brothers Transport Ltd	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Director/Owner	Dunedin Crane Hire	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Director/Owner	Wood Recyclers Ltd	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Director/Owner	Dunedin Concrete Crushing Ltd	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Director/Owner	Anzide Properties Ltd - Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	The Woodshed 2014 Limited	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Owner	Property Ownership - Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Farmlands	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Ravensdown Fertiliser	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	PGG Wrightson	Currently no likely conflict	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Shareholder	Silver Fern Farms	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Valley View Development Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Geekfix Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Hall Family Trust, Invercargill	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Milburn Processing Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Chinese Garden Advisory Board (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Toitū Otago Settlers Museum Board (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Donor of the use of a building free of charge to the group	Fire Brigade Restoration Society	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Financial Donor	Dunedin North Community Patrol	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Donor of the use of a building free of charge to the group	North Dunedin Blokes Shed	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Loan of a four wheel drive truck free of charge to the group for cartage of gravel	Mountainbiking Otago	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Partner	Highland Helicopters	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Cragieburn Reserve Committee (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Aaron Hawkins	Chairperson	Dunedin Fringe Festival	Trust is recipient of DCC grants and a tenant of City Property Management Plan	Withdraw for all Dunedin Fringe Festival Trust and DCC discussions involving this relationship.
	Trustee	West Harbour Beautification Trust	Potential conflict WHBT work with Parks and Reserves to co-ordinate volunteer activities	Withdrawal from all West Harbour Beautification Trust/ DCC discussions involving this relationship.
	Owner	Residential Property Owner - Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Creative Dunedin Partnership (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Public Art Gallery Acquisitions Committee (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Dunedin Refugee Steering Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Toitū Otago Settlers Museum Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Thank You Payroll	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	West Harbour Community Board	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	District Licensing Committee	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Board Member	Otago Museum Trust Board (Council Appointment)	Duties to Trust may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Contractor	Freelance copywriting and performance contracts	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	ICLEI Oceania Regional Executive	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Green Party	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Marie Laufiso	Trustee	Ivala-Laufiso Family Trust - Property ownership, Dunedin	Duty to Trust may conflict with duties of Council Office	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Community Building Trust - Trust Owner of Property 11 Moray Place	Duty to Trust may conflict with duties of Council Office	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Board Member	Otago Mental Health Trust	Potential grants applicant which would result in pecuniary interest. Duty to Trust may conflict with duties of Council Office	Do not participate in consideration of grants applications. If the meeting is in confidential, to leave the room.
	Trustee	Brockville Community Support Trust	Potential grants recipient	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Trustee	Corso Otepoti Dunedin	Potential grants recipient	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Advisor to external supplier for CCH worker	Corstorphine Community Hub Trust (yet to be incorporated)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Manufacturing Holdings	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Age Concern (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Abrahamic Interfaith Group	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Fair Trading Committee	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	National Secretary	Pacifica Incorporated	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Secretary	Arai Te Uru Marae Council	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Green Party	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Settlers Association	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Mike Lord	Trustee	ML and PJ Lord Family Trust - Owner of Residential Properties - Dunedin and Wanaka	Duty to Trust may conflict with duties of Council Office	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Otago Rural Support Trust	Duty to Trust may conflict with duties of Council Office	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Federated Farmers Charitable Trust	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Hereweka Harbour Cones Trust	Potential grants recipient. Duties to Trust may conflict with duties of Council Office.	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Member	Dunedin Public Art Gallery Committee	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Shareholder	Fonterra	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Silver Fern Farms	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Federated Farmers		Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Mosgiel Rotary Club	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Mosgiel RSA	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	National Party	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Various publicly listed companies	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Strath Taieri Community Board	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Mosgiel Taieri Community Board	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	District Licensing Committee	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Public Art Gallery Society (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Public Art Galley Acquisitions (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Damian Newell	Employee	Mediaworks - Dunedin	Duty to Employer may conflict with duties of Council Office	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Coach of Junior Team	Green Island Rugby Club	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Employee/MC	Highlanders Rugby	No conflict identified.	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Owner	Residential Property Ownership - Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Gasworks Museum Trust (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Keep Dunedin Beautiful (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Whale and Wasp Limited	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Regent Theatre	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Masters Games Trust Board (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tertiary Precinct Planning Group (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Jim O'Malley	Owner	Biocentrix Ltd	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago University Association Football Club	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Okia Reserve Management Committee	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Ocho Newco Limited	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Member	Road Safety Action Plan (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Residential Property Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Ayrmed Limited	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tertiary Precinct Planning Group (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Waikouaiti Coast Community Board	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Ice Sports Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Regional Transport Committee (Alternate Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Manufacturing Holdings	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Conrad Stedman	Owner	Residential Property Ownership in Dunedin and Cromwell	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Residential rental properties in Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Sales Manager	L J Hooker	Possible Conflict with sale of Council property/land if the Employer is acting on behalf of Council.	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Saddle Hill Community Board	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Booman Investments Limited	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tertiary Precinct Planning Group (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	No Regrets Rocking Chair Ltd T/A Dentistry on Musselburgh	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Chris Staynes	Chairman	Cargill Enterprises	Contractor and service provider to DCC	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room.
	Director	Wine Freedom	Supplier to DCC	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room.
	Patron	Otago Model Engineering Society	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Balmacewen Lions Club	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Otago Southland Manufacturers Association Trust	Possible co-funder of ED project. Duties to the Trust may conflict with duties of Council	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Deputy Chair	Cancer Society of Otago/Southland	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	President	Patearoa Golf Club	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	CJ and CA Staynes Family Trust - Property Owner - Dunedin and Patearoa	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	George Street Wines Limited	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Board Member	Otago Museum Trust Board (Council Appointment)	Duties to Trust may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Member	Dunedin Shanghai Association (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Theomin Gallery Trust (Council Appointment)	Duties to Trust may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Chairman	Grow Dunedin Partnership (Council Appointment)	Duties may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Director/Shareholder	Saddle Hill Investment Trust Limited	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	NZ Association of Amateur Radio and Transmitters	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Committee Member	Dunedin Shanghai Association (Council Appointment)	Duties may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
Lee Vandervis	Director	Lee Vandervis, Antonie Alm-Lequeux and Cook Allan Gibson Trustee Company Ltd - Residential Property Ownership - Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Bunchy Properties Ltd - Residential Property Ownership - Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Vandervis Audio and Lighting - Hire, Sales and Service Business	May contract and provide service to DCC	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Member	District Licensing Committee	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Council Appointee	Dunedin Symphony Orchestra	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Heritage Fund Committee (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Roading and Infrastructure Collaboration in the South of the South Island (Alternate Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Andrew Whiley	Owner/Operator	Whiley Golf Inc and New Zealand Golf Travel Ltd	No conflict identified.	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Director/Shareholder 22 May 2017	Estate of Grace Limited	No conflict identified.	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Trustee	Japek (Family Trust) - Property Ownership - Dunedin	Duties to Trust may conflict with duties of Council Office.	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Otago Golf Club	No conflict identified	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Dunedin South Rotary Club	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Board Member	New Zealand Professional Golfers Assn	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Institute of Directors	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	National Party	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Peninsula Community Board	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Chairman	Volunteering Otago	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Otago Sister City Society (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Public Art Gallery Society (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Puketai Residential Centre Liaison Committee (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Kate Wilson	Chair	Otago Central Rail Trail Charitable Trust	Duties to Trust may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Shareholder	Strathburn Limited Farm Leasee	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Lay Canon	St Pauls Cathedral Greater Chapter	No conflict identified.	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Secretary	Middlemarch Swimming Club	Funder for pool	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Board Member	Otago Museum Trust Board (Council Appointment)	Duties to Trust may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Chair	Strath Taieri Agriculture and Rural Tourism Trust	Umbrella Charitable Trust - some parts may get grants	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Board Member	Otago Museum Trust Board (Council Appointment)	Duties to Trust may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Craigieburn Reserve Committee (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tertiary Precinct Planning Group (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Regional Transport Committee (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Roading and Infrastructure Collaboration in the South of the South Island (Council Appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Committee Member	Strath Taieri Community Centre	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Predator Free Dunedin	Duties to Trust may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Mahinerangi Catchment Environment	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Board Member	Otago Hockey Association	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

PART A REPORTS

WAIPORI FUND - QUARTER ENDING DECEMBER 2018

Department: Finance

EXECUTIVE SUMMARY

- 1 The attached report from Dunedin City Treasury Limited provides information on the results of the Waipori Fund for the quarter ending 31 December 2018.

