

Chief Executive's Report for February 2018

TO	Council
FROM	Rob Williams - Chief Executive
DATE	22 March 2018
SUBJECT	Chief Executive's Report for month ended 28 February 2018

1 Purpose of report

This report provides Council with an overview on the performance of the organisation in relation to:

- Our financial performance
- How projects are progressing with respect to time, budget and delivery
- Whether services are meeting the desired performance measures
- Any emerging challenges or opportunities.

2 Background

The financial and performance measure data is based on the interim results for the 2017/18 financial year.

Going forward this report will contain data on the latest month to date information available at the time of the agenda distribution and the latest quarterly performance measure reporting.

3 Suggested resolution(s)

That the Thames-Coromandel District Council:

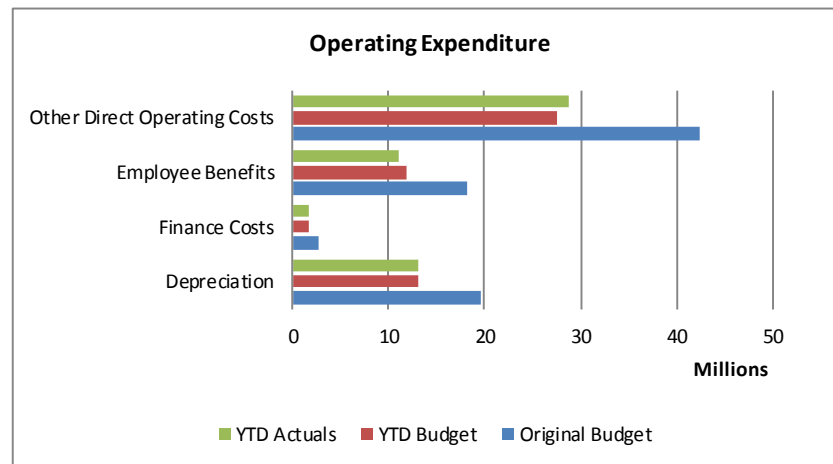
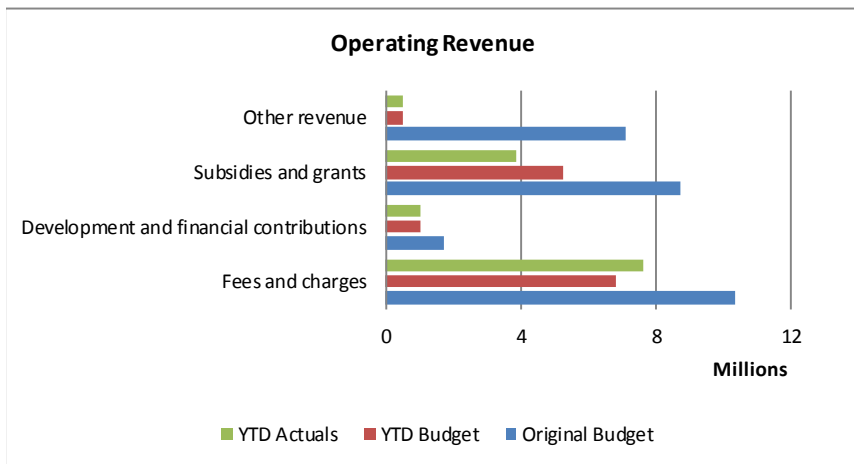
1. Receives the 'Chief Executive's report for month ended 28 February 2018, dated 22 March 2018.

Thames-Coromandel District Council Financial Measures

Key Indicators - For the period ending 28 February 2018

Rates Revenue <i>Received from ratepayers</i> \$42.64m Favourable YTD \$0.05m Full year budget \$64.14m Full year forecast \$64.14m	+	Other Operating Revenue <i>User charges, subsidies & grants, development contributions, finance revenue and other revenue</i> \$12.98m Unfavourable YTD (\$0.57m) Full year budget \$27.88m Full year forecast \$27.88m	-	Operating Expenditure <i>Personnel, Depreciation, Finance and Other Expenses</i> \$54.37m Unfavourable YTD (\$0.16m) Full year budget \$82.77m Full year forecast \$82.77m	=	Operating Net Surplus/(-) Deficit \$1.25m Unfavourable YTD (\$0.68m) Full year budget \$9.25m Full year forecast \$9.25m
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Personnel Costs <i>Salaries and Wages</i> \$11.00m Favourable YTD \$0.87m Full year budget \$18.15m Full year forecast \$18.15m	Depreciation and Amortisation \$13.01m Favourable YTD \$0.01m Full year budget \$19.52m Full year forecast \$19.52m	Finance Costs <i>Interest on external debt</i> \$01.61m Favourable YTD \$0.11m Full year budget \$2.62m Full year forecast \$2.62m	Other Expenses \$28.75m Unfavourable YTD (\$01.15m) Full year budget \$42.46m Full year forecast \$42.46m
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Thames-Coromandel District Council Financial Measures

Key Indicators - For the period ending 28 February 2018

Borrowings		Cash and cash equivalents		Net borrowings <i>External debt net of cash and cash equivalents</i>		Capital expenditure	
\$35.00m		\$0.71m		\$34.29m		\$9.85m	
Full year budget	\$35.0m	Full year budget	\$1.01m	Full year budget	\$33.99m	Full year budget	\$30.17m
Full year forecast	\$35.0m	Full year forecast	\$1.01m	Full year forecast	\$33.99m	Full year forecast	\$30.17m

Capital expenditure - explanation of variances

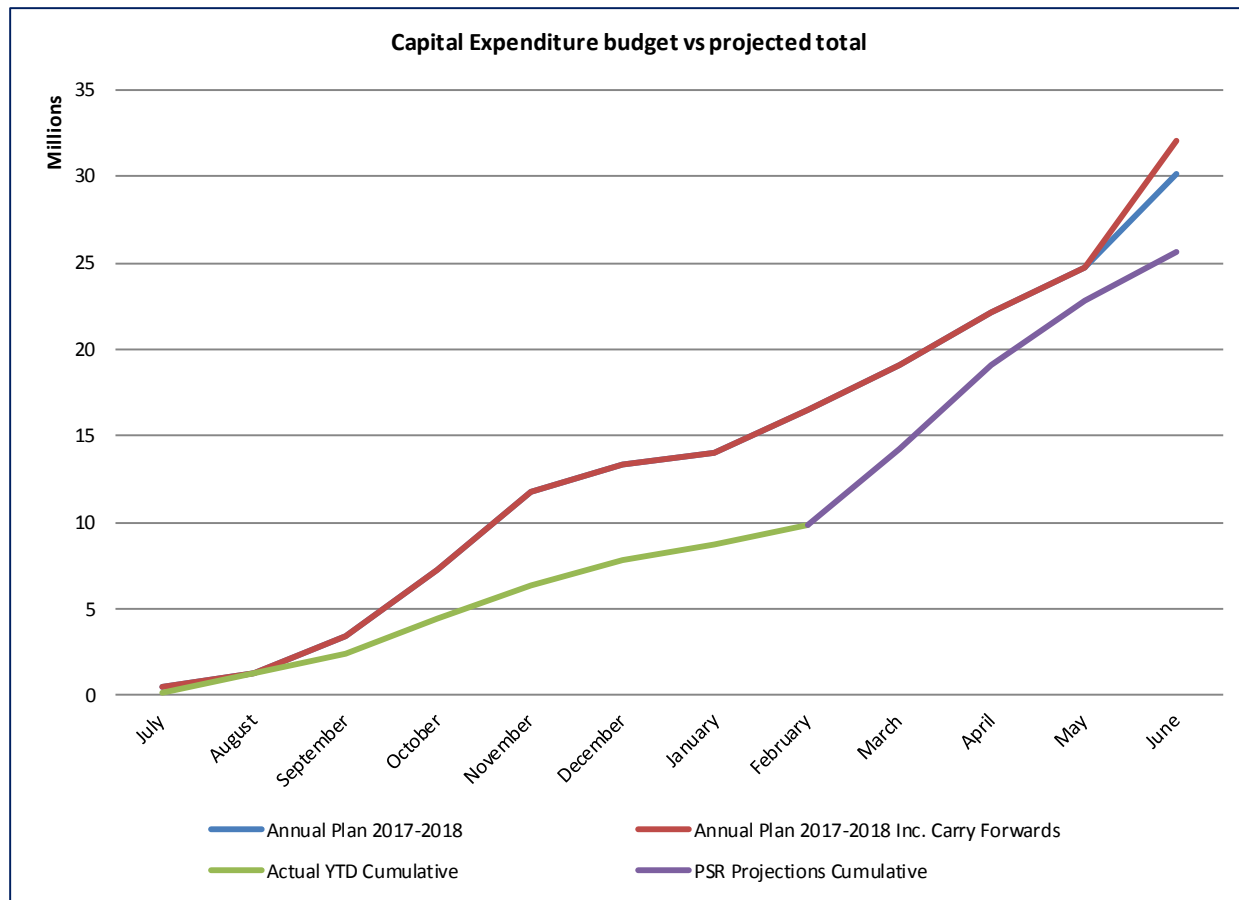
Capital expenditure is a pproximately \$6.5 million under the year to date budget. The majority of the underspend is in the roading (\$2.5m) water (\$1.5m) and wastewater (\$1.9m) activities. The remaining underspend is in the planning activity (IT software/hardware - \$0.4m) and representation activity (Thames customer service area renovation - \$0.2m). Refer to the activity pages for further details.

