

OTAGO REGIONAL COUNCIL

**Agenda for a meeting of the Finance and Corporate Committee
to be held in the Council Chamber, 70 Stafford Street, Dunedin
on Wednesday 8 February 2017, following the Policy Committee**

Membership:

- Cr Doug Brown (Chairperson)**
- Cr Andrew Noone (Deputy Chairperson)**
- Cr Graeme Bell**
- Cr Michael Deaker**
- Cr Carmen Hope**
- Cr Trevor Kempton**
- Cr Michael Laws**
- Cr Maggie Lawton**
- Cr Sam Neill**
- Cr Gretchen Robertson**
- Cr Bryan Scott**
- Cr Stephen Woodhead**

Apologies: **Cr Sam Neill**

In attendance:

Please note that there is an embargo on agenda items until 8.30 am on Friday 3 February 2017.

CONFIRMATION OF AGENDA

CONFLICT OF INTEREST

PUBLIC FORUM

MINUTES

The minutes of the meeting held on 23 November 2016, having been circulated, for adoption.

PART A - RECOMMENDATIONS

Page Nos.

Item 1

2017/0610 **Waverley-Belleknowes - Petition** DCS, 27/01/17

7-14

This report provides staff comment on the petition received by Council at its 7 December 2016 Council meeting relating to the Waverley–Belleknowes services introduced on 15 August 2016. The petition received, raises five matters where change to the current network services is requested.

Appendix 1 – Petition presented at Council meeting 7 December 2016 re the Waverley-Belleknowes Bus Services is circulated separately with the agenda.

Item 2

2017/0587 **Executive report – February 2017**. DCS, 18/01/17

15-16

The report outlines the rates collection and account payments for endorsement.

PART B – FOR NOTING

Item 3

2017/0616 **Bus Hub Interchange - Community Engagement - Update**. DCS
30/01/17

17-26

The report provides a summary of the response received through the Community Engagement process undertaken late 2016. The detailed feedback is currently being reviewed by staff and our consultants who will consider the current design in the context of the feedback and make recommendations to Council on any changes prior to finalising the detailed design.

Item 4

2017/0597 **Financial Report to 31 December 2016**. DCS, 25/01/17

27-35

The report provides information in respect of the overall Council finances for the six months ended 31 December 2016.

PART C – NOTICE OF MOTION

Moved by Cr Laws “That the Otago Regional Council engage with the territorial authorities in its region to collaborate in an independent study that will assess the merits and demerits of establishing unitary authorities in the Otago region, and disestablishing the Otago Regional Council. The findings of the study to be publicly published.”

OTAGO REGIONAL COUNCIL**Minutes of a meeting of the Finance and Corporate Committee
held in the Council Chamber, 70 Stafford Street, Dunedin
on Wednesday 23 November 2016, commencing at 1:03pm**

Membership:

Cr Doug Brown (Chairperson)
Cr Andrew Noone (Deputy Chairperson)
Cr Graeme Bell
Cr Michael Deaker
Cr Carmen Hope
Cr Trevor Kempton
Cr Michael Laws
Cr Maggie Lawton
Cr Sam Neill
Cr Gretchen Robertson
Cr Bryan Scott
Cr Stephen Woodhead

A correction was noted for the Committee Chair and Deputy Chair from the membership as listed in the agenda.

Apologies: No apologies received.

Leave of absence: Nil.

In attendance:

Peter Bodeker
Nick Donnelly
Gavin Palmer
Fraser McRae
Scott MacLean
Caroline Rowe
Gerard Collings
Lauren McDonald (minute taker)

CONFIRMATION OF AGENDA

The agenda as listed was confirmed.

CONFLICT OF INTEREST

No Conflicts of Interest were advised.

PUBLIC FORUM

No public forum was held.

PART A - RECOMMENDATIONS

Item 1

2016/1136 **Terms of Reference for the Finance and Corporate Committee and sub committees.** DCS, 8/11/16

The report provided the Terms of Reference (TOR) of the Finance and Corporate Committee and the Audit and Risk Subcommittee for consideration and recommendation to Council.

Discussion was held and suggested additions to the TOR for the Audit & Risk Subcommittee were noted as:

- 1.3(b) *Principal role* - inclusion of human risk to be identified and the potential impacts assessed.
- 2(a) *Membership and Quorum*. Appointment of an additional independent member to the subcommittee.
- 3(d) Encouragement for councillors to attend subcommittee meetings.
- Provision of meeting agendas and minutes to all council members.
- Addition of meeting dates to the Council meeting schedule.

Health and Safety

Mr Donnelly confirmed that a risk strategy has been developed and that risk reporting is being developed with draft risk report to be brought to the committee in early 2017.

Cr Brown confirmed that the Audit and Risk subcommittee met approximately three times per year and agreed the importance of having an independent subcommittee Chair. He supported the appointment of another additional independent member to the subcommittee.

It was agreed to remove the word “observer” from 2(a) - membership and quorum and all Councillors were encouraged to attend Audit and Risk subcommittee meetings.

Moved Cr Deaker

Seconded Cr Noone

That the Terms of Reference for the Finance and Corporate Committee, the Audit and Risk Subcommittee with amendments be presented to Council on 7 December 2016 for adoption.

Motion carried

Item 2

2016/1142 **Executive report.** DCS, 8/11/16

The report described the significant activities carried out by the Finance and Corporate section. The report included updates on: Annual Plan timetable; rates and account payments.

Mr Bodeker confirmed a Council workshop to discuss draft Annual Plan activities would be held in December.

