

Chief Executive's Report for June 2018

TO	Council
FROM	Rob Williams - Chief Executive
DATE	25 July 2018
SUBJECT	Chief Executive's Report for month ended 30 June 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 non-financial reporting presented in this report represents the whole year and is all based on interim results. Both sets of data will be scrutinised further by staff and then audited before being presented as part of the Annual Report.

3 Suggested resolution(s)

That the Thames-Coromandel District Council:

1. Receives the 'Chief Executive's report for month ended 30 June 2018' dated 25 July 2018.

Thames-Coromandel District Council Financial Measures

Key Indicators - For the period ending 30 June 2018

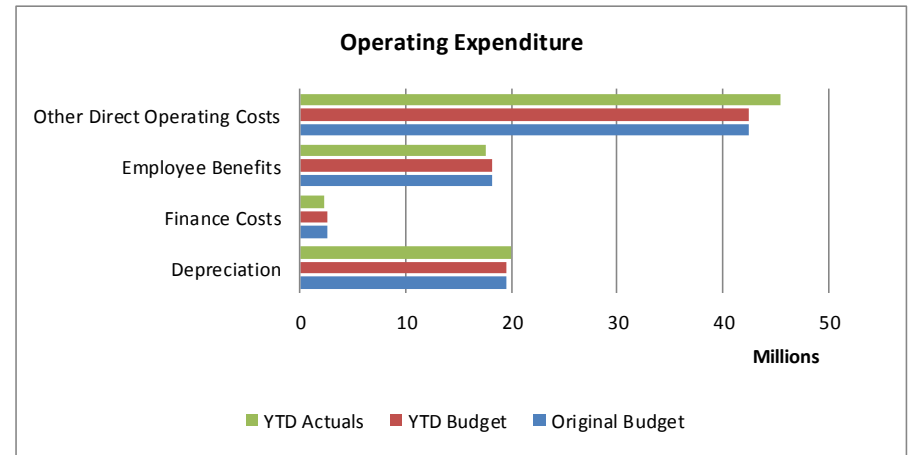
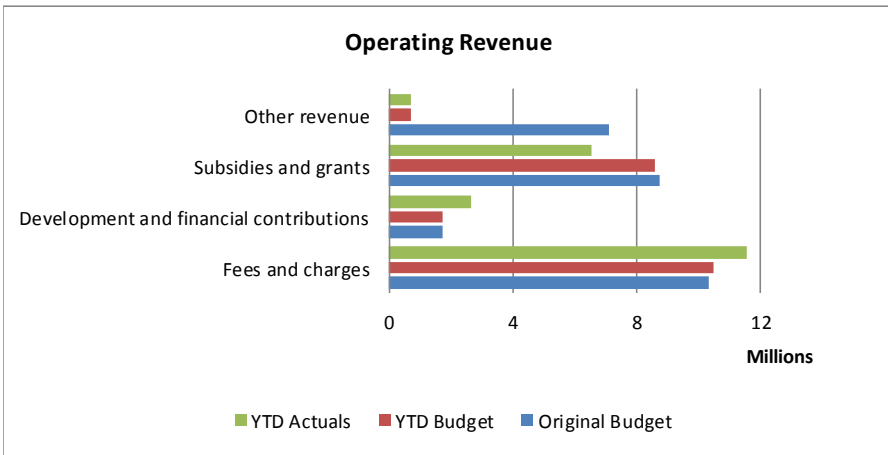
Rates Revenue <i>Received from ratepayers</i> \$64.16m Favourable YTD \$0.03m Full year budget \$64.14m Full year forecast \$64.14m	+	Other Operating Revenue <i>User charges, subsidies & grants, development contributions, finance revenue and other revenue</i> \$21.43m Unfavourable YTD (\$0.05m) Full year budget \$27.88m Full year forecast \$27.88m	-	Operating Expenditure <i>Personnel, Depreciation, Finance and Other Expenses</i> \$85.33m Unfavourable YTD (\$02.55m) Full year budget \$82.77m Full year forecast \$82.77m	=	Operating Net Surplus/(-) Deficit \$0.22m Unfavourable YTD (\$02.63m) Full year budget \$9.25m Full year forecast \$9.25m
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Personnel Costs <i>Salaries and Wages</i> \$17.62m Favourable YTD \$0.54m Full year budget \$18.15m Full year forecast \$18.15m

Depreciation and Amortisation \$19.93m Unfavourable YTD (\$0.41m) Full year budget \$19.52m Full year forecast \$19.52m
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Finance Costs <i>Interest on external debt</i> \$2.30m Favourable YTD \$0.32m Full year budget \$2.62m Full year forecast \$2.62m

Other Expenses \$45.48m Unfavourable YTD (\$3m) 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 30 June 2018

Borrowings		Cash and cash equivalents		Net borrowings <i>External debt net of cash and cash equivalents</i>		Capital expenditure	
\$45.00m		\$9.67m		\$35.33m		\$21.49m	
Full year budget	\$35.0m	Full year budget	\$1.01m	Full year budget	\$33.99m	Full year budget	\$30.18m
Full year forecast	\$35.0m	Full year forecast	\$1.01m	Full year forecast	\$33.99m	Full year forecast	\$30.18m

Capital expenditure - explanation of variances

Capital expenditure is approximately \$10.6 million under the year to date budget. Accruals of \$1.3 million missed the deadline and are not included in the actual spend.

The majority of the underspend is in the roading (\$2.7m) water (\$1.4m) wastewater (\$1.4m) and Economic Development (\$3.0m) activities. The remaining underspend is in the planning activity (IT software/hardware - \$0.4m) and Stormwater - \$0.2m).

Refer to the activity pages for further details.

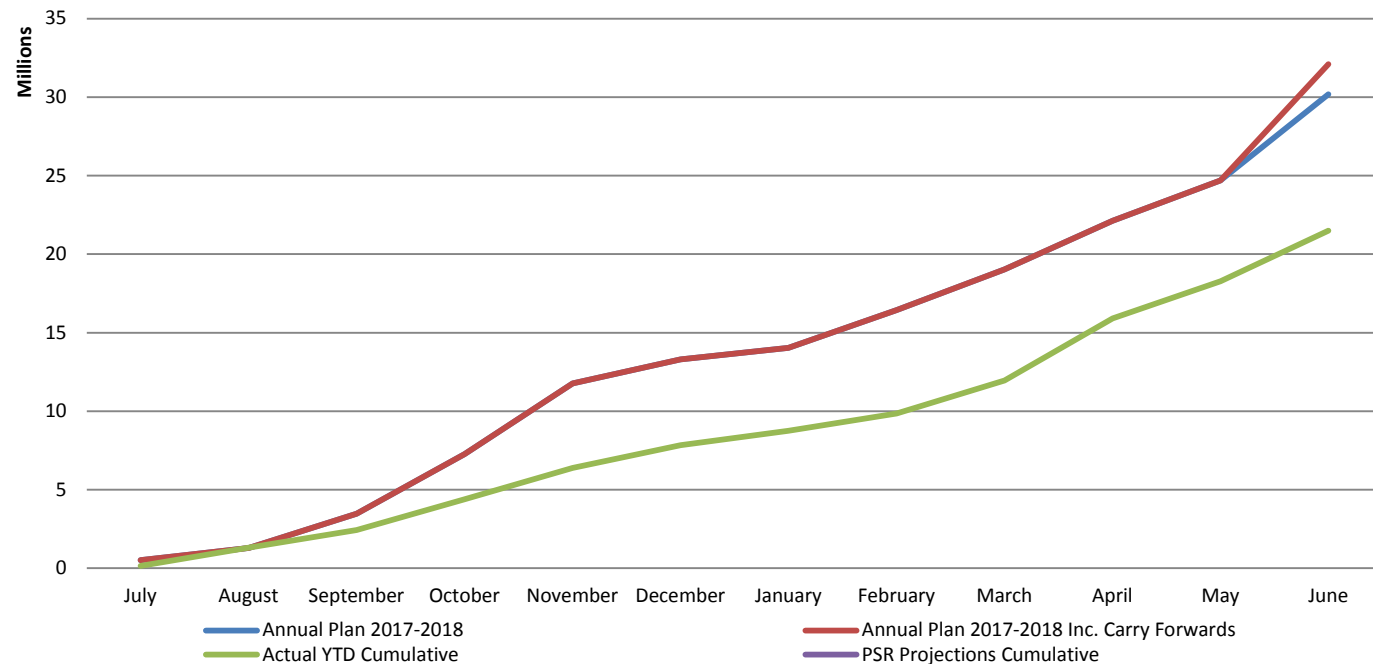
The year end balances of the following projects have been approved for carry forward into the 2018/19 financial year:

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

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

Whitianga Boat Ramps
(Community Spaces activity)

