

OPEN

MINUTE ITEM

ATTACHMENTS

Ordinary meeting of the
Governance and Finance Committee

Thursday 27 February 2020
Commencing at 10.00a.m.
Council Chamber

Civic House

110 Trafalgar Street, Nelson

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**Governance and Finance
Committee**

27 February 2020

REPORT R15858

Chairperson's Report

1. Purpose of Report

- 1.1 To provide updates to committee members, and to acknowledge the City of Nelson Civic Trust.

2. Recommendation

That the Governance and Finance Committee

- 1. Receives the report Chairperson's Report (R15858).***

3. Acknowledgement of the City of Nelson Civic Trust

- 3.1 Last week was the unveiling of the breathtaking new sculpture, Family Tree, by internationally renowned kinetic artist Phil Price. It was very moving to hear him talk about growing up in Nelson and the deep connection and affection he holds for our community, and his acknowledgement of his parents, who still live here. In his own words he described the sculpture, "in a world of division, this represents a celebration of place, of life, and of family... all people we are connected with... this is Family Tree".
- 3.2 I would like to take this opportunity to acknowledge the City of Nelson Civic Trust – the trustees and benefactors, for their vision, hard work and generosity in gifting this incredible sculpture to the city. I'd also like to acknowledge Council staff who supported the Civic Trust with its fantastic riverside location.

4. Emissions Trading Scheme

- 4.1 In 2001 I co-founded an experiential education organisation working internationally with youth. A key focus of our programming was sustainability education. The irony of having young people flying around the world to learn about sustainability was not lost on us. So in 2005, with a growing awareness of the significant impact flying was contributing to carbon emissions, we began measuring and off-setting

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our organisation's carbon emissions through a US-based organisation, Sustainable Travel International.

- 4.2 However, it was not a particularly transparent scheme, and not really knowing where the money was going, we decided to see if we could do something in New Zealand to offset our emissions and have a positive impact. Not finding any local schemes, we contacted the Department of Conservation, becoming the first organisation in the country to forge a Memorandum of Understanding covering our initiative, and in the ensuing years we physically planted over 20,000 trees in eight sites around the country, five of which are in Nelson Tasman.
- 4.3 Fast forward to 2020 and we are in a very different climate: we have 'Zero Carbon' legislation, a robust Emissions Trading Scheme, a carbon farming industry worth over \$1 billion per annum, and regulated guidelines (protection) around the value of the NZU (carbon credit unit).
- 4.4 This presents opportunities for landowners – and I believe that Nelson City Council, with commercial forestry and regenerating and indigenous forest reserves, may be in a position to benefit from this.
- 4.5 With the support of John Murray, as Chair of the Forestry Advisory Group, and Councillor Tim Skinner, as Chair of the Sports and Recreation Committee, we will be exploring what opportunities there may be for Nelson City Council and I will be reporting back to this committee in due course.
- 4.6 I would like to acknowledge Councillor Skinner and Mr John Murray for their support in this.

Author: Rachel Sanson, Chairperson

Attachments

Nil

Item 8: Quarterly Report to Governance and Finance Committee 1 October - 31 December 2019: Attachment 1

Changes to Forestry Income and Expenditure Forecast:

(refer agenda page 32)

Nelson City Council Total	YTD Actuals	YTD Operating Budget 2019/20	YTD Variance	Total Operating Budget 2019/20	Total Annual Plan Budget 2019/20	Latest forecast
Income						
Rates Income	(34,535)	(34,500)	(35)	(68,996)	(68,996)	(69,324)
Other Income	(23,520)	(23,058)	(462)	(52,151)	(52,081)	(50,275)
	(58,055)	(57,558)	(497)	(121,147)	(121,077)	(119,599)
Expenses						
Staff Operating Expenditure	13,750	13,467	283	27,147	26,892	26,924
Base Expenditure	22,271	22,410	(139)	43,564	42,702	43,005
Unprogrammed Expenses	2,658	2,243	415	4,915	4,790	4,966
Programmed Expenses	4,631	6,193	(1,562)	12,262	12,601	12,065
Finance Expenses	5,996	5,971	25	11,815	11,815	11,815
Depreciation	12,507	12,942	(435)	25,789	25,789	25,789
	61,813	63,226	(1,413)	125,492	124,589	124,564
(Surplus)/Deficit	3,758	5,668	(1,910)	4,345	3,512	4,965

6.7 Other Income \$1.9m less than operating budget. Estimated forestry income is now forecast to be \$1.4m, a reduction of \$1.3m due to delays in the construction of a required access bridge, which has pushed the remaining Maitai harvest into next year.

(refer agenda page 33)

6.8 Base Expenditure \$559,000 less than operating budget. Estimated Forestry expenditure is now \$1.2m less than operating budget. Despite the additional income received to date, expenditure is only marginally ahead of budget. This is because the bridge expenditure was budgeted over summer, but is now anticipated for later in the financial year. Harvesting costs have also been lower than anticipated to date.

(refer agenda page 34)

A full year overspend of \$250,000 is currently forecast for the Nelson Plan, due both to the use of consultants and to bringing the engagement phase forward to this financial year. Resource Consent consultant costs forecast to be \$40,000 more than budget, and external expert services \$150,000 more than budget.