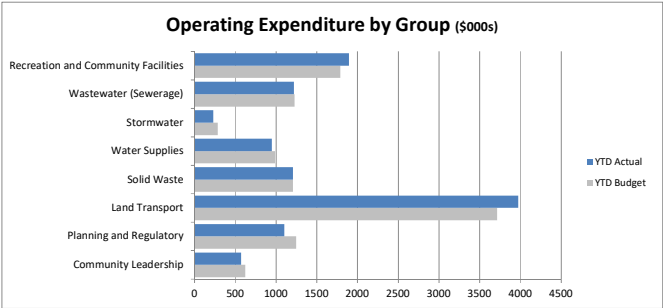
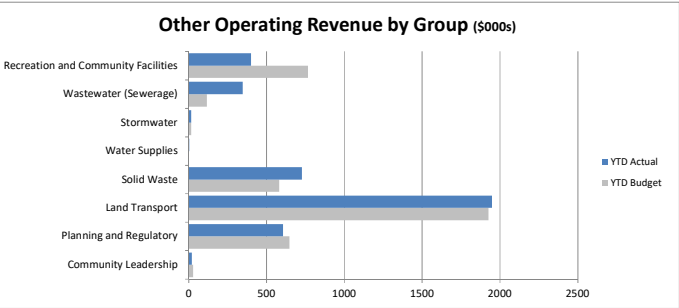


Central Hawke's Bay District Council - Whole of Council

| Funding Impact Statement - Operational | As at 31 December 2018 | Key Indicators |
|--|------------------------|----------------|
|--|------------------------|----------------|

| | | | | | | |
|---|---|--|---|---|---|--|
| <div><div>Rates Revenue</div><div>Received from ratepayers</div><div>\$9,828K</div><div>\$10k Favourable YTD</div><div>Full Year Budget \$19,772k</div></div> | + | <div><div>Other Operating Revenue</div><div>User charges,Subsidies & Grants, Finance Revenue & Other Revenue</div><div>\$4,171K</div><div>\$29k Favourable YTD</div><div>Full Year Budget \$7,077k</div></div> | - | <div><div>Operating Expenditure</div><div>Payments to Staff and Suppliers, Finance, Other Expenses</div><div>\$10,760k</div><div>-\$72k Unfavourable YTD</div><div>Full Year Budget \$19,480k</div></div> | = | <div><div>Net Operating Surplus/(-)Deficit</div><div></div><div>\$3,239k</div><div>-\$33k Unfavourable YTD</div><div>Full Year Budget \$7,369k</div></div> |
| <div><div>Employment Costs</div><div></div><div>\$2,574K</div><div>-\$174k Unfavourable YTD</div><div>Full Year Budget \$4,737k</div></div> | | <div><div>Operations & Maintenance Costs</div><div></div><div>\$6,917K</div><div>\$166k Favourable YTD</div><div>Full Year Budget \$13,072k</div></div> | | <div><div>Finance Costs</div><div>Interest on external debt</div><div>\$97K</div><div>\$23k Favourable YTD</div><div>Full Year Budget \$239k</div></div> | | <div><div>Other Expenses</div><div></div><div>\$1,173K</div><div>-\$86k Unfavourable YTD</div><div>Full Year Budget \$1,433k</div></div> |

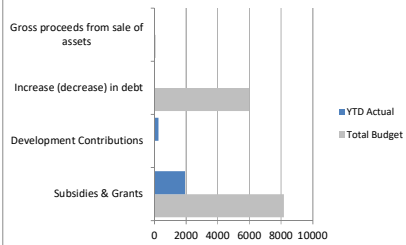
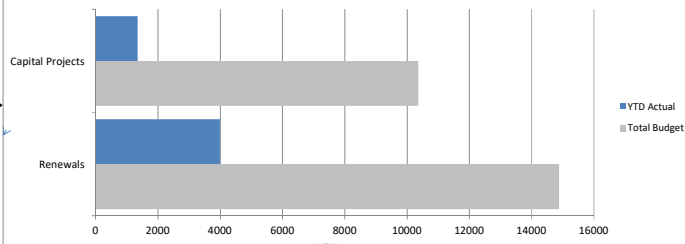
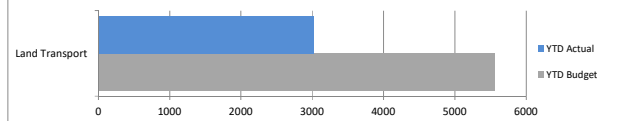
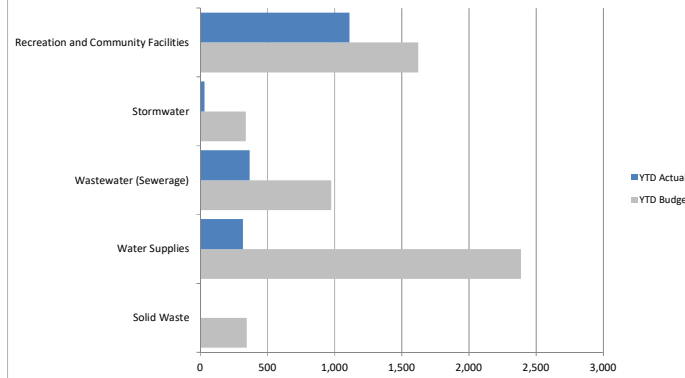


Sources of Capital Funding

*Subsidies & Grants, Development Contributions,
Debt and Other Revenue*

\$2,197k**Full Year Budget \$14,234k****Capital Expenditure**

New Capital and Renewal Projects

\$5,330k**Full Year Budget \$25,238k****Total Capital Funding (\$000s)****Total Capital Expenditure (\$000s)****Capital Expenditure by Activity (\$000s)****Capital Expenditure by Group (\$000s)**

Central Hawke's Bay District Council: Funding impact statement 2018/19

Whole of Council

As at 31 December 2018

| | Full Year Actuals | Annual Plan | Total Operating Budget | YTD Operating Budget | YTD Actuals | YTD Variance | YTD Variance % |
|---|----------------------|----------------|------------------------------|----------------------------|----------------|-----------------|-------------------|
| | 2018 | 2019 | 2019 | 2019 | 2019 | 2019 | 2019 |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| Sources of operating funding | | | | | | | |
| General rates, uniform annual general charges and rates penalties | 12,609 | 12,884 | 12,884 | 6,438 | 6,424 | (13) | 0% |
| Targeted rates | 6,526 | 6,888 | 6,888 | 3,381 | 3,404 | 23 | 1% |
| Subsidies and grants for operating purposes | 3,905 | 2,598 | 3,313 | 1,900 | 1,908 | 8 | 0% |
| Fees, charges | 2,946 | 2,950 | 2,950 | 1,586 | 1,693 | 106 | 7% |
| Interest and dividends from investments | 170 | 125 | 125 | 63 | 106 | 43 | 68% |
| Local authorities fuel tax, fines, infringement fees and other receipts | 430 | 306 | 689 | 592 | 464 | (128) | -22% |
| Total operating funding | 26,586 | 25,751 | 26,849 | 13,960 | 13,999 | 39 | |
| Applications of operating funding | | | | | | | |
| Payments to staff and suppliers | 19,675 | 17,972 | 19,241 | 10,570 | 10,663 | (94) | -1% |
| Finance costs | 120 | 239 | 239 | 120 | 97 | 22 | 18% |
| Other operating funding applications | 0 | (183) | 0 | 0 | 0 | 0 | 0% |
| Total applications of operating funding | 19,795 | 18,028 | 19,480 | 10,690 | 10,760 | (72) | |
| Surplus (deficit) of operating funding | 6,791 | 7,723 | 7,369 | 3,270 | 3,239 | (33) | |
| Sources of capital funding | | | | | | | |
| Subsidies and grants for capital expenditure | 4,771 | 4,387 | 8,174 | 3,423 | 1,939 | (1,484) | -43% |
| Development and financial contributions | 95 | 22 | 22 | 11 | 258 | 247 | 2245% |
| Increase (decrease) in debt | 0 | 4,798 | 5,971 | 602 | 0 | (602) | -100% |
| Gross proceeds from sale of assets | 103 | 67 | 67 | 33 | 0 | (33) | -100% |
| Lump sum contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total sources of capital funding | 4,969 | 9,274 | 14,234 | 4,069 | 2,197 | (1,872) | |
| Applications of capital funding | | | | | | | |
| Capital expenditure | | | | | | | |
| to meet additional demand | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| to improve the level of service | 1,054 | 7,977 | 10,356 | 5,105 | 1,345 | 3,760 | 74% |
| to replace existing assets | 9,033 | 9,134 | 14,882 | 6,481 | 3,985 | 2,495 | 38% |
| Increase (decrease) in reserves | 1,466 | 0 | (3,521) | (2,424) | (3,525) | 1,101 | -45% |
| Increase (decrease) of investments | 207 | (115) | (115) | (58) | (306) | 249 | -429% |
| Total application of capital funding | 11,760 | 16,996 | 21,602 | 9,104 | 1,499 | 7,605 | |
| Surplus (deficit) of capital funding | (6,791) | (7,722) | (7,368) | (5,035) | 698 | 5,733 | |
| Funding balance | 0 | 1 | 1 | (1,765) | 3,937 | 5,700 | |

Central Hawke's Bay District Council - Whole of Council

Executive Summary

As at 31 December 2018

Financial Performance - Operating

Council shows a \$3.239m surplus against a budgeted surplus of \$3.270m. December is 50% through the year and the result shows that Council has spent 55.4% of the expenditure budget and received 52.1% of the budgeted income. Personnel Costs is \$174k above budget and includes \$145k of one off expenditure and \$50K of costs for 3 Waters that is yet to be transferred to capital expenditure. Other Expenses are over budget by \$84K which is primarily from the grant for the AW Parsons pool being paid in December 2018 when it was phased for January 2019. Interest income is tracking higher than budgeted as more cash is held due to the reduced capital expenditure. Most other variances are favourable being underspent budgets or timing differences between budget allocations and actual expenditure.

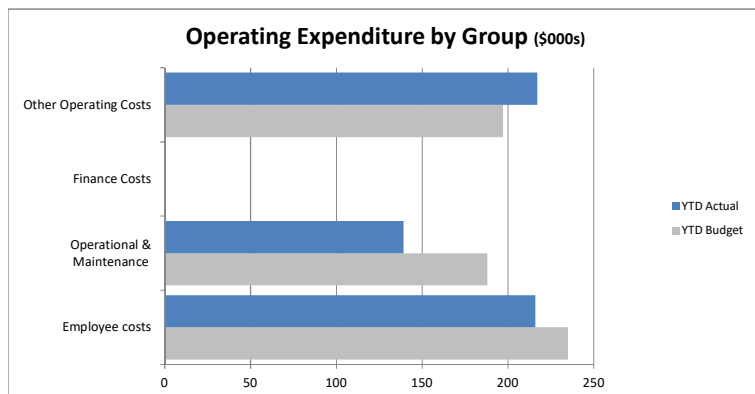
A reforecast of budgets will be conducted by Council officers in February and will formally be reported to Council as part of the March Quarter Reporting.

