

15. ESSENTIAL MAINTENANCE

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PURPOSE OF REPORT

1. The purpose of this report is to address with the Council part of the resolution of 18 March 2004 concerning the new Civic building regarding “essential maintenance”.

EXECUTIVE SUMMARY

2. At an informal meeting of the Council in mid-November 2004, Councillors and the Executive discussed the expenditure on the Council Chamber and resolution (d).
3. It was clear at that meeting that the term “essential maintenance” was open to a variety of interpretations and that it needed to be clarified. Staff agreed to prepare a paper for Council on what was needed to keep Tuam Street operational.
4. The Facility Assets Unit has prepared a paper looking at expenditure over a five and ten year period. This is attached as Appendix 1. In simple terms, minimal maintenance/replacement is targeted in the five-year option, while in the ten-year scenario, it is not possible to delay any further a number of maintenance items.
5. The fact is that even under a five-year option, we will continue to have to spend at least \$2m p.a. on a building that has well and truly past its use-by date.
6. Under both options we continue to spend money on churn-type costs to keep business as usual in operation. There is \$200-300K worth of improvements planned to occur later this month.
7. The major change to budgets as a result of the March resolution was the deletion of \$2.8m for the window replacements and \$500K for the boiler replacement.
8. The CEO, as the employer, has statutory obligations with regard to providing a safe work environment. In addition the CEO is required to ensure the Council provides an effective and efficient service delivery. This requires the CEO to have the flexibility to make changes as required to meet ongoing business requirements.

FINANCIAL AND LEGAL CONSIDERATIONS

9. The Council, through the CEO, has a number of legal requirements to meet with regard to the accommodation at Tuam Street (e.g. OSH) as well as being a good employer.
10. Even with a very conservative approach to spend on the Tuam Street premises, we are looking at spending in the order of \$2m p.a. for the next five years. Under a ten-year scenario, that will increase to approximately \$2.3m p.a.

STAFF RECOMMENDATIONS

It is recommended that the Council:

- (a) Receives this report.
- (b) Acknowledges that the CEO has responsibility for ensuring that the Council’s legal obligations are met with regards to the accommodation provided in Tuam Street as well as ensuring that it be fit for purpose to provide the appropriate levels of service expected.
- (c) Notes that the forecast expenditure under the five-year scenario is not unreasonable and is within the domain of the CEO.
- (d) Requests that any significant (greater than \$500k) item not currently identified with the five-year forecast, be submitted to the Council for approval.