

Subject: Chief Executive's Activity Report: September 2015

Prepared by: Judy Campbell (Chief Executive)

Meeting Date: 8 October 2015

Report to COUNCIL for noting

SUMMARY

Attached is my report for the month of September.

RECOMMENDATION

That the Council

- 1. receives the report.**



Judy Campbell
Chief Executive

Keywords: BTP, Council buildings, major projects, pool, library, walking and cycling, cenotaph, wmt, navigations, Gigatown, waste water

1. GENERAL MANAGEMENT

(covers business compliance; management structure; service delivery; shared services; strategic partnerships; statutory processes and resourcing)

The following general management, project and partnership issues arose or were dealt with this past month:

Zone Two Meeting

Council and the Mayor hosted 50 members of Zone 2, that is, Mayors, Councillors and senior staff of local authorities in the central North Island.

The feedback on the meeting was very positive – as were comments on the state of the city and the plans for future development.

Tairāwhiti Roads

The joining together of Council and government efforts to manage our roads has many benefits, including policy alignment and shared knowledge and skills. There is also a financial benefit.

The key financial impact of financial savings for Tairāwhiti Roads was the point at which we let joint principle Network Outcome Contracts (NOC). Now that both the Northern and the Western NOC have been let the size of the savings is clear.

Tairāwhiti Roads	Previous Rooding Contracts	Current NOC Rooding Contracts
	Five years	Five years
GDC	\$81,736,000	\$77,106,836
NZTA	\$56,872,916	\$44,764,409
Total	\$38,608,916	\$21,871,245
GDC Contract Savings		\$4,629,164
NZTA Contract Savings		\$12,108,507
Total Contract Savings		\$16,737,671

A point to note is that levels of service in these contracts have remained the same or improved.

The difference in savings is likely to be for two primary reasons:

- Council has more roads than NZTA – and in more difficult territory. We have emphasised this because we don't want cost savings to come at the expense of quality and levels of service provided.
- Secondly Council pushed price as an issue last time the contracts were let – and in effect have therefore had the cost savings for the past five years – whereas NZTA are perhaps seeing them for the first time by using a consistent NOC tender process across the country.

Now that we have this information we will be coming back to Council with the request to apply the Council savings to Council transport programmes. We will also be lobbying government for them to do the same with the sizeable savings they have made. A key point to be made is that where regions have been innovative as we have, it is a disincentive to action if the savings from innovation are then applied elsewhere.

There has been a high level of community concern about the loss of the roadmen in the western contract. For clarity there is no intention to lower levels of service in this process. Downers believe they can service the roads in a different but more cost effective manner. Roadmen are not part of the contracts in the Northern contract and are no longer common around New Zealand. The specific cost of roadmen is \$600,000 annually.

We are finalising reporting between Tairāwhiti Roads and Council and will have new report formats for the Infrastructure Committee for the next round.

2. MAJOR PROJECTS

CYCLE and WALKWAYS

Oneroa

The one remaining installation item is the bike racks. The electric BBQs are on. The Grey Street rain-garden is waiting for a construction quote for a timber barrier which will give us three options. A carpark will need to be removed for health and safety reasons.

Wainui Cycleway – Stage Two

The project is currently undertaking site investigation work to progress design.

TAIRAWHITI NAVIGATIONS

The Navigations Programme sought and received approval from the Future Tairāwhiti meeting to approach Eastland Community Trust (ECT) around varying the milestones for the Navigations funding contract given the impossibility of building the training wall walkway. The programme will take this variation to ECT in October. A workshop will be held in October with key stakeholders to progress the approach for the Historical Interpretations component of the programme. Three stakeholder meetings have now been run for the Inner Harbour project which is progressing well. The Titirangi Project is focussed on ensuring ongoing health of the plants already planted and ones to be planted next season, as well as best approaches for ongoing maintenance. A final report on this stage of the project is expected to be given at the November Council meeting.

MANAGED AQUIFER RECHARGE (MAR) PILOT

A public information evening was held with over 40 people attending and others watching online. The evening highlighted some areas where we need to provide more information to the public during the consultation process. A Stakeholder Advisory Group has been set up and met on 30 September.