The year end balances of the following projects have been approved for carry forward into the 2018/19 financial year.

Whitianga Town Centre Upgrade
(Roading, Wastewater, Water, Stormwater and Community Spaces activities)

Te Ara O Hei (Great Walks)
(Economic Development activity)

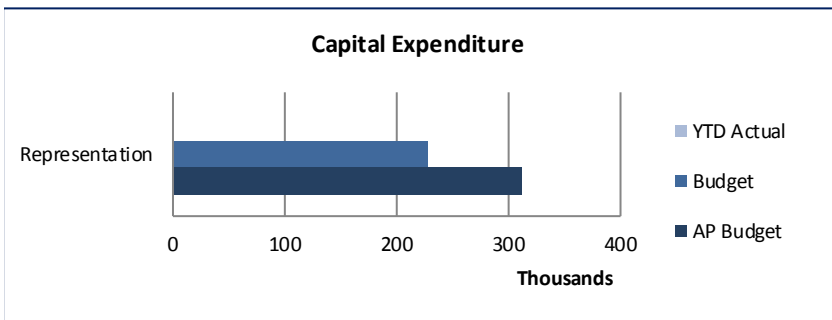
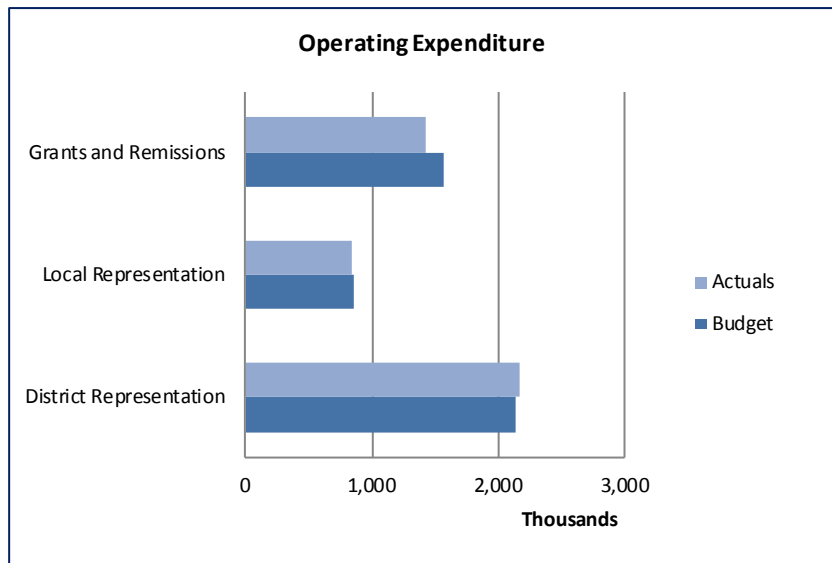
Whitianga Boat Ramps
(Community Spaces activity)



Representation Financial Measures

Key Indicators - For the period ending 28 February 2018

Operating Revenue <h2>\$3.43m</h2> Unfavourable YTD (\$0.03m) Full year budget \$5.2m Full year forecast \$5.2m		-	Operating Expenditure <h2>\$4.43m</h2> Favourable YTD \$0.10m Full year budget \$6.35m Full year forecast \$6.35m		=	Net Surplus/(-) Deficit <h2>(\$1.00m)</h2> Favourable YTD \$0.07m Full year budget \$1.15m Full year forecast \$1.15m		=	Capital Expenditure <h2>\$0.00m</h2> Favourable YTD \$0.23m Full year budget \$0.31m Full year forecast \$0.31m	
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Revenue
 Unfavourable YTD made up of

- The variance is the difference between when we budget for rates revenue and when we receive it.

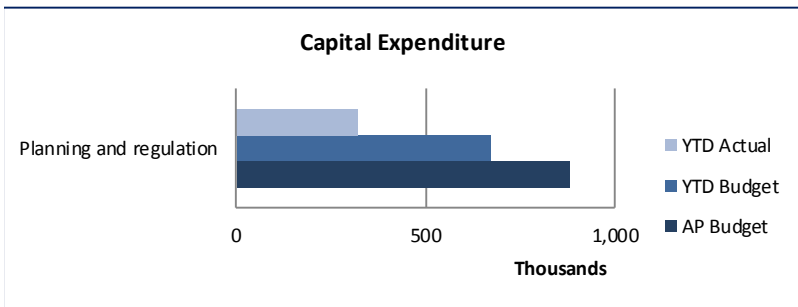
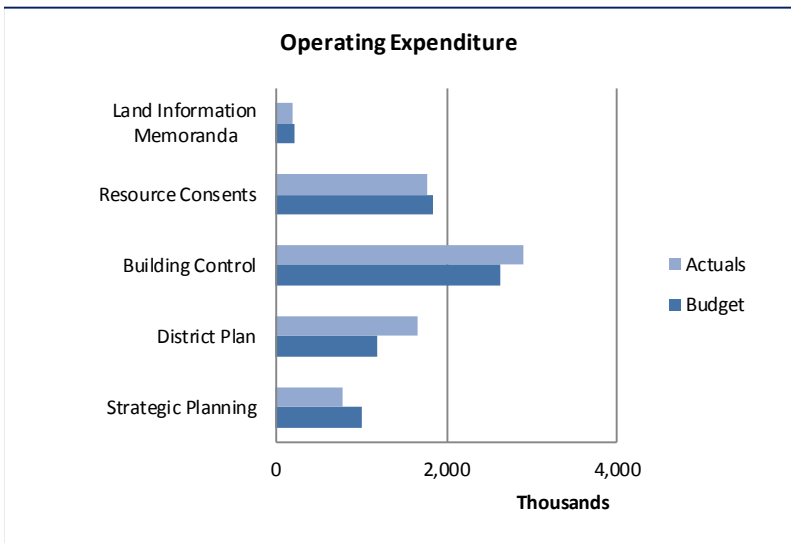
Capital Expenditure
 Favourable YTD made up of

- Budgeted costs for the Thames customer renovations of \$229,000 with no costs to date. The planning and design process has begun. Construction is unlikely to occur this financial year.