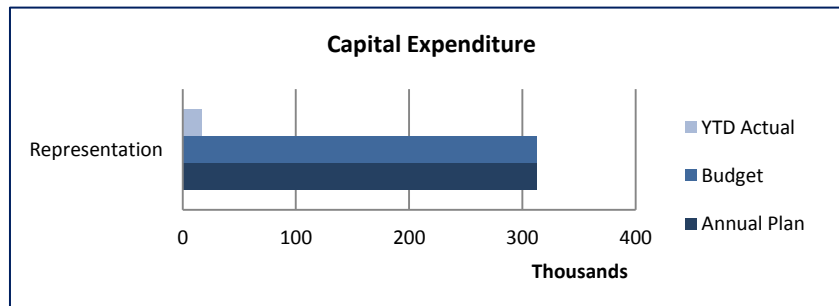
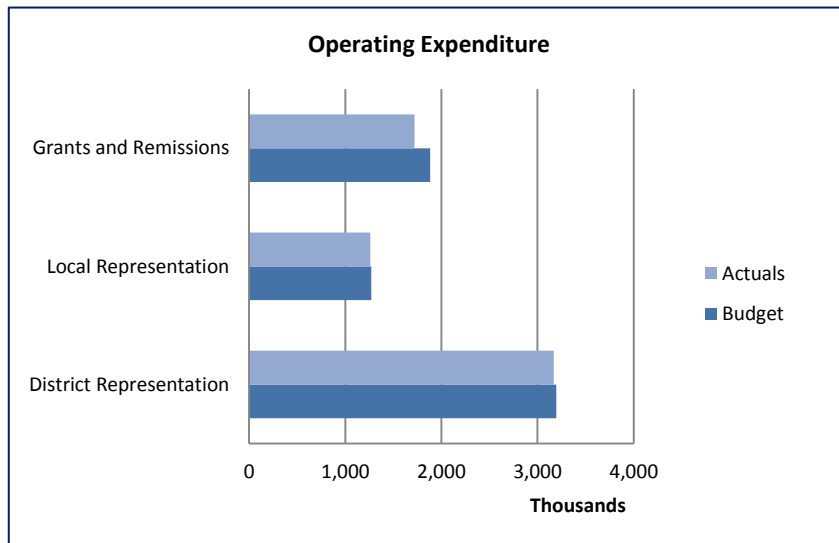
Capital expenditure budget vs projected total



Representation Financial Measures

Key Indicators - For the period ending 30 June 2018

Operating Revenue <h3>\$5.06m</h3>		-	Operating Expenditure <h3>\$6.15m</h3>		=	Net Surplus/(-) Deficit <h3>(\$1.09m)</h3>		Capital Expenditure <h3>\$0.02m</h3>	
Favourable YTD \$0.16m			Favourable YTD \$0.20m			Favourable YTD \$0.36m		Favourable YTD \$0.3m	
Full year budget	\$4.91m		Full year budget	\$6.35m		Full year budget	(\$1.44m)	Full year budget	\$0.31m
Full year forecast	\$4.91m		Full year forecast	\$6.35m		Full year forecast	(\$1.44m)	Full year forecast	\$0.31m



Expenditure
Favourable YTD made up of

- The representation expenditure is \$200,000 under budget. The variance consists of a number of insignificant movements with the largest being in social development community grants, \$32,000 under budget; community board discretionary spend, under budget by \$46,000 across all board areas; and Thames plus co-ordinator costs, under budget by \$35,000.

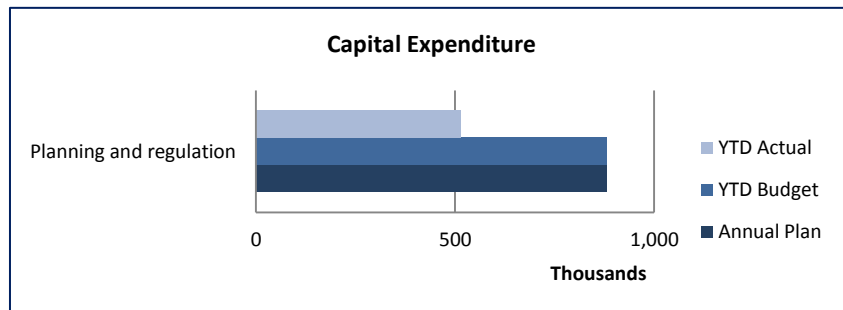
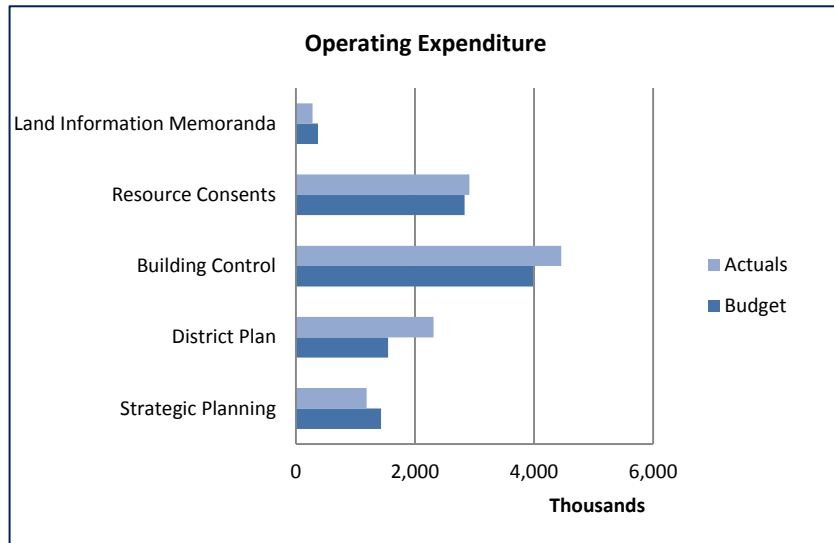
Capital Expenditure
Favourable YTD made up of

- Budgeted costs for the Thames customer renovations of \$310,000 with no costs to date. The planning and design process is underway.

Planning and Regulation Financial Measures

Key Indicators - For the period ending 30 June 2018

Operating Revenue <h3>\$9.04m</h3>		-	Operating Expenditure <h3>\$11.15m</h3>		=	Net Surplus/(-) Deficit <h3>(\$2.11m)</h3>		Capital Expenditure <h3>\$0.51m</h3>	
Favourable YTD \$0.21m			Unfavourable YTD (\$0.97m)			Unfavourable YTD (\$0.76m)		Favourable YTD \$0.37m	
Full year budget	\$8.83m		Full year budget	\$10.18m		Full year budget	(\$1.35m)	Full year budget	\$0.88m
Full year forecast	\$8.83m		Full year forecast	\$10.18m		Full year forecast	(\$1.35m)	Full year forecast	\$0.88m



Revenue

Favourable YTD made up of

- Building control consent fees received are \$205,000 more than budgeted, but at 98% of last year's.

Expenditure

Unfavourable YTD made up of

- Cost of processing building consents with external parties is \$354,000 over budget. Building control inspection and monitoring costs are over budget by \$119,000.
- District plan appeal costs are over budget by \$952,000 and salaries & wages are under budget by \$184,000. In the March budget revision, district plan costs were planned to be over budget by \$848,000.
- The remaining variance consists of a number of insignificant movements.

Capital Expenditure

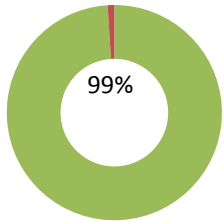
Favourable YTD made up of

- Spend on software is under budget by \$199,000. In the March budget revision expenditure was forecasted to be \$103,000 under budget. The only major project is the business solution for lodging and processing of building consents with a go live of June 2018. An invoice from the software vendor has now been received.
- Hardware spend is under budget by \$119,000. In the March budget revision the hardware budget was planned to be spent.
- The remaining variance consists of a number of insignificant movements in plant, furniture and fittings, and vehicle purchases.

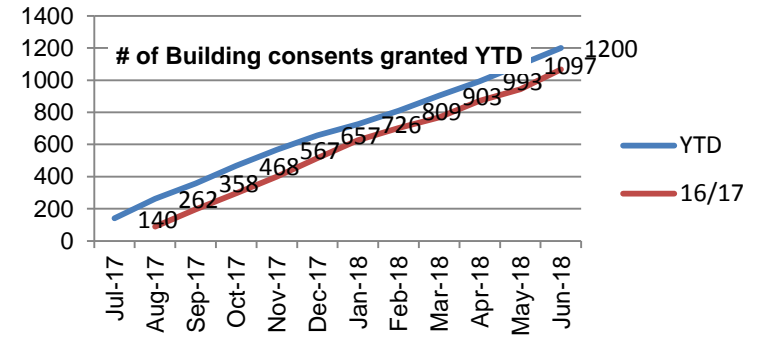
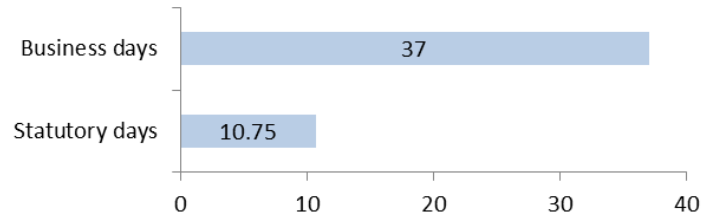
Regulatory

Performance measures 30 June 2018

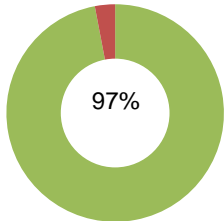
% Building consents processed within 20 working days YTD