RECOMMENDATIONS

That the Committee:

- a) **Notes** the report from Dunedin City Treasury Limited on the Waipori Fund for the quarter ending 31 December 2018.

BACKGROUND

- 2 Not applicable.

DISCUSSION

- 3 Not applicable.

OPTIONS

- 4 Not applicable.

NEXT STEPS

- 5 Not applicable.

Signatories

Author:	Richard Davey - Treasury Manager
Authoriser:	Dave Tombs - General Manager Finance and Commercial

Attachments

	Title	Page
⬇A	Waipori Fund - December 2018 Quarter	17

19 March 2019

Item 5

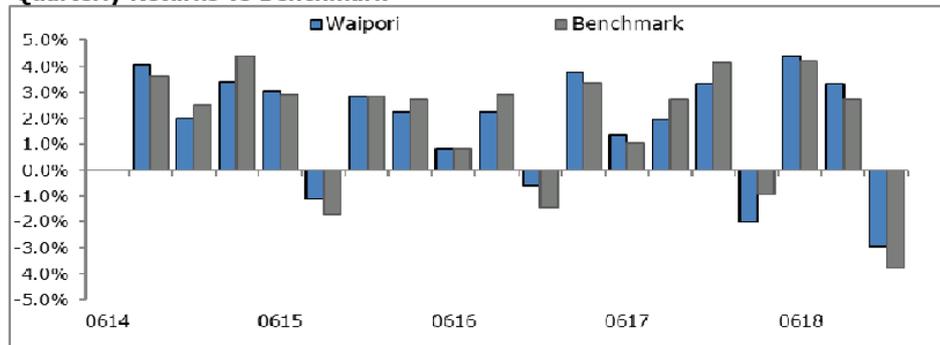
SUMMARY OF CONSIDERATIONS			
Fit with purpose of Local Government			
This report relates to providing local infrastructure, public services and regulatory functions for the community.			
Fit with strategic framework			
	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Economic Development Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Environment Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Waters Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Spatial Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other strategic projects/policies/plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
This report has no direct contribution to the Strategic Framework.			
Māori Impact Statement			
There are no known impacts on tangata whenua.			
Sustainability			
There are no known implications for sustainability.			
LTP/Annual Plan / Financial Strategy /Infrastructure Strategy			
The report fulfils the financial reporting requirements for Council.			
Financial considerations			
Not applicable – reporting only.			
Significance			
Not applicable – reporting only.			
Engagement – external			
This report has been prepared for and approved by the Board of Dunedin City Treasury Limited.			
Engagement - internal			
This report has been prepared for the Board of Dunedin City Treasury Limited.			
Risks: Legal / Health and Safety etc.			
There are no known risks.			
Conflict of Interest			
There are no known conflicts of interest.			
Community Boards			
There are no known implications for Community Boards.			

Dunedin City Treasury Ltd

50 The Octagon
PO Box 5045
Dunedin 9058
New Zealand
Telephone (03) 474 3696
Facsimile (03) 474 3594
Email dunedincitytreasury@dcc.govt.nz

TO: Chief Executive, Dunedin City Council
FROM: Dunedin City Treasury Ltd
DATE: 18 January 2019
SUBJECT: **WAIPORI FUND - DECEMBER 2018 QUARTER**

Quarterly Returns vs Benchmark



December 2018 Quarter

In line with equity markets it was a disappointing quarterly performance for the Fund, with a -3.0% loss as equities experienced a period of heightened volatility. International Equities and Australian Equities were the worst performing sectors, down -12.6% and -9.7%, respectively. Waipori outperformed the benchmark which posted a -3.8% loss for the quarter. Waipori continues to achieve all its investment objectives (see P. 3).

Fund Returns

Period ended 31 December 2018	Waipori		Benchmark	
	Quarter %	Half Year %	Quarter %	Half Year %
NZ Equities (NZ50 Gross)	-2.4	4.7	-5.8	-1.5
Australian Equities (Aust All Acc)	-9.7	-10.3	-12.2	-10.8
Int'l Equities (MSCI World Gross)	-12.6	-5.3	-13.8	-8.0
Property Equities (NZ Real Estate)	-0.5	5.8	2.0	7.8
Short Term Interest (NZ 90d bb)	0.7	1.4	0.5	1.0
Fixed Interest (NZ Corp Bond)	1.3	2.7	1.2	2.6
TOTAL	-3.0	0.3	-3.8	-1.2

Note: The Benchmarks used are the best available based on broad market indices and therefore their returns are not directly comparable with Waipori's returns. DCTL continues to review the appropriateness of the benchmark indices used and are comfortable that they are the best available at this time.

19 March 2019

Investment Profile

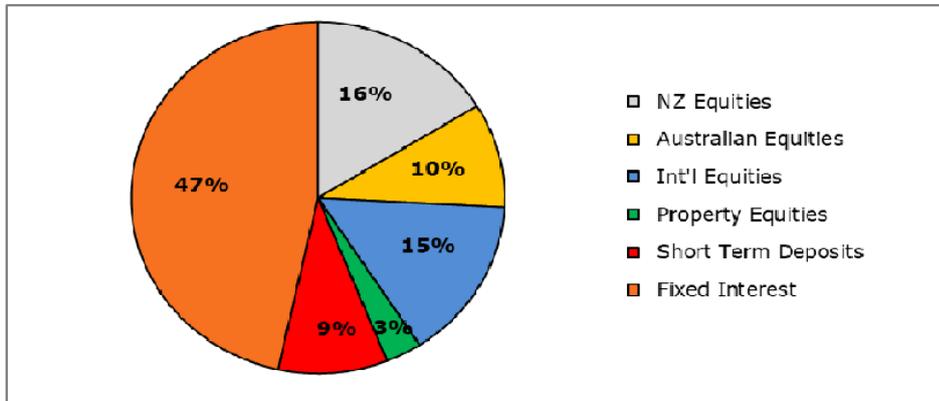
Waipori is diversified across asset classes with 44.0% invested in growth assets (equities and property) and 56.0% invested in income assets (fixed interest investments and short term deposits).

The market value of the investment portfolio as at 31 December 2018 was \$87.2 million.

Summary of Investments

As at 31 December 2018	Market Value	Percentage of Portfolio	Benchmark/ Exposure Range*
NZ Equities	14,141,373	16.3	16.0
Australian Equities	8,384,391	9.6	11.0
Int'l Equities	13,079,458	15.0	15.0
Equities	35,605,222	40.9	20.0 - 60.0
Property Equities	2,725,960	3.1	3.0
Property	2,725,960	3.1	0.0 - 10.0
Short Term Deposits	8,233,183	9.4	10.0
Fixed Interest	40,606,955	46.6	45.0
Fixed Interest	48,840,137	56.0	40.0 - 70.0
TOTAL	87,171,319	100.0	100.0

Asset Allocation



Outlook

Volatility is expected to continue in coming months on the back of heightened political tensions, including the elongated US government shutdown, the failure of the UK parliament to agree on a BREXIT plan and tense US-China trade talks.

These uncertainties, along with softer economic data, have put a brake on the upward trajectory of global interest rates. Locally, interest rates are also expected to remain on hold for the foreseeable future.