Financial Position- Capital

Council borrowing remains behind budget as budgeted capital expenditure is lower than budgeted. Based on current phasing of the capital budgets, we were budgeted to have spent 46.01% of the capital budget. As of 31 December we have spent 21.12%. As part of the reforecasting that will be completed for the February reporting, managers will spend time re-evaluating the capital budgets to assess what is realistically possible to complete. Capital projects for Water have already been reviewed and are included in the project reporting. The cash balance also reflects the reduction in capital expenditure as cash is held in short term deposits with the view of paying for capital expenditure. This will be reviewed following the reforecast in February.

Community Leadership As at 31 December 2018

| | | | | | | | |
|-------------------------------|----|-----------------------------|---|-----------------------------|---|----------------------------|---|
| Operating Revenue | -1 | Operating Expenditure | 8 | Net Surplus/(-)Deficit | 6 | Capital Expenditure | 0 |
| \$600K | | \$571k | | \$29k | | \$0k | |
| -\$7k Unfavourable YTD | | \$49k Favourable YTD | | \$42k Favourable YTD | | \$0k Favourable YTD | |
| Full Year Budget \$1,203k | | Full Year Budget \$1,229k | | Full Year Budget -\$26k | | Full Year Budget \$0k | |



Central Hawke's Bay District Council: Funding impact statement 2018/19

Community Leadership

As at 31 December 2018

| | Full Year Actuals 2018 \$000 | Annual Plan 2019 \$000 | Total Operating Budget 2019 \$000 | YTD Operating Budget 2019 \$000 | YTD Actuals 2019 \$000 | YTD Variance 2019 \$000 | YTD Variance % 2019 |
|---|---|-------------------------------------|---|---|---------------------------------|----------------------------------|---------------------------|
| Sources of operating funding | | | | | | | |
| General rates, uniform annual general charges and rates penalties | 896 | 1,157 | 1,157 | 579 | 581 | 2 | 0% |
| Targeted rates | 27 | 0 | 0 | 0 | 0 | 0 | 0% |
| Subsidies and grants for operating purposes | 40 | 46 | 46 | 28 | 19 | (9) | -32% |
| Fees, charges | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Interest and dividends from investments | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Local authorities fuel tax, fines, infringement fees and other receipts | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total operating funding | 963 | 1,203 | 1,203 | 607 | 600 | (7) | |
| Applications of operating funding | | | | | | | |
| Payments to staff and suppliers | 798 | 938 | 948 | 480 | 407 | 73 | 15% |
| Finance costs | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Other operating funding applications | 275 | 281 | 281 | 140 | 164 | (24) | -17% |
| Total applications of operating funding | 1,073 | 1,219 | 1,229 | 620 | 571 | 49 | |
| Surplus (deficit) of operating funding | (110) | (16) | (26) | (13) | 29 | 42 | |
| Sources of capital funding | | | | | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Development and financial contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Increase (decrease) in debt | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Gross proceeds from sale of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Lump sum contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total sources of capital funding | 0 | 0 | 0 | 0 | 0 | 0 | |
| Applications of capital funding | | | | | | | |
| Capital expenditure | | | | | | | |
| to meet additional demand | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| to improve the level of service | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| to replace existing assets | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Increase (decrease) in reserves | (110) | (15) | (25) | (10) | (10) | 0 | 0% |
| Increase (decrease) of investments | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total application of capital funding | (110) | (15) | (25) | (10) | (10) | 0 | |
| Surplus (deficit) of capital funding | 110 | 15 | 25 | 10 | 10 | 0 | |
| Funding balance | 0 | (1) | (1) | (3) | 39 | 42 | |

Explanation of changes between Annual Plan and Total Operating Budget

Payment to Staff and Suppliers

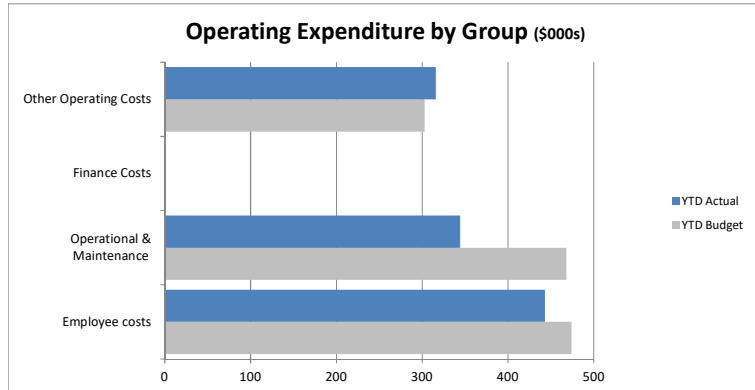
Addition of grant for Hawke's Bay Biodiversity Trust approved by Council from Reserves - \$10k

Explanation of Variance to YTD Budget

Variances are based on timing of phasing of budgets and invoicing. Expected to be within budgets.

Planning and Regulatory
As at 31 December 2018

| | | | | | | | |
|--------------------------------|----|------------------------------|----|------------------------------|---|-----------------------------|-----|
| Operating Revenue | -4 | Operating Expenditure | 11 | Net Surplus/(-)Deficit | 6 | Capital Expenditure | 100 |
| \$966K | | \$1,103k | | -\$137k | | \$0k | |
| -\$40k Unfavourable YTD | | \$142k Favourable YTD | | \$102k Favourable YTD | | \$20k Favourable YTD | |
| Full Year Budget \$1,785k | | Full Year Budget \$2,110k | | Full Year Budget -\$325k | | Full Year Budget \$82k | |



Central Hawke's Bay District Council: Funding impact statement 2018/19
Planning and Regulatory
As at 31 December 2018

| | Full Year Actuals | Annual Plan | Total Operating Budget | YTD Operating Budget | YTD Actuals | YTD Variance | YTD Variance % |
|---|----------------------|----------------|------------------------------|----------------------------|----------------|-----------------|-------------------|
| | 2018 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 |
| Sources of operating funding | | | | | | | |
| General rates, uniform annual general charges and rates penalties | 1,177 | 721 | 721 | 360 | 361 | 1 | 0% |
| Targeted rates | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Fees, charges | 951 | 1,048 | 1,048 | 633 | 588 | (45) | -7% |
| Interest and dividends from investments | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Local authorities fuel tax, fines, infringement fees and other receipts | 9 | 16 | 16 | 13 | 17 | 4 | 31% |
| Total operating funding | 2,137 | 1,785 | 1,785 | 1,006 | 966 | (40) | |
| Applications of operating funding | | | | | | | |
| Payments to staff and suppliers | 1,781 | 1,298 | 1,627 | 1,003 | 821 | 182 | 18% |
| Finance costs | 0 | 2 | 2 | 1 | 0 | 1 | 100% |
| Other operating funding applications | 413 | 481 | 481 | 241 | 282 | (41) | -17% |
| Total applications of operating funding | 2,194 | 1,781 | 2,110 | 1,245 | 1,103 | 142 | |
| Surplus (deficit) of operating funding | (57) | 4 | (325) | (239) | (137) | 102 | |
| Sources of capital funding | | | | | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Development and financial contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Increase (decrease) in debt | 0 | 78 | 78 | (2) | 0 | 2 | -100% |
| Gross proceeds from sale of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Lump sum contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total sources of capital funding | 0 | 78 | 78 | (2) | 0 | 2 | |
| Applications of capital funding | | | | | | | |
| Capital expenditure | | | | | | | |
| to meet additional demand | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| to improve the level of service | 0 | 82 | 82 | 20 | 0 | 20 | 100% |
| to replace existing assets | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Increase (decrease) in reserves | (56) | 0 | (329) | (321) | (375) | 54 | -17% |
| Increase (decrease) of investments | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total application of capital funding | (56) | 82 | (247) | (301) | (375) | 74 | |
| Surplus (deficit) of capital funding | 56 | (4) | 325 | 299 | 375 | 76 | |
| Funding balance | (1) | 0 | 0 | 60 | 238 | 178 | |

Explanation of changes between Annual Plan and Total Operating Budget

Payment to Staff and Suppliers

Addition of Carry Forward for District Plan Review \$329k from Reserves

Explanation of Variance to YTD Budget

Operating Income

Fees & Charges are lower than budget and includes:

Building Control - lower than budget by \$55k - a review of charging and expenses will be conducted in January/February.

Public Health - lower than budget by \$22k due to phasing will be on budget at year end.

Land Use and Subdivision - above budget by \$35k with the increase in consents being processed

Operating Expenditure

The Payment to Staff and Suppliers is lower than budgeted by \$182k and includes:

Under budget

District Planning - \$82k - behind based on phasing of expenditure.

Expected to be \$110k over budget by the end of the year when a decision of how this will be funded will be required by Council.

Animal Control - \$24k - based on requirements this will be on budget for the year.

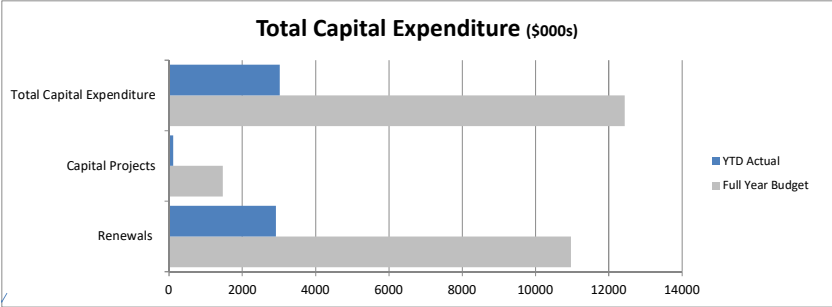
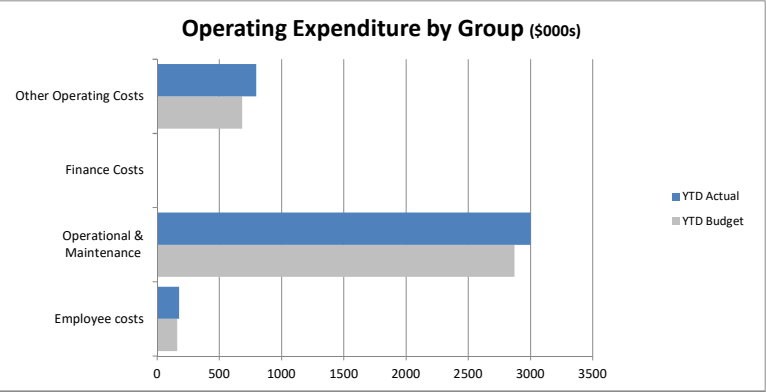
Compliance - \$79k - Review of Compliance has been completed with outcomes to be determined and implemented and Territorial Authority Officer yet to be appointed.