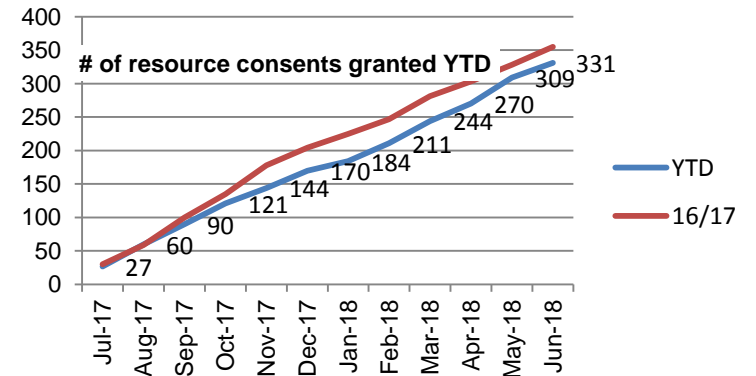
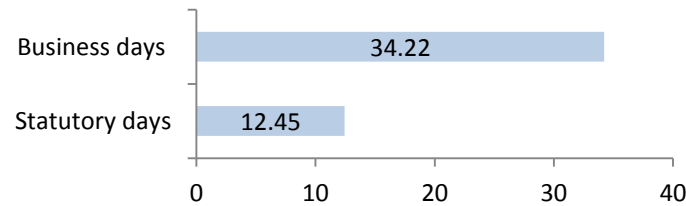
Average days to Building Consent Decision



% Resource consents processed within statutory time frames



Average days to resource consent decision



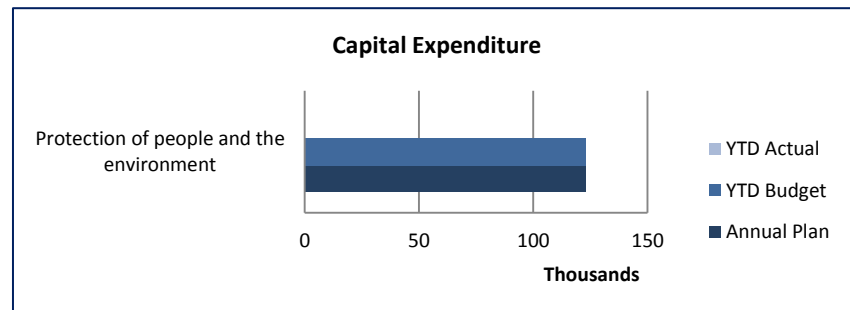
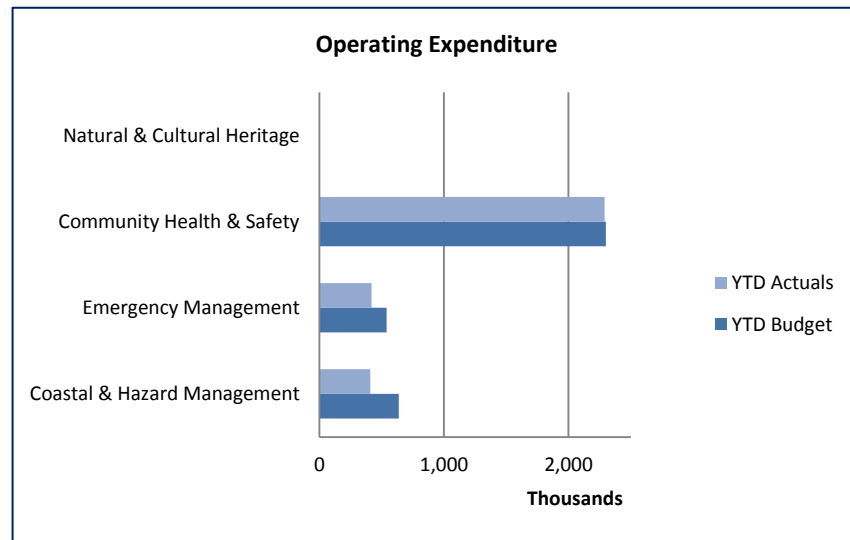
% Code of Compliance within 20 working days YTD



Protection of People and the Environment Financial Measures

Key Indicators - For the period ending 30 June 2018

Operating Revenue <h3>\$3.7m</h3>		-	Operating Expenditure <h3>\$3.12m</h3>		=	Net Surplus/(-) Deficit <h3>\$0.59m</h3>		Capital Expenditure <h3>\$0.04m</h3>	
Favourable YTD \$0.15m			Favourable YTD \$0.36m			Favourable YTD \$0.51m		Favourable YTD \$0.08m	
Full year budget	\$3.55m		Full year budget	\$3.48m		Full year budget	\$0.07m	Full year budget	\$0.12m
Full year forecast	\$3.55m		Full year forecast	\$3.48m		Full year forecast	\$0.07m	Full year forecast	\$0.12m



Revenue
Favourable YTD made up of

- Bylaws revenue and liquor licensing fees received \$108,000 more than budgeted.
- The remaining variance consists of a number of insignificant movements.

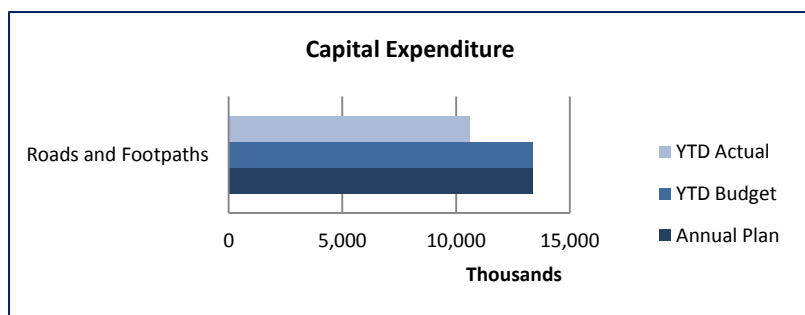
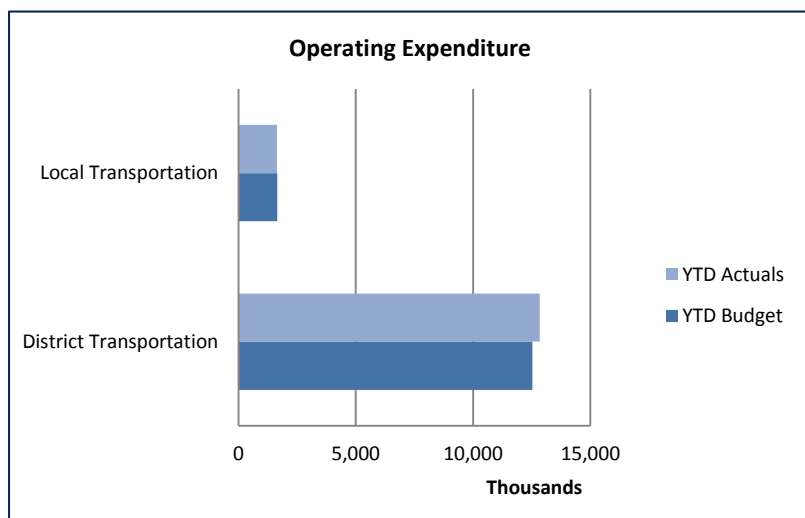
Expenditure
Favourable YTD made up of

- Mercury Bay coastal erosion costs are under budget by \$211,000. A total of \$126,000 has been spent this financial year.
- Emergency management costs are under budget by \$106,000. The Emergency Management Unit has been working with 15 communities on the Coromandel, developing Community Response Plans and establishing CD Centres in 6 of those main communities. In the March budget revision expenditure to 30 June was expected to be \$95,000 under budget.
- The remaining variance consists of a number of insignificant movements.

Roads and Footpaths Financial Measures

Key Indicators - For the period ending 30 June 2018

Operating Revenue <h1>\$15.1m</h1>		Operating Expenditure <h1>\$14.49m</h1>		Net Surplus/(-) Deficit <h1>\$0.61m</h1>		Capital Expenditure <h1>\$10.62m</h1>	
Unfavourable YTD (\$1.22m)		Unfavourable YTD (\$0.31m)		Unfavourable YTD (\$1.52m)		Favourable YTD \$2.75m	
Full year budget	\$16.31m	Full year budget	\$14.18m	Full year budget	\$2.13m	Full year budget	\$13.37m
Full year forecast	\$16.31m	Full year forecast	\$14.18m	Full year forecast	\$2.13m	Full year forecast	\$13.37m



Revenue

Unfavourable YTD made up of:

- Revenue from roading subsidy is \$1,805,000 under budget. LED street lighting, sealed road resurfacing and sealed road pavement rehab are the major projects behind budget and are discussed below under capital expenditure.
- Unbudgeted revenue was received from the Hahei park and ride, \$103,000; Department of Conservation share of Kauaeranga Valley seal extension \$260,000 offset by \$260,000 expenditure in Thames community roading; Department of Conservation share of Cathedral Cove carpark \$58,000 and a contribution towards the Thames public transport trial of \$11,800.