The NZ dollar has also experienced volatility over the past quarter and expectations are for it to remain reactive as political news unfolds.



Keith Cooper
CHAIR (Acting)



Richard Davey
TREASURY MANAGER



Lynnette Scott
ASSISTANT TREASURER

**WAIPORI FUND
PERFORMANCE VERSUS INVESTMENT OBJECTIVES**

31 December 2018

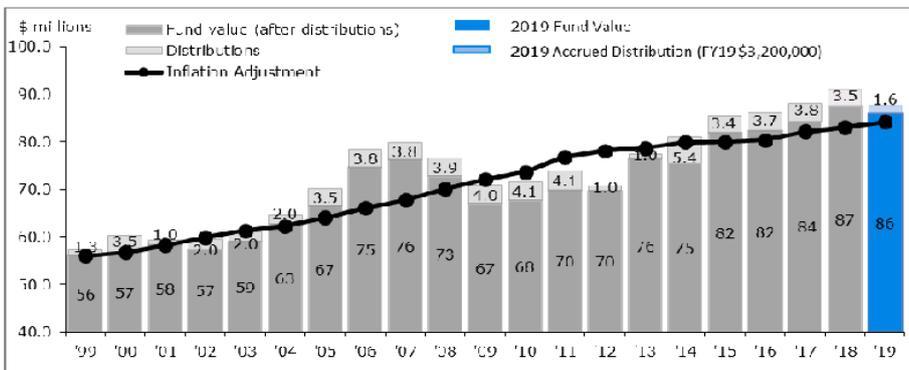
1. INCOME

Objective	2019 Est. Income	2019 Est. Yield	Average Yield	Period Years
The primary objective of the Fund will be to maximise its income, subject always to a proper consideration of investment risk.	\$3,401,320	3.9%	4.9%	19 1/2

2. CAPITAL GROWTH

Objective	Fund Value 31 Dec 2018	Revised Capital Base	Achieved
Subject to the income distribution needs of the Council and the provisions for capital protection, a key objective will be to grow the Fund's capital. Each calendar quarter, the Fund's capital base is to be adjusted by the movement in the CPI as follows: Revised capital base = previous capital base x (1 + quarterly CPI movement)	\$85,919,859	\$84,130,215	✓

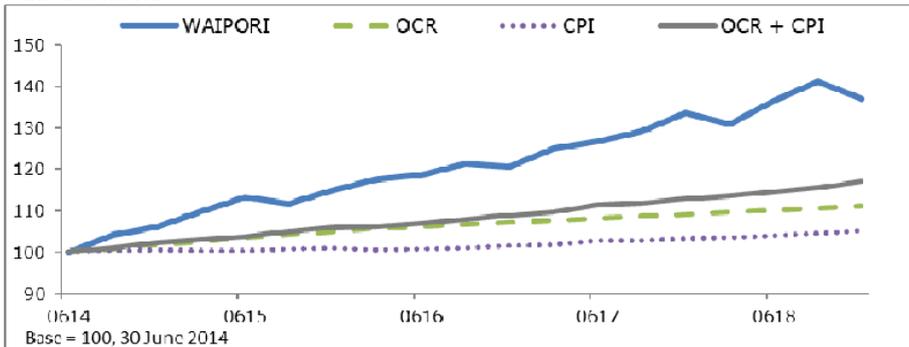
Fund value less accrued distribution (\$1,600,000)



3. TOTAL RETURN (Period June 2014 - December 2018)

Objective	Waipori Return*	OCR*	CPI*	OCR + CPI	Achieved	Period Years
The Council envisages a minimum return over the medium to long-term, net of all fees and charges attributable to the Fund, equivalent to the weighted average Official Cash Rate (OCR) plus the movement in the "all groups" Consumer Price Index (CPI).	7.2%	2.4%	1.2%	3.6%	✓	4.50

*Returns annualised



19 March 2019

WAIPORI FUND

Statement of Financial Performance for month ended 31 December 2018

Quarter 31-Dec-17	Year to Date 31-Dec-17		Quarter			Year to Date			Target Full Year
			Actual	Target	Variance	Actual	Target	Variance	
		Income							
421,302	833,310	Dividends	404,361	447,116	(42,755)	812,993	817,461	(4,468)	1,448,193
414,869	852,842	Interest	470,514	527,738	(57,224)	956,192	978,100	(21,908)	1,953,127
98,837	33,866	Surplus on sale of Equities	(103,052)	-	(103,052)	(20,599)	-	(20,599)	-
		Unrealised Gains/(Losses)							
1,467,832	1,458,039	Equities	(2,803,405)	n.a.	n.a.	(1,210,207)	n.a.	n.a.	n.a.
397,266	1,146,250	Exchange Movements	(656,941)	n.a.	n.a.	(389,417)	n.a.	n.a.	n.a.
1,865,098	2,604,289	Revaluation of Equities	(3,460,346)	218,098	(3,678,444)	(1,599,624)	436,196	(2,035,820)	872,391
77,807	252,182	Revaluation of Bonds	81,852	-	81,852	193,058	-	193,058	-
2,721	3,564	Revaluation of \$AUD Bank A/C	(2,225)	-	(2,225)	(2,580)	-	(2,580)	-
2,880,634	4,580,053	Total Income	(2,608,896)	1,192,952	(3,801,848)	339,440	2,231,757	(1,892,317)	4,273,711
		less Expenses							
54,983	99,829	Management Fees	55,756	42,589	13,167	99,390	85,178	14,212	170,356
(23,564)	(11,782)	Equity Management Advice	-	9,742	(9,742)	9,742	19,484	(9,742)	38,969
9	9	Bank Fees	32	10	22	90	19	71	37
31,428	88,056	Total Expenses	55,788	52,341	3,447	109,222	104,681	4,541	209,362
2,849,206	4,491,997	Net Surplus/(Deficit)	(2,664,684)	1,140,611	(3,805,295)	230,218	2,127,076	(1,896,858)	4,064,349

Targets are calculated based on assumptions of returns for each asset class by Craigs' Investment Partners and current yields. Targets do not split out contribution from market and exchange movements.

WAIPORI FUND

Statement of Movement in Principal of Fund
For Period to 31 December 2018

30-Jun-18		31-Dec-18
56,000,000	Principal	56,000,000
	Inflation Adjustment Reserve	
26,081,404	Opening Balance	28,790,173
2,708,769	Transfer from Retained Earnings	1,122,418
28,790,173	Closing Balance	29,912,591
	Retained Earnings	
2,136,111	Opening Balance	2,499,420
6,554,078	Net Surplus/(Deficit)	230,218
(2,708,769)	Transfer to Inflation Adjustment Reserve	(1,122,418)
(3,482,000)	Distribution to Council	-
2,499,420	Closing Balance	1,607,220
87,289,593	Total Fund at End of the Period	87,519,811

Statement of Financial Position
As at 31 December 2018

30-Jun-18		31-Dec-18
	Current Assets	
14,775	Bank Account	175,966
355,171	Debtors	358,236
8,887,138	Short Term Investments	8,057,217
9,257,084	Total Current Assets	8,591,419
	Investments	
41,009,146	Equities	38,331,182
37,035,145	Term Financial Instruments	40,606,955
78,044,291	Total Investments	78,938,137
87,301,375	Total Assets	87,529,556
	less	
	Current Liabilities	
11,782	Accruals	9,745
11,782	Total Current Liabilities	9,745
87,289,593	Total Value of Fund	87,519,811

19 March 2019

FINANCIAL RESULT - PERIOD ENDED 31 JANUARY 2019

Department: Finance

EXECUTIVE SUMMARY

- 1 This report provides the financial results for the period ended 31 January 2019 and the financial position as at that date.
- 2 Note that the associated budget has been adjusted for the additional capital expenditure approved by Council at the meeting 30 October 2018, along with any related revenue.