Planning and Regulation Financial Measures

Key Indicators - For the period ending 28 February 2018

Operating Revenue \$6.03m Favourable YTD \$0.13m Full year budget \$8.9m Full year forecast \$8.9m		-	Operating Expenditure \$7.33m Unfavourable YTD (\$0.43m) Full year budget \$10.18m Full year forecast \$10.18m		=	Net Surplus/(-) Deficit (\$1.30m) Unfavourable YTD (\$0.30m) Full year budget -\$1.28m Full year forecast -\$1.28m		Capital Expenditure \$0.32m Favourable YTD \$0.35m Full year budget \$0.88m Full year forecast \$0.88m	
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Revenue

Favourable YTD made up of

- Building control consent fees is \$193,000 over budget, but at the same level as this time last year.
- This is offset by the following activities under budget -Building control inspection fees by (\$87,000), resource control consent fees by (\$30,000) and LIMS by (\$45,000).
- The balance of the variance is the difference between when we budget for rates revenue and when we receive it.

Expenditure

Unfavourable YTD made up of

- Cost of processing building consents with external parties is (\$276,000) over budget.
- District plan appeal costs are over budget by (\$569,000) and salaries & wages are under budget by \$118,000.
- Strategic planning and development costs are under budget by \$70,000. The underspend is related to the budget for LTP work that will be completed over the next 3 months.
- Strategic planning and development in Mercury Bay is under budget by \$67,000, of which \$25,000 is related to investigation fees and \$36,000 to Whitianga Medical Centre.
- Strategic planning has a further budget of \$65,000 with no costs to date.
- Resource control expenditure is under budget by \$55,000.
- The remaining variance consists of a number of insignificant movements.

Capital Expenditure

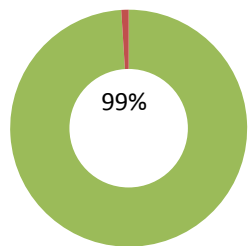
Favourable YTD made up of

- Spend on software is under budget by \$110,000. This under expenditure will likely continue for the rest of the financial year. The only major project is the business solution for lodging and processing of building consents.
- Hardware spend is under budget by \$115,000. This under expenditure will likely continue for the rest of the financial year.
- Purchase of plant and vehicles is under budget by \$104,000. Expenditure of \$56,000 is planned for the remainder of the year which is \$53,000 less than originally budgeted.

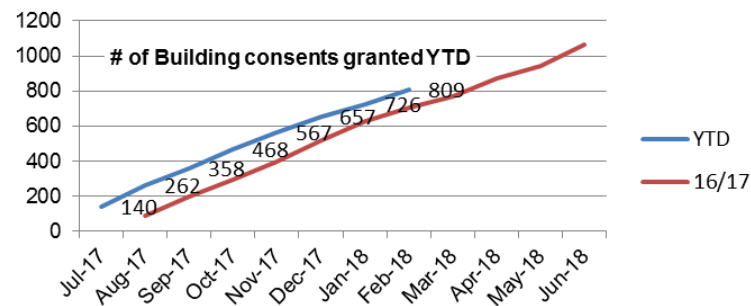
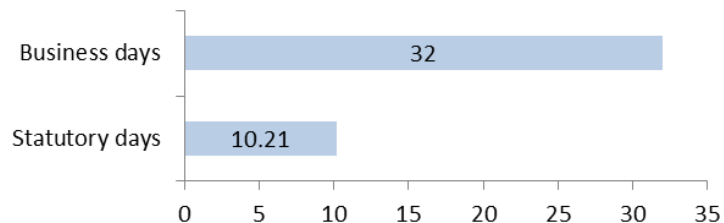
Regulatory

Performance measures

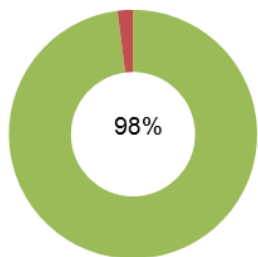
% Building consents processed within 20 working days YTD



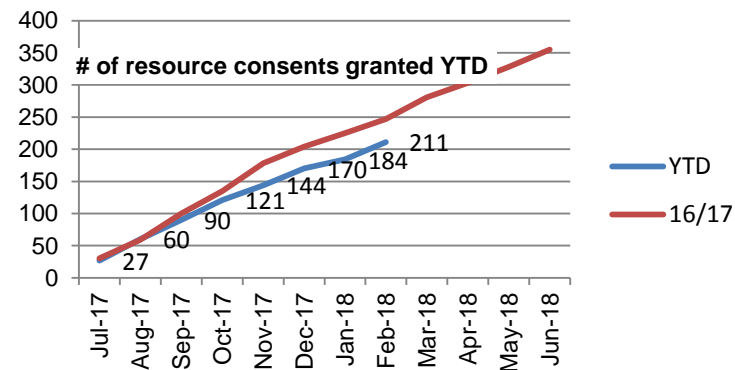
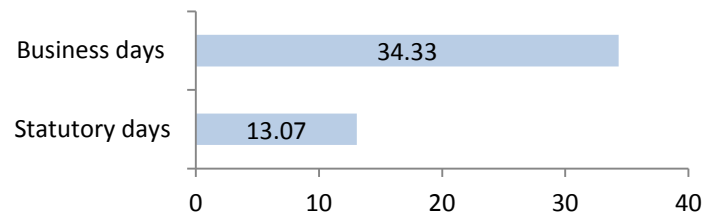
Average days to Building Consent Decision



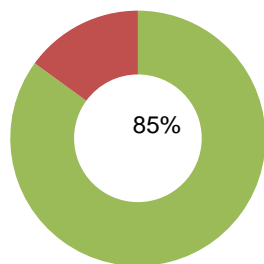
% Resource consents processed within statutory time frames



Average days to resource consent decision



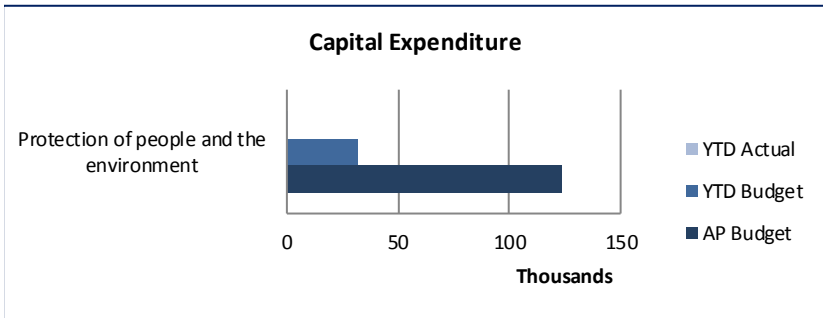
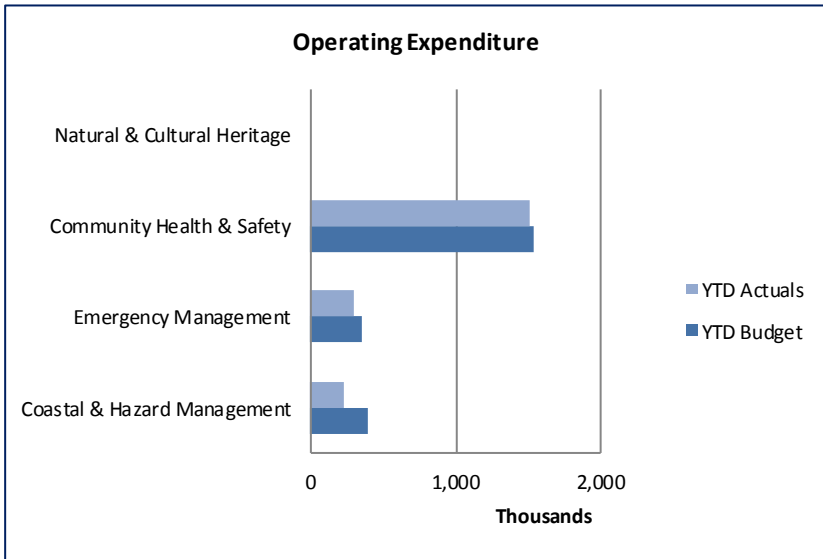
% Code of Compliance within 20 working days YTD



Protection of People and the Environment Financial Measures

Key Indicators - For the period ending 28 February 2018

Operating Revenue <h2 style="text-align: center;">\$2.58m</h2>		-	Operating Expenditure <h2 style="text-align: center;">\$2.03m</h2>		=	Net Surplus/(-) Deficit <h2 style="text-align: center;">\$0.55m</h2>		Capital Expenditure <h2 style="text-align: center;">\$0.00m</h2>	
Favourable YTD	\$0.07m		Favourable YTD	\$0.26m		Favourable YTD	\$0.33m	Favourable YTD	\$0.03m
Full year budget	\$3.59m		Full year budget	\$3.48m		Full year budget	\$0.11m	Full year budget	\$0.12m
Full year forecast	\$3.59m		Full year forecast	\$3.48m		Full year forecast	\$0.11m	Full year forecast	\$0.12m



Revenue
Favourable YTD made up of:
 The variance is the difference between when we budget for rates revenue and when we receive it.