Expenditure

Unfavourable YTD made up of:

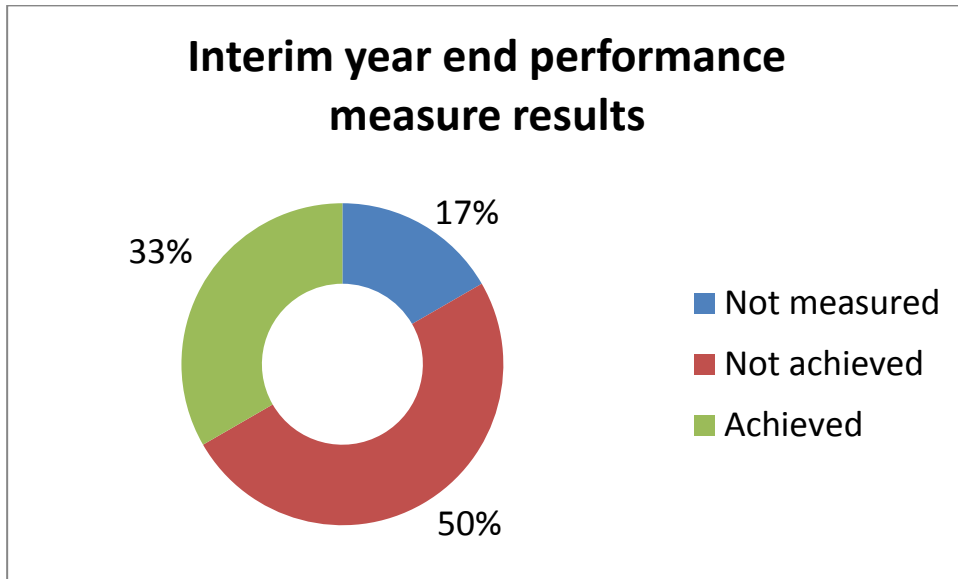
- After the roading revaluation depreciation costs are over budget by \$703,000.
- Unbudgeted expenditure for Department of Conservation share of Kauaeranga Valley road seal extension of \$260,000 offset by revenue for the same amount.
- Investigation fees and professional services procurement are over budget respectively by \$93,000 and \$115,000.
- These over spent budgets are offset by an under spend in the storm damage budget by \$603,000. There is still a substantial amount of work to be done relating to past storm events. In the March budget revision planned expenditure was to exceed the original budget by \$874,000. Therefore, there is an underspend to the March budget revision of \$1,477,000.
- Also offset by an under spend of \$130,000 in the professional service engineers (Opus) budget, 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 \$659,000. LED street lighting programme commenced in December 2017. The replacement programme was late starting due to the time required to source LED fittings from Europe and RLTP funding approval not received until November 2017.
- In pavement treatment expenditure is under budget by \$608,000 with a planned underspend in the March budget revision of \$526,000 due to a reduction in work programmed based on condition assessments. The Wentworth Valley site was also rescheduled to September 2018 due to unsuitable ground conditions and delays obtaining archaeological authority to commence work.
- Community roading footpath construction and rehab is under budget by \$515,000 due to the Whitianga town centre upgrade change in timing.
- Expenditure on the Whitianga town centre upgrade project is under budget by \$922,000. After a late start this project is progressing well and is on track.

Roads and Footpaths - non-financial performance measures



Status	Performance measure	Service performance
●	The change from previous financial year in the number of fatalities and serious injury crashes on the local road network (expressed as a number)	Target - ≤2 Results - 4 The number of Fatal and Serious crashes is higher than the previous year's result therefore this measure cannot be met.

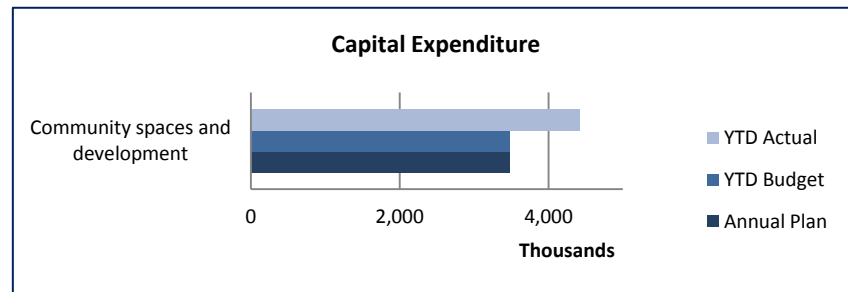
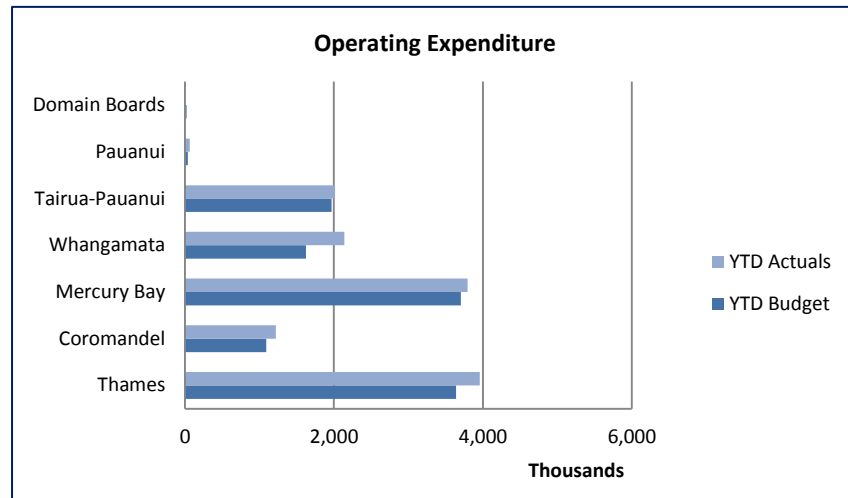
Roads and Footpaths - Projects

Project	Status	Total project cost (actual)	Project budget to 30/6/2018	Comments or risks
Thames streetlight renewals		342,631	500,250	Variance due to lower cost LED lights being used and straightforward replacements all now completed. As the original timeframe for the increased NZTA subsidy has been extended, additional light fittings in more challenging installations will continue to be renewed into the 2018/19 year.
Kauaeranga Valley Road sealing		721,215	605,000	Tender awarded late February 2018. Physical works completed in May 2018.
Coromandel streetlight renewals		31,487	71,750	Variance due to lower cost LED lights being used and straightforward replacements all now completed. As the original timeframe for the increased NZTA subsidy has been extended, additional light fittings in more challenging installations will continue to be renewed into the 2018/19 year.
Whitianga town centre upgrade		2,703,397	4,606,819	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		85,862	143,000	Variance due to lower cost LED lights being used and straightforward replacements all now completed. As the original timeframe for the increased NZTA subsidy has been extended, additional light fittings in more challenging installations will continue to be renewed into the 2018/19 year.
Whangamata streetlight renewals		200,371	282,250	Variance due to lower cost LED lights being used and straightforward replacements all now completed. As the original timeframe for the increased NZTA subsidy has been extended, additional light fittings in more challenging installations will continue to be renewed into the 2018/19 year.
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 30 June 2018

Operating Revenue <h1>\$13.69m</h1>		-	Operating Expenditure <h1>\$13.2m</h1>		=	Net Surplus/(-) Deficit <h1>\$0.5m</h1>		Capital Expenditure <h1>\$4.42m</h1>	
Favourable YTD \$0.1m			Unfavourable YTD (\$1.11m)			Unfavourable YTD (\$1.01m)		Unfavourable YTD (\$0.95m)	
Full year budget	\$13.59m		Full year budget	\$12.09m		Full year budget	\$1.51m	Full year budget	\$3.47m
Full year forecast	\$13.59m		Full year forecast	\$12.09m		Full year forecast	\$1.51m	Full year forecast	\$3.47m



Revenue

Favourable YTD made up of:

- Contribution from the Ministry of Business & Innovation for wastewater at Hot Water Beach has been invoiced at \$271,000, but was budgeted at \$130,000.
- Revenue from Hot Water Beach car park is over budget by \$78,000, and is a 33% increase on the same period last year.
- Development contribution revenue is under budget by \$217,000.
- The balance consists of a number of insignificant movements.

Expenditure

Unfavourable YTD made up of:

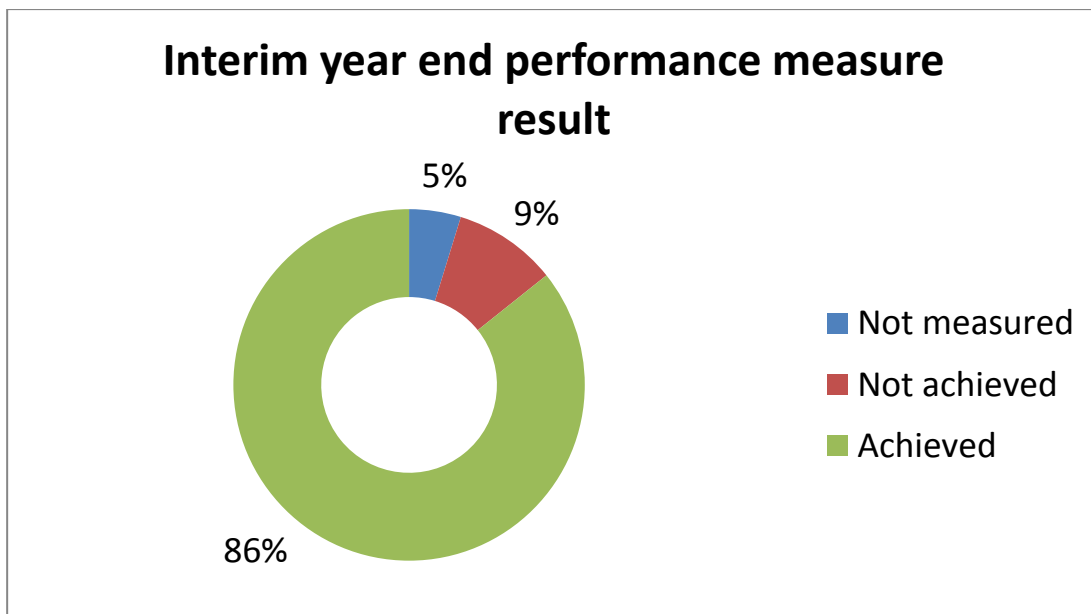
- Unbudgeted costs of storm damage in Onemana. Geotechnical remediation for Onemana drive related to the March /April 2017 events is \$439,000. Included in the March budget revision.
- Storm damage in local board areas is \$309,000 with the largest being in Thames at \$236,000.
- Contract costs for parks and reserves in Mercury Bay, Thames and Coromandel are over budget by \$167,000.
- The remaining variance consists of a number of insignificant movements.