\$ Million	Actual	Budget	Variance		Last Year
Revenue	175.494	171.399	4.095	F	155.320
Expenditure	177.025	175.010	(2.015)	U	171.441
Net Surplus/(Deficit) excluding Waipori	(1.531)	(3.611)	2.080	F	(16.121)
Waipori Fund Net	1.321	2.901	(1.580)	U	4.536
Net Surplus/(Deficit) including Waipori	(0.210)	(0.710)	0.500	F	(11.585)
Capital Expenditure	48.573	47.243	(1.330)		17.967
Debt					
Short Term Borrowings	13.500	13.000	(0.500)	U	9.500
Term Loans	200.570	200.789	0.219	F	202.933
Total Debt	214.070	213.789	(0.281)	U	212.433

RECOMMENDATIONS

That the Committee:

- a) **Notes** the Financial Performance for the period ended 31 January 2019 and the Financial Position as at 31 January 2019.

19 March 2019

BACKGROUND

- 3 This report provides the financial statements for the period ended 31 January 2019. It includes reports on: financial performance, financial position, cashflows and capital expenditure. The operating result is also shown by group, including analysis by revenue and expenditure type.

DISCUSSION

- 4 Operating revenue exceeded budget primarily due to increased activity in building services, cemeteries & crematorium and parking operations.
- 5 Grants revenue was ahead of budget primarily due to additional NZTA income generated from higher than expected capital expenditure on roading projects – cycleways, peninsula widening and flood reinstatement. The result also included the initial payment from the Provincial Growth Fund.
- 6 Overall expenditure was unfavourable to budget primarily due to: higher depreciation resulting from asset revaluations carried over from 2017/18 (Three Waters and Transport) and additional personnel costs including unbudgeted recruitment activity, costs associated with 2GP and a budget shortfall in Aquatics.
- 7 These unfavourable variances were partially offset by lower than expected interest costs due a favourable floating interest rate.
- 8 The year to date Waipori result was reflective of current market conditions with fair value write downs across the international equity portfolios. There was however a positive market movement in the current month.
- 9 Capital expenditure was running ahead of the revised budget, particularly driven by activity in the infrastructure group.
- 10 The graphs in attachment A, show reported metrics in line or better than expected.

OPTIONS

- 11 Not applicable.

NEXT STEPS

- 12 Not applicable.

19 March 2019

Signatories

Author:	Gavin Logie - Financial Controller Lawrie Warwood - Financial Analyst
Authoriser:	Dave Tombs - General Manager Finance and Commercial

Attachments

	Title	Page
↕A	Summary Financial Information	25
↕B	Statement of Financial Performance	26
↕C	Statement of Financial Position	27
↕D	Statement of Cashflows	28
↕E	Capital Expenditure Summary	29
↕F	Borrowing & Investment Policy	30
↕G	Operating Variance Group Summary	31
↕H	Financial Review	33

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

The financial expenditure reported in this report relates to providing local infrastructure, public services and regulatory functions for the community.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Economic Development Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Environment Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Waters Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Spatial Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other strategic projects/policies/plans	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

This report has no direct contribution to the Strategic Framework, although the financial expenditure reported in this report has contributed to all of the strategies.

Māori Impact Statement

There are no known impacts for tangata whenua.

Sustainability

There are no known implications for sustainability.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

This report fulfils the internal financial reporting requirements for Council.

Financial considerations

Not applicable – reporting only.

Significance

Not applicable – reporting only.

Engagement – external

There has been no external engagement.

Engagement - internal

The report is prepared as a summary for the individual department financial reports.

Risks: Legal / Health and Safety etc.

There are no known risks.

Conflict of Interest

There are no known conflicts of interest.

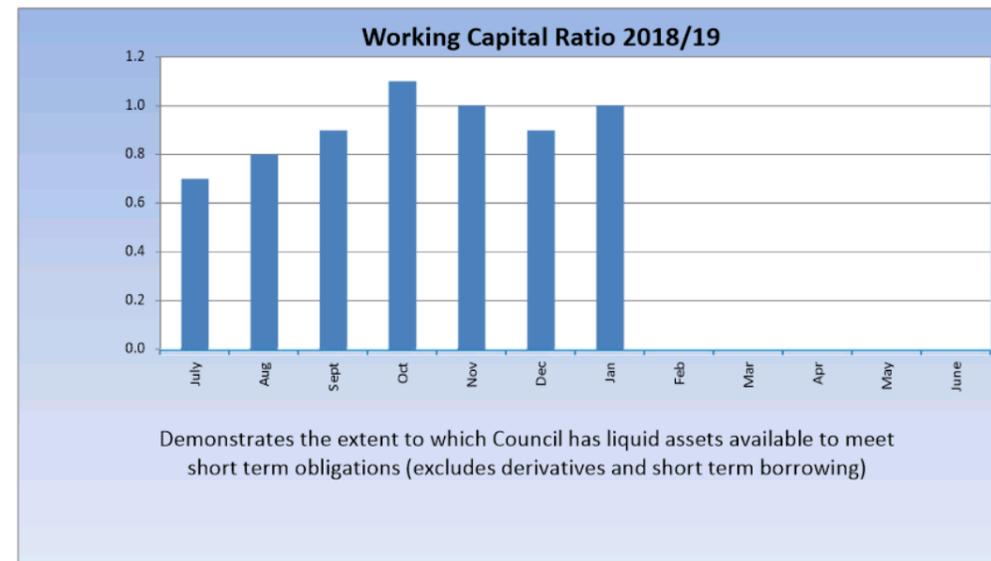
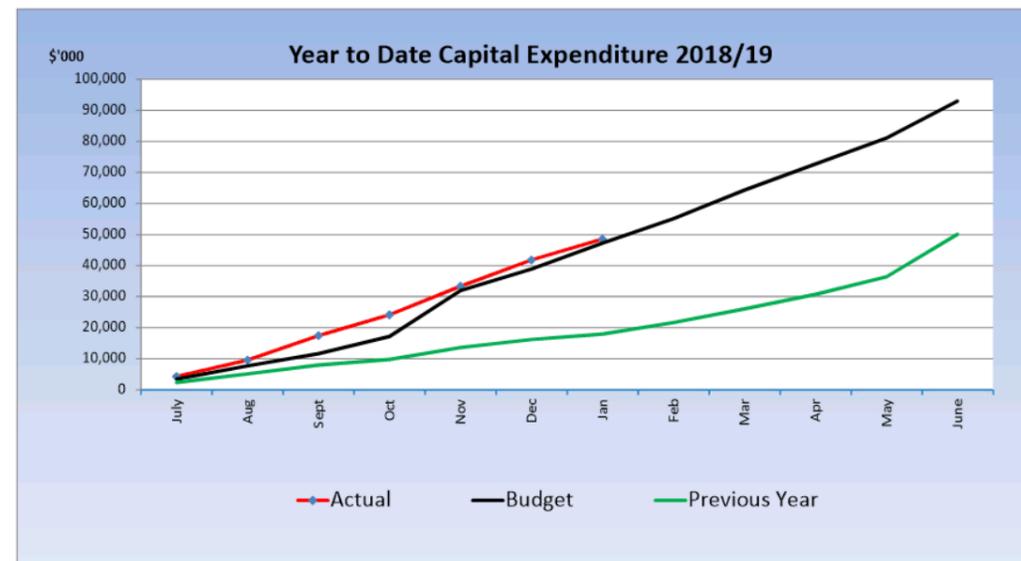
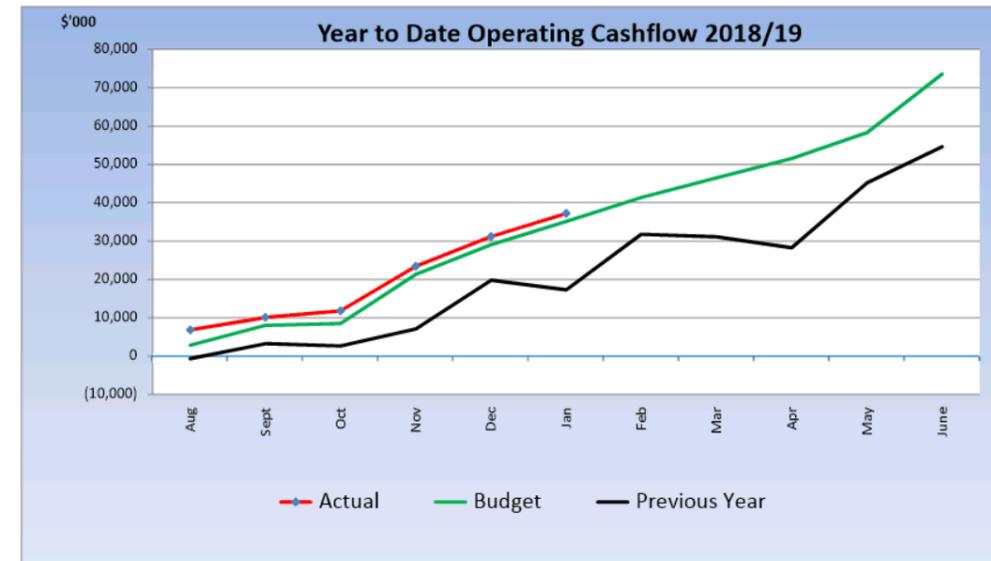
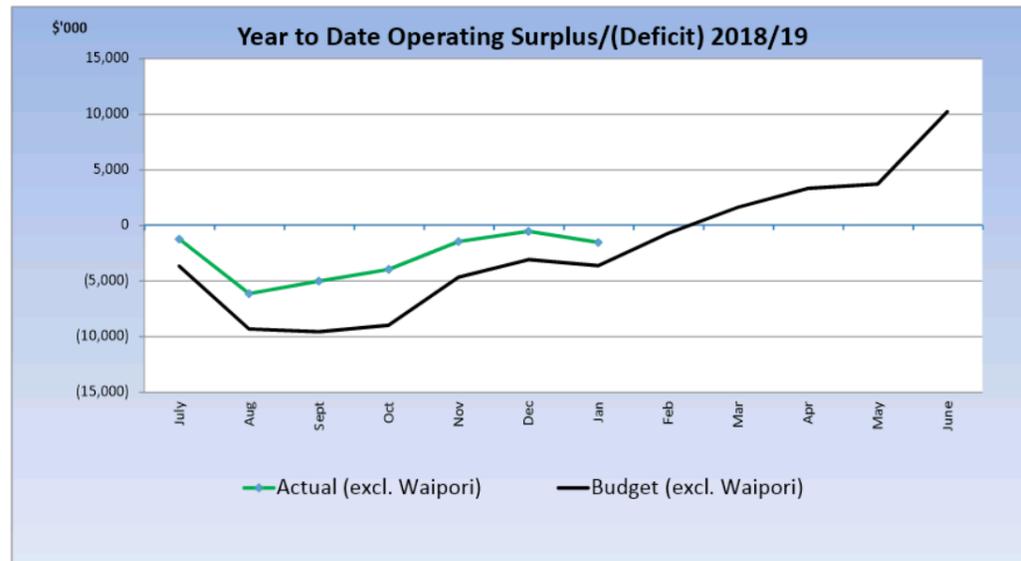
Community Boards

