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| Officer responsible City Streets Manager | Author Ken Stevenson |
| Corporate Plan Output: City Streets Unit Corporate Budget | |

The purpose of this report is to present the nine-month (July to March) monitoring report to the Committee 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).

Expected carry forwards are listed in Attachment D.

Also included are graphs showing Budget, Actual and Projected expenditure for various key outputs.

GENERAL OVERVIEW

The Units financial position remains sound with a projected under expenditure of \$321,842 (0.9%) in the Operational budget and \$477,315 (1.8%) in the Capital budget.

The main 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 now in place. Also, depreciation is running \$220,000 under budget.

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 recommended changes are included in the projections.

It is noted that these projections are calculated with the best information available at the time and are generally on the conservative side to ensure no over expenditure. The projections allow for unforeseen expenditure during the remainder of the year. The actual end of year result may be within the range of 0% to 2% under budget, ie \$0 to \$700,000 for the Operational budget.

OPERATIONAL BUDGET

Roading System Maintenance

Key points are:

- Projected under expenditure of \$207,718 (1.5%).
- See Attachment B page 2 for details.
- Projected under expenditure of \$207,718 (1.5%), for details see Attachment B page 2.
- The footpath resurfacing programme is back on track following the problems with one contractor. That contractor has sub-contracted the work to other contractors and under a revised programme all work will be completed by the end of May.
- As at 31 March 60km of the 100km was complete.

Other Operational Outputs

Key points are:

- **Planning Output** is 7% over budget due mainly to a shift in internal resources from Capital Works implementation to Planning and....
- the addition of the Humphreys Drive Green Edge Project (\$20,000) as approved at the Six-Month Report meeting, but this is offset by...
- under expenditure in the City Plan Hearings, Land Legalisation surveys, and Passenger Transport Initiatives and Planning budgets.
- **Activities on Street Output** is 82% over budget due to....
- reduced internal revenue and increased internal allocated costs, which are offset by less allocated costs in other outputs, as well as reduced revenue from vehicle crossing and trenching fees.
- \$57,000 more internal allocated costs, but this is offset by less allocated costs in other outputs, and...
- less revenue for vehicle crossing and trenching fees and loss of life, but...
- increased revenue is expected from street rentals and subdivision contributions.
- Extra costs of \$25,000 will be incurred in **Tram Track** maintenance due to a build up of bitumen in the tracks.
- **Depreciation** is projected to be 1.1% or \$220,000 under budget.
- **Roading Property** maintenance will be \$32,000 under budget due to increased rental income.

CAPITAL BUDGET

Key points are:

- Projected \$477,315 or (1.8%) under budget based on...
- comparisons between budget and projected final cost of projects, irrespective of year of completion, see attachment B Page 3 for details on how this is made up across the various output classes.
- A slow down in work being completed will result in more carry forwards than last year. This is due to a number of factors, namely...
- delays in getting scheme plans developed mainly caused by consultation issues, and...
- loss of some contractor resources due to downturn in the economy and mergers of companies, for example Works Civil Construction bought out Technic's (previously Kevin Blair Contractors) and they no longer do as much council work. This resource issue will correct itself over time.
- The expected carry forwards are listed on Attachment D.

Council approvals are required for the following recommended changes to the budget:

- **Buchanans/Racecourse Reallocation**

Funding for Buchanans/Racecourse (\$85,000) was carried forward from 1997/98 to fund possible work following the construction of a trial scheme in 1998. Only minor road marking was required to make that scheme safe and so the remaining funding is available for reallocation. The City Services Committee recently approved a scheme for the Maidstone/Waimairi project which is approximately \$65,000 above the budget and for the extra funds to be found from within the City Streets Budget. It is recommended that the Buchanans/Racecourse funding be reallocated to the Maidstone/Waimairi project.

- **New Path in Heberdeen Avenue at Scarborough Park**

The Parks Unit has let a contract for improvement works in Scarborough Park and this includes tidying up the footpaths and access routes. At present there is a gap in the footpath along Heberdeen Ave between the Park and the new cantilevered path near the lifeboat, which means people have to walk on the road at this point. Also road drainage is not controlled. It is estimated that it will cost \$35,000 to construct kerb and channel and a footpath along this section. It is recommended that this work be completed and be funded from savings in the Esplanade project.

- **Shalamar Drive**

A request was made by Councillor Condon that Shalamar Drive seal extension be completed as early as possible. Due to very low contract prices for the work in this category enough savings are available to complete this work this year. This was discussed at the March meeting of the City Services Committee. Formal approval is now sought to add Shalamar Drive to this years Seal Extension Budget.

- **Harewood/Restell**

The Harewood/Restell project is in the Safety Works Category and the problem is the lack of visibility for vehicles turning right from Harewood Rd. The budget is \$20,523. Investigations and consultation to date have failed to come up with a scheme that satisfies the criteria for solving the problem within the budget. The only solution that satisfies all criteria is to raise the road level at a major cost. It is recommended that the project not go ahead at this stage. The new Harewood/Restell project will be put into the Units prioritisation process and evaluated against other safety projects.

- **Cross Suburban Bus Route**

The Regional Council are implementing a cross suburban route from Papanui to Princess Margaret Hospital and this requires the City Council to install new infrastructure. The shelters will be mainly advertising shelters. The costs involved in putting in new signs, and for kerb and path adjustments, will be approx \$120,000. It is recommended that this be funded from the Passenger Transport Initiatives budget. This budget has not been fully committed, so sufficient funds are available for this project.

- **Additional Traffic Counters**

It is recommended that additional traffic counters be purchased from the Fixed Asset budget to enable counts and speed surveys to be done at a greater number of sites, especially for gathering information for LATMS development. This cost will be offset by not having to do one-off manual counting and speed surveys. The cost is \$12,000 and this will be funded from savings in other parts of the City Streets Capital Budget.

- Recommendation:**
1. That the report be received and the monitoring information noted.
 2. That funding for Buchanans/Racecourse be reallocated to the Maidstone/Waimairi project as detailed above.
 3. That new kerb and channel and a new footpath be constructed in Heberdeen Ave between Scarborough Park and the existing path at the lifeboat at a cost of \$35,000 from savings in the Esplanade project as detailed above.
 4. That Shalamar Drive seal extension be completed this financial year from savings due to low contract rates in this category as detailed above.
 5. That the Harewood/Restell project not proceed, as detailed above, and the current budget provision be reallocated.
 6. That funding for the infrastructure for the cross suburban bus route come from the Passenger Transport Infrastructure budget as detailed above.
 7. That additional traffic counters be purchased at a cost of \$12,000, and they be funded from savings in other parts of the City Streets Capital Works budget.

Chairman's

Recommendation: That the above recommendation be adopted.