Capital Expenditure

Unfavourable YTD made up of:





- Whitianga boat ramp costs are \$533,000 under budget. Council has deferred \$500,000 to 2018/19.
- Whangamata Williamson park redevelopment costs are under budget by \$135,000. A resource consent was lodged in June. Expenditure this financial year amounted to \$48,000.
- 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 approved carry forward of \$447,000 and additional approved out of cycle budget of \$572,000 with costs to date of \$999,000.
- Hot Water Beach toilet facility has approved carry forward of \$218,000 with costs to date of \$334,000.
- Thames public convenience new replacement is under budget by \$118,000. There will be no expenditure this year.
- Tairua Mary Beach wharf and boat ramp costs have approved carry forward of \$96,000 with costs to date of \$84,000.
- Thames parks renewals is over budget by \$98,000, principally due to storm damage activities..
- The remaining variance consists of a number of insignificant over and under spends in other local board area capital projects.

Community Spaces and Development - non-financial performance measures



Status	Performance measure	Service performance
●	Wharves are assessed in satisfactory condition (condition grades 1,2 or 3)	Results - Not Achieved Thames Wharf & Coromandel Wharf Thames and Coromandel Wharves sustained damage this year which require further work in the following financial year.
●	Percentage of actual hours community centres are used compared to total available time	Year-end target 40% - Thames - Not achieved 36% Tairua-Pauanui - Not achieved 7%
●	Percentage of cemetery interment requests responded to ≤1 day	Target ≥90% - Not Achieved Whangamata 88%

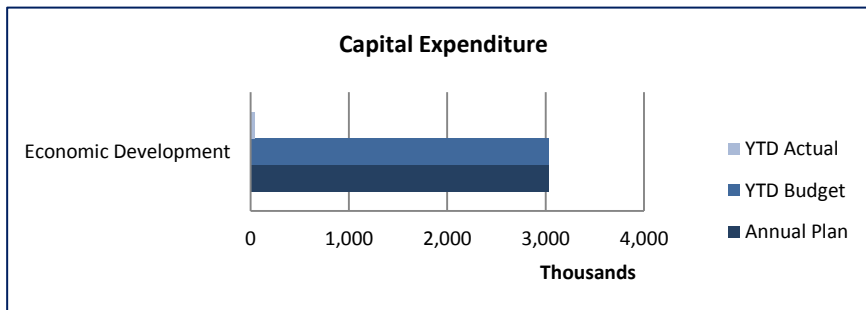
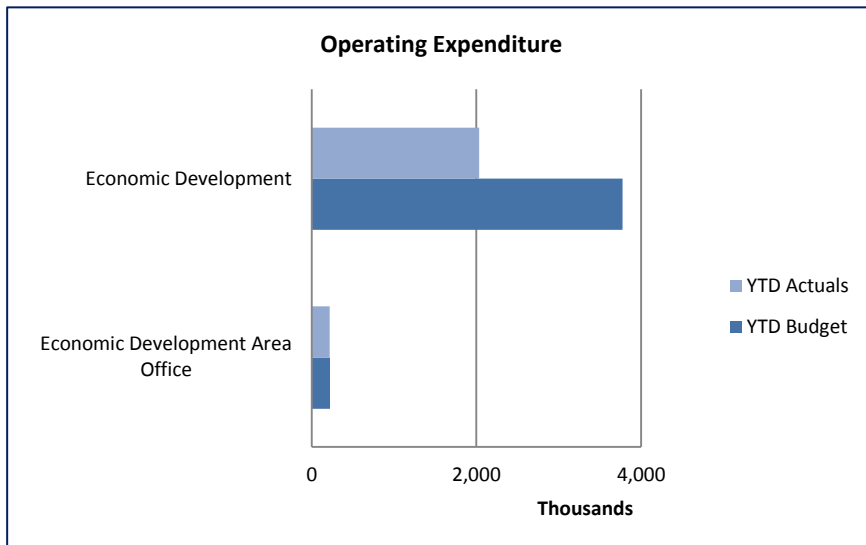
Community Spaces and Development - Projects

Project	Status	Total project cost (actual)	Project budget to 30/6/2018	Comments or risks
Coromandel Hall renewals		102,347	250,000	Building consent and resource consent applications approved. Additional work was completed on the scope of works with a requirement for additional funds identified to complete the works to an acceptable standard during the 2018/19 year.
Matarangi boat ramp		204,421	198,549	Construction complete.
Whitianga sportsground		149,302	141,746	Construction of new lighting complete.
Royal Billy Point boat ramp/pontoon		93,231	64,878	All consent applications approved. Tender review underway. Possible rescoping required to meet budget. Consultation with stakeholders underway.
Williamson Park redevelopment		48,994	183,822	The event resource consent was submitted. A letter drop to all Whangamata residents was also sent out. The Community Board has developed a policy for Williamson Park, setting out the types of events that have preference and timeframes for concerts. Shade structures have also been installed in the park.
New/replacement toilet - Grahamstown		206	118,413	New lease with building owner in preparation. Consent application to follow.

Economic Development Financial Measures

Key Indicators - For the period ending 30 June 2018

Operating Revenue <h3>\$2.34m</h3> Unfavourable YTD (\$0.61m) Full year budget \$2.96m Full year forecast \$2.96m	-	Operating Expenditure <h3>\$2.25m</h3> Favourable YTD \$1.74m Full year budget \$3.99m Full year forecast \$3.99m	=	Net Surplus/(-) Deficit <h3>\$0.09m</h3> Favourable YTD \$1.13m Full year budget (\$1.04m) Full year forecast (\$1.04m)	Capital Expenditure <h3>\$0.04m</h3> Favourable YTD \$2.99m Full year budget \$3.03m Full year forecast \$3.03m
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Revenue

Unfavourable YTD made up of:

- Grant revenue for Te Ara O Hei was budgeted at \$763,000 but no grants revenue was received (as no claim made)
- Energy Efficiency has paid \$110,000 for contribution to electric car recharging stations which was not budgeted for.

Expenditure

Favourable YTD made up of:

- Expenditure on Te Ara O Hei is under budget by \$1,522,000 due to delays on resource consenting and reaching agreement with DOC. This project is currently on hold. The remaining budget has been carried forward into the 2019/20 and 2020/21 financial years.
- Expenditure on events is under budget by \$121,000. This was signalled in the March budget revision.
- The remaining variance consists of a number of insignificant movements.

Capital Expenditure

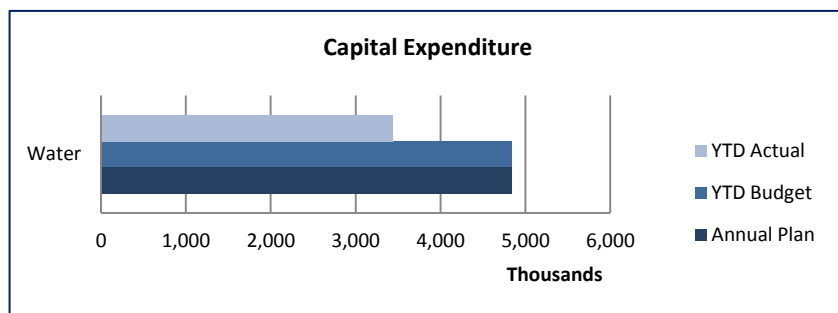
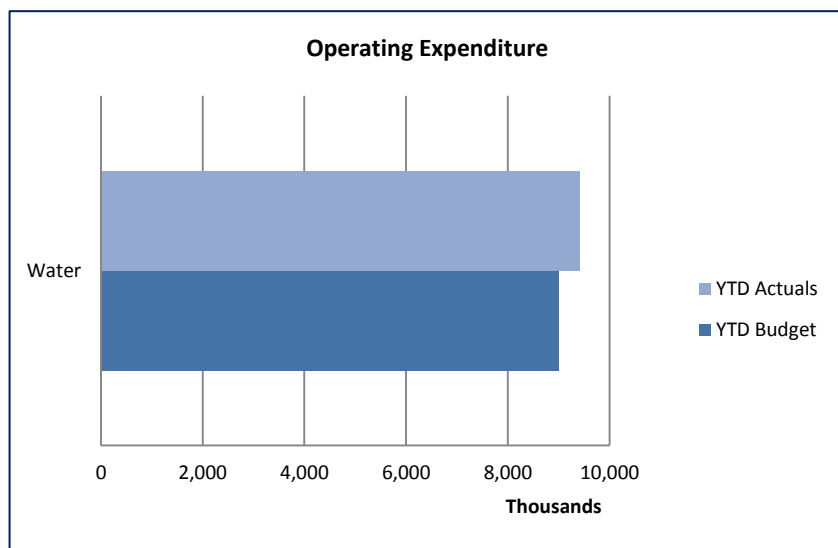
Unfavourable YTD made up of:

Lees Road car park seal development has a year to date budget of \$2,992,000 with \$39,000 spent. This project has been delayed by Council with priority first to sort out parking and other infrastructure improvements at Hahei. A resource consent application is being worked on this year and also 2018/19. This project has been moved to district roading and deferred to 2019/20 and 2020/21 financial years.