REBUILD PROGRAMME

An almost complete concept for the new building has been presented to staff and Councillors. The concept for the new build is open to being modified/adjusted to take account of staff feedback considerations. Final sign off on the concept plans is for Council as a whole. Planning for the temporary office is well progressed with tender documents distributed for the Emerald Hotel renovation. The appropriate programme governance structure is being worked on depending on the ownership structure. The Lawson Field Theatre design is being progressed subject to bringing some funding forward from the 2016/17 year into the current 2015/16 year. The success of the project timing and budget hinges on the Council sign-off on all relevant resolutions on November 19th. Any delay in this approval will mean increased costs.

LIBRARY EXTENSION

Donations have been confirmed from the J N Williams Memorial Trust of \$1m and \$860,000 from the Eastland Community Trust. Chow: Hill and Derek Lardelli gave an informal presentation to Councillors and representatives of the Williams Family in September with feedback given to the Architects for them to work on. The project is on track to take the concepts to the November Council meeting for approval.

WETLANDS

The plants at the Bank Street Wastewater Treatment Plant are going through an extremely important growing phase. Plants, both new and old, have adapted well to Gisborne's municipal wastewater, and Trial Leader Jacqui Horswell (ESR/CIBR) is very happy with their progress. This trial will be transported to the Institute of Environmental Science and Research (ESR) in Porirua this November to undergo further analysis. Clear processes and cultural protocols regarding the transportation of the plants and associated biosolids are currently being arranged.

WTAG members are now competent at operating the new biosolids collection system. System designer Dr Jason Park from the National Institute of Water and Atmospheric Research (NIWA) is satisfied with the results he is receiving from the WTAG.

Tests and experiments conducted by NIWA to determine/rationalise the most effective sequencing for the wetland(s) treatment process are ongoing.

WASTEWATER

The recent large rain event has assisted in identification of some issues which will assist in the development of the strategy. There will be a presentation of the Stormwater Model for Kaiti to the Infrastructure Committee in November.

WAIPAEO FLOOD CONTROL SCHEME

A kick-off workshop to be run mid-October.

3. REGIONAL ACTIVITIES

(A sample of some of the activities undertaken in the wider district)

Te Karaka Township Plan Implementation

Final design and contract documentation will be completed by 16 October. There was a commitment to have one last community meeting (still to be confirmed) prior to advertising the tender documents in November. The 74 LED streetlights have been ordered and the replacements phase is programmed for November.

Whatatutu Township upgrade will commence in October, the value of the work is \$35k, with the water supply upgrade partially funded by the Ministry of Health (\$390k) and valued at \$550k.

Tokomaru Bay Township Plan

A community meeting was held at Tokomaru Bay on Tuesday 15 September 2015 and was attended by over 30 people. At this meeting Council staff let the community know that implementation of the Tokomaru Bay Township Plan would be commencing in the 2016/2017 financial year. \$500k has been allocated from the Ten Year Plan for this implementation. Community workshops, including one for school aged children will be held later this year to look at those things that the community wants to see improved in their township. The meeting attendees indicated that they are excited about this occurring in the Bay and look forward to the upcoming workshops.

4. COMMUNICATION and SUPPORT to COUNCIL

(covers agendas, reports and minutes; the relationship with Mayor and Council; quality and timeliness of advice; current issues; communications internal and external; active role with business.

Annual Report

The Annual Report is on the agenda for adoption. It clearly shows that Council has completed a successful year and has made significant progress on its plans while restraining rates increases.

5. LONG-TERM PLANNING

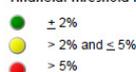
(covers support for Ten Year Plan work, statutory consultation; all other planning i.e. annual, assets activity, strategic, community, RMA)

A possible move of building ownership to GHF would require a Long Term Plan change. We are working through the steps required with the auditors.