Over budget

Land Use and Subdivision - \$19k - consultants processing consents which is offset by income.

Land Transport
As at 31 December 2018

| | | | |
|---------------------------|---------------------------|---------------------------|----------------------------|
| Operating Revenue1 | Operating Expenditure-7 | Net Surplus/(-)Deficit-6 | Capital Expenditure45 |
| \$5,165K | \$3,973k | \$1,192k | \$3,027k |
| \$28k Favourable YTD | -\$257k Unfavourable YTD | -\$229k Unfavourable YTD | \$2,526k Favourable YTD |
| Full Year Budget \$9,800k | Full Year Budget \$6,663k | Full Year Budget \$3,137k | Full Year Budget \$12,435k |



Central Hawke's Bay District Council: Funding impact statement 2018/19
Land Transport
As at 31 December 2018

| | Full Year Actuals | Annual Plan | Total Operating Budget | YTD Operating Budget | YTD Actuals | YTD Variance | YTD Variance % |
|---|----------------------|----------------|------------------------------|----------------------------|----------------|-----------------|-------------------|
| | 2018 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 |
| Sources of operating funding | | | | | | | |
| General rates, uniform annual general charges and rates penalties | 6,243 | 6,426 | 6,426 | 3,213 | 3,216 | 3 | 0% |
| Targeted rates | 50 | 0 | 0 | 0 | 0 | 0 | 0% |
| Subsidies and grants for operating purposes | 3,798 | 2,483 | 3,198 | 1,837 | 1,854 | 18 | 1% |
| Fees, charges | 28 | 18 | 18 | 9 | 13 | 4 | 44% |
| Interest and dividends from investments | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Local authorities fuel tax, fines, infringement fees and other receipts | 213 | 158 | 158 | 79 | 82 | 3 | 4% |
| Total operating funding | 10,332 | 9,085 | 9,800 | 5,138 | 5,165 | 28 | |
| Applications of operating funding | | | | | | | |
| Payments to staff and suppliers | 6,578 | 4,488 | 5,317 | 3,043 | 3,186 | (143) | -5% |
| Finance costs | 3 | 0 | 0 | 0 | 0 | 0 | 0% |
| Other operating funding applications | 1,062 | 1,163 | 1,346 | 673 | 787 | (114) | -17% |
| Total applications of operating funding | 7,643 | 5,651 | 6,663 | 3,716 | 3,973 | (257) | |
| Surplus (deficit) of operating funding | 2,689 | 3,434 | 3,137 | 1,422 | 1,192 | (229) | |
| Sources of capital funding | | | | | | | |
| Subsidies and grants for capital expenditure | 4,771 | 4,387 | 8,174 | 3,423 | 1,939 | (1,484) | -43% |
| Development and financial contributions | 1 | 3 | 3 | 2 | 1 | 0 | 0% |
| Increase (decrease) in debt | (47) | 0 | 0 | 0 | 0 | 0 | 0% |
| Gross proceeds from sale of assets | 80 | 0 | 0 | 0 | 0 | 0 | 0% |
| Lump sum contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total sources of capital funding | 4,805 | 4,390 | 8,177 | 3,425 | 1,940 | (1,484) | |
| Applications of capital funding | | | | | | | |
| Capital expenditure | | | | | | | |
| to meet additional demand | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| to improve the level of service | 341 | 1,000 | 1,471 | 761 | 110 | 651 | 86% |
| to replace existing assets | 7,347 | 6,809 | 10,964 | 4,792 | 2,917 | 1,875 | 39% |
| Increase (decrease) in reserves | (195) | 16 | (1,120) | (1,128) | (1,136) | 8 | -1% |
| Increase (decrease) of investments | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total application of capital funding | 7,493 | 7,825 | 11,315 | 4,425 | 1,891 | 2,534 | |
| Surplus (deficit) of capital funding | (2,688) | (3,435) | (3,138) | (1,000) | 49 | 1,050 | |
| Funding balance | 1 | (1) | (1) | 422 | 1,241 | 821 | |

Explanation of changes between Annual Plan and Total Operating Budget

Operating Subsidies and Grants - \$715k

- Movement of Subsidy Overhead included in Annual Plan Capital budgets based on NZTA requirements - 129k
- June Flood reallocation of subsidy - 78k
- September Flood event included in operating budgets - \$507k

Payment to staff and suppliers - \$829k

- Portion of June Flood event that is Opex - \$131
- Portion of September Flood event that is Opex - \$683

Other Operating Funding Applications - \$183k

- Movement of Overhead included in Annual Plan Capital budgets based on NZTA requirements into Opex

Capital Subsidies and Grants - \$3,787k

- Subsidy for footpaths renewal and new now being funded - \$471k
- Funding for June Flood Event - \$464k
- Less movement of subsidy Overhead included in Annual Plan Capital budgets based on NZTA requirements - (\$118k)
- Funding for September Flood Event - \$2,974k

Capital Expenditure - \$4,626k

- Increase in Footpath budget based on NZTA funding - \$471k
- Remaining June flooding event expenditure - \$774k
- Less movement of Overhead included in Annual Plan Capital budgets based on NZTA requirements - (\$183k)
- Emergency works September flood capital works \$3,572k

Increase (decrease) in reserves - \$1,136

- Remaining June flooding event funding carried forward from 2017/18 - \$362k
- September flooding event from carry forwards and reserves - \$774k

Explanation of Variance to YTD Budget

Operating Expenditure

The Payment to Staff and Suppliers is higher than budgeted and includes:
Under budget

Sealed Pavement Maintenance - \$233k - spend delayed due to response to other events. This will be completed by the end of the financial year.

Over budget

Emergency Management funding - \$240k - more operational required than originally forecast with a reduction in Capital Expenditure.
Environmental Maintenance - \$134K - this is largely reactive work and has been increased due to the changes from weather events. It includes preventative tree maintenance or felling. Any overspend will be covered by decreases in other operational areas.

Capital Expenditure

This is currently \$2.5m underspent
Please see the programme breakdown for variances

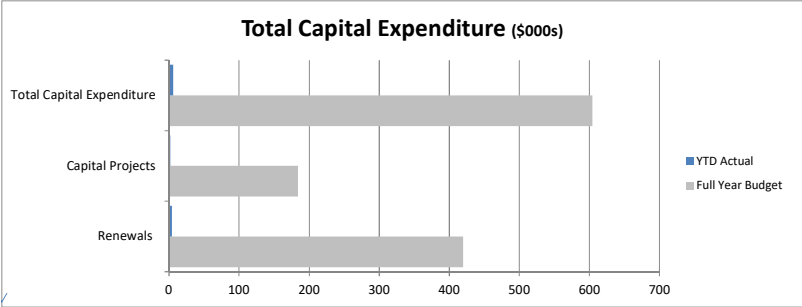
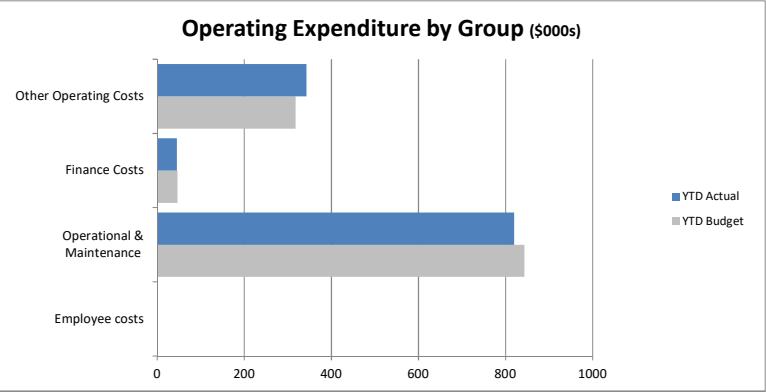
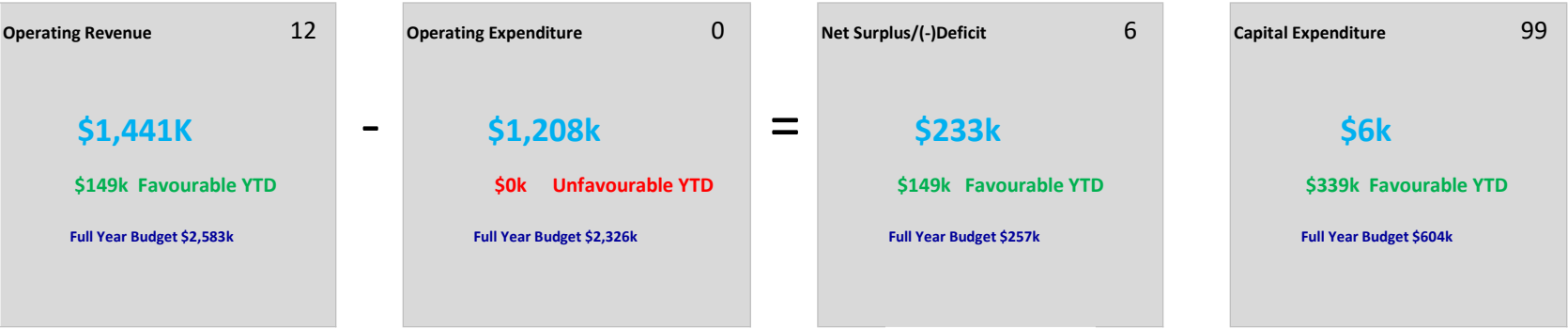
Central Hawke's Bay District Council: Renewal Update 2018/19