Moved Cr Noone
Seconded Cr Bell

1. *That the report be received*
2. *That the payments and investments summarised in the report and detailed in the payment schedule, totalling \$7,129,162.51, be endorsed.*

Motion carried

Item 3

2016/1151 **Passenger Transport Update – November 2016.** DCS 11/11/16

The report provided an update on a number of transport matters including: ticketing system replacement; Bus Hub/Interchange; Wakatipu Network; Ministry of Education – Wakatipu; Total Mobility, and Patronage Dunedin and Wakatipu Networks.

Mr Collings advised that a presentation to councillors on the Bus Hub design would be made at a workshop on Thursday 24 November. A joint briefing for DCC and ORC councillors, NZTA and stakeholders would be hosted by ORC on Monday 28 November. Mr Collings confirmed it would be the same presentation as provided to councillors at the 24 November workshop.

Cr Laws left the room at 1:40pm.

Councillors acknowledged the collaborative approach taken with DCC and NZTA.

A question was raised in regard to the decline in patronage in the Wakatipu Basin network. Mr Collings advised that there had been a significant drop within 12 months of the subsidy having been removed by council, with the contractor having to increase fares by 15%, which resulted in the drop in patronage. He commented that Council may need to take into consideration the subsidising of the service in the future.

Moved Cr Woodhead
Seconded Cr Kempton

That the Finance and Corporate Committee:

1. *Receive the report*
2. *Endorse staff taking a collaborative approach with the Ministry of Education regarding School Services in the Wakatipu Basin.*

Motion carried

PART B – FOR NOTING

Item 4

2016/1147 **Financial Report to 30 September 2016.** DCS, 15/11/16

The report provided information in respect of the overall Council finances for the period 1 July to 30 September 2016.

Mr Donnelly confirmed a 4 month financial report with a full four month review of activities would be reported to the Council meeting in December.

Moved Cr Noone
Seconded Cr Scott

That the report be received.

Motion carried

Cr Law returned to the room at 1:47pm

The meeting was declared closed at 1:47pm.

Chairperson

REPORT

Document Id: A975405

Report Number: 2017/0610

Prepared For: Finance and Corporate

Prepared By: Manager Support Services

Date: 27 January 2017

Subject: **Waverley-Belleknowes - Petition**

1. Précis

This report provides staff comment on the petition received by Council at its 7 December 2016 Council meeting relating to the Waverley–Belleknowes services introduced on 15 August 2016. The petition received, raises five matters where change to the current network services is requested. Of the matters raised, the issue regarding timing of services in Waverley had been dealt with prior to the petition received, which was acknowledged by those presenting the petition. Council direction is required for the other matters raised within the petition.

2. Background

Council received a presentation at its public forum on 7 December 2016 from members of the community regarding the changes made to the Belleknowes and Waverley services that came into effect on 15 August 2016. The presentation included two petitions, one from Waverley residents containing 332 signatures, and the other containing 149 signatures from the Belleknowes community. Both petitions (attached) raised the same five matters seeking to:

- (i) Eliminate the 37 minute delay halfway around the Waverley Loop.
- (ii) Use that time to reinstate the twice an hour frequency of the Belleknowes end of the route.
- (iii) Restore the previous route through lower City Rise to service Canongate, Russell Street and Arthur Street.
- (iv) Add bus stops on Serpentine Avenue, Maclaggan Street and Somerville Street. (Note the Belleknowes petition also seeks bus stops in Lower York Place).
- (v) Display bus signs only stating the destination.

In considering the matters raised in the petitions, staff have not sought to verify the names and addresses of the signatories, nor have they been reviewed for any potential duplication; the petitions have been taken on face value. It is noted that an initial screening of the two petitions gives the following breakdown:

- Waverley Petition – approximately 280 signatories from the immediate Waverley area, 3 from Belleknowes.
- Belleknowes approximately 70 signatories from Canongate, Russell Street and Arthur Street residents.

3. 15 August Changes

The network changes made on 15 August are consistent with those consulted on in 2014 when the Regional Public Transport Plan was adopted. Appendix 2 shows the routes prior to the changes being made, Appendix 3 shows the combined route as implemented, and Appendix 4 shows the route as it will be when the bus hub is implemented.

The August 2016 timetable for this service operates at a 30 minute peak and 60 minute off peak service, and saw the introduction of more evening, weekend and public holiday services.

4. Requested Changes

- *Eliminate the 37 minute delay halfway around the Waverley Loop.*
The issue of the delay was a result of the combination of the 60 minute off-peak frequency, the loop route at the end of the Waverley service, and the necessary waiting time between services. This issue was raised at the time the service was implemented. Operational changes were made to the off peak services prior to the petition being presented. The matter has been addressed which was acknowledged by those presenting the petition.

Staff recommendation: No further action required.

- *Use that time to reinstate the twice an hour frequency of the Belleknowes end of the route.*
Prior to the August changes, the Belleknowes service operated a 30 minute daytime off-peak service. With the pairing of the Waverley service, and in order to provide a consistent service on the paired routes, the service was introduced as a 60 minute off-peak frequency. Services have been extended to include weekday evening, Sunday and public holiday services. The new services equate to an increase of 13 services per week excluding public holidays.

Under the current contract the 30 minute off peak frequency is scheduled to be implemented in July 2018.

Staff recommendation: Council implement the change in frequency in July 2018 as programmed.

- *Restore the previous route through lower City Rise to service Canongate, Russell Street and Arthur Street.*

The previous route extended from Bradford to the University and included a diversion through the streets mentioned in the petition.

The change in route in the vicinity of Arthur Street was specifically raised by submission when the RPTP was consulted on in 2014, and was considered at that time by the hearings panel which included a representative of the DCC.

Bradford is serviced by the Concord service and the free transfer provides for access to the University albeit by changing buses.

