



Capital
endowment
fund

Capital Endowment Fund

In April 2001, Council set up a Capital Endowment Fund of \$75 million. This fund was established using a share of the proceeds from the sale of Orion's investment in a gas company. The Fund provides an ongoing income stream which can be applied to economic development and civic and community projects.

Current Council resolutions in respect of the fund are:

1. that the income from the fund be allocated each year in the following way:

Economic Development	70%
Civic and Community	30%

The above general categories are reviewed on a three yearly cycle, the next review aligning with the 2015/25 Long Term Plan, or if the interest earned from the fund changes significantly (increase or decrease) within the intervening years.

2. that if desired, funding for a particular category be carried forward to another year,
3. that no single project be funded for more than three years, except in exceptional circumstances,
4. that the capital of the fund will not be used unless 80% of councillors vote in favour,
5. funds are managed in accordance with Council's Investment Policy.
6. With regards the Civic and Community portion; projects implement a strong community strategic plan, projects are of city-wide benefit, priority is given to new community facilities, only projects greater than \$50k will be considered.

Plan	Fund Movements:	Long Term Plan 2015 - 2025																			
		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25										
2014/15		\$000																			
100,102	Capital opening balance	97,674	98,462	100,333	102,340	104,489	106,683	109,030	111,538	114,215	116,956	119,880									
1,601	Plus inflation protection	1,660	1,871	2,007	2,149	2,194	2,347	2,508	2,677	2,741	2,924										
(4,029)	Less allocations from capital	(872)																			
97,674	Total inflation protected Capital closing balance	98,462	100,333	102,340	104,489	106,683	109,030	111,538	114,215	116,956	119,880										
1,123	Unallocated funds brought forward	234	(314)	42	193	110	119	176	340	510	800										
3,611	Plus net Interest earnings excluding inflation protection	2,745	2,644	2,410	2,106	2,199	2,246	2,352	2,358	2,479	2,493										
4,735	Funds available for distribution	2,980	2,330	2,452	2,299	2,308	2,365	2,528	2,698	2,988	3,293										
(4,488)	Less allocations from revenue	(3,294)	(2,288)	(2,259)	(2,189)	(2,189)	(2,189)	(2,188)	(2,188)	(2,188)	(2,189)										
247	Unallocated funds carried forward	(314)	42	193	110	119	176	340	510	800	1,104										

Capital Funding Allocations:

Civic and Community Initiatives

1,000	Civic and Community Grants																				
2,500	Participatory Democracy, Sensing City and related projects																				
(529)	Suburban Masterplans debt servicing	872																			
2,971	Total Capital Allocations	872																			

Revenue Funding Allocations:

Economic Development Initiatives

1,000	CDC special projects	977	*									
1,000	CCT special projects	977		958	939	939	939	939	938	938	938	939

Community Events

1,050	Events (Cup & Show Week, PGA Golf, Antarctic Festival, Mountain Bike Race)	1,050		1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
25	World Bowls	200										
275	FIFA Under 20 Mens Football World Cup											
	Golden Oldies Tournament				200							
	Mountain Bike Racing	90		80	70							
60	Events (Unallocated)			200		200	200	200	200	200	200	200

Civic and Community Initiatives

1,078	Civic and Community Grants											
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4,488	Total Revenue Allocations	3,294	2,288	2,259	2,189	2,189	2,189	2,188	2,188	2,188	2,188	2,189
7,459	Total Allocations	4,166	2,288	2,259	2,189	2,189	2,189	2,188	2,188	2,188	2,188	2,189

* Because of revised lower interest rates since the Draft, the Fund cannot support all previous allocations. From 2017 this item has been transferred to directly rates funded. A report on the ongoing viability of the Fund will be considered by Council by 30 September 2015.