There are no known implications for Community Boards.

DUNEDIN CITY COUNCIL
SUMMARY FINANCIAL INFORMATION AS AT 31 JANUARY 2019



Attachment A



DUNEDIN CITY COUNCIL Statement of Financial Performance For the Period Ending 31 January 2019 Amount : \$'000										
										
Mth Actual	Mth Budget	Mth Variance		Year to Date Actual	Year to Date Budget	Year to Date Variance		LY YTD Actual	LY Full Year Actual	Full Year Budget
			REVENUE							
12,404	12,404	-	Rates Revenue	86,824	86,828	4	U	80,508	138,306	148,848
(1)	(4)	3	F	490	395	95	F	454	855	720
6,360	5,951	409	F	43,060	42,198	862	F	41,259	72,845	72,261
2,367	2,898	531	U	23,671	21,494	2,177	F	12,344	32,102	39,040
87	56	31	F	921	392	529	F	1,065	9,554	3,172
2,974	2,869	105	F	20,528	20,092	436	F	19,690	34,170	34,444
24,191	24,174	17	F	175,494	171,399	4,095	F	155,320	287,832	298,485
			EXPENDITURE							
5,457	5,261	196	U	36,246	35,604	642	U	33,018	57,429	60,011
5,047	5,355	308	F	37,791	37,869	78	F	38,278	69,938	64,534
3,324	3,287	37	U	17,196	17,359	163	F	16,006	22,879	24,484
1,838	1,516	322	U	11,866	11,274	592	U	13,580	23,026	19,277
49	54	5	F	7,960	8,282	322	F	7,024	8,560	9,171
2,955	2,872	83	U	20,509	20,094	415	U	19,690	34,170	34,444
5,617	5,288	329	U	38,789	36,982	1,807	U	36,405	65,035	63,388
913	1,078	165	F	6,668	7,546	878	F	7,440	12,086	12,937
25,200	24,711	489	U	177,025	175,010	2,015	U	171,441	293,123	288,246
(1,009)	(537)	472	U	(1,531)	(3,611)	2,080	F	(16,121)	(5,291)	10,239
			NET SURPLUS (DEFICIT) EXCLUDING WAIPORI							
			Add							
1,091	415	676	F	1,321	2,901	1,580	U	4,536	6,554	4,973
			Waipori Fund Net Operating Result							
82	(122)	204	F	(210)	(710)	500	F	(11,585)	1,263	15,212
			NET SURPLUS (DEFICIT) INCLUDING WAIPORI							

					
		DUNEDIN CITY COUNCIL Statement of Financial Position As at 31 January 2019 Amount : \$'000			
As at 30-Jun-18		As at 31-Jan-19	Budget 31-Jan-19	Budget 30-Jun-19	As at 31-Jan-18
	Current Assets				
5,490	Cash and Deposits	8,544	4,016	1,220	11,042
21,105	Sundry Debtors	24,436	14,769	14,906	23,501
8,587	Short Term Investments	6,241	5,181	5,226	7,125
900	Assets held for Resale	500	-	-	3,062
260	Inventories	260	260	260	260
36,342	Total Current Assets	39,981	24,226	21,612	44,990
	Non Current Assets				
311,819	Investments	313,547	313,759	316,973	308,433
2,960,778	Fixed Assets	2,970,683	2,893,931	2,953,163	2,831,582
3,272,597	Total Non Current Assets	3,284,230	3,207,690	3,270,136	3,140,015
3,308,939	TOTAL ASSETS	3,324,211	3,231,916	3,291,748	3,185,005
	Current Liabilities				
10,407	Sundry Creditors	13,584	10,000	10,000	11,416
28,137	Accrued Expenditure	27,629	23,304	27,871	20,627
-	Short Term Borrowings	13,500	13,000	-	9,500
6,841	Derivative Financial Instruments	5,183	5,183	3,158	8,625
45,385	Total Current Liabilities	59,896	51,487	41,029	50,168
	Non Current Liabilities				
200,885	Term Loans	200,570	200,789	215,655	202,933
9,729	Other Non-Current Liabilities	9,705	8,561	8,538	8,561
210,614	Total Non Current Liabilities	210,275	209,350	224,193	211,494
255,999	TOTAL LIABILITIES	270,171	260,837	265,222	261,662
3,052,940	COUNCIL EQUITY	3,054,040	2,971,079	3,026,526	2,923,343
3,308,939		3,324,211	3,231,916	3,291,748	3,185,005
	Statement of Change in Equity				
2,933,438	Opening Balance	3,052,940	2,970,761	2,970,761	2,933,439
1,263	Operating Surplus (Deficit)	(210)	(710)	15,212	(11,585)
-	Income Tax	-	-	-	-
114,854	Movements in Reserves	(301)	-	37,500	(74)
3,385	Adjustment Derivatives	1,611	1,028	3,053	1,563
3,052,940		3,054,040	2,971,079	3,026,526	2,923,343