Water Financial Measures

Key Indicators - For the period ending 30 June 2018

Operating Revenue		Operating Expenditure		Net Surplus/(-) Deficit		Capital Expenditure	
\$9.45m		\$9.41m		\$0.05m		\$3.43m	
		Unfavourable		Unfavourable			
Favourable YTD		YTD		YTD		Favourable YTD	
\$0.13m		(\$0.4m)		(\$0.28m)		\$1.4m	
Full year budget	\$9.33m	Full year budget	\$9.0m	Full year budget	\$0.32m	Full year budget	\$4.83m
Full year forecast	\$9.33m	Full year forecast	\$9.0m	Full year forecast	\$0.32m	Full year forecast	\$4.83m



Revenue

Favourable YTD made up of:

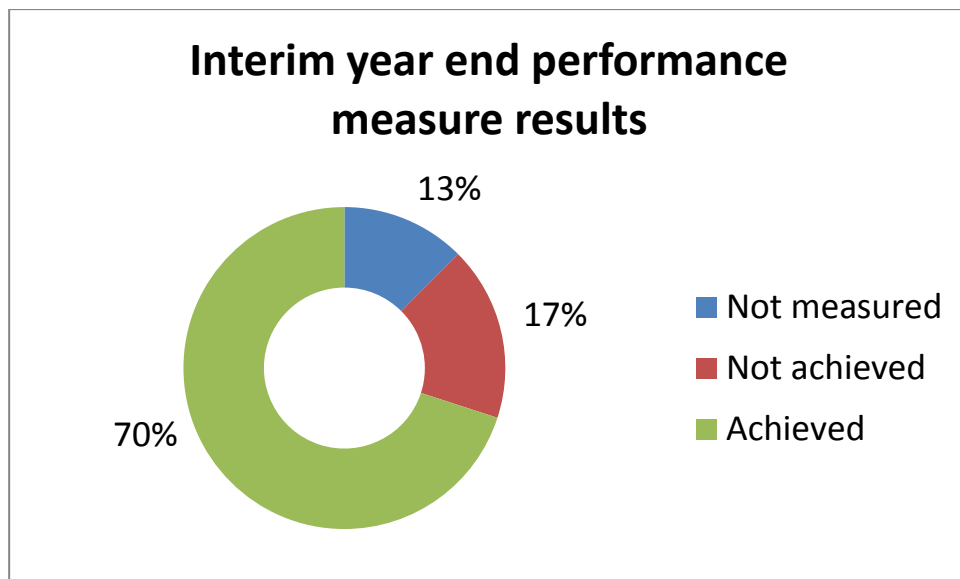
- Development contribution revenue received is \$156,000 more than budgeted.

Capital Expenditure

Favourable YTD made up of:




- Drinking water standards upgrade project is under budget by \$999,000. The contract with Mason Engineers in place for Whitianga Water Treatment Plant upgrade. To be completed by March 2019.
- Whangamata systems optimisation project is under budget by \$217,000 due to a number of delays including an unsuccessful reservoir tender process. The project to construct new pipe infrastructure that will allow improved distribution and balance of the water sources will require some funds to be carried forward. This will allow for improved hydraulics at the Herbert Drive reservoir site whilst investigations will continue on the SH25 to Port Road link.
- Water renewals is underspent by \$188,000. This budget is for the Whitianga town centre upgrade which is now accounted for in a separate budget. This project will be completed by December 2018.

Water - non-financial performance measures



Status	Performance measure	Service performance
●	Compliance with drinking water standards (bacteria, part 4 of the standards)	Target - Not Compliant. Compliance achieved for Matarangi, Tairua and Pauanui
●	Percentage of real water loss from the local authority's networked reticulation system	Target - Pauanui $\leq 13\%$, Result - Pauanui 26% Target - Coromandel $\leq 37\%$, Result - Coromandel 38% Target - Matarangi $\leq 45\%$, Result - Not available
●	Number of complaints - The total number of complaints received per 1,000 connections: Continuity of Supply	Target ≤ 5 - Not achieved 5.7 A lot of issues have been as a direct result of the Ultra-Fast Broadband installation in Thames

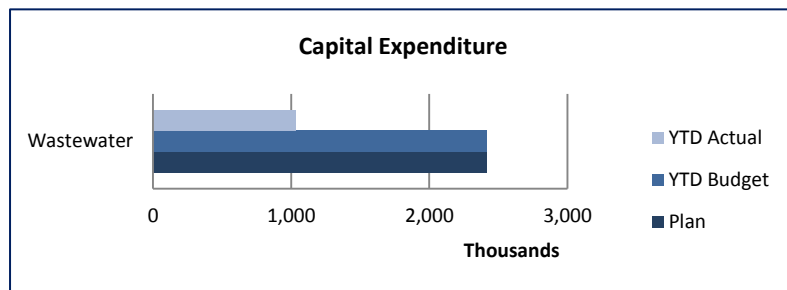
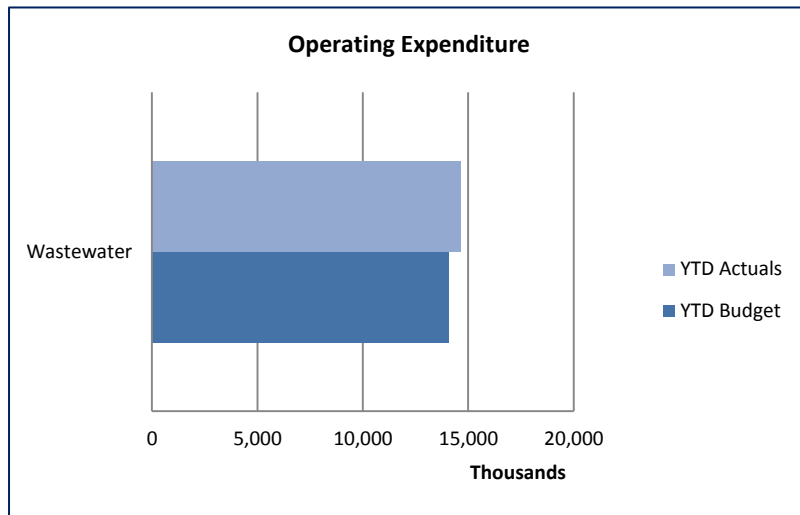
Water - Projects

Project	Status	Total project cost (actual)	Project budget to 30/6/2018	Comments or risks
Thames South Water		890,526	922,593	Pipe installation contract underway and being completed July 2018.
Whangamata system optimisation		85,266	302,500	Reservoir tender process unsuccessful. To be retendered and work to be completed by December 2018. Booster pumps procured and to be installed shortly. Ongoing investigations underway for network upgrades around the SH25/Port Road link..
Drinking Water Standards upgrades		1,502,024	2,610,993	Contractor for Whitianga WTP has been appointed. Project planning underway for other plants. Procurement of UV units for other plants complete.

Wastewater Financial Measures

Key Indicators - For the period ending 30 June 2018

Operating Revenue		Operating Expenditure		Net Surplus/(-) Deficit		Capital Expenditure	
\$16.38m		\$14.65m		\$1.73m		\$1.03m	
Favourable YTD \$0.17m		Unfavourable YTD (\$0.58m)		Unfavourable YTD (\$0.41m)		Favourable YTD \$1.38m	
Full year budget	\$16.21m	Full year budget	\$14.07m	Full year budget	\$2.14m	Full year budget	\$2.42m
Full year forecast	\$16.21m	Full year forecast	\$14.07m	Full year forecast	\$2.14m	Full year forecast	\$2.42m



Revenue

Favourable YTD made up of:

- Development contribution revenue is over budget by \$473,000 offset by an error in the budgeted rates calculation for some motel units.