It is noted that there are only two inward and two outward stops that were affected by the change, being in Arthur Street and Russell Street. There were no stops on Canongate, Serpentine Avenue and Maclaggan Street. The Arthur Street stop is 300m from the nearest stop on the current route, the Russell Street stop is approximately 500m.

Discussions have been held with DCC staff on a possible pair of stops in the vicinity of Brown and Rattray Street, however, these will not be further advanced until Council resolve how to respond to the petition.

During the petition it was raised that it was difficult for some elderly to walk to the service, especially with shopping etc. A specific example was used where an elderly resident who lives in immediate proximity to the Russell street stop, now has a 500m walk to catch the bus. Staff have extreme empathy for the situation that this and other residents find themselves in with the change of service. That said, the changes made are consistent with the adopted Regional Public Transport Plan and the design principles adopted within the same.

Pending Council's decision on how they wish to respond to the petitions, I have asked staff to contact the individual to ensure they are aware of other options which may be available such as Total Mobility.

It was suggested during the presentation that this was the only instance in the city where such a walk is required to catch a bus. This is not correct, other instances of similar distances to access services include:

- Glenn Road
- Eglinton Road
- Maitland Street
- Richardson Street
- Victoria Road
- Aotea Street
- Somerville Street
- Grey Street
- Campbells Road
- Lynwood Avenue/Wallace Street
- Hood Street/Helensburgh Road
- Cockerell Street

If Council are of the mind to reinstate the route, then a targeted consultation for an amendment to the RPTP would be required. This could be included in the upcoming review for Wakatipu and Concord.

Staff recommendation: No change to the existing route.

- *Add bus stops on Serpentine Avenue, Maclaggan Street and Somerville Street. (Note the Belleknowes petition also seeks bus stops in Lower York Place).*
 - Serpentine Avenue and Maclaggan Street – There are no existing stops on these streets. Investigation into this request has not been progressed pending Council's position on the requested route change.
 - Somerville Street – Investigation for the placement of a pair of stops in Somerville Street in the vicinity of Marne Street was instigated prior to the petition being received.
 - Lower York Place – Staff will place the investigation of stops in Lower York Place in the wider network bus stop review.

Staff recommendation: The current actions be noted.

- *Display bus signs only stating the destination.*
Staff in direct consultation with the operator instigated changes to the head signs in order to avoid confusion for the public. The head signs include the route number, origin and destination, and minimise the need for scrolling.

Staff recommendation: The staff actions be noted.

5. Recommendation

That Council:

- (a) Receives this report.
- (b) Endorse the staff recommendations with regard to the petition as follows:
 - (i) *Eliminate the 37 minute delay halfway around the Waverley Loop*
No further action required
 - (ii) *Use that time to reinstate the twice an hour frequency of the Belleknowes end of the route*
Implement the change in frequency in July 2018 as programmed
 - (iii) *Restore the previous route through lower City Rise to service Canongate, Russell Street and Arthur Street*
No change to the existing route
 - (iv) *Add bus stops on Serpentine Avenue, Maclaggan Street and Somerville Street. (Note the Belleknowes petition also seeks bus stops in Lower York Place)*
The current actions be noted
 - (v) *Display bus signs only stating the destination*
The staff actions be noted

Nick Donnelly

Director Corporate Services

Attached:

- (1) Appendix 1 – Petition presented at Council meeting 7 December 2016 re Waverley-Belleknowes Bus Services.
- (2) Appendix 2 – Waverley-Belleknowes pre 15 August 2016.
- (3) Appendix 3 – Waverley-Belleknowes current.
- (4) Appendix 4 – Waverley-Belleknowes post Hub/Interchange.

Appendix 1: Petition presented at Council meeting 7 December 2016 re Waverley-Belleknowes Bus Services

Appendix 2: Waverley–Belleknowes pre 15 August 2016



Appendix 3: Waverley–Belleknowes Current



REPORT

Document Id: A971633

Report Number: 2017/0587

Prepared For: Finance and Corporate

Prepared By: Director Corporate Services

Date: 18 January 2017

Subject: **Executive Report - February 2017**

1. Rates Collection

For the 2016/17 rating period Council struck \$18,385,920 (15/16 \$16,637,732) of rates which were due on 31 October 2016. At their due date 84% (15/16 85%) of the rates struck had been collected. Of the \$2.9m outstanding, a further \$654,660 was scheduled to be paid by triannual direct debit.

Penalties

All balances that were outstanding at 1 November 2015 were penalised with a 10% penalty. There were 19,160 penalty notices sent in the current year compared to 16,259 in 2015.

Date	Total Penalty Amount	Percentage of Total Rates
November 2016	\$211,218	1.15%
November 2015	\$191,263	1.15%
November 2014	\$216,276	1.39%
November 2013	\$292,448	1.62%

Penalties charged have remained in line with the previous year and account for the same proportion of rates. Council has continued with our debt collection procedure timeframe established in the previous year including:

- Sending a reminder letter when the debt is 3 months old which reminds the ratepayer of overdue rates and offers them the ability to establish a payment plan if required.
- Debt collection procedures if the reminder letter is unsuccessful.
- Mortgage demand on arrears rates balances (at least 12 months old). Mortgage demands in the current year have been made on 370 ratepayers.

Trends in the debt collection procedures are showing that the majority of people who have rates overdue by more than 3 months will only make payment once debt collection procedures with a third party collection agency or mortgage demand have been initiated.

Direct Debits

In September 2015 we completed the paperless direct debit website which allowed ratepayers to set up a direct debit without needing to complete and sign a manual form. This has been continually advertised in our rates brochures and in our penalty notices.

We have continued to see an increase in direct debits with 14,742 direct debits now in place. This is 13% of ORC ratepayers compared to 12,536 (11%) in the prior year.