DUNEDIN CITY COUNCIL Statement of Cashflows For the Period Ending 31 January 2019 Amount : \$'000				
	Year to Date Actual	Year to Date Budget	Full Year Budget	LY YTD Actual
Cash Flow from Operating Activities				
<i>Cash was provided from operating activities</i>				
Rates Received	82,062	82,578	148,658	75,512
Other Revenue	69,034	65,339	109,255	51,793
Interest Received	4,151	4,287	8,192	4,081
Dividend Received	847	868	1,487	809
Income Tax Refund	-	-	527	-
<i>Cash was applied to</i>				
Suppliers and Employees	(111,123)	(109,799)	(181,579)	(106,483)
Interest Paid	(7,728)	(8,175)	(12,937)	(8,432)
Net Cash Inflow (Outflow) from Operations	37,243	35,098	73,603	17,280
Cash Flow from Investing Activities				
<i>Cash was provided from investing activities:</i>				
Sale of Assets	474	-	60	175
Reduction in Loans & Advances	-	-	221	-
Reduction in Investments	88	-	-	606
<i>Cash was applied to:</i>				
Increases in Loans & Advances	-	-	-	-
Increase in Investments	-	-	(2,550)	-
Capital Expenditure	(47,936)	(47,090)	(87,986)	(20,685)
Net Cash Inflow (Outflow) from Investing Activity	(47,374)	(47,090)	(90,255)	(19,904)
Cash Flow from Financing Activities				
<i>Cash was provided from financing activities:</i>				
Loans Raised	-	2,000	26,124	-
Increase in Short Term Borrowings	35,500	23,500	-	22,500
<i>Cash was applied to:</i>				
Loans Repaid	(315)	-	(9,260)	(294)
Decrease in Short Term Borrowings	(22,000)	(10,500)	-	(13,000)
Net Cash Inflow (Outflow) from Financing Activity	13,185	15,000	16,864	9,206
Total Increase/(Decrease) in Cash	3,054	3,008	212	6,582
Opening Cash and Deposits	5,490	1,008	1,008	4,460
Closing Cash and Deposits	8,544	4,016	1,220	11,042

DUNEDIN CITY COUNCIL Capital Expenditure Summary by Activity For the Period Ending 31 January 2019 Amount : \$'000						
Description	Year to Date Actual	Year to Date Budget	Year to Date Variance	Over Under Spend	LY YTD Actual	Full Year Budget
Arts and Culture	694	899	205	U	691	1,610
Community and Planning	376	336	40	O	572	1,650
Corporate Services	2,120	2,344	224	U	306	3,550
Enterprise Dunedin	4	-	4	O	15	-
Property	3,932	6,436	2,504	U	1,255	11,300
Parks and Recreation	4,815	4,970	155	U	679	10,390
Customer and Regulatory Services	407	450	43	U	194	1,210
Transport	24,839	23,079	1,760	O	7,995	45,935
Waste & Environmental	323	645	322	U	140	1,582
Three Waters	11,063	8,084	2,979	O	6,120	15,759
	<u>48,573</u>	<u>47,243</u>	<u>1,330</u>	<u>O</u>	<u>17,967</u>	<u>92,986</u>

DUNEDIN CITY COUNCIL Borrowing and Investment Policy As at 31 January 2019 Amount : \$'000			
	Policy	Actual	Budget
Gross Interest Expense/Total Rates Revenue	< 20%	7.6%	8.7%
Gross Interest Expense/Total Operating Revenue	< 8%	4.3%	5.0%
Operating Funds Flow/Interest Expense	> 2.5	6.7	5.7
Coverage of Interest-rate-sensitive debt by hedges (thousands)			
Source of Debt			
Debt advanced from DCTL (excluding short term debt)			200,000
Debt ex Waipori Fund			97
Debt ex Other Institutions			473
Total DCC Debt			200,570
Less Interest Rate Protection			
Waipori short term investments natural hedge			6,241
Fixed Rate Funding - Waipori Fund			97
Debt protected with derivatives			60,000
Fixed Rate debt from other institutions			473
Total Debt Protection			66,811
Interest-sensitive debt not covered (*)			133,759
Non-covered debt/Total Debt			66.7%
* Interest rate protection on this debt resides with Dunedin City Treasury Limited as the funder.			

DUNEDIN CITY COUNCIL Summary of Operating Variances For the Period Ending 31 January 2019											
Amount : \$'000											
Group	Year to Date Surplus(Deficit)			Year to Date Variance Favourable (Unfavourable)							
	Actual	Budget	Variance	Rates Revenue	Other Ext Revenue	Int Revenue	Staff	Ops & Other Exps	Internal Costs	Interest	Depr'n
Waipori Fund	1,321	2,901	(1,580)	-	(1,572)	-	-	(8)	-	-	-
Arts and Culture	(353)	(331)	(22)	-	381	306	(253)	(180)	(114)	-	(162)
Community and Planning	(652)	(1,054)	402	-	179	46	(96)	459	(186)	-	-
Corporate Services	417	(135)	552	-	(5)	83	(190)	597	(11)	-	78
Enterprise Dunedin	207	(5)	212	-	(47)	(2)	98	208	(24)	-	(21)
Property	(3,637)	(2,708)	(929)	-	(181)	(126)	117	(631)	(4)	-	(104)
Investment	(738)	(1,496)	758	103	597	1	(659)	(165)	(1)	882	-
Otago Museum Levy	(1,722)	(1,713)	(9)	-	-	-	-	(9)	-	-	-
Other	(38)	42	(80) *	(15)	70	6	67	(204)	2	-	(6)
Parks and Recreation	977	1,416	(439)	-	341	(5)	(90)	(916)	112	-	119
Customer and Regulatory Services	1,126	523	603	-	532	(9)	127	(76)	12	-	17
Transport	4,253	2,328	1,925	-	1,437	-	39	724	-	-	(275)
Waste & Environmental	2,894	2,795	99	3	50	136	(63)	16	3	-	(46)
Three Waters	(4,265)	(3,273)	(992)	-	214	-	261	148	(204)	(4)	(1,407)
Total Council	(210)	(710)	500	91	1,996	436	(642)	(37)	(415)	878	(1,807)

* Other includes: Corporate Management, Dunedin Centre, Finance, Human Resources and Warm Dunedin