Expenditure

Unfavourable YTD made up of:

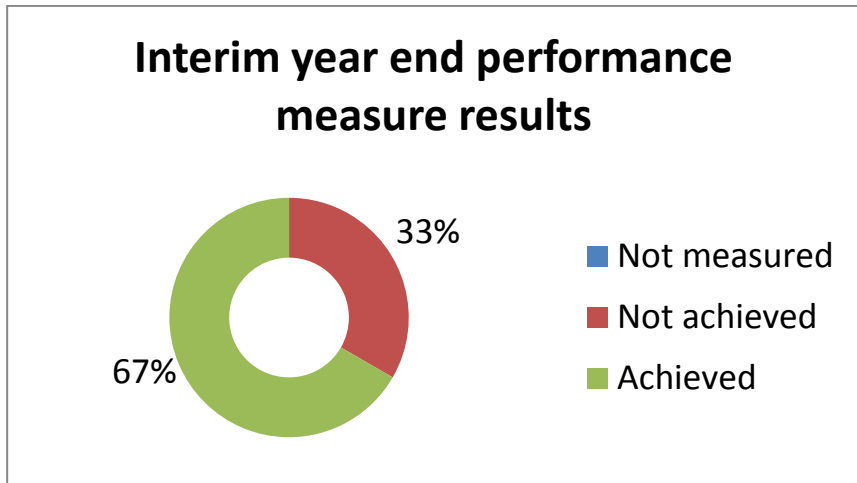
- Contract provisional costs are over budget by \$381,000. This has been reflected in the March budget revision.
- Contract regular costs are showing over budget by \$193,000. The monthly costs have both been paid as well as being accrued. This will be corrected in the final results.
- Biosolids Whitianga operations costs are under budget by \$102,000 due to the closure of the compactor.
- District SBR solids disposal costs are over budget by \$81,000.
- Energy costs are over budget by \$248,000. June energy costs have been paid as well as accrued. This will be corrected in the final results.
- Interest costs are under budget by \$105,000.
- The remaining variance consists of a number of insignificant movements.

Capital Expenditure

Favourable YTD made up of:



- Wastewater renewals have been completed and the budget expended, however a delay in accruals means that the account is showing to be under budget by \$936,000.
- In addition to the accruals delay referred to above, the Matarangi Wastewater Treatment aeration and disposal is under budget by \$313,000. This project was completed for \$120,000 less than budgeted..
- Wastewater Hahei treatment plant upgrade was completed this financial year however a delay in accruals means that the account is showing to be under budget by \$232,000. however

Wastewater - non-financial performance measures



Status	Performance measure	Service performance
●	The total number of complaints about wastewater per 1,000 connected properties	<p>Odour Complaints - Target ≤ 1, Result 1.06</p> <p>System Faults - Target ≤ 2, Result 5.9. Large increase in faults is due to third party damage (ie Ultra Fast Broadband (UFB) installation contractors being in Thames).</p> <p>Blockages - Target ≤ 2, Result 5.3. Large increase in faults is due to third party damage (ie - UFB installation contractors being in Thames).</p>
●	Median response time for a resolution from the time Council receives notification to the time that service personnel confirm resolution of the blockage or other fault	<p>Target ≤ 24 hours, Result 31hrs 36mins. Large increase in faults is due to third party damage (ie UFB installation contractors being in Thames) which has contributed to an increased workload for Council's contractors, pushing out work timeframes.</p>

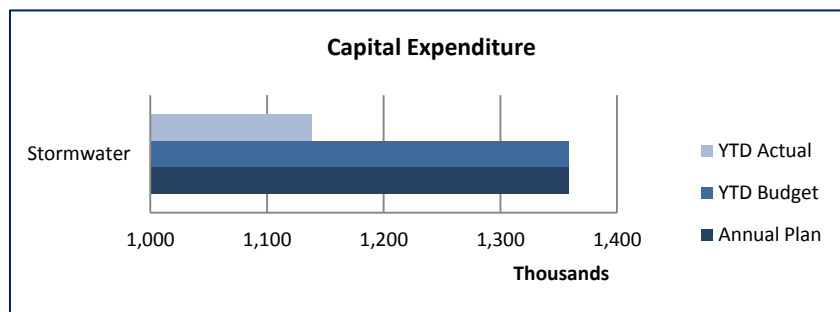
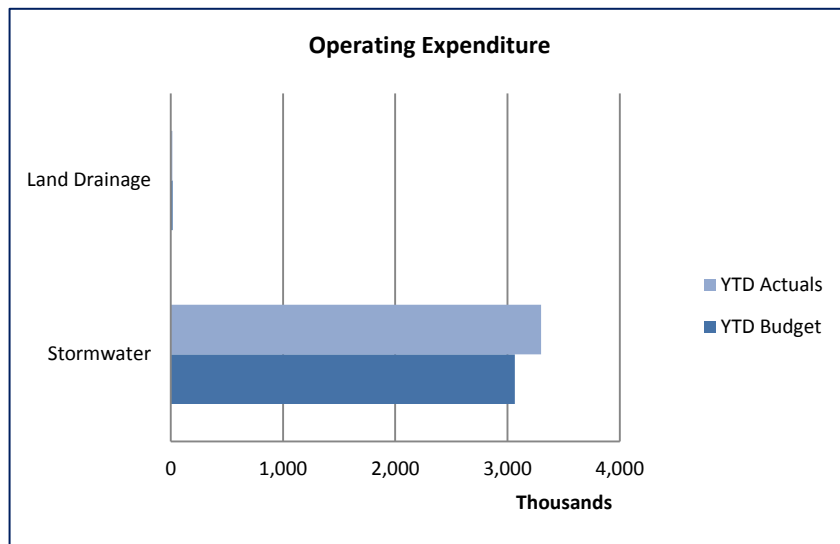
Wastewater - Projects

Project	Status	Total project cost (actual)	Project budget to 30/6/2018	Comments or risks
Matarangi treatment aeration and filters		97,044	410,160	Change in scope, with baffle curtains and aerators installed. Upgrade of the screen completed. Power upgrade with power contractor completed.
Hahei treatment plant upgrade		118,118	350,343	This project was under budget and has been completed.

Stormwater Financial Measures

Key Indicators - For the period ending 30 June 2018

Operating Revenue <h3>\$3.28m</h3>		-	Operating Expenditure <h3>\$3.31m</h3>		=	Net Surplus/(-) Deficit <h3>(\$0.03m)</h3>		Capital Expenditure <h3>\$1.14m</h3>	
Favourable YTD Full year budget Full year forecast	\$0.06m \$3.22m \$3.22m		Unfavourable YTD Full year budget Full year forecast	(\$0.23m) \$3.08m \$3.08m		Unfavourable YTD Full year budget Full year forecast	(\$0.17m) \$0.14m \$0.14m	Favourable YTD Full year budget Full year forecast	\$0.22m \$1.36m \$1.36m



Expenditure

Unfavourable YTD made up of:

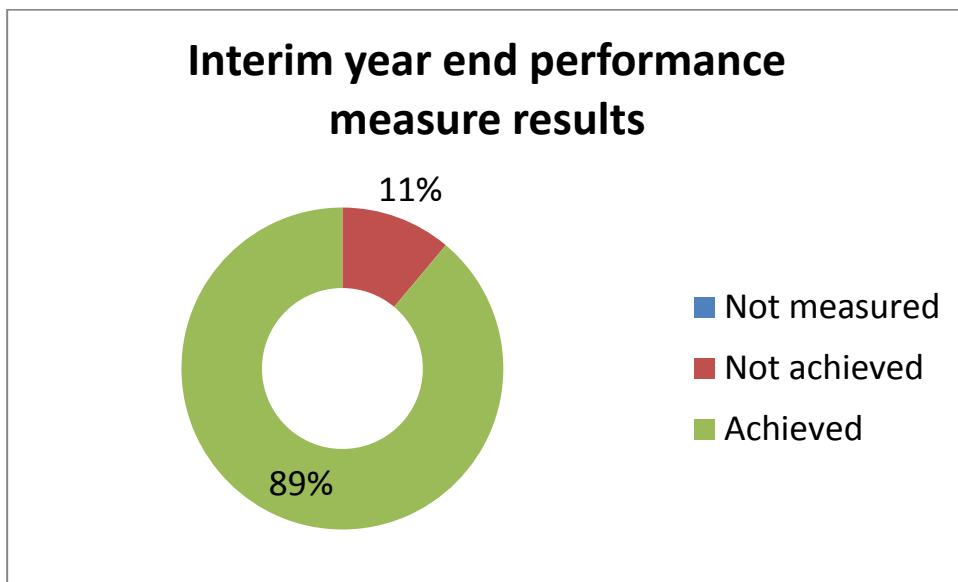
- Unbudgeted settlement costs relating to Quipco stormwater pipeline works with Whitianga Waterways on completion of stage 8 is \$135,000. Funding for these costs are in a reserve and will be applied at year end.
- The remaining variance consists of a number of insignificant movements.