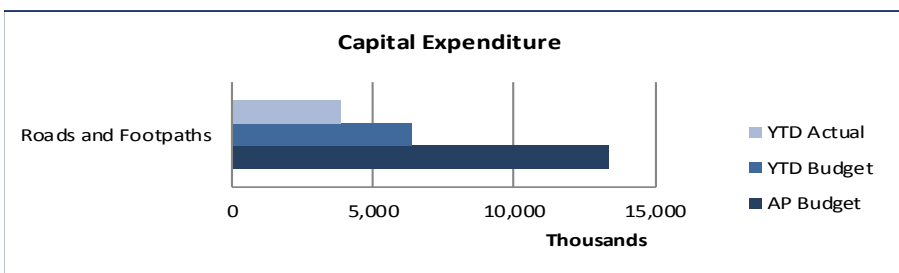
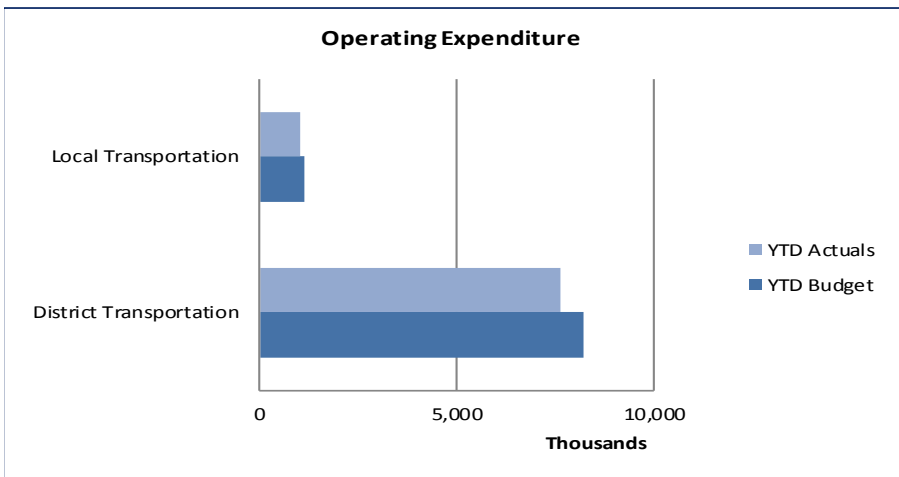
Expenditure
Favourable YTD made up of

- Mercury Bay coastal erosion costs are under budget by \$152,000. A specialist coastal engineer commenced employment at Council on the 8 January 2018 and is tasked with investigating and developing the coastal protection work programme.
- Emergency management costs are under budget by \$52,000. Between now and 30 June 2018, the Emergency Management Unit will be working with 15 communities on the Coromandel, developing Community Response Plans and establishing CD Centres in 6 of those main communities. Planned opex expenditure to 30 June is expected to be \$22,500.
- The remaining variance consists of a number of insignificant movements.

Roads and Footpaths Financial Measures

Key Indicators - For the period ending 28 February 2018

Operating Revenue <h3>\$9.33m</h3> <p>Unfavourable YTD (\$1.43m)</p> <p>Full year budget \$16.34m Full year forecast \$16.34m</p>		-	Operating Expenditure <h3>\$8.65m</h3> <p>Favourable YTD \$0.68m</p> <p>Full year budget \$14.18m Full year forecast \$14.18m</p>		=	Net Suprlus/(-) Deficit <h3>\$0.68m</h3> <p>Unfavourable YTD (\$0.75m)</p> <p>Full year budget \$2.16m Full year forecast \$2.16m</p>		-	Capital Expenditure <h3>\$3.84m</h3> <p>Favourable YTD \$2.50m</p> <p>Full year budget \$13.37m Full year forecast \$13.37m</p>	
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Revenue

Unfavourable YTD made up of:

- Revenue from roading subsidy is (\$1,654,000) under budget. LED street lighting (\$434,000), sealed and unsealed road renewals, Kauaeranga Valley sealing and minor improvement are the major projects behind budget and are discussed below under capital expenditure.
- Revenue from the Hahei park and ride is \$80,000 and a contribution towards the Thames public transport trial of \$11,500 has been received. Both of these were not budgeted for.

Expenditure

Favourable YTD made up of:








- Year to date costs of storm events are \$446,000 under budget. There is still a substantial amount of work to be done relating to past storm events. This work is scheduled to be completed over the next 3 months.
- Costs incurred on the Hauraki cycleway are (\$114,000) with the budget for the year phased into June 2018.
- Maintenance of bridges is under budget by \$74,000, Traffic services \$73,000 and consultants costs for professional service engineers (Opus) \$71,000. due to delays in timing of the work programmes.
- The remaining variance consists of a number of insignificant movements.

Capital Expenditure

Favourable YTD made up of:

- Local street lighting renewals across the district is under budget by \$519,000. LED streetlighting programme commenced in December 2017. The replacement programme was late starting due to RLTP funding approval not received until November 2017. Additional resource has been identified to address the lag in achievement against the work programme. \$72,000 was spend in the month of February 2018.
- Kauaeranga Valley Road sealing is under budget by \$588,000. Work is scheduled to be completed by mid-May 2018.
- Work began on Colville Road in February and Port Charles Road in March. This contract was awarded mid-November 2017, later than planned, which has delayed the start date. The Wentworth Valley site is scheduled to commence in April, with the work programme planned for completion in May 2018.
- Unsealed road basecourse and wearing course is under budget by \$450,000. The work programme is running behind schedule. However all work is planned for completion by year end.
- Mercury Bay footpath construction is under budget by \$179,000. However, all work is planned for completion by year end.
- Maintenance chipseal is under budget by \$162,000. The chip sealing programme was completed in December 2017. The invoices for the costs incurred in December have not yet been received from Opus and the costs were not accrued.