Land Transport

At 31 December 2018

| | Annual Plan | Total Operating Budget | YTD Operatin g Budget | YTD Actuals | YTD Varianc e | Forecast to June 30th | Under/ (Over) By Year End | Comments |
|---|--|---|---------------------------------------|----------------|---------------------|-----------------------------|---------------------------------|--|
| | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | |
| Account Name | Adopted Annual Plan Budget 2018/19 | Operating Budget Total 2018/19 | YTD Operating Budget 2018/19 | YTD Actuals | YTD Variance | Forecast to June 30th | Under/ (Over) By Year End | |
| Subsidised MINOR EVENTS | 300 | 293 | 141 | 63 | 79 | 293 | 0 | |
| Subsidised EMERGENCY REINSTATEMENT | 0 | 4,491 | 1,305 | 688 | 617 | 4,491 | 0 | Smaller capital works from Sept and December 18 flooding events have been completed. The approx. 20 remaining larger works are being designed and procured. This work has been forecast to be completed by end of June. |
| Subsidised UNSEALED ROAD METALLING | 475 | 479 | 235 | 369 | -134 | 479 | 0 | Ahead of the work programme. This will be on budget . |
| Subsidised SEALED ROAD RESURFACING | 1,364 | 1,422 | 930 | 1,332 | -402 | 1,422 | 0 | Programme is ahead of schedule and almost complete. Will be within budget at year end |
| Subsidised DRAINAGE RENEWAL | 1,207 | 936 | 593 | 200 | 393 | 936 | 0 | Work is programmed for later in the year |
| Subsidised SEALED ROAD REHAB | 1,890 | 899 | -103 | 160 | -263 | 899 | 0 | programme has been delayed due to resource shortage work contract to be released later in year. The handover between the old and new consultant has menat delays and the proposed contract is being reviewed for completeability |
| Subsidised STRUCTURES RENEWAL | 900 | 1,883 | 1,439 | 31 | 1,407 | 1,883 | 0 | Due to the storm events requiring available resources to complete the storm recovery work, sub structure renewals have been delayed. A review of the programme will be completed and further detail provided to Council on any possible delays to the programme. |
| Subsidised ENVIRONMENTAL RENEWAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Subsidised TRAFFIC SERVICES RNWLS | 177 | 210 | 112 | 55 | 57 | 210 | 0 | This is reactive work and is spent as required. |
| Subsidised FOOTPATH RENEWALS | 0 | 300 | 113 | 10 | 103 | 300 | 0 | In the first 1/2 of the year, the footpath policy has been reviewed and following the outocme the programme of work will be issued to market for completion by the end of June. |
| Subsidised PREVENTATIVE MAINTENANCE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Subsidised REPLACE BRIDGES AND STRUCTURES | 50 | 50 | 0 | 0 | 0 | 50 | 0 | This is to investigate the bridge network to determine the remaining life of our most vulnerable bridges. This will be completed by financial year end. |
| Subsidised PAVEMENT & TRAFFIC FACILITIES | 540 | 540 | 396 | 0 | 396 | 540 | 0 | This is programmed for later in the year. It will be completed by end of the financial year |
| Subsidised FOOTPATH NEW | 0 | 478 | 239 | 0 | 239 | 478 | 0 | In the first 1/2 of the year, the footpath policy has been reviewed and following the outocme the programme of work will be issued to market. Any unspent money will be carried over to 2019/20 for completion. |
| Subsidised MINOR CAP IMPVTS | 300 | 293 | 76 | 32 | 43 | 293 | 0 | Some safety work has been completed. The programme will be completed by the end of the financial year. |
| Subsidised VEGETATION RESILIENCE IMPROVEMENTS | 110 | 110 | 51 | 78 | -27 | 110 | 0 | Ahead of budget due to work being completed early. Will be on budget by the end of the financial year. |
| Subsidised CAPITAL RENEWAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Unsubsidised ROAD LEGALISATION COSTS | 0 | 0 | 0 | 3 | -3 | 0 | 0 | |
| Unsubsidised ANNUAL EMERGENCY REINST RNWL | 145 | 0 | 0 | 0 | 0 | 0 | 0 | Transferred to Emergency Reinstatement for the September Flooding Event |
| Unsubsidised CAPITAL RENEWAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Unsubsidised FOOTPATH RENEWALS | 301 | 0 | 0 | 5 | -5 | 0 | 0 | |
| Unsubsidised BRIDGE REPLACEMENTS | 51 | 51 | 26 | 0 | 26 | 0 | 51 | To be reserved for councils share of future bridge replacements |
| Unsubsidised WALKING & CYCLING | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Unsubsidised CARPARK RNWL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total | 7,809 | 12,435 | 5,553 | 3,027 | 2,526 | 12,384 | | |

Solid Waste
As at 31 December 2018



Central Hawke's Bay District Council: Funding impact statement 2018/19
Solid Waste
As at 31 December 2018

| | Full Year Actuals | Annual Plan | Total Operating Budget | YTD Operating Budget | YTD Actuals | YTD Variance | YTD Variance % |
|---|----------------------|----------------|------------------------------|----------------------------|----------------|-----------------|-------------------|
| | 2018 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 |
| Sources of operating funding | | | | | | | |
| General rates, uniform annual general charges and rates penalties | 1,318 | 1,193 | 1,193 | 597 | 598 | 2 | 0% |
| Targeted rates | 240 | 231 | 231 | 116 | 116 | 0 | 0% |
| Subsidies and grants for operating purposes | 52 | 52 | 52 | 26 | 26 | 0 | 0% |
| Fees, charges | 1,143 | 1,107 | 1,107 | 554 | 701 | 147 | 27% |
| Interest and dividends from investments | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Local authorities fuel tax, fines, infringement fees and other receipts | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total operating funding | 2,753 | 2,583 | 2,583 | 1,293 | 1,441 | 149 | |
| Applications of operating funding | | | | | | | |
| Payments to staff and suppliers | 1,863 | 1,835 | 1,835 | 963 | 931 | 32 | 3% |
| Finance costs | 95 | 94 | 94 | 47 | 45 | 2 | 4% |
| Other operating funding applications | 316 | 397 | 397 | 198 | 232 | (34) | -17% |
| Total applications of operating funding | 2,274 | 2,326 | 2,326 | 1,208 | 1,208 | 0 | |
| Surplus (deficit) of operating funding | 479 | 257 | 257 | 85 | 233 | 149 | |
| Sources of capital funding | | | | | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Development and financial contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Increase (decrease) in debt | (97) | 78 | 78 | (53) | (52) | 1 | -2% |
| Gross proceeds from sale of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Lump sum contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total sources of capital funding | (97) | 78 | 78 | (53) | (52) | 1 | |
| Applications of capital funding | | | | | | | |
| Capital expenditure | | | | | | | |
| to meet additional demand | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| to improve the level of service | 0 | 184 | 184 | 92 | 2 | 90 | 98% |
| to replace existing assets | 78 | 93 | 420 | 252 | 4 | 249 | 99% |
| Increase (decrease) in reserves | 304 | 59 | (267) | (327) | (327) | 0 | 0% |
| Increase (decrease) of investments | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total application of capital funding | 382 | 336 | 337 | 17 | (321) | 339 | |
| Surplus (deficit) of capital funding | (479) | (258) | (259) | (70) | 269 | 340 | |
| Funding balance | 0 | (1) | (2) | 15 | 502 | 489 | |

Explanation of changes between Annual Plan and Total Operating Budget

Replace Existing Assets - Inclusion of Carry Forward of \$327k from Reserves

Explanation of Variance to YTD Budget

Operating Income

Fees and Charges- \$147k

Income for Solid Waste is over budget in Fees and Charges by Extra Landfill Income both local and out of district - \$80k Carbon Credit Income - \$49k - this is in conjunction with the increase in landfill income.

Operating Expenditure

Payments to Staff and Suppliers is under budget by \$31k across a variety of expenditure.

Capital Expenditure

This is currently underspent by \$339k
Details of the capital projects is on the Project sheet.

Central Hawke's Bay District Council: Project Update 2018/19

Solid Waste

At 31 December 2018

Reforecast Budget included carryforwards

| Project | LTP Project Budget | Reforecast Budget | Total Cost to Date | This Year Actual | Forecast for June 30 2019 | Under/ (Over) By Year End | Status | Comments or Risks |
|---------------------------------------|--------------------------|----------------------|--------------------------|------------------------|---------------------------------|---------------------------------|--------|---|
| | \$000 | \$000 | 2019 \$000 | 2019 \$000 | | | | |
| SW 18 Landfill Leachate Disposal | 180 | 184 | 2 | 2 | 144 | 40 | ● | The detailed project plan has been created and options are being considered in early February, with the consenting process starting in February. The Regional Council have been consulted and have provided guidance. It is expected that the storage will be completed this financial year, with the project to be completed this calendar year. |
| SW 19 Landfill Cell Capping | | 80 | 0 | 0 | 80 | 0 | ● | The will be completed this financial year to ensure the Landfill Leachate project can be completed. |
| SW 19 Closed Dump Minor Renewals | 32 | 31 | 0 | 0 | 31 | 0 | ● | Planning to be completed by end of February with works to be completed this financial year. |
| SW 19 Landfill Minor Renewals | 25 | 25 | 0 | 0 | 25 | 0 | ● | Planning has been completed and works to commence in February. Will be completed this financial year. |
| SW 19 Litter Bins Minor Renewals | 5 | 5 | 0 | 0 | 5 | 0 | ● | |
| SW 19 Recycling Minor Renewals | 6 | 6 | 4 | 4 | 6 | 0 | ● | |
| SW 19 Transfer Station Minor Renewals | 26 | 26 | 0 | 0 | 26 | 0 | ● | Minor renewal upgrades including upgrades to the Waipukurau transfer station and Takapau Drop Off Centre will be completed by the end of the financial year. |
| Total | 274 | 357 | 6 | 6 | 317 | 40 | | |

Unallocated carry forwards

246

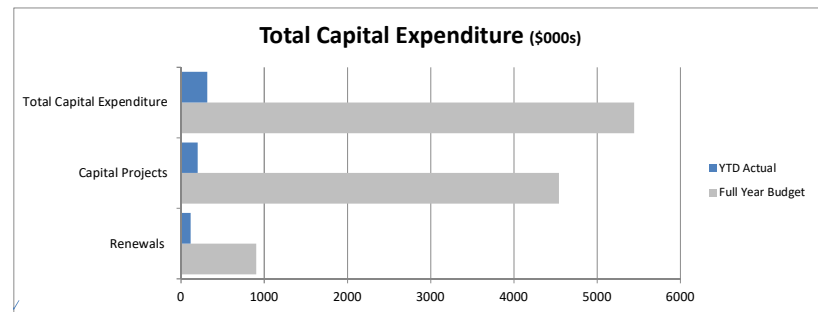
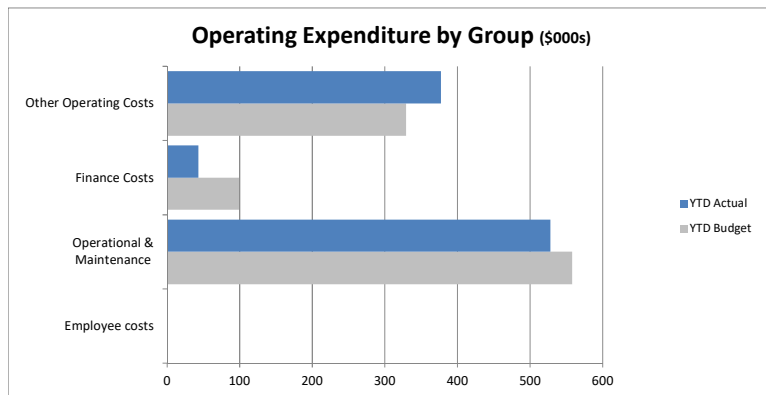
Agreed to Total Operating Budget 2019