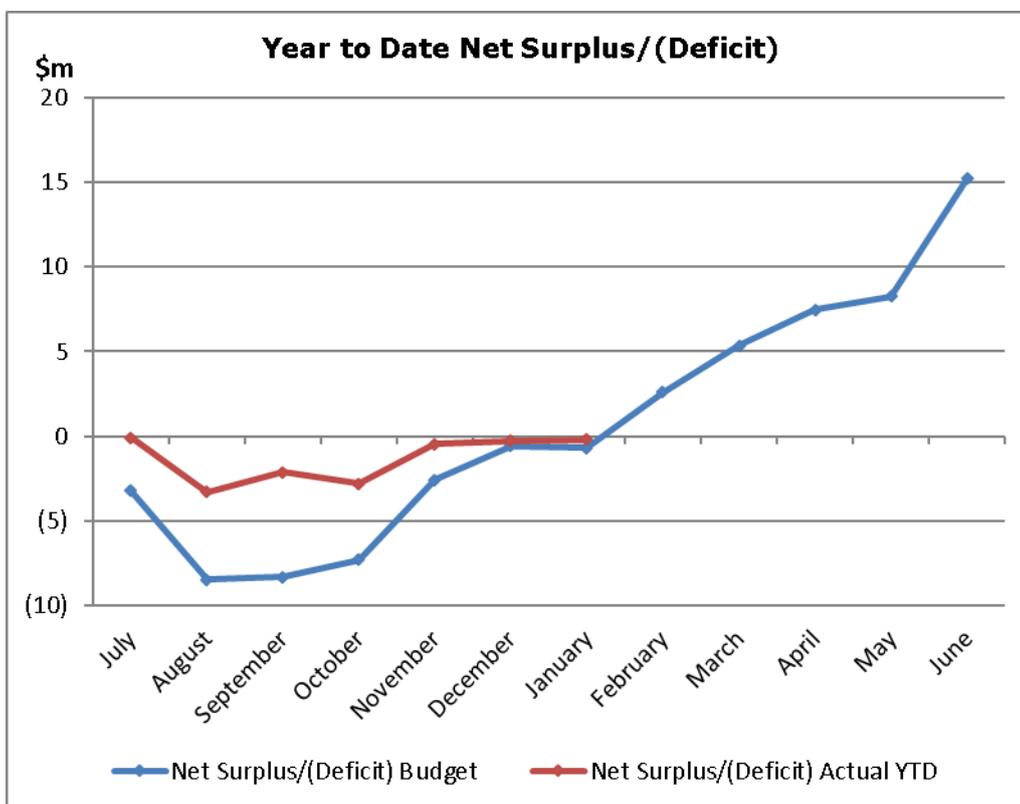


FINANCIAL REVIEW

For the period ended 31 January 2019

This report provides a detailed commentary on the Council’s financial results for the period ended 31 January 2019 and the financial position at that date.

NET SURPLUS/(DEFICIT) (INCLUDING WAIPORI)



The net deficit (including Waipori) for the period ended 31 January 2019 was \$210k or \$500k better than budget.

REVENUE

The total revenue for the period was \$175.494 million or \$4.095 million greater than budget.

The major variances were as follows:

Other Operating Revenue

Actual \$43.060 million, Budget \$42.198 million, Favourable variance \$862k

Regulatory Services revenue was favourable \$343k, mainly due to increased building services activity.

Parking Operations revenue was favourable \$123k reflecting increased usage of parking facilities both on-street and off-street.

Revenue from cemeteries and crematorium was favourable \$144k primarily due to an increase in the number of cremations.

Transportation revenue was favourable \$148k mainly due to greater than expected corridor accessway revenue.

Grants

Actual \$23.671 million, Budget \$21.494 million, Favourable variance \$2.177 million

Transport grants and subsidy revenue was favourable \$1.281 million primarily due to the higher level of capital project delivery.

Art Gallery revenue was favourable \$194k mainly due to an unbudgeted equipment grant for racking.

Investment Account revenue was favourable \$600k due to the unbudgeted Waterfront grant from the Provincial Growth Fund

EXPENDITURE

The total expenditure for the period was \$177.025 million or \$2.015 million greater than budget.

The major variances were as follows:

Personnel Costs

Actual \$36.246 million, Budget \$35.604 million, Unfavourable variance \$642k

This unfavourable variance was due to higher than expected recruitment costs, unbudgeted costs associated with the 2GP and a budget understatement in Aquatics (remedied for the 2019/20 budget).

Operations and Maintenance Costs

Actual \$37.791 million, Budget \$37.869 million, Favourable variance \$78k

19 March 2019

Transport costs were favourable \$623k. Winter environmental maintenance has been minimal due to favourable weather conditions. The amount of sealed pavement and footpath maintenance work and subsidised emergency work was also less than expected.

BIS costs were favourable \$579k with project management and other contracted services costs being less than expected.

These favourable variances were offset by:

Property costs were unfavourable \$1.134 million, and included increased reactive maintenance in the housing portfolio along with unbudgeted costs associated with demolition work and asbestos removal at Thomas Burns St and Dukes Road.

Parks costs were unfavourable \$538k due to greater than budgeted building maintenance and reserves work to date.

Civic and Admin Services were unfavourable \$122k due to unbudgeted costs associated with the second-generation district plan.

Consumables and General Costs

Actual \$11.866 million, Budget \$11.274 million, Unfavourable variance \$592k

Waste and Environmental Services consultants costs were unfavourable \$237k due to unbudgeted expenditure related to the Waste Futures project.

Resource Consents was unfavourable \$182k mainly due to the need to use planning consultants to deal with the number of consent applications.

Regulatory Services was unfavourable \$112k due to the cost of offsite processing of consents and competency assessments.

Investment Account costs were unfavourable \$160k due to unbudgeted costs associated with the Waterfront project proposal. This overspend was funded from the Provincial Growth Fund grant discussed above.

Grants and Subsidies Costs

Actual \$7.960 million, Budget \$8.282 million, Favourable variance \$322k

The favourable variance was due to delayed disbursement of a number of grants including heritage support and waste strategy.

Depreciation

Actual \$38.789 million, Budget \$36.982 million, Unfavourable variance \$1.807 million

This variance was due to a revaluation of Three Waters and Transportation assets impacting both the depreciable replacement cost and asset useful lives.

Interest

Actual \$6.668 million, Budget \$7.546 million, Favourable variance \$878k

Interest expenditure was less than budget primarily due to a favourable floating interest rate applied to the non-fixed interest borrowing.

WAIPORI FUND NET OPERATING RESULT

Actual \$1.321 million, Budget \$2.901 million, Unfavourable variance \$1.580 million

The year to date Waipori result was reflective of current market conditions with fair value write downs across the international equity portfolios. There was however a positive market movement in the current month.

STATEMENT OF FINANCIAL POSITION

A Statement of Financial Position is provided as Attachment C.

Short term investments of \$6.241 million relate to the Waipori Fund.

STATEMENT OF CASHFLOWS

A Statement of Cashflows is provided as Attachment D.

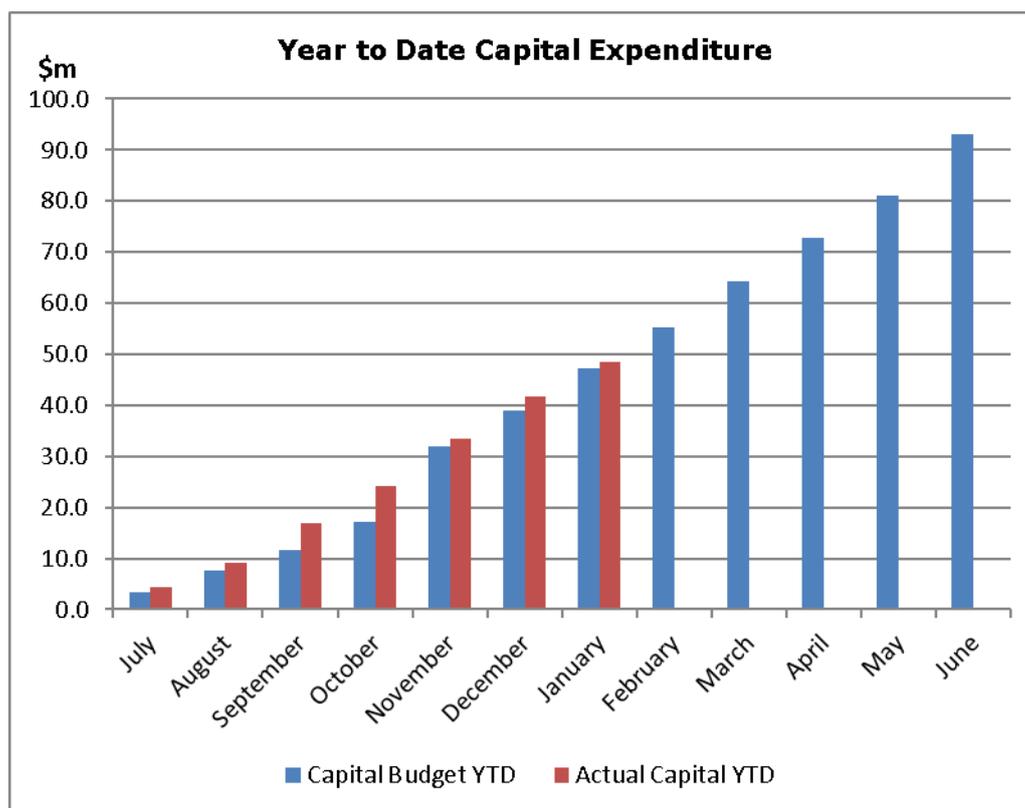
Cash flow from operations was greater than expected primarily due to the increased grants revenue to fund transport related capital projects.