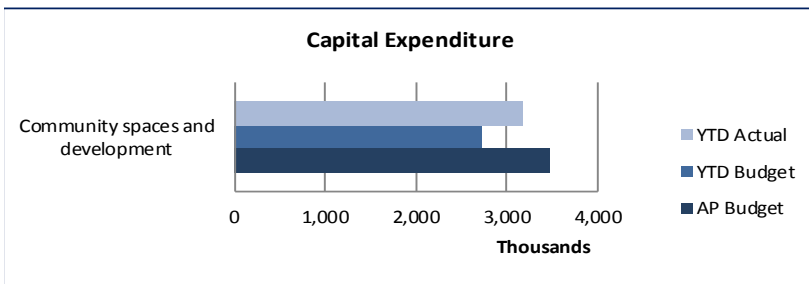
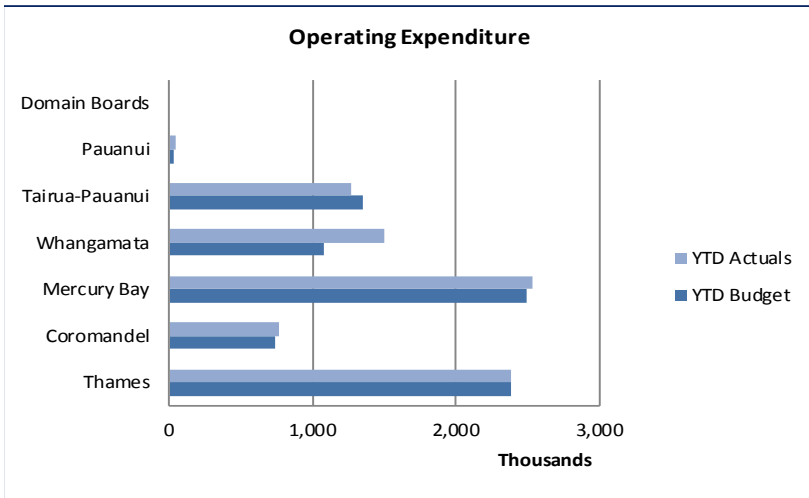
Roads and Footpaths - Projects

Project	Status	Total project cost (actual)	Project budget to 30/6/2018	Comments or risks
Thames streetlight renewals		171,249	500,250	LED upgrade underway and is on target for completion by 30 June 2018. Cost savings have been made by using a lower cost lantern type which complies with the NZTA quality standard (M30).
Kauaeranga Valley Road sealing		16,783	605,000	Tender awarded late February 2018. Physical works commenced on 5 March 2018, with mid-May completion date.
Coromandel streetlight renewals		9,757	71,750	LED upgrade underway and is on target for completion by 30 June 2018. Cost savings have been made by using a lower cost lantern type which complies with the NZTA quality standard (M30).
Whitianga town centre upgrade		137,200	4,606,819	Works have commenced onsite, however the revised programme agreed in 2017 will result in a significant part of the project being delivered during the 2018/19 financial year.
Tairua/Pauanui streetlight renewals		46,675	143,000	LED upgrade underway and is on target for completion by 30 June 2018. Cost savings have been made by using a lower cost lantern type which complies with the NZTA quality standard (M30).
Whangamata streetlight renewals		16,167	282,250	LED upgrade underway and is on target for completion by 30 June 2018. Cost savings have been made by using a lower cost lantern type which complies with the NZTA quality standard (M30).
Whangamata curb/channel/swale		99,432	121,073	Project completed under budget in August 2017.

Community Spaces and Development Financial Measures

Key Indicators - For the period ending 28 February 2018

Operating Revenue <h2>\$8.90m</h2> Favourable YTD \$0.31m Full year budget \$13.13m Full year forecast \$13.13m		-	Operating Expenditure <h2>\$8.51m</h2> Unfavourable YTD (\$0.43m) Full year budget \$12.09m Full year forecast \$12.09m		=	Net Supplus/(-) Deficit <h2>\$0.40m</h2> Unfavourable YTD (\$0.12m) Full year budget \$1.04m Full year forecast \$1.04m		=	Capital Expenditure <h2>\$3.18m</h2> Unfavourable YTD (\$0.46m) Full year budget \$3.47m Full year forecast \$3.47m	
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Revenue

Favourable YTD made up of:

- Contribution from the Ministry of Business & Innovation for wastewater at Hot Water Beach has been invoiced at \$139,000, but has been budgeted for in the June 2018 month. This will remain a timing difference until June.
- Contributions of \$37,000 have been received for the Tairua walkway.
- Rates revenue variance of \$312,000 is the difference between when we budget for rates revenue and when we receive it.
- Revenue from Hot Water Beach carpark is over budget by \$59,000, and is a 41% increase from the same period last year.
- Development contribution revenue is under budget by (\$240,000).
- The balance consists of a number of insignificant movements.

Expenditure

Unfavourable YTD made up of:







- Unbudgeted costs of storm damage in Onemana. Geotechnical remediation for Onemana drive related to the March/April 2017 events (\$388,000). Other storm damage in Thames (\$103,000).
- Thames Airfield runway maintenance is under budget by \$53,000 and the Jack Mclean Indoor Sports Centre operating expenditure is under budget by \$61,000. Operating expenditure will now start occurring with the opening of the centre.
- Other maintenance costs for parks & reserves are over budget in Tairua/Pauanui (\$70,000). Expenditure of \$44,000 on the Tairua to Pauanui trail was unbudgeted. However, the cost is offset by revenue received from the Trust. The remaining overspend relates to unscheduled maintenance, including tree works. The Community Facilities Manager is currently reviewing these budgets, and if necessary they will be revised during the March budget revision process.
- The remaining variance consists of a number of insignificant movements.

Capital Expenditure

Unfavourable YTD made up of:

- Whitianga boat ramp costs are \$564,000 under budget. Council has deferred \$500,000 to 2018/19.
- Whangamata Williamson park redevelopment costs are under budget by \$143,000. A resource consent will be lodged in March but it is likely that the consent will be notified. If so, there will be no expenditure this financial year.
- The following projects are over budget against the AP but have approved carry forward budgets from the 2016/2017 financial year;
- Jack Mclean Indoor Sports Centre costs has a approved carry forward of \$447,000 and additional approved out of cycle budget of \$572,000 with costs to date of (\$962,000).
- Hot water beach toilet facility has approved carry forward of \$218,000 with costs to date of (\$185,000).
- Tairua Mary Beach wharf and boat ramp costs has a approved carry forward of \$96,000 with costs to date of (\$96,000).

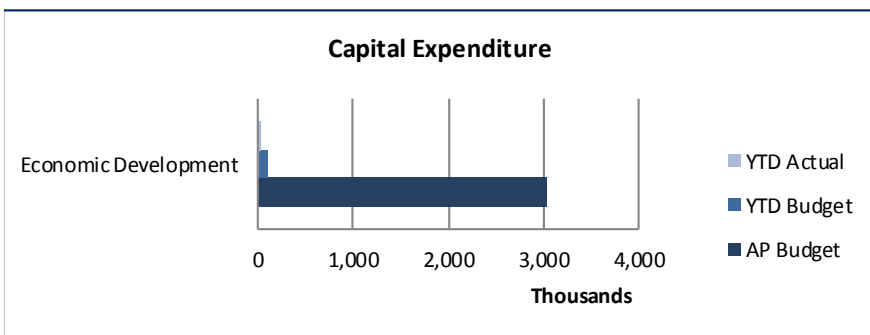
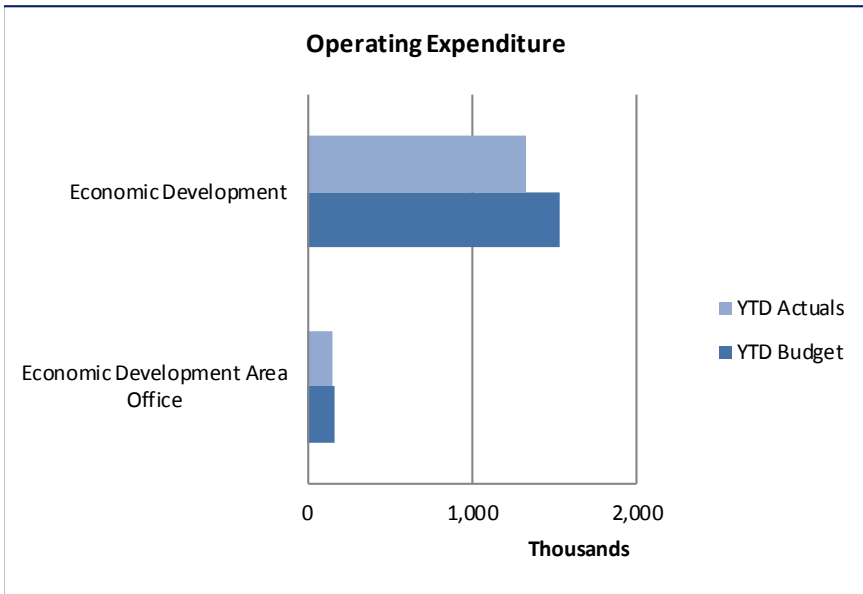
Community Spaces and Development - Projects

Project	Status	Total project cost (actual)	Project budget to 30/6/2017	Comments or risks
Coromandel Hall renewals		56,345	250,000	Building consent application submitted. Pricing underway.
Matarangi boat ramp		197,459	198,549	Construction complete.
Whitianga sportsground		133,655	141,746	Construction 80% complete. On track.
Royal Billy Point boat ramp/pontoon		55,098	64,878	Consultation process complete. Design documentation underway and on track.
Williamson Park redevelopment		41,061	183,822	Resource consent not submitted yet following consultation with adjacent residents. Community Board want to workshop and have input into the Resource Consent, setting out the types of events.
New/replacement toilet - Grahamstown		206	118,413	Discussions with building owner underway. On track.