603

- Achieved
- On track
- May not be met
- Deferred

Water Supplies As at 31 December 2018

| | | | | | | | |
|---------------------------|---|---------------------------|---|-------------------------|---|---------------------------|----|
| Operating Revenue | 2 | Operating Expenditure | 4 | Net Surplus/(-)Deficit | 6 | Capital Expenditure | 87 |
| \$1,363K | | \$948k | | \$415k | | \$316k | |
| \$24k Favourable YTD | | \$39k Favourable YTD | | \$63k Favourable YTD | | \$2,070k Favourable YTD | |
| Full Year Budget \$2,804k | | Full Year Budget \$1,902k | | Full Year Budget \$902k | | Full Year Budget \$5,444k | |



Central Hawke's Bay District Council: Funding impact statement 2018/19
Water Supplies
As at 31 December 2018

| | Full Year Actuals | Annual Plan | Total Operating Budget | YTD Operating Budget | YTD Actuals | YTD Variance | YTD Variance % |
|---|----------------------|----------------|------------------------------|----------------------------|----------------|-----------------|-------------------|
| | 2018 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 |
| Sources of operating funding | | | | | | | |
| General rates, uniform annual general charges and rates penalties | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Targeted rates | 2,766 | 2,804 | 2,804 | 1,339 | 1,360 | 21 | 2% |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Fees, charges | 3 | 0 | 0 | 0 | 3 | 3 | 0% |
| Interest and dividends from investments | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Local authorities fuel tax, fines, infringement fees and other receipts | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total operating funding | 2,769 | 2,804 | 2,804 | 1,339 | 1,363 | 24 | |
| Applications of operating funding | | | | | | | |
| Payments to staff and suppliers | 1,124 | 1,195 | 1,195 | 633 | 608 | 26 | 4% |
| Finance costs | 92 | 199 | 199 | 99 | 43 | 56 | 57% |
| Other operating funding applications | 644 | 508 | 508 | 254 | 297 | (43) | -17% |
| Total applications of operating funding | 1,860 | 1,902 | 1,902 | 986 | 948 | 39 | |
| Surplus (deficit) of operating funding | 909 | 902 | 902 | 353 | 415 | 63 | |
| Sources of capital funding | | | | | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Development and financial contributions | 48 | 5 | 5 | 3 | 141 | 139 | 4633% |
| Increase (decrease) in debt | 46 | 3,836 | 4,120 | 93 | (61) | (154) | -166% |
| Gross proceeds from sale of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Lump sum contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total sources of capital funding | 94 | 3,841 | 4,125 | 96 | 80 | (15) | |
| Applications of capital funding | | | | | | | |
| Capital expenditure | | | | | | | |
| to meet additional demand | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| to improve the level of service | 355 | 3,990 | 4,541 | 2,085 | 200 | 1,885 | 90% |
| to replace existing assets | 312 | 603 | 903 | 301 | 116 | 185 | 61% |
| Increase (decrease) in reserves | 339 | 150 | (418) | (48) | (568) | 520 | -1083% |
| Increase (decrease) of investments | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total application of capital funding | 1,006 | 4,743 | 5,026 | 2,338 | (252) | 2,590 | |
| Surplus (deficit) of capital funding | (912) | (902) | (901) | (2,242) | 332 | 2,575 | |
| Funding balance | (3) | 0 | 1 | (1,889) | 747 | 2,638 | |

Explanation of changes between Annual Plan and Total Operating Budget

Capital Expenditure - \$850k - Inclusion of \$568k from Carry Forward from Reserves and Loans Carried Forward of \$284k

Explanation of Variance to YTD Budget

Operating Income

Metered Water Rates are higher than budget by \$21K

Capital Expenditure

The Spend in Capital Expenditure is below budget by \$2,070k. Details of the capital projects is on the Project sheet.

Central Hawke's Bay District Council: Project Update 2018/19

Water Supply

At 31 December 2018

Reforecast Budget included carryforwards

| Project | LTP Project Budget | Reforecast Budget | Total Cost to Date | This Year Actual | Forecast for June 30 2019 | Under/ (Over) By Year End | Status | Comments or Risks |
|---|--------------------------|----------------------|--------------------------|------------------------|---------------------------------|---------------------------------|--------|--|
| | \$000 | \$000 | 2019 \$000 | 2019 \$000 | | | | |
| WS 17 Waipukurau SH2 Pump Station Upgrade | 308 | 850 | 34 | 0 | 850 | 0 | ● | Land purchase has been done. Reallocation of budgets approved by Council. Working on finalising design and construction to start in early 2019 for completion by 30 June 2019 |
| WS 16 Waipukurau UV Treatment SH2 | 0 | 530 | 528 | 59 | 530 | 0 | ● | Project has been completed, awaiting final payment |
| WS 18 Waipukurau Peel St Water Main Replacement | 0 | 91 | 95 | 7 | 91 | 0 | ● | Work has been completed |
| WS 17 Porangahau Treatment Plant Upgrade | 0 | 220 | 10 | 5 | 220 | 0 | ● | This project is budgeted in total as \$1.032m with funding in 19/20 of \$814K. Currently under tender with a supplier to be selected by the end of February. \$220k for this year is expected to be spent by the end of the financial year with the remainder of the project to be completed by 30 September 2019. |
| WS 18 Waipukurau Second Supply | 2,046 | 2052 | 28 | 22 | 511 | 1,541 | ● | Design, testing underway, Test supply on track to be drilled in January 2019. It is expected that the total project budget of \$5.7 million will be spent over 2019/20 and 2020/21. |
| WS 17 Waipukurau Porritt Upgrade | 0 | 65 | 34 | 34 | 65 | 0 | ● | 90% complete, all water network works complete, only final reinstatement to complete, due to be done by end of Jan 2019 |
| WS 19 Takapau Treatment Improvement | 767 | 680 | 8 | 8 | 680 | 0 | ● | Currently under tender with a supplier to be selected by the end of February. Following tender a review of budget requirements will be done. However it is expected to be spent this financial year. |
| WS 18 Otane Land Development | 155 | 155 | 94 | 70 | 155 | 0 | ● | Site works completed and awaiting final claim. Expected to be on budget |

| Project | LTP Project Budget | Reforecast Budget | Total Cost to Date | This Year Actual | Forecast for June 30 2019 | Under/ (Over) By Year End | Status | Comments or Risks |
|--|--------------------------|----------------------|--------------------------|------------------------|---------------------------------|---------------------------------|--------|---|
| | \$000 | \$000 | 2019 \$000 | 2019 \$000 | | | | |
| WS 19 Otane Alternative Water Supply | 1,023 | 939 | 42 | 42 | 376 | 563 | ● | Design underway and on track to be finalised by February 2019. Physical work is expected to start in June 2019. Balance of the funding will be carried over to completed the project in 2019/20. |
| WS 19 Waipukurau Shortfalls Fire Fight Improve Modelling | | 30 | 0 | 0 | 30 | 0 | ● | Currently creating model and works programme this is due to be completed by the end of January 2019, will then form 7 year programme and tender out accordingly, first chunk to be complete by 30 June 2019 |
| District renewals as required | 603 | 395 | 69 | 69 | 395 | 0 | ● | |
| Total | 4,902 | 6,007 | 942 | 316 | 3,903 | 2,104 | | |

Capital Expenditure In Work In Progress For
Previous Years

Carry Forward for Porangahau not added to Total
Operating Budget

Budget yet to be allocated to projects

Agreed to Total Operating Budget 2019

-626

-215

277

5,443



Achieved



On track



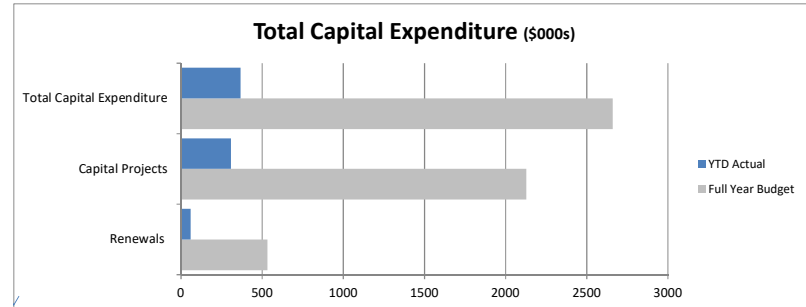
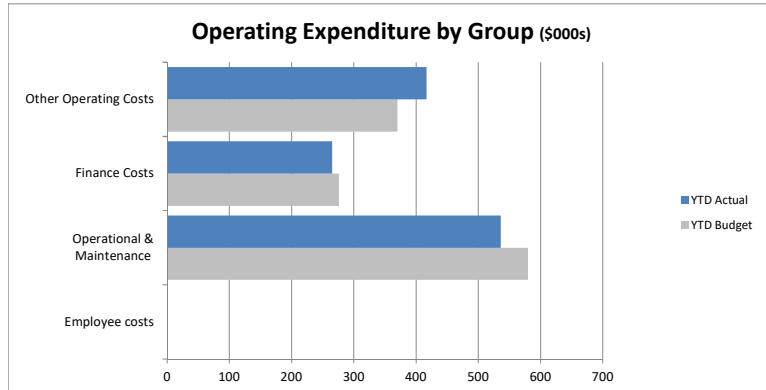
May not be met



Deferred

Wastewater As at 31 December 2018

| | | | | | | | |
|------------------------------|----|----------------------------|---|------------------------------|---|------------------------------|----|
| Operating Revenue | 14 | Operating Expenditure | 1 | Net Surplus/(-)Deficit | 6 | Capital Expenditure | 62 |
| \$1,897K | | \$1,218k | | \$679k | | \$367k | |
| \$229k Favourable YTD | | \$8k Favourable YTD | | \$237k Favourable YTD | | \$609k Favourable YTD | |
| Full Year Budget \$3,336k | | Full Year Budget \$2,369k | | Full Year Budget \$967k | | Full Year Budget \$2,660k | |



