

**17. CITY STREETS UNIT –  
THREE MONTH MONITORING REPORT**

RR 8724

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| Corporate Plan Output: City Streets Budget pages 9.5.0 |                                |

The purpose of this report is to present the three month (July to September) monitoring report to the Council and to gain approval for changes to the budget.

**INTRODUCTION**

The detailed information in this report is presented in three parts:

1. General Overview
2. Operational Budget
3. Capital Budget

Financial information is provided, both from the monthly cost reports listing gross, revenue and net information on an output basis (Attachment A), and also in summary form for the projected end of year position (Attachment C).

Service delivery information is summarised by output, with exceptions, financial variations (exceeding 10%), and end of year projections reported (Attachment B).

**GENERAL OVERVIEW**

Overall the unit's financial position is sound with a projected under expenditure of \$483,970 (1.4%) in the operational budget and \$480,437 (1.7%) in the capital budget.

The reasons for these projected under expenditures are due to low contract prices for physical works being obtained at present, and due to the improved budget control and monitoring systems put in place within the Unit last year.

Changes to both the operational budget and capital budget are recommended and all of these changes can be catered for within the overall budget provision. The operational changes are not included in the projections while the capital changes have been included in the projections.

**OPERATIONAL BUDGET**

**Roading System Maintenance**

Overall it is projected that the maintenance budget will be \$483,970 (3.4%) below budget at the end of the year. This is due to low contract prices in carriageway and footpath resealing and resurfacing work, and the electricity price decrease for street lighting. These activities account for \$391,301 of the saving. The other main contributor is low contract prices for the street marking and signs contract (\$63,760).

It is proposed to recommend that the carriageway resurfacing length be increased to match the budget provision and to offset the reduced length achieved last year. The target length last year was 94 km and due to the need to manage the work within budget a reduced length of 78.8 km was achieved. At the current contract rates up to an extra 10km, depending on whether chip sealing or thin hotmix surfacing is carried out, can be achieved within the budget provision.

It is also proposed to recommend that an extra 5 km (\$85,000) of footpath resurfacing be completed to bring the total length of footpath resurfacing to the 120km recommended by the Asset Management Plan. Currently only 115km is programmed. This will mean the projected expenditure on this category will reduce to \$65,000 below budget.

By carrying out these extra works the total roading system maintenance projected end of year net expenditure will be \$274,245 (2%) below budget. This is considered reasonable for this time of the year as it is possible unforeseen additional expenditure could still occur.

### **Other Operational Outputs**

As noted in Attachment B page 1 it is projected that there will be an increase in rental income on roading property of \$30,000 over the budgeted amount.

Also noted is a decrease of \$30,000 in expected recovery from the Environmental Services Unit. The City Streets Unit provides a 'consultancy' service to the Environmental Services Unit to assist its Traffic Engineers in processing resource consents and the actual amount of work is below that estimated.

There are no other exceptions or variations to report.

### **CAPITAL BUDGET**

As noted above the projected end of year result is \$483,970 (1.4%) below budget, including the changes detailed below for approval. Attachment B page 3 details how this is made up across the various output classes.

Generally the programmed projects are below budget. The only area with significant over expenditure is in the cost share area associated with subdivisions in the New Construction/New Kerb and Channel category. The work here very much depends on when subdivisions are carried out and the extent of the work required. The Council benefits greatly from these works as improvements are made to the street assets with, generally half, the cost paid by the subdivider. At the present time this over expenditure can be balanced by under expenditure in other parts of the capital works budget.

There are two reasons for the programmed projects being below budget. The first is the improved processes the City Streets Unit has put in place in developing scheme plans to ensure project budgets are not exceeded. The second is the competitive contract rates being obtained at the present time.

The projected result includes changes for which approvals are sought. These relate to the kerb and channel renewal area and are detailed below.

Esplanade (Menzies to Head) – the 1998 Annual Plan listed Esplanade (Stoke to Menzies) at \$450,836. This section of the Esplanade has now been completed at a cost of \$227,863. Esplanade (Menzies to Head) does not appear in the 5 year programme and it is the only remaining part of the Esplanade to be completed. From this we assume that the current year's Annual Plan was intended to be for the Menzies Street to Head Street section as well. The cost of the Menzies to Head section is estimated to be \$140,220, which when added to the \$227,863 already complete is still below the \$450,836 budgeted. Approval is sought to complete the Menzies to Head section this year.

Estuary Road (Beatty to Bridge) – Beatty Street is a short street off Estuary Road and its kerb and channel renewal does not appear in the 5 year programme. It was intended that Beatty Street kerb and channel be replaced as part of the Estuary Road project, although the 1998 Annual Plan did not include it. By including Beatty Street the cost of Estuary Road will increase from \$296,313 to \$365,300. This can be catered for by balancing with decreases on other projects. Approval is sought to include Beatty Street in the Estuary Road project.

Hasting Street East (Waltham Road – Vienna Street) and Vienna Street (Buffon – Hastings Street) – both of the streets are listed in the 1998 Annual Plan for kerb and channel replacement on one side only. This is not desirable and it is much better to do both sides at the same time. It is proposed to do both sides of Hastings Street East (Waltham – Vienna) this year and leave all of Vienna Street for when the rest of Hastings Street is done. This is currently programmed for 2003/04. This will be brought forward if Asset Management Plan lengths are approved in next year's budget. Approval is sought for replacing the kerb and channel on both sides of Hastings Street (Waltham – Vienna) and leaving all of Vienna Street to be done with the rest of Hastings Street.

Wilmer Street – the narrow part of Wilmer Street is programmed for this year. The widened part has already got kerb and flat channel. On the north side the kerb and channel is on the one alignment and can be completed without any problem. On the south side it narrows and it is not desirable to replace the kerb and channel on this narrowed alignment. In order to widen the south side property would have to be purchased from Telecom. At the present time the property is used for parking, by Telecom employees, and the road has a ‘no parking’ restriction. Essentially by widening the road the parking would shift from the Telecom land to the road. This would not really benefit the Council in any way. Telecom is not interested in selling the property. Approval is sought to complete the north side only and leave the south side until another time when the property owner is more willing to sell.

- Recommendation:**
1. That the report be received and the monitoring information noted.
  2. That the carriageway resurfacing target length be increased to match the budget provision and to offset the reduced length last year. The additional length will be reported in the next monitoring report.
  3. That the footpath resurfacing length be increased by 5 km at a cost of \$85,000.
  4. That kerb and channel renewal be completed in Esplanade (Menzies to Head) within the current budget provision.
  5. That kerb and channel renewal be completed in Beatty Street as part of the Estuary Road project and within the current overall kerb and channel renewal budget provision.
  6. That kerb and channel renewal be completed on both sides of Hastings Street between Waltham Road and Vienna Street and that Vienna Street kerb and channel renewal be reprogrammed with the remaining section of Hastings Street East.
  7. That kerb and channel renewal be completed on the north side of Wilmer Street only this financial year and the south side be reprogrammed when the property is able to be purchased.

8. That the budget be adjusted to provide for additional expenditure of \$330,000 in the Subdivisions item of the New Construction/New Kerb and Channel/New Paths category and this be balanced against under expenditure in other parts of the City Streets capital budget.
9. That a review be undertaken of the policy of timber battening of grass verges on footpaths.