Economic Development Financial Measures

Key Indicators - For the period ending 28 February 2018

Operating Revenue		Operating Expenditure		Net Surplus/(-) Deficit		Capital Expenditure	
\$1.60m		\$1.48m		\$0.12m		\$0.02m	
Favourable YTD	\$0.12m	Favourable YTD	\$0.21m	Favourable YTD	\$0.33m	Favourable YTD	\$0.07m
Full year budget	\$2.98m	Full year budget	\$3.99m	Full year budget	-\$1.01m	Full year budget	\$3.03m
Full year forecast	\$2.98m	Full year forecast	\$3.99m	Full year forecast	-\$1.01m	Full year forecast	\$3.03m



Revenue

Favourable YTD made up of:

- Energy Efficiency have paid \$75,000 for contribution to electric car recharging stations.
- The balance of the variance is the difference between when we budget for rates revenue and when we receive it.

Expenditure

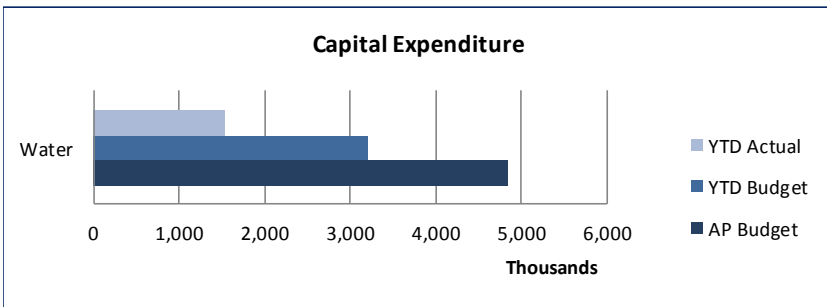
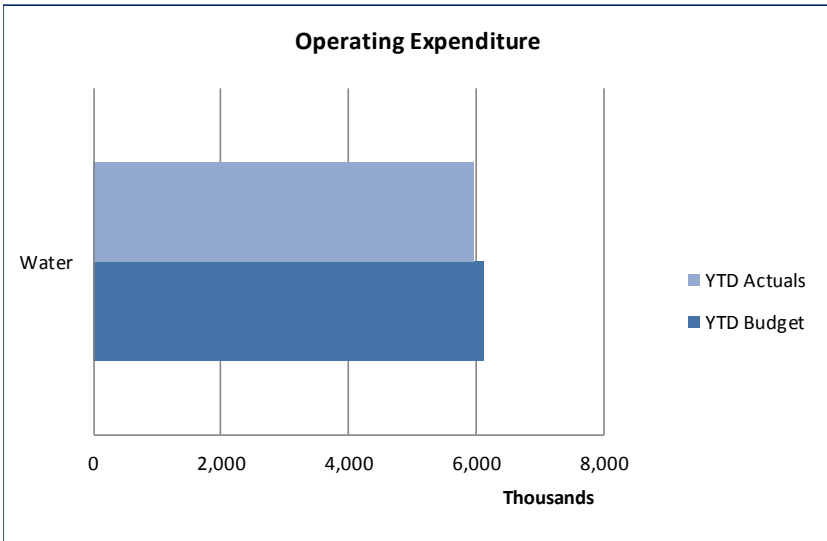
Favourable YTD made up of:

- Expenditure on Te Ara O Hei is under budget by \$101,000 due to delays on resource consenting and reaching agreement with DOC on the Grange Road carpark. This project has been put on hold. The remaining budget will be carried forward into the 2018/19 financial year.
- Expenditure on events is under budget by \$71,000. \$25,000 will be spent in March with a further application under consideration. It is likely that the full budget will not be spent this financial year.
- Expenditure on property investment project marketing programme is under budget by \$22,000. Charges started coming through in February 2018.
- Budgeted post treaty settlement ED strategy of \$35,000 and no costs to date. \$10,000 of this will be spent in the next month.
- Budgeted Vodafone/RBI partnership programme of \$50,000 and no costs to date. Commencement of the project is dependant on a request from one of the partners for Council to pay their commitment amount.
- Expenditure on commercial building condition assessment and seismic screening of (\$32,000) for asset management planning which has not been budgeted.
- The remaining variance consists of a number of insignificant movements.

Water Financial Measures

Key Indicators - For the period ending 28 February 2018

Operating Revenue <h3>\$5.98m</h3> <p>Favourable YTD \$0.02m</p> <p>Full year budget \$9.33m</p> <p>Full year forecast \$9.33m</p>		-	Operating Expenditure <h3>\$5.95m</h3> <p>Favourable YTD \$0.16m</p> <p>Full year budget \$9.0m</p> <p>Full year forecast \$9.0m</p>		=	Net Surplus/(-) Deficit <h3>\$0.03m</h3> <p>Favourable YTD \$0.18m</p> <p>Full year budget \$0.32m</p> <p>Full year forecast \$0.32m</p>		Capital Expenditure <h3>\$1.53m</h3> <p>Favourable YTD \$1.68m</p> <p>Full year budget \$4.83m</p> <p>Full year forecast \$4.83m</p>	
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Expenditure
Favourable YTD made up of:

- Investigation cost are under budget by \$71,000 and rates remission by \$47,000.

Capital Expenditure
Favourable YTD made up of:

- Thames South water project is under budget by \$603,000. Omaha to Hikutaia Watermain Replacement Contract works now targeted to be completed by the end of April 2018. Further emergency works requirements as a result of the January storm event will further delay progress on the pipe laying contract works that form a part of this project.
- Drinking water standards upgrade project is under budget by \$777,000. Procurement of key materials is underway to be completed by 30 June 2018.
- Whangamata systems optimisation project is under budget by \$169,000. This project is to construct new pipe infrastructure that will allow improved distribution and balance of the water sources. Commencement is scheduled for March /April 2018.