Central Hawke's Bay District Council: Funding impact statement 2018/19
Wastewater
As at 31 December 2018

| | Full Year Actuals | Annual Plan | Total Operating Budget | YTD Operating Budget | YTD Actuals | YTD Variance | YTD Variance % |
|---|----------------------|----------------|------------------------------|----------------------------|----------------|-----------------|-------------------|
| | 2018 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 |
| Sources of operating funding | | | | | | | |
| General rates, uniform annual general charges and rates penalties | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Targeted rates | 2,952 | 3,101 | 3,101 | 1,550 | 1,551 | 0 | 0% |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Fees, charges | 353 | 235 | 235 | 117 | 146 | 29 | 25% |
| Interest and dividends from investments | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Local authorities fuel tax, fines, infringement fees and other receipts | 200 | 0 | 0 | 0 | 200 | 200 | 0% |
| Total operating funding | 3,505 | 3,336 | 3,336 | 1,667 | 1,897 | 229 | |
| Applications of operating funding | | | | | | | |
| Payments to staff and suppliers | 1,502 | 1,309 | 1,309 | 696 | 656 | 40 | 6% |
| Finance costs | 535 | 552 | 552 | 276 | 265 | 11 | 4% |
| Other operating funding applications | 533 | 508 | 508 | 254 | 297 | (43) | -17% |
| Total applications of operating funding | 2,570 | 2,369 | 2,369 | 1,226 | 1,218 | 8 | |
| Surplus (deficit) of operating funding | 935 | 967 | 967 | 441 | 679 | 237 | |
| Sources of capital funding | | | | | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Development and financial contributions | 45 | 10 | 10 | 5 | 111 | 106 | 2120% |
| Increase (decrease) in debt | (19) | 661 | 1,488 | (105) | (210) | (105) | 100% |
| Gross proceeds from sale of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Lump sum contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total sources of capital funding | 26 | 671 | 1,498 | (100) | (99) | 1 | |
| Applications of capital funding | | | | | | | |
| Capital expenditure | | | | | | | |
| to meet additional demand | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| to improve the level of service | 292 | 1,074 | 2,127 | 709 | 308 | 401 | 57% |
| to replace existing assets | 367 | 533 | 533 | 266 | 59 | 208 | 78% |
| Increase (decrease) in reserves | 304 | 31 | (195) | (70) | (225) | 155 | -221% |
| Increase (decrease) of investments | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total application of capital funding | 963 | 1,638 | 2,465 | 905 | 142 | 764 | |
| Surplus (deficit) of capital funding | (937) | (967) | (967) | (1,005) | (241) | 765 | |
| Funding balance | (2) | 0 | 0 | (564) | 438 | 1,002 | |

Explanation of changes between Annual Plan and Total Operating Budget

Capital Expenditure - increase of \$1,053k - Inclusion of \$225k from Carry Forward from Reserves and Loans Carried Forward of \$828k

Explanation of Variance to YTD Budget

Operating Income

Fees and Charges are above budget by \$28k from extra trade waste income

Operating Expenditure

Payments to staff and suppliers is \$40K below budget based on monitoring management of expenditure. Expected to be on budget by year end.

Capital Expenditure

The Spend in Capital Expenditure is below budget by \$609k. Details of the capital projects is on the Project sheet

Central Hawke's Bay District Council: Project Update 2018/19

Wastewater

At 31 December 2018

Reforecast Budget included carryforwards

| Project | LTP Project Budget | Reforeca st Budget | Total Cost to Date | This Year Actual | Forecast for June 30 2019 | Under/ (Over) By Year End | Status | Comments or Risks |
|--|--------------------------|-----------------------|--------------------------|------------------------|---------------------------------|---------------------------------|--------|---|
| | \$000 | \$000 | 2019 \$000 | 2019 \$000 | | | | |
| WW 18 Otane Treatment Plant Upgrade | 1,353 | 1,353 | 150 | 77 | 210 | 1,143 | ● | Project on hold, whilst Otane is considered in the wider WWTP projects, Resource consent extension and I&I studies to be done as part of this project to assist with consent and plant development in future - incorporated into WWTP project scope |
| WW 19 Otane Resource Consent Extension | | 40 | 0 | 0 | 40 | 0 | ● | Resource consent submitted to regional council, CHBDC to supply further information |
| WW 19 Otane WWTP I&I Study | | 80 | 0 | 0 | 80 | 0 | ● | Reduction management plan underway, study to be tendered likely for Feb 2019 |
| WW 17 Waipawa Great North Road Stage 2 | 272 | 120 | 0 | 0 | 0 | 120 | ● | Project deferred, budget not sufficient for scope of project, waiting on proposed development on GNR for requirements. \$60k budget will be reallocated to Wastewater requirements |
| WW 18 Takapau Resource Consent | 105 | 105 | 30 | 6 | 53 | 52 | ● | 3 year consent extension granted by HBRC to 31 October 2021, works for new consent to commence in early 2019 |
| WW 19 Takapau treatment upgrade | 831 | 831 | 0 | 0 | 0 | 831 | ● | Likely will not be used until 20/21 consent requirement, work will start on requirements to get the Consent in early 2019 |
| WW 18 Otane Land Development | 0 | 200 | 174 | 138 | 200 | 0 | ● | Siteworks completed. Awaiting final claim. Expected to be on budget. |
| WW 18 Waipukurau Mt Herbert Landscaping | 0 | 122 | 110 | 6 | 122 | 0 | ● | This is the final planting and fencing plus minor improvements for the completion of the Mt Herbert Pump Station completed last year. Will be completed this year |
| WW 19 Waipukurau Waipawa Treatment Investigation | 0 | 300 | 62 | 62 | 300 | 0 | ● | In hand progressing as expected, working towards BPO by April 2019 |
| WW 19 Waipawa Main Trunk Renewal | 1,770 | 1,770 | 18 | 18 | 511 | 1,259 | ● | Concept design under review. Procurement plan proposed for council meeting in February 2019. On track for construction to commence in June 2019 and be complete by the middle Nov 2019. \$1.2m is in 2019/20 budget as per LTP |
| District Wide renewals | 338 | 120 | 59 | 59 | 120 | 0 | ● | Reactive expenditure on renewals for plants etc. Expected to be spent in the financial year |
| Total | 4,669 | 5,041 | 603 | 366 | 1,636 | 3,405 | | |

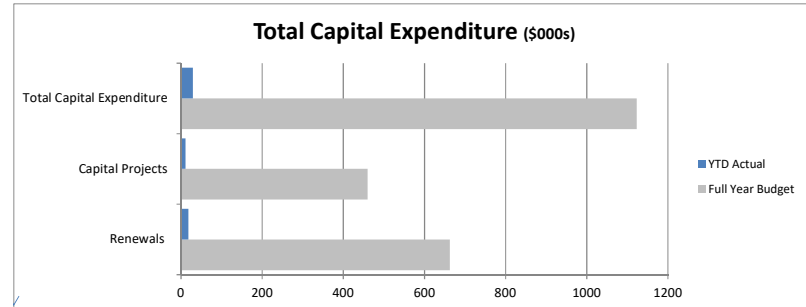
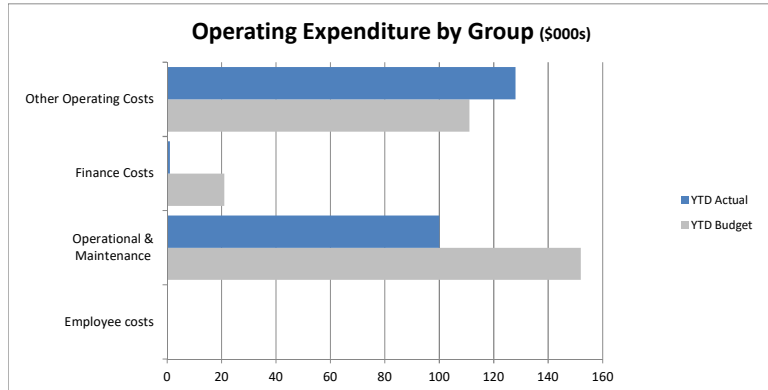
| Project | LTP Project Budget | Reforeca st Budget | Total Cost to Date | This Year Actual | Forecast for June 30 2019 | Under/ (Over) By Year End | Status | Comments or Risks |
|---------|--------------------------|-----------------------|--------------------------|------------------------|---------------------------------|---------------------------------|--------|-------------------|
| | \$000 | \$000 | 2019 \$000 | 2019 \$000 | | | | |

| | | | | | | | | |
|---|--|-------|--|--|--|--|-------------|----------------|
| Previous Year Capital Expenditure in WIP | | -238 | | | | | <div></div> | Achieved |
| Funding from future years included in Projects | | -2083 | | | | | <div></div> | On track |
| Funding yet to be identified for Great North Road | | -60 | | | | | <div></div> | May not be met |
| | | | | | | | <div></div> | Deferred |

| | | | | | | | | |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Agreed to Total Operating Budget 2019 | <div></div> | <div></div> | <div></div> | <div></div> | <div></div> | <div></div> | <div></div> | <div></div> |
| | | | | | | | | |

Stormwater
As at 31 December 2018

| | | | | | | | |
|----------------------------|---|-----------------------------|----|-----------------------------|---|------------------------------|----|
| Operating Revenue | 0 | Operating Expenditure | 19 | Net Surplus/(-)Deficit | 6 | Capital Expenditure | 91 |
| \$393K | | \$229k | | \$164k | | \$29k | |
| \$1k Favourable YTD | | \$55k Favourable YTD | | \$56k Favourable YTD | | \$308k Favourable YTD | |
| Full Year Budget \$768k | | Full Year Budget \$541k | | Full Year Budget \$227k | | Full Year Budget \$1,123k | |