Communication from ratepayers about direct debits has been positive, however due to rates only being due once a year some ratepayers do prefer not to have a direct debit in place as they struggle to remember when the direct debit will be actioned.

2. Account Payments

Schedules of payments made are referred to the Finance and Corporate Committee for endorsement. The financial commitments and payment authorisation are made in accordance with Council's financial delegations and internal control procedures.

Payment Category	October 2016	November 2016	December 2016	Total
Trade and general payments	5,507,398.90	2,744,656.07	2,870,200.52	11,122,255.49
Payroll	642,628.37	654,655.01	1,056,466.60	2,353,729.98
Investments	10,100,000.00	3,200,000.00	-	13,300,000.00
Total	16,250,027.27	6,599,311.08	3,926,647.12	26,775,985.47

3. Recommendations

- (a) That this report be received.
- (b) That the payments and investments summarised in the table above and detailed in the payment schedule, totalling \$26,775,985.47, be endorsed.

Nick Donnelly
Director Corporate Services

REPORT

Document Id: A975864

Report Number: 2017/0616

Prepared For: Finance and Corporate

Prepared By: Manager Support Services

Date: 30 January 2017

Subject: **Bus Hub Interchange - Community Engagement - Update**

1. Précis

This report provides a summary of the response received through the Community Engagement process undertaken late last year. The detailed feedback is currently being reviewed by staff and our consultants who will consider the current design in the context of the feedback and make recommendations to Council on any changes prior to finalising the detailed design.

Staff will continue to engage with adjacent landowners and interested members of the community as we prepare the necessary designation application and design detail.

2. Background

The preliminary design which had been developed in consultation with DCC staff, including its urban design team, was presented to Council in November 2016.

During December 2016, Council undertook community engagement on the preliminary design for the Dunedin Central City Bus Hub. The engagement included a joint briefing for ORC/DCC councillors, media and key stakeholders in late November.

In addition to media and on bus advertising, social media, and Council's website, staff were in attendance at a static display in the DCC Civic Centre.

The community engagement sought specific comment on a number of matters relating to the design and key supporting infrastructure, along with an opportunity to provide general comments. The engagement did not seek comment on the location or the specific layout of the bus stop design.

Feedback forms were available at the static display, on bus, and through Council's website.

Over the course of the engagement, staff spoke directly to 293 individuals at the drop-in centre, Council's web page experienced 1,454 views, and we received 245 written responses.

3. Questions Asked

The feedback form provided (Appendix 1), asked the following questions in order to assist with the further design stages:

- How would you like to receive transport information at the bus hub?
- From the list provided, please rank the top 5 facilities that are important to you.
- If you have any more suggestions or comments, please let us know.
- Landscaping and Materials. If you have any comments or suggestions about the plants, materials or colour palettes of the proposed designs, please let us know.

4. Feedback

The feedback received does not present any significant level of adverse comment opposing the Bus Hub. (A schedule summarising the feedback responses is attached Appendix 2).

The detailed feedback is currently being reviewed by staff and our consultants who will consider the current design in the context of the feedback and make recommendation to Council on any changes prior to finalising the detailed design.

5. Next Steps

Along with advancing the designs, staff will continue to liaise with the adjacent landowners, and will commence preparation of the necessary designation applications for lodgement with the DCC.

6. Recommendation

That Council:

- (a) Receives this report.

Nick Donnelly

Director Corporate Service

Attachments:

- (1) Appendix 1 – Feedback form.
- (2) Appendix 2 - Schedule summarising the feedback responses.

Appendix 2

Question 1: How would you like to receive transport information at the bus hub?

Answer Options	Response Percent	Response Count
Interactive timetable displays	81.1%	150
Maps of routes, locations and serviced areas	76.8%	142
Large print information	40.5%	75
Maps of local and regional areas	40.5%	75
Manned information kiosk with ticket sales (local and inter-regional)	36.8%	68
Journey planning kiosks	32.4%	60
Braille	21.6%	40
PA system + announcements	21.1%	39
Hearing augmentation loop technology	18.4%	34
Other (please suggest)		31
answered question		185
skipped question		56

Further breakdown of the 'Other'.

'Other'		
Provision of information	Supply of printed timetables	2
	Information screens inside local businesses e.g. cafes, pubs	1
	Mobile app connected to the real time info/journey planning app	5
	Embossed print (not just braille)	1
	Range of information formats for all people - both locals and visitors	1
	Information on how to access app for journey planning	1
	Bus route numbers and destination for signage	1
	Information on how to travel to cool places by bus	1
Facilities	No PA	3
	Emergency announcements	1
	Wifi	2
	Tactile ground surface indicators to locate boarding positions at each platform	1
	RTI - current arrival time	5
	Something for disability - people in wheelchairs	1
	Heating	1
	Roaming attendants	1
	Machine for topping up GoCard including eftpos and checking balance	2
	Website to check GoCard balance and top up online	2
Miscellaneous	Object to proposal / don't like location / alternative location proposed	3
	Bus service	1
	Small electric buses	1
	Disagree with the location of the kiosk	1

Question 2: From the list below, please rank the top 5 facilities that are important to you.

Answer Options	Response Count
Go Card sales and top up	138
Rubbish bins	133
Sheltered walkways	98
Wifi	83
Clocks	92
Heated waiting area	76
ATM	57
Help points / security	51
Cycle storage	46
Community art	41
Coffee kiosk	38
Water fountain	34
Food retailing	22
Baby changing area	16
USB charging	19
Music / radio	13
Kids play area	9
Vending machines	10
General retailing	7
Internet kiosk	4
Prayer room	4
*Bicycles on buses	1
*Cash sales for GoCard from driver	1
*Buses to have bag storage area	1
*No radio/music	2
*Recycling bins	4
*No exeloo	2
*Drop off area	1
*Online GoCard top-ups	1
*Lost property	1
*Quiet room	1
*Need more than five	1
*Facilities (request listed facilities)	24
Other (please suggest)	77

*Added from responses in the 'Other (please suggest)' category

Further breakdown of the 'Other'.