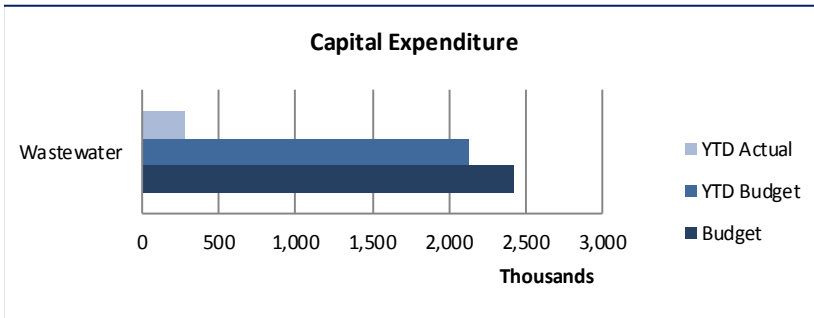
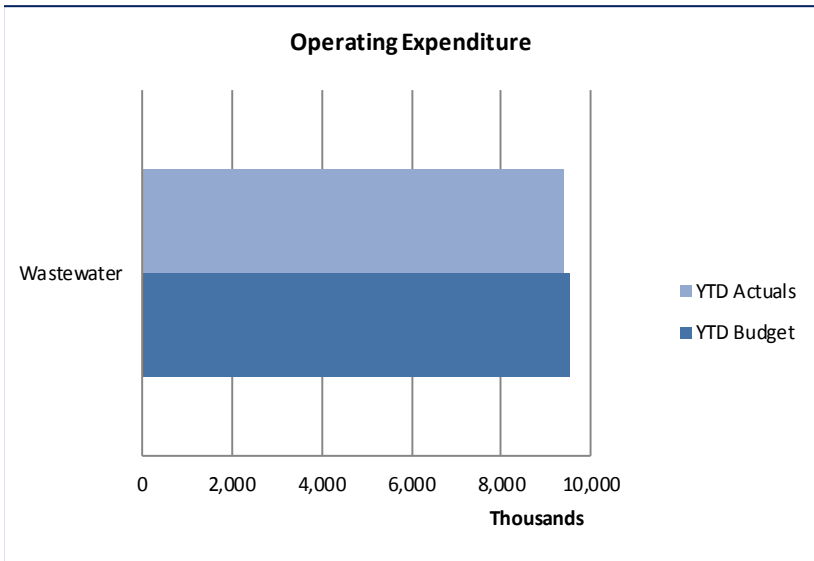
Water - Projects

Project	Status	Total project cost (actual)	Project budget to 30/6/2017	Comments or risks
Thames South Water		268,503	922,593	Pipe installation contract underway and programmed for completion April 2018.
Whangamata system optimisation		3,895	302,500	Three packages of work scoped, with two to be delivered this financial year. Construction of additional reservoir on Pacific Heights and upgrade to Herbert Road reservoir, due to be completed by June 2018.
Drinking Water Standards upgrades		924,015	2,610,993	EOI submissions received; tender documentation underway for Whitianga Water Treatment Plant. Project planning for other sites is underway, as well as procurement of equipment prior to 30 June 2018.

Wastewater Financial Measures

Key Indicators - For the period ending 28 February 2018

Operating Revenue <h2>\$10.44m</h2> Unfavourable YTD (\$0.21m) Full year budget \$16.21m Full year forecast \$16.21m		-	Operating Expenditure <h2>\$9.42m</h2> Favourable YTD \$0.09m Full year budget \$14.07m Full year forecast \$14.07m		=	Net Supplus/(-) Deficit <h2>\$1.03m</h2> Unfavourable YTD (\$0.12m) Full year budget \$2.14m Full year forecast \$2.14m		=	Capital Expenditure <h2>\$0.27m</h2> Favourable YTD \$1.86m Full year budget \$2.42m Full year forecast \$2.42m	
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Revenue
Unfavourable YTD made up of:

- The difference between when we budget for rates revenue and when we actually receive it.



Expenditure
Favourable YTD made up of:

- Contract provisional costs are over budget by (70,000). Whilst contract costs are up on last year costs the variance to budget has reduced after the peak season over the summer months. The Infrastructure team will be monitoring this budget closely. Contract other costs are under budget by \$54,000
- Biosolids Whitianga operations costs are under budget by \$122,000 due to the closure of the compactor.
- Energy costs are (\$154,000) over budget but are consistent with costs last year.
- Investigation fees are under budget by \$71,000.
- The remaining variance consists of a number of insignificant movements.

Capital Expenditure
Favourable YTD made up of:

- Wastewater renewals is under budget by \$1,167,000. A significant portion of this budget has been allocated to the Whitianga town centre upgrade project. Delays in finalising costs for individual packages have delayed progress. Uncertainty regarding works that will need to be completed this financial year has complicated delivery, but alternate works have been identified and are now underway.
- Wastewater Matarangi Treatment aeration and disposal is under budget by \$378,000. This project has been delayed because an upgrade to the power supply is required before work can commence. Powerco were scheduled to do this work in February 2018 but this did not occur. Infrastructure staff are continuing to follow-up with Powerco.
- Wastewater Hahei treatment plant upgrade is under budget by \$318,000. Initial delays with this project, a number related to the timeframes around the recently granted discharge consent, have slowed progress. However, this is now progressing.

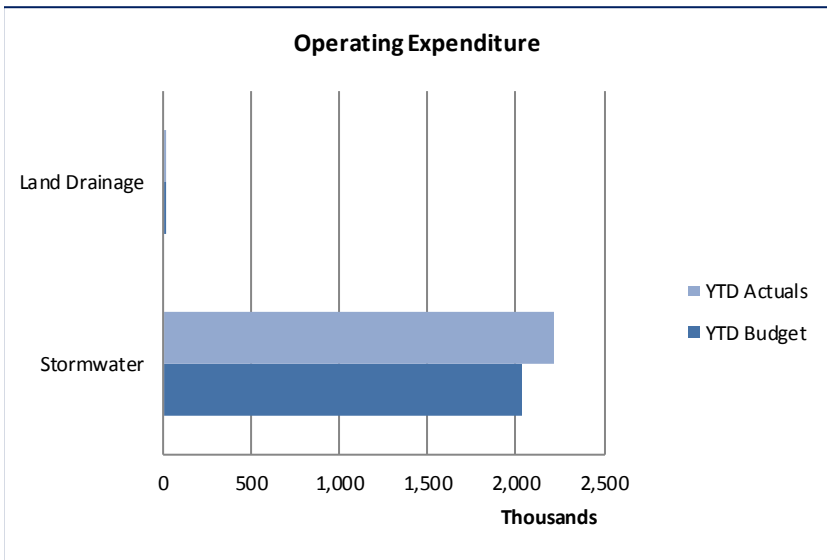
Wastewater - Projects

Project	Status	Total project cost (actual)	Project budget to 30/6/2017	Comments or risks
Matarangi treatment aeration and filters		17,275	410,160	Baffle curtains and aerators installed. Upgrade of the screen underway for May 2018. Power upgrade with power contractor but will be completed by 30 June 2018.
Hahei treatment plant upgrade		6,610	350,343	Baffle curtains and aerators have been installed. Delay with the delivery of screen from the supplier. This is due end of April 2018. Additional works required to install amenities building.

Stormwater Financial Measures

Key Indicators - For the period ending 28 February 2018

Operating Revenue <h2>\$2.15m</h2> Unfavourable YTD (\$0.00m) Full year budget \$3.22m Full year forecast \$3.22m		-	Operating Expenditure <h2>\$2.22m</h2> Unfavourable YTD (\$0.17m) Full year budget \$3.08m Full year forecast \$3.08m		=	Net Surplus/(-) Deficit <h2>(\$0.07m)</h2> Unfavourable YTD (\$0.17m) Full year budget \$0.14m Full year forecast \$0.14m		Capital Expenditure <h2>\$0.59m</h2> Favourable YTD \$0.09m Full year budget \$1.36m Full year forecast \$1.36m	
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Expenditure

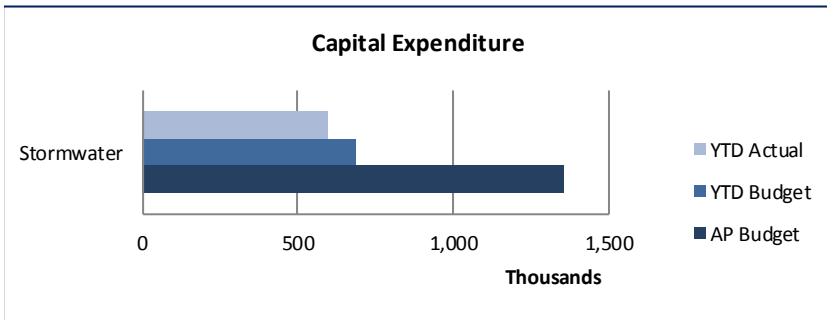
Unfavourable YTD made up of:

- Unbudgeted settlement costs relating to Quipco stormwater pipeline works with Whitianga Waterways on completion of stage 8. (\$134,000). However, funding for these costs are in a reserve and will be applied at year end.
- Storm damage costs of (\$69,000) which were not budgeted for.
- investigation fee are under budget by \$68,000
- The remaining variance consists of a number of insignificant movements.