Capital Expenditure

Favourable YTD made up of:

- Costs of stormwater improvements to reduce flood inundation risk for properties around Sarah Ave is \$580,000 with approved carry forward budget of \$577,000.
- District wide renewals are under budget by \$802,000. This budget was partly allocated to the Whitianga town centre upgrade of which \$345,000 was spent this financial year against the budget allowance of \$760,000. The remaining variance is due to a number of low priority jobs, including an upgraded culvert at Kopu South, some rehabilitation work in Thames, the Motuhoa upgrade in Tairua and two improvement jobs in Whitianga, not being completed due to competing resources. Work will be completed during the 2018/19 year.
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Stormwater - non-financial performance measures

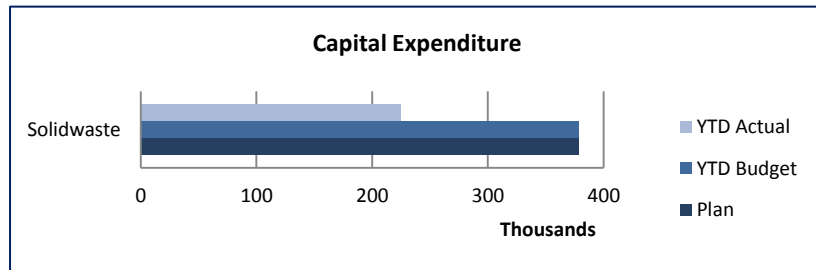
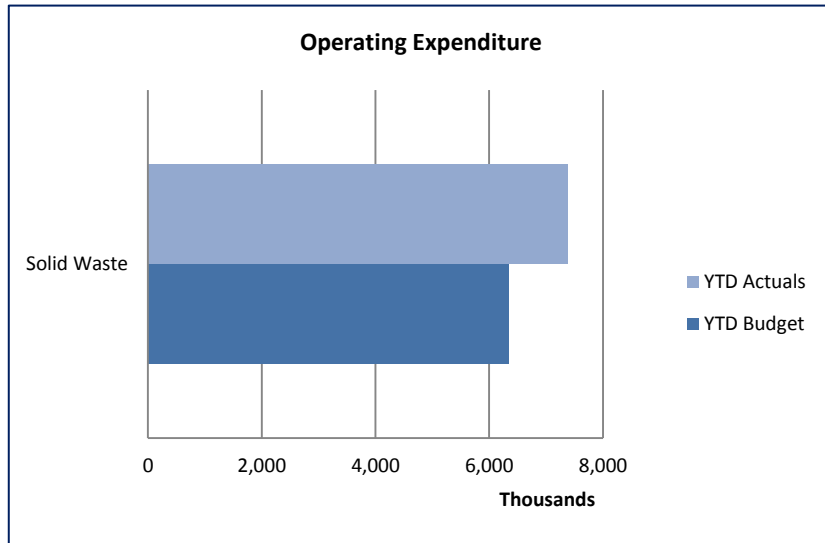


Status	Performance measure	Service performance
●	Number of flooding events	Target 0, Result 1 There are 22,944 serviced properties.

Solid waste Financial Measures

Key Indicators - For the period ending 30 June 2018

Operating Revenue <h1 style="text-align: center;">\$7.53m</h1>		-	Operating Expenditure <h1 style="text-align: center;">\$7.37m</h1>		=	Net Surplus/(-) Deficit <h1 style="text-align: center;">\$0.16m</h1>		Capital Expenditure <h1 style="text-align: center;">\$0.22m</h1>	
Favourable YTD \$0.82m			Unfavourable YTD (\$1.02m)			Unfavourable YTD (\$0.21m)		Favourable YTD \$0.15m	
Full year budget	\$6.72m		Full year budget	\$6.34m		Full year budget	\$2.85m	Full year budget	\$0.38m
Full year forecast	\$6.72m		Full year forecast	\$6.34m		Full year forecast	\$2.85m	Full year forecast	\$0.38m



Revenue

Favourable YTD made up of:

- Fees from transfer stations are over budget by \$464,000. Fee collections are 18% up on this time last year. Revenue is up in Thames, Whitianga, Tairua & Pauanui.
- Solid waste collection revenue is over budget by \$193,000. Bag sales revenue is up 2% with the same YTD period last year.
- Development contribution revenue is \$138,000 with no budget provided for this year.

Expenditure

Unfavourable YTD made up of:

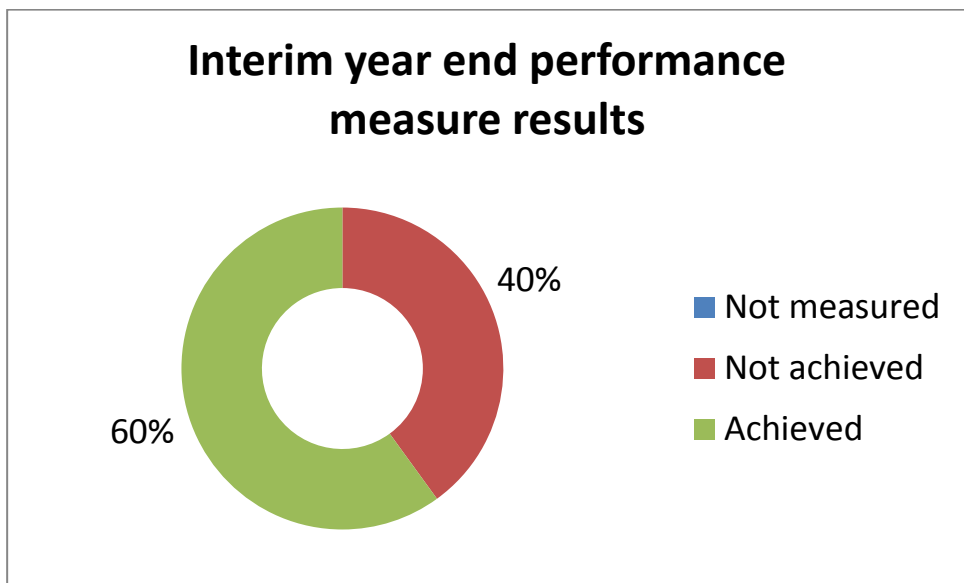
- Transfer station costs are over budget by \$877,000. Consisting of green waste disposal & transport \$219,000 over budget. This is partly due to the closure of the compactor and high transport costs taking waste to Tuakau. An alternative location is now being considered which will reduce costs when negotiations are completed. In addition, contract transport costs and disposal fees are \$404,000 over budget and RTS maintenance costs are \$191,000. RTS maintenance has increased with the ageing of equipment and involves a higher level of repairs to compactors, barriers, fencing and roads. Note revenue increase of \$464,000 partly covers this increase in costs.
- Solid waste disposal levy costs are over budget by \$106,000 for the grant given to the Seagull Centre Ltd for waste minimisation funding.
- Solid waste collection costs are over budget \$46,000, mainly in contract other. This was reflected in the March budget revision.

Capital Expenditure

Favourable YTD made up of:


- Solid waste RTS improvements are under budget by \$124,000. Delays due to resource consent issues with expenditure to now commence later in 2018.
- Whitianga transfer station is under budget by \$89,000. Resource issues have delayed this project. Master planning of the site and surrounding area, has commenced to ensure the best long term use of the land.

Solid Waste - non-financial performance measures








Status	Performance measure	Service performance
●	Missed household refuse service requests responded to by the next day (on validation)	Target $\geq 92\%$, Result 63% Disruption issues with software applications have contributed to this poor result, in addition to some challenging changes of staffing within the contractors. Additional requirements are being enforced to assist with improving performance.
●	Kilograms of Council controlled waste per rating unit being disposed of to landfill (per rating unit)	Target $\leq 474\text{kg}$ per rating unit, Result 663kg. This measure is a challenge and during the 2018/19 year, additional efforts and more education material will be required.






Solid Waste - Projects

Project	Status	Total project cost (actual)	Project budget to 30/6/2018	Comments or risks
Whitianga Transfer Station		15,945	105,089	External resource secured to work on this project to assist with resource issues. In addition to this, master planning of the site and surround areas has been commissioned. This will enable the best long term decisions to be made. This work will be completed within the 2018/19 year.

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		1,058,766	1,666,500	Work began on Colville Road in February and Port Charles Road in March after the contract was awarded mid-November 2017. Some work in Whangamata was delayed due to unsuitable weather, and ground conditions. This will be completed during the first half of the 2018/19 year.
Wastewater - district renewals		619,846	1,555,918	There has been some variance within this budget associated with the Whitianga town centre upgrade project, but the majority of the work was completed. Due to a delay in accruals submitted for June, an accurate figure for expenditure was not provided.
Stormwater - district renewals		556,552	1,358,523	This budget is reflecting a significant underspend. This can be explained through a combination of inaccurate accruals late in the year, but predominantly associated with an underachievement across a number of low priority projects. These have already been programmed and will now be completed early in the 2018/19 year.
Roading - maintenance chip seals		1,034,821	1,026,000	The chip sealing programme was completed in December 2017.
Water - district renewals		760,197	947,747	Overall good achievement of programme within this budget. The full allocation associated with the Whitianga town centre upgrade project was not required due to the timing of the main project, and will be completed during December 2018.

Project	Status	Total project cost (actual)	Project budget to 30/6/2018	Comments or risks
Roading - major drainage control		871,307	707,325	Additional works identified as a result of storm damage were required to be completed late in the year, pushing the expenditure over the budget.
Roading - minor safety projects		847,952	660,677	Adams Road, Thornton Bay, Waikawau Beach and Waitete Bay (\$50,000) were crucial improvement works identified late in the financial year.
Roading - unsealed road wearing course replacement		668,250	650,000	Works completed.
Roading - thin AC surfacing		193,755	502,500	Annual asphalt resurfacing was completed in December 2017, with a component of the Whitianga main street surfacing completed in June 2018. The unspent budget is required for completion of the Whitianga main street project so timeframes for delivery are dependent on that project within the 2018/19 year.
Roading - unsealed road basecourse replacement		432,725	450,000	Work programme completed with minor budget underspend.