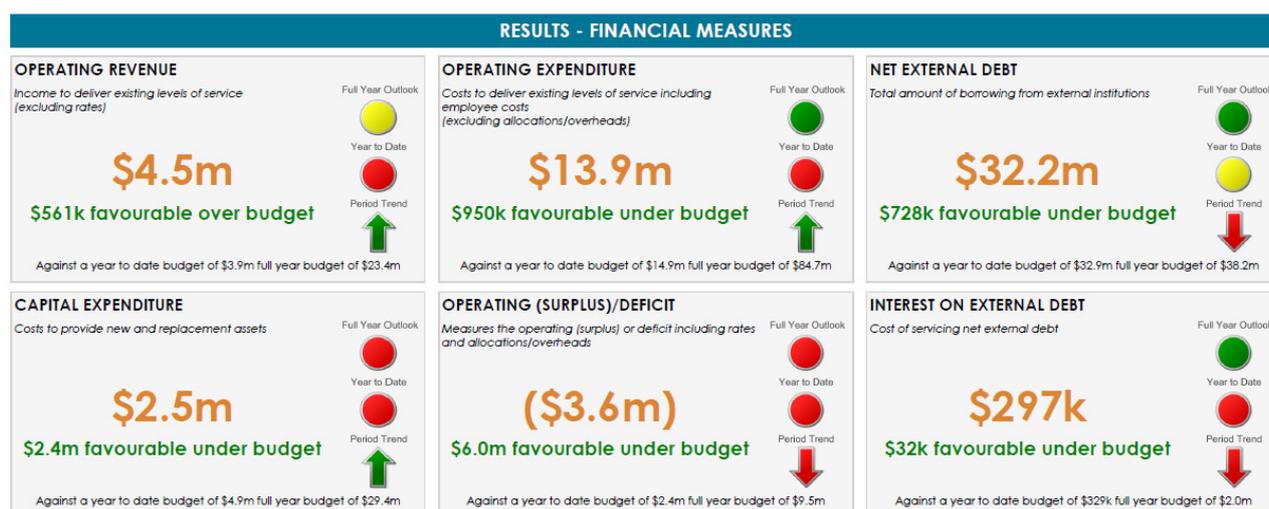
6. FINANCIAL REPORTING



Financial Threshold Key



Council View **KEY INDICATORS**
As at the month ending August financial year 2015/2016



Key Points from Financial Summary to 31 August 2015

The financial summary presents Council's first two months of the financial year, and covers key financial indicators of operational revenue and expenditure and capital.

Operating revenue (excluding rates) is \$561k favourable primarily relating to annual dog registrations which are due in July and finance revenue management relating to penalties on outstanding 30 June 2015 debt.

Operating expenditure is \$950k favourable. This primarily relates to an under-spend in operating expenses and contractor costs in Roothing, Reserves and Water supply.

The operating surplus is \$3.6m favourable which is mainly the result of first quarter rates instalment being recorded in July and the results noted above.

Capital expenditure is \$2.4m favourable. This mostly relates to an under-spend in capital projects in roothing, navigations and the library extension.

Finance is currently working with activity managers to rectify phasing issues within their budgets. A significant proportion of the variances noted above are expected to come back into line by September.

7. CIVIL DEFENCE

(covers role as Chair of the Coordinating Executive Group)

The recent flood event was a one in ten year flood in the city, the heavy rainfall was exacerbated by equinoxial tides and the impact of the log jam on the bridge.

A number of houses, yards and garages were inundated and then left with 5cm of heavy silt. Private arrangements such as insurance will be called upon for most of the damage but Louise Bennett co-ordinated a volunteer response to clean up backyards and help out the elderly and infirm. Louise has had a trial by fire as our new Civil Defence Manager with a snow event followed by a tsunami warning, flood and earthquake all in the same week. She has done very well and the community has expressed its thanks for her support and leadership particularly in the recovery phase.

8. COUNCIL CONTROLLED ORGANISATIONS

(covers advice on governance, remuneration, statements of intent and performance)

Proposed governance working papers are on the agenda.

9. EASTLAND COMMUNITY TRUST

(covers advice on governance, remuneration, statements of intent and performance)

We are seeking a meeting to ask to vary the funding contract for the Navigations Project as per the report to Future Tairāwhiti.

10. PERSONNEL MANAGEMENT

(covers the employer obligations; staff structure; efficiency and effectiveness considerations; leadership and motivation)

There is a significant change in staffing in our HR team as the HR Director has resigned to take up a new business opportunity and will move to part-time for a period of time. The Health and Safety Co-ordinator is moving back into enforcement, and the temporary HR Advisor has resigned to travel overseas. The positions are being advertised currently and a temporary Senior HR Contractor Kimberley MacKay will provide leadership in this space until appointments are made and take up their roles.

The Chief Engineer's role will be advertised shortly.