Overall cash outflows from investing activities was in line with budget.

CAPITAL EXPENDITURE

A summary of the capital expenditure programme by Activity is provided as Attachment E.

Total capital expenditure for the period to 31 January 2019 was \$48.573 million or 52% of the amended full year budget of \$92.986 million.



Corporate Services capital expenditure was \$224k underspent

This underspend was primarily driven by lower than expected expenditure related to the implementation of the new Electronic Document and Records Management system.

Property capital expenditure was \$2.504 million underspent

Some property upgrade projects are in the final stages of design and consenting, including the Mosgiel Library re-roof, Edgar Centre structural strengthening project and the 54 Moray Place compliance upgrade. These projects are likely to commence late February/early March 2019.

Transport capital expenditure was \$1.760 million overspent

The primary driver for this overspend related to expenditure on the peninsula widening project, with anticipated early delivery of sections of the programme

This overspend has been partially offset by delays in a number of projects including LED lighting and permanent reinstatement costs related to the July 2017 rain event.

Three Waters capital expenditure was \$2.979 million overspent

This overspend was primarily driven by costs associated with the completion of the Ross Creek Reservoir Refurbishment project. There was also some unbudgeted emergency works including wastewater pipe renewals on Brighton Road.

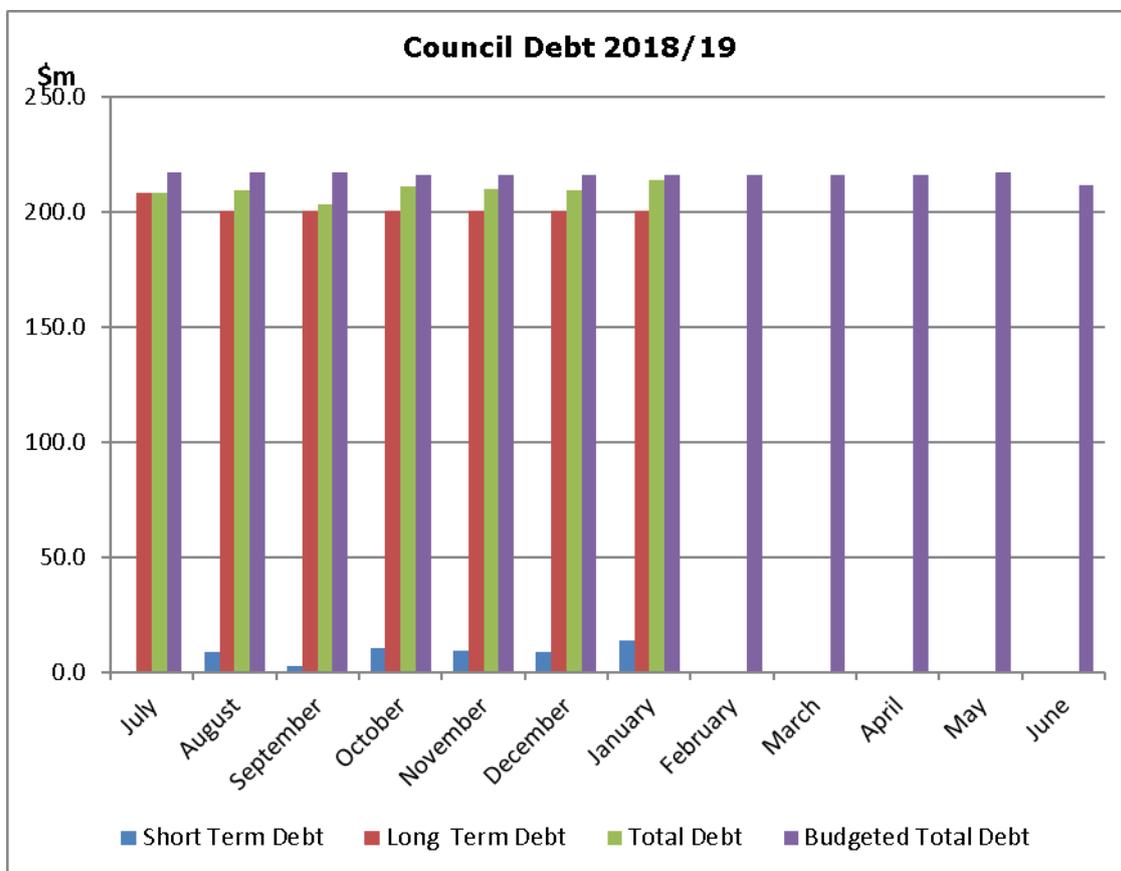
DEBT

Refer to Attachments F and G.

19 March 2019

Attachment F provides a summary of the debt servicing ratios.

All three targets were within policy.



COMMENTS FROM GROUP ACTIVITIES

Attachment H, the Summary of Operating Variances, shows by Group Activity the overall net surplus or deficit variance for the period ended 31 January 2019. It also shows the variances by revenue and expenditure type.

Community and Planning - \$402k Favourable

Operating costs were favourable \$459k in part due to delayed disbursement of grants including City Service and Heritage.

Corporate Services - \$552k Favourable

BIS operating costs were favourable due to the delayed timing of project management/contracted services costs.

Property - \$929k Unfavourable

Operating costs were unfavourable \$631k, due to higher than expected levels of housing maintenance and some unbudgeted projects in particular the demolition of buildings at three sites.

Revenue was unfavourable to budget due to vacancies across the portfolio in part to allow for the redevelopment of properties including the School Street Housing complex and 54 Moray Place.

19 March 2019

These unfavourable variances were partially offset by lower staff costs (\$117k) as vacancies were still in the process of being filled.

Parks and Recreation - \$439k Unfavourable

Parks operating costs were unfavourable \$916k mainly due to an increased focus on building maintenance, seismic and asset condition assessments and unscheduled reserve works.

This unfavourable variance was partially offset by higher revenue including: increased number of cremations, favourable participation in the new inhouse swim school and higher than expected development contributions.

Customer and Regulatory Services - \$603k Favourable

External revenue was favourable \$532 with increased activity across a number of operational areas – in particular parking operations and building services.

Transport - \$1.925 million Favourable

Transport external revenue was greater than budget (\$1.437 million) due to NZTA funding for capital projects including the Green Island roundabouts, urban cycleways, peninsula road widening and flood response work.

Transport operating expenditure was favourable \$724k due to winter environmental maintenance being minimal due to favourable weather conditions and the amount of sealed pavement and footpath maintenance work being less than expected.

Three Waters - \$992k Unfavourable

This unfavourable variance was primarily due to higher than budgeted depreciation resulting from the revaluation of Three Water assets impacting both the depreciable replacement cost and asset useful lives.

This unfavourable variance was partially offset by savings in personnel costs due to vacancies in the Planning activity, and higher than budgeted development contributions.

ITEMS FOR CONSIDERATION BY THE CHAIR

Item 7