Central Hawke's Bay District Council: Funding impact statement 2018/19
Stormwater
As at 31 December 2018

| | Full Year Actuals | Annual Plan | Total Operating Budget | YTD Operating Budget | YTD Actuals | YTD Variance | YTD Variance % |
|---|----------------------|----------------|------------------------------|----------------------------|----------------|-----------------|-------------------|
| | 2018 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 |
| Sources of operating funding | | | | | | | |
| General rates, uniform annual general charges and rates penalties | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Targeted rates | 491 | 752 | 752 | 376 | 377 | 1 | 0% |
| Subsidies and grants for operating purposes | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Fees, charges | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Interest and dividends from investments | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Local authorities fuel tax, fines, infringement fees and other receipts | 0 | 0 | 16 | 16 | 16 | 0 | 0% |
| Total operating funding | 491 | 752 | 768 | 392 | 393 | 1 | |
| Applications of operating funding | | | | | | | |
| Payments to staff and suppliers | 243 | 335 | 335 | 182 | 132 | 50 | 27% |
| Finance costs | 3 | 41 | 41 | 21 | 1 | 19 | 90% |
| Other operating funding applications | 114 | 165 | 165 | 82 | 96 | (14) | -17% |
| Total applications of operating funding | 360 | 541 | 541 | 285 | 229 | 55 | |
| Surplus (deficit) of operating funding | 131 | 211 | 227 | 107 | 164 | 56 | |
| Sources of capital funding | | | | | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Development and financial contributions | 0 | 0 | 0 | 0 | 1 | 1 | 0% |
| Increase (decrease) in debt | (8) | 450 | 450 | 225 | (4) | (229) | -102% |
| Gross proceeds from sale of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Lump sum contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total sources of capital funding | (8) | 450 | 450 | 225 | (3) | (228) | |
| Applications of capital funding | | | | | | | |
| Capital expenditure | | | | | | | |
| to meet additional demand | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| to improve the level of service | 0 | 460 | 460 | 230 | 11 | 219 | 95% |
| to replace existing assets | 64 | 215 | 663 | 108 | 18 | 89 | 82% |
| Increase (decrease) in reserves | 60 | (15) | (447) | 16 | (261) | 277 | 1731% |
| Increase (decrease) of investments | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total application of capital funding | 124 | 660 | 676 | 354 | (232) | 585 | |
| Surplus (deficit) of capital funding | (132) | (210) | (226) | (129) | 229 | 357 | |
| Funding balance | (1) | 1 | 1 | (22) | 393 | 413 | |

Explanation of changes between Annual Plan and Total Operating Budget
Capital Expenditure - increase of \$448k - Inclusion of \$284k from Carry Forward from Reserves and \$163k from Stormwater Reservers

Explanation of Variance to YTD Budget

Operating Expenditure

Payments to staff and suppliers is \$50K below budget based on monitoring management of expenditure. Expected to be on budget by year end.

Capital Expenditure

Capital Expenditure is under budget by \$308k
Details of the projects is included on the Project Sheet.

Central Hawke's Bay District Council: Project Update 2018/19

Stormwater

At 31 December 2018

Reforecast Budget included carryforwards

| Project | LTP Project Budget | Reforecast Budget | Total Cost to Date | This Year Actual | Forecast for June 30 2019 | Under/ (Over) By Year End | Status | Comments or Risks |
|---|--------------------------|----------------------|--------------------------|---------------------|---------------------------------|---------------------------------|--------|--|
| | \$000 | \$000 | 2019 \$000 | 2019 \$000 | | | | |
| Waipurukau Helicoil Pipe work | | 445 | 0 | 0 | 445 | 0 | ● | Out for tender which closes 14 February. Physical works expected to start in April with works completed by 30 June 2019. |
| Waipukurau Nelson Gaisford Detention Catchment System | | 195 | 0 | 0 | 195 | 0 | ● | Concept design report received in January with procurement planned for March 2019. Will be completed by 30 June 2019 |
| Waipukurau Russell Park Storm water outlet | | 83 | 0 | 0 | 83 | 0 | ● | Concept design report received in January with procurement planned for March 2019. Will be completed by 30 June 2019 |
| Waipukurau Service Land Overflow | | 336 | 11 | 11 | 336 | 0 | ● | Concept design report received in January with procurement planned for March 2019. Will be completed by 30 June 2019 |
| District Minor Renewals | 62 | 75 | 30 | 18 | 75 | 0 | ● | Reactive expenditure on renewals. Expected to be spent in the financial year |
| Total | | 1,134 | 41 | 29 | 1,134 | 0 | | |

Capital Expenditure In Work In Progress For Previous Years

-11

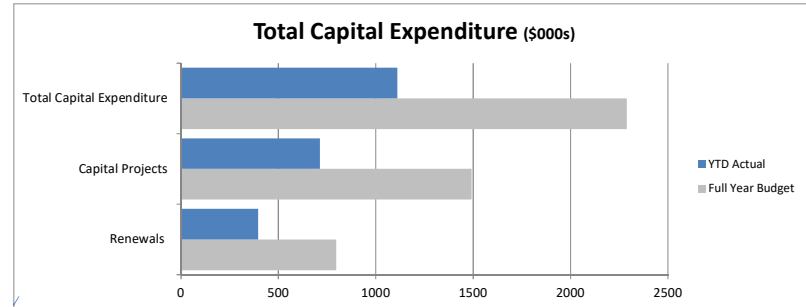
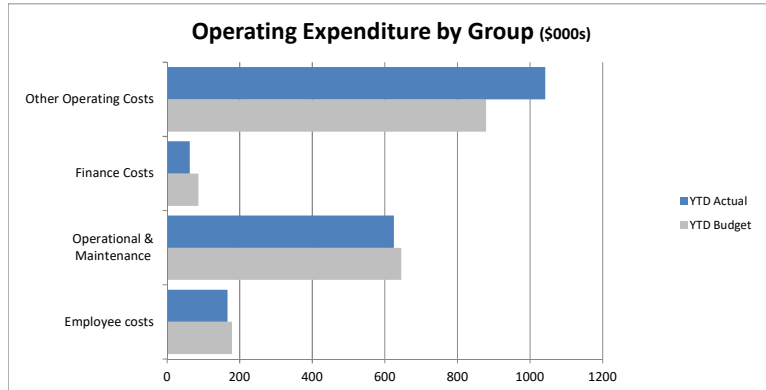
Agreed to Total Operating Budget 2019

1,123

- Achieved
- On track
- May not be met
- Deferred

Recreation and Community Facilities As at 31 December 2018

| | | | | | | | |
|---------------------------------|-----|---------------------------------|----|---------------------------------|----|------------------------------|----|
| Operating Revenue | -15 | Operating Expenditure | -6 | Net Surplus/(-)Deficit | -6 | Capital Expenditure | 32 |
| \$2,084K | | \$1,895k | | \$189k | | \$1,110k | |
| -\$361k Unfavourable YTD | | -\$108k Unfavourable YTD | | -\$469k Unfavourable YTD | | \$512k Favourable YTD | |
| Full Year Budget \$4,415k | | Full Year Budget \$3,216k | | Full Year Budget \$1,199k | | Full Year Budget \$2,289k | |



Central Hawke's Bay District Council: Funding impact statement 2018/19
Recreation and Community Facilities
As at 31 December 2018

| | Full Year Actuals | Annual Plan | Total Operating Budget | YTD Operating Budget | YTD Actuals | YTD Variance | YTD Variance % |
|---|----------------------|----------------|------------------------------|----------------------------|----------------|-----------------|-------------------|
| | 2018 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 | 2019 \$000 |
| Sources of operating funding | | | | | | | |
| General rates, uniform annual general charges and rates penalties | 2,945 | 3,359 | 3,359 | 1,680 | 1,685 | 5 | 0% |
| Targeted rates | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Subsidies and grants for operating purposes | 14 | 16 | 16 | 9 | 9 | 0 | 0% |
| Fees, charges | 466 | 542 | 542 | 273 | 242 | (31) | -11% |
| Interest and dividends from investments | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Local authorities fuel tax, fines, infringement fees and other receipts | 6 | 131 | 498 | 483 | 148 | (335) | -69% |
| Total operating funding | 3,431 | 4,048 | 4,415 | 2,445 | 2,084 | (361) | |
| Applications of operating funding | | | | | | | |
| Payments to staff and suppliers | 2,116 | 2,253 | 2,272 | 1,316 | 1,382 | (66) | -5% |
| Finance costs | 126 | 173 | 173 | 86 | 62 | 24 | 28% |
| Other operating funding applications | 496 | 771 | 771 | 386 | 451 | (66) | -17% |
| Total applications of operating funding | 2,738 | 3,197 | 3,216 | 1,788 | 1,895 | (108) | |
| Surplus (deficit) of operating funding | 693 | 851 | 1,199 | 657 | 189 | (469) | |
| Sources of capital funding | | | | | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Development and financial contributions | 1 | 4 | 4 | 2 | 2 | 0 | 0% |
| Increase (decrease) in debt | 56 | 740 | 802 | 32 | (62) | (94) | -294% |
| Gross proceeds from sale of assets | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Lump sum contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total sources of capital funding | 57 | 744 | 806 | 34 | (60) | (94) | |
| Applications of capital funding | | | | | | | |
| Capital expenditure | | | | | | | |
| to meet additional demand | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| to improve the level of service | 66 | 1,187 | 1,492 | 1,208 | 714 | 494 | 41% |
| to replace existing assets | 637 | 541 | 797 | 414 | 396 | 18 | 4% |
| Increase (decrease) in reserves | 47 | (134) | (284) | (242) | (255) | 14 | -6% |
| Increase (decrease) of investments | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Total application of capital funding | 750 | 1,594 | 2,005 | 1,380 | 855 | 526 | |
| Surplus (deficit) of capital funding | (693) | (850) | (1,199) | (1,346) | (915) | 432 | |
| Funding balance | 0 | 1 | 0 | (689) | (726) | (37) | |

Explanation of changes between Annual Plan and Total Operating Budget

Local authorities fuel tax, fines, infringement fees and other receipts - \$367k Increase in donations to cover increase in costs and expectation of timing of receipt for Waipawa Pool Project
Payment to Staff and Suppliers - \$19k - Addition of Carry Forward for Libraries from Reserves
Capital Expenditure - increase of \$561k - Inclusion of \$217k from Carry Forward from Reserves, Loan Funding carried forward of \$141k and increase in Pool costs of \$204k covered by donations.

Explanation of Variance to YTD Budget

Operating Income

Fees and Charges are lower than budgeted by \$30k and includes:
Retirement Housing - under budget by \$17k - expected to be \$40k behind budget by year end.
Property and Buildings - under budget by \$13k - expected to be \$10K under budget primarily due to St Johns Building not able to be rented.
Other receipts are behind budget due to the phasing of the community funding expected for the Waipawa Pool. This will be rephased as part of the reforecast in February. It is expected to be on budget by the end of the year.

Operating Expenditure

The Payment to Staff and Suppliers is over budget by \$66k and includes Parks and Reservers over budget \$104K - this is timing of the payment for Pools which were paid in December but phased in January.
Remaining expenses expected to be on budget.