Other** (exclude suggested facilities listed on previous table)		
Aesthetic – look/feel	Lots of seats for customers	1
	Option 2	2
	No grasses	2
	Metal planter boxes and flowers	1
	Strong LED lighting	1
	No USB charging points (encourage people to loiter, can be intimidating and uncomfortable)	1
	Non-slip surfaces	1
	Shelter proposal for winter is a bit limited	1
	More imaginative shelters	1
	Concern with noise, air conditioning, radio interference	2
	Ribbon style colour confusing for partially sighted people	1
	Needs more dry seats	1
	Need adequate shelter from rain and wind	1
	Intersection/congestion	Lower Moray Place
Congestion on Great King Street		1
Miscellaneous	Support of hub	3
	Close access to Intercity service	1
	Consultation issues e.g. display in wrong place	2
	Object to proposal / alternative proposed / don't like location	11
	Timetables	2
	Bus driver should wait until everyone is seated	1
	Gold Card ticketing	1
	Shame to turn George Street bus stops to parking spaces	1
	Bus shelter for west harbour with seat and light	1
	Cleaning	1
	Concern with security and vandalism to shop	2
	Concern with planned road works	1
	Bus driver who knows places on their route	1
	More retailers for GoCard sales and top-up	1
	Disagree with the location of the kiosk	1
Bus services		6
Facilities (requested facilities already listed)		11
Engineering design (along the hub)	Close access to car parks / congestion at accesses	2
	Bus only	5
	Mobility parking spaces	1
	P5 outside post office	1
	Pedestrian safety	2
Further information requested		1
Transport information at hub		7

Question 3: If you have any more suggestions or comments, please let us know:

Aesthetic – look/feel	Option 1	1
	Non-slip surfaces	1
	Concern with noise, air conditioning, radio interference	3
	Ribbon style colour confusing for partially sighted people	1
	Well lit	2
	In keeping with older architecture/no bright colours	4
	Option 1 - colour on road very dominant	1
	Option 2 - something more creative	1
	Bright colours	1
	Endorse community art and street art e.g. Mana Whenua artists, school groups	6
	Wheelchair access to all facilities	3
	Seats that don't give people splinters	1
	Shelter from rain right up to buses	1
	Hazard with shelter doors opening into the footpath	1
	Make it beautiful with artworks, planting, things for kids, inviting	2
	Something pleasant to watch e.g. nature scenes	1
	Adverse effects on Dunedin Community House building of shelter	1
	Like the bus-hub designs	3
	Shelters to be open access so people feel safe	1
	Smoke free signage	1
	Colour code bus routes with floor markings, shelters etc.	1
Something different than chipseal or hotmix - less typical of a road to keep speeds down	1	
More greenery	1	
Intersection/congestion	Lower Moray Place and St Andrew Street intersections	2
	George Street / St Andrew Street improvement	1
	General congestion in the area	8
	Concerns with manoeuvres	4
Miscellaneous	Support of hub	7
	Object to proposal / alternative proposed / don't like location	34
	Public health issues associated with idling bus engines and partially enclosed areas / diesel exhaust fumes	3
	Offering professional peer review	1
	Monthly concession cards	1
	Make buses more affordable	1
	Appreciated talking to someone who knows about the bus system	1
	Confusing use of terminology	1
	Wants to be heard	3

Bus services		27
Facilities	More covered seating	2
	Covered walkways	6
	Heated / fully protected waiting areas	8
	Food retailing	1
	Vending machines	1
	Feel safe e.g. security guards in evenings, security	3
	Lilliput libraries where people can leave or pick up books	1
	Access / sheltered access from George Street (besides Farmers)	4
	GoCard sales and top up / balance machines (without minimum \$10 limit)	5
	ATM	1
	Rubbish bins	1
	Cycle hire system	1
	Toilets	1
	No radio/music/TV	1
	No Exeloos	4
	Lost property	1
Area for prams	1	
Engineering design (along the hub)	Close access to car parks / alter accesses / congestion at accesses	10
	Bus only	7
	Pedestrian safety and facility	9
	Retain short term parking outside Police Station	1
	Loss / lack of parking	6
	Priority for cyclists / cyclists	3
	Speed reduction	2
Further information requested	Further consultation requested / unhappy with consultation	5
	Effects on adjacent property	1
	Parking	2
	How many bus users we have or future projects	1
	Footpath width	1
	Details of bus route leaving and arriving	2
	Access to car parks	1
	Is road going to be closed to other vehicles?	1
Transport information at hub	Transport assistants / manned service desk	3
	Information at appropriate heights (for wheelchair access)	1
	Shelters to be clearly labelled i.e. large / oversized letters	1
	An app	4
	Good on time info	1
	Detailed readable maps of bus routes	1
	Very visible numbering	1
	RTI	4
	Wifi	2
	Bike racks at hub and on buses	1
	Large-print information / easy to read signage	2
	Multi-media display	1
Smart technology for visually impaired	1	

Question 4: Landscaping and Materials. If you have any comments or suggestions about the plants, materials or colour palettes of the proposed designs, please let us know:

Aesthetic design - look/feel	Lots of seats for customers	3	
	Option 1	11	
	Option 2	16	
	No grasses	3	
	Non-slip surfaces	1	
	No bright colours	8	
	Endorse art e.g. interactive art, community art and street art e.g. Mana Whenua artists, school groups	8	
	Wheelchair access to all facilities	1	
	Functional colours / colour code bus routes with floor markings, shelters etc.	4	
	Materials	30	
	Supportive of plantings	5	
	No plants	1	
	Bright colours	4	
	Bi-cultural linkage in design	1	
	Local flora / native	14	
	Natural colour scheme	1	
	Furniture colours / design	1	
	Colourful plants	2	
	Evergreen plantings	2	
	Grasses	3	
	Shrubs	2	
	Smaller trees	1	
	Fairy lights	1	
	More trees / plants	1	
	Not trees that block the light	1	
	Hanging plant walls	1	
	Maples, roses, blossoms, trees	1	
	Intersection/congestion	Concerns with manoeuvres	1
	Miscellaneous	Close proximity to Intercity service	1
		Object to proposal / alternative proposed / don't like location	7
Prevent vandalism / graffiti		4	
General		16	

Bus services		7
Facilities	Covered walkways	2
	Heated / fully protected waiting areas	6
	GoCard sales and top up / balance machines (without minimum \$10 limit)	1
	Rubbish bins	2
	Toilets	2
	Cycle storage	2
	Security	1
	Charging	1
	Wifi	1
	Recycling bins	3
	No Exeloo's	1
	Online GoCard top-ups	1
	Top up from drivers	1
	Engineering design (along the hub)	Pedestrian safety and facility
Loss / lack of parking		1
Priority for cyclists / cyclists		2
Speed reduction		2
Further information requested	Further consultation requested / unhappy with consultation	1
	Details of bus route leaving and arriving	1
Transport information at hub	Shelters to be clearly labelled i.e. large / oversized letters	1
	Informative panel	1
	Community notice board	1

REPORT

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Report Number: 2017/0597

Prepared For: Finance and Corporate

Prepared By: Director Corporate Services

Date: 25 January 2017

Subject: **Financial Report to 31 December 2016**

The following information is provided in respect of the overall Council finances for the six months ended 31 December 2016.

1. Statement of Comprehensive Revenue and Expense, Statement of Financial Position and Activity Expenditure Summary

**Otago Regional Council
Statement of Comprehensive Revenue and Expense
For the six months to 31 December 2016**

	Note Ref.	\$000s			
		Annual Budget	Year to date to 31 December 2016		
			Budget	Actual	Variance Note *
Revenue:					
Rate revenue		15,940	7,972	7,974	2
Government subsidies	Note 1	9,575	3,414	3,354	(60)
Other revenue	Note 2	3,892	2,046	2,619	573
Dividend income from Port Otago Ltd	Note 3	7,400	3,700	3,700	-
Interest and investment income	Note 4	2,150	1,075	846	(229)
Rental income	Note 5	1,111	556	503	(53)
Gain in value of investment Property	Note 6	313	-	-	-
Total Revenue		40,381	18,763	18,996	233
Less Expenses:					
Operating expenses		30,034	11,874	11,695	179
Employee benefits expense		12,133	6,066	6,057	9
Depreciation/Amortization charge	Note 7	1,761	881	938	(57)
Total Expenses		43,928	18,821	18,690	131
Surplus/(deficit)		(3,547)	(58)	306	364
Income tax benefit		115	58	49	(9)
Surplus/(deficit) after tax		(3,432)	-	355	355
Revaluation gain – shares in subsidiary	Note 8	10,000	-	-	-
Net comprehensive revenue		6,568	-	355	355

Note *

In the above statement, bracketed variances indicate revenue less than the budgeted level, and expenditure in excess of the budgeted level.

Note 1 – Government Subsidies

The Council receives subsidies from Government agencies on eligible expenditure. The level of subsidy income is therefore directly related to the level of eligible expenditure.

The major source of the subsidy variance of \$60,000 is related to the Stock Truck Effluent Disposal sites project. Expenditure incurred to date, eligible for subsidy, is significantly less than that budgeted, with the consequential effect that the budgeted subsidy income is not yet claimable.

Note 2 – Other Revenue

The amount of other revenue earned of \$2,619,000 exceeds the budgeted amount of \$2,046,000 by \$573,000.

The major reason for revenue exceeding budget is the receipt of unbudgeted bus contract revenue of \$669,000. Bus contracts were budgeted on the basis of Council making net payments to operators, however some contractual arrangements are now on a gross basis, where Council receives revenue from the operators and pays the gross amount to operators. This change in arrangement results in higher than budgeted expenditure and revenue.

Note 3 – Dividend Income from Port Otago Limited

Dividend income is accrued during the year based on the budgeted dividend level set in the Annual Plan.

Interim dividend payments are expected to be received in the months of February 2017 and June 2017, with a final dividend expected after June 2017.

Note 4 – Interest and Investment Income

The two main factors for the income variance of \$229,000 are an overall lower level of investment held compared to the budgeted investment level and the return on the diversified fund for the six month period being less than the budgeted earnings rate.

Interest earned on the term deposit portfolio for the six months to 31 December, amounts to a weighted average interest rate of 3.56%.

The managed fund comprises approximately a third of the overall investment funds and the increase in fair value of the managed fund incorporates income received and changes in the market value of investments due to price changes, and foreign exchange rates where applicable. The overall change in fair value is subject to monthly fluctuations due to movements in the market valuation factors.

Note 5 – Rental Income

The prime reason for rental income being less than budget is that the budget provided for income on property that has been disposed of subsequent to formulation of the budget. This includes properties formerly held for the Leith Flood Protection Scheme and sub-lease income on the Queenstown office, formerly leased by Council.