Capital Expenditure

Unfavourable YTD made up of:

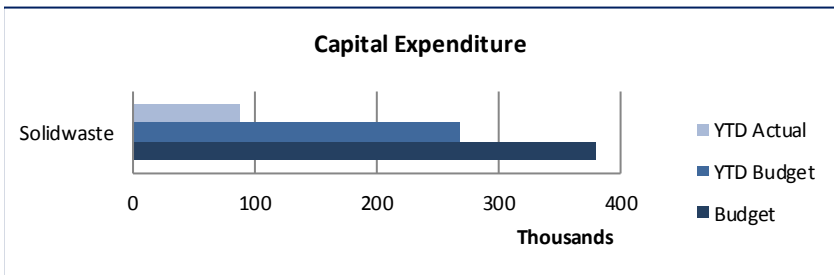
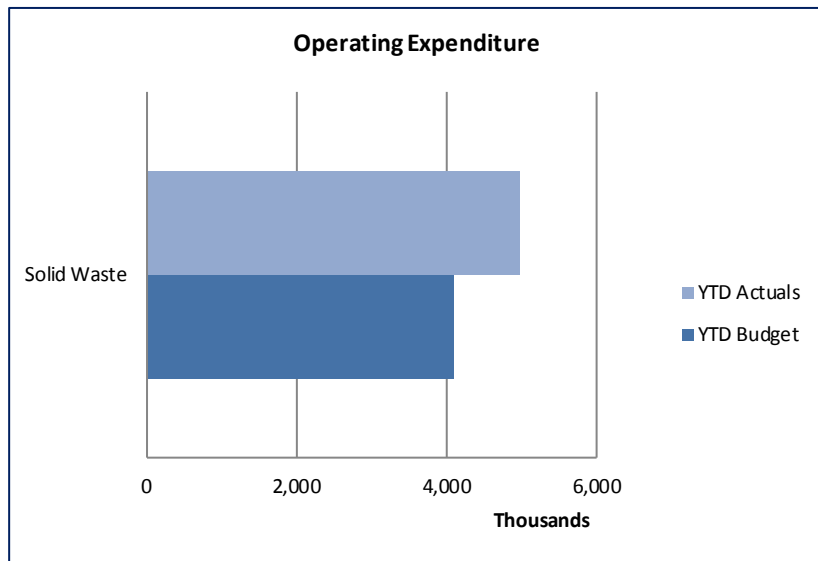
- Costs of stormwater improvements to reduce flood inundation risk for property around Sarah Ave is (\$521,000) with approved carry forward budget of \$577,000.
- District wide renewals is under budget by \$617,000. This budget has been partly allocated to the Whitianga town centre upgrade. Costs of up to \$400,000 will be incurred in May/June 2018 period.



Solidwaste Financial Measures

Key Indicators - For the period ending 28 February 2018

Operating Revenue <h2>\$5.18m</h2> Favourable YTD \$0.64m Full year budget \$6.72m Full year forecast \$6.72m		-	Operating Expenditure <h2>\$4.95m</h2> Unfavourable YTD (\$0.87m) Full year budget \$6.34m Full year forecast \$6.34m		=	Net Surplus/(-) Deficit <h2>\$0.22m</h2> Unfavourable YTD (\$0.23m) Full year budget \$2.85m Full year forecast \$2.85m		=	Capital Expenditure <h2>\$0.09m</h2> Favourable YTD \$0.18m Full year budget \$0.38m Full year forecast \$0.38m	
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Revenue

Favourable YTD made up of:

- Fees from transfer stations are over budget by \$330,000. Fee collections are 33% upon this time last year. Revenue is up in Thames, Whitianga, Tairua & Pauanui.
- Solid waste collection revenue is over budget by \$196,000. Bag sales revenue is comparable with the same YTD period last year.

Expenditure

Unfavourable YTD made up of:


- Transfer station costs are over budget by (715,000). Green waste disposal & transport is (\$125,000) over budget. These are partly due to the closure of the compactor and high transport costs taking waste to Tuakau. Contract transport costs and disposal fees are (\$382,000) over budget. RTS maintenance costs are (\$150,000) with no budget provided. RTS maintenance is increasing with the ageing of equipment and involves constant repairs to compactors, barriers, fencing and roads. Note revenue increase of \$330,000 partly covers this increase in costs.
- Solid waste disposal levy costs are over budget by (\$127,000) for the grant given to the the Seagull Centre Ltd for waste minimisation funding.

Capital Expenditure

Favourable YTD made up of:






- Solid waste RTS improvements are under budget by \$88,000. Delays due to resource consent issues with expenditure to now commence later in 2018.
- Whitianga transfer station is under budget by \$63,000. Resource issues have delayed commencement. Decision has yet to be made by the Infrastructure Manager as to whether the transfer station should be upgraded or relocated. This decision will be made in the next few months.






Solid Waste - Projects

Project	Status	Total project cost (actual)	Project budget to 30/6/2017	Comments or risks
Transfer station improvements		1,500	150,000	Some resourcing delays, but prioritised works are now underway with work being delivered utilising local contractors.

Top 10 Infrastructure Projects

Below is a status update on the top 10 infrastructure projects that are not included in the activity sections of this report. Note that 6 weekly updates of the Community Facilities projects are provided in the Community Board agendas.

Project	Status	Total project cost (actual)	Project budget to 30/6/2018	Comments or risks
Roading - pavement treatment		177,555	1,666,500	Work began on Colville Road in February and Port Charles Road in March. This contract was awarded mid-November 2017, later than planned, which has delayed the start date. The Wentworth Valley site is scheduled to commence in April, with the work programme planned for completion in May 2018.
Wastewater - district renewals		164,768	1,555,918	A significant portion of this budget has been allocated to the Whitianga town centre upgrade project. Refer to the comments below for water for further explanation of the variance.
Stormwater - district renewals		71,928	1,358,523	This project is under the YTD budget by \$617,000. The budget has been partly allocated to the Whitianga town centre upgrade. A number of reactive renewals are also anticipated for the budget. Works in the vicinity of railway land in Kopu have required longer timeframes to progress. Refer to the comments below for water for further explanation of the variance.
Roading - maintenance chip seals		864,145	1,026,000	The chip sealing programme was completed in December 2017. The invoices for the costs incurred in December have not yet been received from Opus and the costs were not accrued.
Water - district renewals		157,310	947,747	Whilst the packages of renewals have all been allocated, the delivery has been slower than anticipated. Additional project delivery meetings, held weekly, are accelerating the programme which is undertaken with the wastewater and stormwater renewals. More timely issuing of invoices from the contractors and submission of accruals by staff will reduce the variance next month. A portion of this budget is also associated with the Whitianga town centre upgrade.

Project	Status	Total project cost (actual)	Project budget to 30/6/2018	Comments or risks
Roading - major drainage control		631,626	707,325	The majority of the work programme has been completed with approximately 10% remaining to be completed before year end.
Roading - minor safety projects		434,190	660,677	On track to be completed before 30 June 2018.
Roading - unsealed road wearing course replacement		200,582	650,000	The programme is behind schedule, however all work is planned for completion by year end.
Roading - thin AC surfacing		137,959	502,500	Annual asphalt resurfacing was completed in December. The balance of the budget is allocated for the Whitianga town centre upgrade project, so timeframes for delivery are dependent on that project.
Roading - unsealed road basecourse replacement		245,696	450,000	The programme is behind schedule, however all work is planned for completion by year end.