Capital Expenditure

Capital Expenditure is under budget by \$512k
Details of the projects is included on the Project Sheet.

Central Hawke's Bay District Council: Project Update 2018/19

Recreation and Community Facilities

At 31 December 2018

Reforecast Budget included carryforwards

| Activity | Project | LTP Project Budget | Reforecast Budget | Total Cost to Date | This Year Actual | Forecast for June 30 2019 | Under/ (Over) By Year End | Status | Comments or Risks |
|--------------------------------------|------------------------------------|--------------------------|----------------------|--------------------------|---------------------|---------------------------------|---------------------------------|--------|---|
| | | \$000 | \$000 | 2019 \$000 | 2019 \$000 | | | | |
| Parks Reserves and Swimming Pools | Russell Park Projects | 82 | 174 | 4 | 100 | 174 | 0 | ● | Work is complete on the construction of an unsealed carpark. The balance of works is currently being scoped for completion in March 2019 |
| | Camping Grounds Waipukurau Toilets | 61 | 61 | 0 | 0 | 0 | 61 | ● | Project is unlikely to commence this calendar year. Insufficient budget for scope of works. Full scope in light of future lease sale needs to be completed first. |
| | Waipawa Pool | 900 | 1185 | 801 | 720 | 1185 | 0 | ● | Works underway. Full details available in the 6 weekly Organisational Report. This will be completed by the end of the financial year |
| | Waipawa Pool Sewer Upgrade | | 33 | 42 | 42 | 42 | -9 | ● | A review of the Sewer Upgrade project requirements is being conducted. |
| | Minor renewals | 165 | 156 | 10 | 10 | 156 | 0 | ● | Will be spent as required. |
| | Total | 1208 | 1609 | 857 | 872 | 1609 | 52 | | |
| Public Toilets | New Te Paerahi Toilet | 60 | 60 | 0 | 0 | 60 | 0 | ● | Dependent on receiving funding from Tourism Infrastructure Fund. Next funding round not expected until March 2019. |
| | Minor Renewals | 36 | 36 | 7 | 7 | 36 | 0 | ● | Will be spent as required. |
| | Total | 96 | 96 | 7 | 7 | 96 | 0 | | |
| Retirement Housing | Minor Renewals | 36 | 36 | 11 | 11 | 36 | 0 | ● | Depends on refurbishments required when tenants vacate. Funded from Retirement Housing Reserves. |
| Libraries | Books Renewals | 88 | 88 | 37 | 40 | 88 | 0 | ● | Expected to be on Budget |
| | Minor Renewals | 11 | 11 | 0 | 0 | 11 | 0 | ● | Expected to be on Budget |
| | Kotui Software | 51 | 51 | 51 | 51 | 51 | 0 | ● | Project complete. |
| | Total | 150 | 150 | 88 | 91 | 150 | 0 | | |

| Activity | Project | LTP Project Budget | Reforecast Budget | Total Cost to Date | This Year Actual | Forecast for June 30 2019 | Under/ (Over) By Year End | Status | Comments or Risks |
|--------------------------|--------------------------|--------------------------|----------------------|--------------------------|---------------------|---------------------------------|---------------------------------|--------|---|
| | | \$000 | \$000 | 2019 \$000 | 2019 \$000 | | | | |
| Theatres and Halls | CHB Municipal Theatre | | 74 | 12 | 9 | 74 | 0 | ● | Quotes currently being recieved. Works expected to commence in March 2019. Will be completed by financial year end. |
| | Minor Renewals | 132 | 213 | 31 | 31 | 213 | 0 | ● | Planning work for this still underway. Expected to be completed by the end of the year. |
| | Settlers Museum Painting | 11 | 25 | 0 | 0 | 25 | 0 | ● | Works programmed and planned for implementation in early 2019. |
| | Total | 134 | 312 | 43 | 40 | 312 | 0 | | |
| Cemeteries | Minor Renewals | 29 | 41 | 5 | 5 | 41 | 0 | ● | Planning underway for works in the new year. |
| Properties and Buildings | Council Chamber upgrade | | 61 | 61 | 51 | 61 | 0 | ● | Works complete. |
| | Minor renewals | 77 | 93 | 34 | 34 | 93 | 0 | ● | To be spent through year as required. |
| | Total | 77 | 154 | 95 | 85 | 154 | 0 | | |
| Total | | 1730 | 2398 | 1106 | 1111 | 2398 | 52 | | |

Capital Expenditure From Previous Years in WIP

-109

- Achieved
- On track
- May not be met
- Deferred

Agreed to Total Operating Budget 2019

2289

Interim Treasury Report

As at 31 December 2018

Cash and Cash Investment Balance

| | Full Year Actuals 2017/18 \$000 | Total Annual Plan Budget 2018/19 \$000 | YTD Actual \$000 | YTD Variance \$000 |
|---------------------------|--|---|---------------------|--------------------------|
| Cash and Cash Equivalents | 3,956 | 2,453 | 4,693 | 2,241 |
| Bonds and Stock | 2,362 | 3,135 | 2,052 | (1,083) |
| Total | 6,318 | 5,587 | 6,745 | 1,158 |

We are retaining liquid cash to meet operational and capital spending requirements especially for the 3 waters projects and the flooding events.

Debt Position

| | Full Year Actuals 2017/18 \$000 | Total Annual Plan Budget 2018/19 \$000 | YTD Actual \$000 | YTD Variance \$000 |
|--|--|---|---------------------|--------------------------|
| Secured Loans - Less than 12 months | 710 | 727 | 811 | 83 |
| Secured Loans - Greater than 12 months | 2,027 | 6,980 | 1,965 | (5,015) |
| Total | 2,737 | 7,707 | 2,776 | (4,931) |





Borrowing is being monitored while we manage our short and long term cash facilities. Borrowings are expected to increase in the third quarter of the financial year as the capital projects start physical works.

Finance Costs

| | Full Year Actuals 2017/18 \$000 | Total Annual Plan Budget 2018/19 \$000 | YTD Actual \$000 | YTD Variance \$000 |
|---------------|--|---|---------------------|--------------------------|
| Finance Costs | 120 | 239 | 97 | (142) |

Below budget due to low borrowings based on timing of capital expenditure.

Compliance with Liability Management Policy

| Item | Limit | Actual | Policy |
|---|---------|--------|---|
| External term debt + committed bank facilities + unencumbered cash/cash equivalents to existing external debt | >130% | 397% |  |
| Net Interest on External Debt / Total Revenue | <10% | 0.05% |  |
| Net Interest on External Debt / Annual Rates Income | <20% | 0.08% |  |
| Total debt per head of population | \$2,000 | \$209 |  |

Council is within policy limits.

Reserve Funds

| Special Funds | Full Year Actuals 2017/18 \$000 | YTD Actual \$000 | Movement YTD \$000 |
|---|---------------------------------|------------------|--------------------|
| Reserves held for Emergency Purposes | 3,490 | 3,245 | (245) |
| Reserves held for Future Asset Purchases | 2,463 | 2,433 | (30) |
| Reserves held for Future Operational Purposes | 839 | 839 | 0 |
| Reserves held for Other Funds | 43 | 59 | 16 |
| Total | 6,835 | 6,577 | (258) |

Reserves held for Future Asset Purchases

Biodiversity Funding \$10k has been transferred from Rural Fire.

Porangahau hall War Memorial project \$20k has been transferred from Ward funds

Reserves held for Other Funds

Funding of \$16k from tree felling in the Te Aute Drainage Scheme has been credited to their reserve.

Reserves for Emergency Purposes

The September Flood event saw \$245k transferred to cover the extra expenses.

Central Hawke's Bay District Council

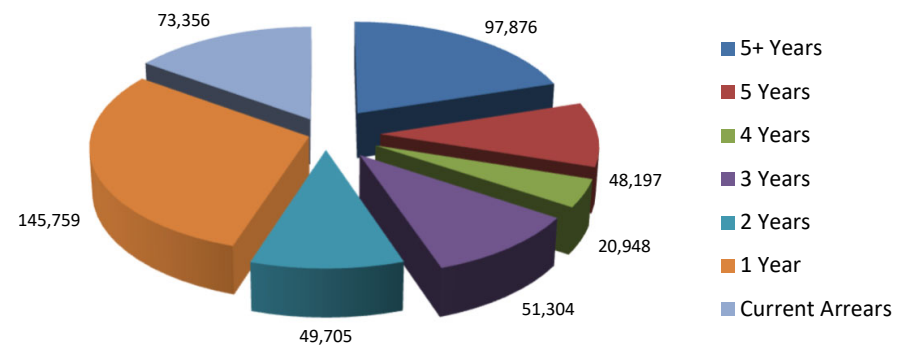
Rates Debt Information

At 31 December 2018

| | Jun-18 | Dec-18 | Movement |
|-----------------|----------------|----------------|-----------------|
| 5+ Years | 111,145 | 97,876 | -13,269 |
| 5 Years | 55,569 | 48,197 | -7,372 |
| 4 Years | 28,348 | 20,948 | -7,400 |
| 3 Years | 63,218 | 51,304 | -11,914 |
| 2 Years | 71,578 | 49,705 | -21,873 |
| 1 Year | 367,637 | 145,759 | -221,878 |
| Current Arrears | 0 | 73,356 | 73,356 |
| Total | 697,494 | 487,145 | -210,349 |

There are total rates arrears outstanding of \$487,145. This has reduced by \$202,032 since September 2018. All debt is actively managed by the rates department and a break down of how this is achieved is in the next table.

Rates Balances as at 31 December 2018



| | Jun-18 | Dec-18 | Count | Movement |
|----------------------|----------------|----------------|------------|-----------------|
| With Bank | 6,775 | 14,851 | 7 | 8,076 |
| With Debt Collectors | 81,045 | 48,520 | 11 | -32,525 |
| Under Arrangement | 142,988 | 97,193 | 229 | -45,795 |
| Remaining Arrears | 215,932 | 8,014 | 200 | -207,918 |
| Maori Land | 250,754 | 245,212 | 13 | -5,542 |
| Total | 697,494 | 413,789 | 460 | -283,705 |

The rates department consistently manage ratepayer debt by ensuring new debt is brought to the attention of the ratepayer quickly. The Rates officers have found that direct phone calls are a very efficient and personable way to contact our ratepayers and this is proving to be well received with more arrangements being accepted and newer debt reducing at a steady rate.

Other Rates Information

Rates emailed to ratepayers 15% (14% Jun 18)

Ratepayers on direct debit 39% (39% Jun 18)

What are we doing about it? As at 31 December 2018