Note 6 – Gain in Value of Investment Property

Investment Property is revalued annually, with the next revaluation date being 30 June 2017. Accordingly the year to date budget and actual gain are reported as nil amounts to 31 December 2016.

Note 7 – Depreciation and Amortization

The total of the depreciation and amortization charge of \$938,000 exceeds the budgeted amount by \$57,000.

A significant factor in this variance is additional depreciation on flood and drainage scheme assets – with the Leith Flood Protection Scheme accounting for \$30,000 of the overall variance. Additional depreciation charges on computer hardware, and amortization charges on consents and compliance and general software systems, accounts for a further \$14,000 of the variance.

Depreciation and amortization charges are a non-cash charge, and may vary from budget due to several factors including cost and timing of acquisition.

Note 8 – Revaluation Gain – Shares in Subsidiary

The annual budget makes provision for an increase in the valuation of the Council's 100% shareholding in Port Otago Limited. The shares are valued annually, with the next revaluation date being 30 June 2017. Accordingly, the year to date budget and actual amounts reflect nil values.

Otago Regional Council
Statement of Financial Position as at 31 December 2016

		31 December 2016 \$000's	30 June 2016 \$000's
Current Assets			
Cash and cash equivalents	Note 1	3,439	2,540
Other financial assets	Note 1	57,940	56,198
Trade and other receivables	Note 2	6,069	3,298
Other current assets		294	207
Property held for sale and inventory		1,284	1,284
Dividends Receivable	Note 3	2,900	-
		71,926	63,527
Non-Current Assets			
Property plant and equipment		84,686	84,138
Intangible assets (computer software)		1,699	1,800
Investment Property	Note 4	10,785	10,785
Deferred tax asset		147	98
Shares in subsidiary Port Otago Ltd	Note 5	418,239	418,239
		515,556	515,060
Total Assets		587,482	578,587
Current Liabilities			
Trade and other payables		3,637	4,134
Employee entitlements		1,157	1,483
Revenue in advance	Note 2	9,364	-
		14,158	5,617
Non-current Liabilities			
		-	-
Total Liabilities		14,158	5,617
Net Assets		573,324	572,970
Total Equity and Reserves			
Public equity		134,818	137,205
Reserves			
Available-for-sale revaluation reserve	Note 5	398,239	398,239
Asset revaluation reserve	Note 4	8,724	8,724
Building reserve	Note 6	13,735	10,997
Asset replacement reserve		6,006	5,987
Emergency response reserve		3,961	3,891
Water management reserve		1,459	1,433
Kuriwao endowment reserve		6,315	6,271
Environmental Enhancement Reserve	Note 7	67	223
		438,506	435,765
Total Equity and Reserves		573,324	572,970

Note 1 – Cash and Cash Equivalents and Other Financial Assets

Funds surplus to the Council's immediate and short term requirements are managed on Council's behalf by the BNZ. An Investment Portfolio and term deposits with durations of 4-12 months are included in the classification Other Financial Assets. Current bank balances and term deposits with durations of less than 4 months are included in Cash and Cash Equivalents.

Note 2 – Trade and other Receivables and Revenue in Advance

The following two items have a significant affect on the above two Statement of Financial Position line items.

Rates Revenue and Receivables

The receivables amount of \$6,069,000 includes rates outstanding of \$1,435,000. This is the remaining balance outstanding following issue of the Council's rate assessments of \$18,385,000 in September and subsequent payments.

The portion of rate revenue that will be released to the Statement of Revenue and Expenses in the following months amounting to \$7,994,000 is included in the Revenue in Advance amount of \$9,364,000.

Ministry of Primary Industries Funding

The Council has invoiced MPI \$1,347,000 in respect of funding related to Wilding Conifer Control work in the Otago region. This amount is included in the Trade and Other Receivables balance of \$6,069,000.

The funding is expected to be released to revenue in the following months. Until this eventuates, the net funding invoiced of \$1,171,000 is reflected in the Revenue in Advance amount of \$9,364,000.

Note 3 – Dividends Receivable

The dividend receivable amount reflects the accrual of expected dividends from Port Otago Limited for the period of this report, less the final dividend for the June 2016 year of \$800,000 received in September 2016.

Note 4 – Investment Property and Asset Revaluation Reserve

Investment property is revalued annually and is included at the 30 June 2016 valuation. The asset revaluation reserve reflects the revaluation amount of the investment property at 30 June 2016.

Note 5 – Shares in Port Otago Ltd and Available-for-Sale Revaluation Reserve

The shares in Port Otago Ltd are included at the 30 June 2016 valuation, and the Available-for-Sale Revaluation Reserve reflects the revaluation amount of the shares. The shares will next be revalued as at 30 June 2017.

Note 6 – Building Reserve

The 2016/17 Annual Plan provides for the transfer to the reserve of \$2,500,000 from public equity. The transfer is fully reflected in the reserve balance to 31 December 2016, along with interest earned to date.

Note 7 – Environmental Enhancement Reserve

Note is made that three grants amounting to \$159,000 were made to organisations in November/December in support of community projects contributing to the enhancement of the local environment, the purpose for which the reserve was established.

Activity Expenditure Summary

		Annual Budget 30 June 2017 \$000's	Budget December 2016 \$000's	Actual December 2016 \$000's	Variance * Actual vs Budget \$000's
Environment	Note 1				
Air		451	226	228	(2)
Environmental Incident Response		1,263	711	578	133
Land		1,982	1,050	990	60
Rivers and Waterway Management		1,822	765	630	135
Water		7,654	3,960	3,371	589
		13,172	6,712	5,797	915
Community	Note 2				
Public Information and Awareness		1,937	992	1,140	(148)
Democracy		1,548	701	743	(42)
Financial Contributions		350	175	175	-
Regional Economic Development		100	50	2	48
		3,935	1,918	2,060	(142)
Regulatory	Note 3				
Policy Development		176	89	206	(117)
Consents and Compliance		2,712	1,427	1,350	77
Harbour Management		273	83	328	(245)
		3,161	1,599	1,884	(285)
Flood Protection & Control Works	Note 4				
Leith Scheme		5,020	311	991	(680)
Taieri Schemes		2,034	1,031	613	418
Clutha Schemes		1,810	904	501	403
Other projects		267	134	143	(9)
		9,131	2,380	2,248	132
Safety and Hazards	Note 5				
Natural Hazards		1,261	662	659	3
Emergency Management		702	366	701	(335)
		1,963	1,028	1,360	(332)
Transport	Note 6				
Regional Land Transport Planning		167	84	170	(86)
Public Passenger Transport		16,320	5,878	6,489	(611)
Stock Truck Effluent Disposal Sites		495	247	15	232
		16,982	6,209	6,674	(465)
		48,344	19,846	20,023	(177)

* Variances – bracketed variances denote expenditure in excess of budget.

Activity Expenditure captures operating expenditure (external and internal) and capital expenditure.

Activity Expenditure is reported upon in detail in the Four, Eight and Twelve Month Review reports. In the periods between these reports, including this report to 31 December, brief comment only is provided on significant activity expenditure variances.

Accordingly, the following notes identify the projects that have significantly contributed to the major overall activity variances to 31 December 2016, as shown in the above table.

Note 1 – Environment

The Environmental Incident Response projects show net under-expenditure of \$133,000 against a budget of \$711,000. Incident response and enforcement action is dependent on the number of incidents/cases and actual costs will fluctuate compared to budget. Difficulty in recruiting staff in Central Otago has also contributed to the lower level of activity able to be achieved.

The Rivers and Waterway Management projects are under-expended by \$135,000 against a budget of \$765,000.

The Dunedin and Wakatipu districts are over-expended whereas the other districts currently record under-expenditure. Variances are largely due to the timing of actual work performed varying in comparison to the phasing of the annual budget.

The Water related projects with expenditure of \$3,371,000 are \$589,000 under budget, with projects significantly under-expended shown below:

Rural Water Quality Implementation

This project is under-expended by \$219,948 against the budget of \$1,132,000. A large number of sub-projects are underway within this overall project, but a number of variations to planned activities has resulted in delays and/or reduced expenditure.

Implementation of Regional Plan Water (1C)

This project is under-expended by \$193,086 against the budget of \$387,728, mainly due to the re-organisation of staff groupings that has resulted in fewer staff performing this work than was provided for in the budget.

Coastal Strategy

This project is under-expended by \$171,101 against the budget of \$230,067 mainly due to the diversion of policy staff to higher priority project work, primarily the RPS.

Bulk Rural Water Fund

The budget provided for applications of \$122,000 to be paid by 31 December, however there were no applications received and paid in this six month period.

Conversely, the one significant over-expenditure in the Water related projects occurred in the Minimum Flows and Allocation Units project. Additional expenditure of \$142,000 against the budget of \$629,000 was recorded, arising mainly from accelerated work programmes (timing) and an increase in monitoring requirements, resulting in increased work.

Note 2 - Community

The Public Information and Awareness group of projects shows net over-expenditure of \$148,000 against a budget of \$992,000.

The primary cause of the variance is a change in the way the LAWA project is administered and accounted for, with expenditure of \$252,000 being recorded against the budget of \$7,500.

The Public Information project shows under-expenditure of \$85,000 against a budget of \$719,000, primarily due to the timing of the website upgrade planned for later in the year and some labour costs being diverted to other more specific projects.

Note 3 – Regulatory

The Regional Policy Statement project was budgeted to be completed prior to this financial year, however, completion took longer than anticipated and the RPS was released in late September 2016.

The current year budget provides for annual expenditure of \$176,000 with \$89,000 anticipated to have been spent to 31 December. Actual expenditure incurred in the six months to 31 December has amounted to \$206,000 resulting in over-expenditure of \$117,000.

The Harbour Management project is over-expended by \$245,000 against a budget of \$83,000. Harbourmaster services are currently being contracted out while permanent resourcing is pursued. The market rate of harbourmaster services is significantly higher than the cost anticipated when budgets were prepared.

Note 4 – Flood Protection and Control Works

The Flood Protection and Control activity overall is under-expended by \$132,000 against the budget of \$2,380,000. The major project in this activity, the Leith Scheme, shows over-expenditure of \$680,000 against the budget of \$311,000. This is largely a result of capital expenditure being incurred earlier in the year than provided for in the budget phasing, and completing work that was provided for in the previous year budget.

The other projects in this activity show net under-expenditure, largely due to timing issues.

Note 5 – Safety and Hazards

The Emergency Management project is over-expended by \$335,000 against the budget of \$366,000. The additional expenditure relates to the establishment of Emergency Management Otago, creation of a new EMO website and additional costs over that budgeted with the transition to an integrated staff structure, and other associated costs.

Note 6 – Transport

The Regional Land Transport Planning project is over-expended by \$86,000 against the budget of \$84,000, largely reflecting the fact that the work entailed in this project is significantly more comprehensive and costly than was provided for in the budget.

The Public Passenger Transport project shows over-expenditure of \$611,000 against the budget of \$5,878,000, with the major reason being the timing of expenditure – with some activity occurring sooner than the budgeted timing.

The Stock Truck Effluent Disposal Sites project is under-expended by \$232,000 against the project of \$247,000, primarily related to the delay in advancing work associated with the development and construction of a new site.

2. Recommendation

That this report be received.

Nick Donnelly
Director Corporate Services