

Report No:	RCN11-06-10
File No:	A505
Date:	2 June 2011
<b>Decision Required</b>	

## REPORT SUMMARY

**Report to:** Full Council  
**Meeting Date:** 9 June 2011  
**Report Author:** Peter Thomson, Engineering Manager  
**Subject:** **Mapua Wharf and Pontoon Replacement – RCN11-06-10**

### EXECUTIVE SUMMARY

This report seeks Council agreement to re-ordering priorities for expenditure on the Mapua pontoon replacement, re-roofing the Wharf buildings and on navigational aids, and that these changes are incorporated in the final Annual Plan 2011/2012.

### RECOMMENDATION/S

Staff recommend that Council pool the \$340,000 funding for the pontoon replacement, re-roofing and navigational aids projects from the current and next financial years into the 2011/2012 year and ask staff to report back on allocation between the projects prior to final signoff of any of the project expenditure.

### DRAFT RESOLUTION

**THAT the Tasman District Council:**

- 1. Receives the Mapua Wharf and Pontoon Replacement Report RCN11-06-10**
- 2. Agrees to pool the \$340,000 funding, made up of the \$100,000 in the 2010/2011 budget and the \$240,000 in the 2011/2012 proposed Annual Plan budget, for the pontoon replacement, re-roofing the Mapua Wharf buildings; and navigational aids projects to be undertaken during the 2011/2012 year.**
- 3. Asks staff to report back on allocation between the projects prior to final signoff of any of the project expenditure.**
- 4. Asks staff to add wording into the final Annual Plan 2011/2012 to reflect the Council's decisions in 2 and 3 of this resolution.**

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## **1. Purpose**

- 1.1 The purpose of this report is to seek Council agreement to re-ordering priorities for expenditure on the Mapua Wharf pontoon replacement, re-roofing the Mapua Wharf buildings and replacing navigational aids and that these changes are incorporated into the final Annual Plan 2011/2012.

## **2. Background**

- 2.1 The Annual Plan 2010/2011 contains \$100,000 to replace the Mapua Wharf pontoon, which was damaged in an accident last year. The insurance payout will be well below the replacement cost for the pontoon, partly due to depreciation and partly due to new requirements meaning a higher standard of pontoon will be needed. Design work has been undertaken and it appears that the cost of the project could be in the order of \$200,000 - \$250,000.
- 2.2 The Draft Annual Plan 2011/2012 contains \$140,000 for re-roofing the buildings at the Wharf and \$100,000 for navigational aids.
- 2.3 All three projects were to be loan funded with income from the rental of the Mapua Wharf buildings paying for the interest and premium repayments.

## **3. Present Situation/Matters to be Considered**

- 3.1 The pontoon project will not be completed within the 2010/2011 year. Staff will be coming back to Council seeking approval to carry-over of the project works into the 2011/2012 financial year and associated approvals to draw down loans in that year (as the projects are loan funded there will be sufficient funds within the 2011/2012 budget to pay for the loan servicing costs).

- 3.2 Council has the ability to move the \$340,000 of funding between projects, should that be considered appropriate. The additional pontoon funding could come from reductions in the budgets for roof renewals and/or navigational aids. Some roof renewals will be required during 2011/2012 but some could be put off until the following year. There may also be options around what navigational aids are replaced or whether they are removed without replacement.

#### **4. Financial/Budgetary Considerations**

- 4.1 As noted above, there is a total of \$340,000 budgeted for works to be funded from Mapua Wharf rentals over the two year. The budget for the three projects is about \$100,000 short to do the all the work currently identified.

#### **5. Options**

- 5.1 The options are as follows:
- a. Do not proceed with the pontoon replacement, but continue with the projects identified in the Draft Annual Plan 2011/2012 to replace the roofs on Mapua Wharf buildings and navigational aids.
  - b. Pool the \$340,000 funding for the pontoon replacement, re-roofing and navigational aids projects in the 2011/2012 year and ask staff to report back on allocation between the projects prior to final signoff of any of the project expenditure.
  - c. Find alternative funding for the additional \$100,000 for the pontoon replacement and continue with the projects identified in the Draft Annual Plan 2011/2012 to replace the roofs on Mapua Wharf buildings and navigational aids.

#### **6. Pros and Cons of Options**

- 6.1 The pros and cons of the options are outlined in the following paragraphs.

##### **Option a.**

- 6.2 This option has the disadvantage of not providing the pontoon at the wharf. The pontoon provides a valuable amenity and a structure for boating and

recreational users. Boats are able to tie up and transfer goods and passengers on to boats even during the height of the tidal flow. The current boat ramp is difficult to use and there are some safety issues around its use. The new pontoon will allow boats to access the water from other boat ramps. The pontoon will provide a facility for the young and old to be next to the tidal waters and fish or undertake other activities closer to the flowing waters.

6.3 Under this option the projects for the replacement of the roofs and navigational aids will continue without any reduction in budgets. Another advantage of this option is that there are no financial/budgetary impacts.

6.4 This option is not preferred.

#### **Option b.**

6.5 The advantage of option b is that it gives Council flexibility to spend the funding on the three projects depending on where the greatest need is identified once further work has been undertaken on all three projects. Also, there are no financial/budgetary impacts from the option in 2011/2012.

6.6 The disadvantage of this option is that there may not be sufficient funds to undertake the work needed on the projects. This may result in further funding calls in future years.

6.7 This is staff's preferred option.

#### **Option c.**

6.8 The advantage of option c is that all three projects could be undertaken by the end of 2011/2012.

6.9 The disadvantage of this option is that additional funding for the projects would be needed from an alternative source (e.g. general rates). Given the rates increases already proposed this option is not favoured.

<b>7. Significance</b>
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7.1 This is not a significant decision according to the Council's Significance Policy because the value of the works is not above the Policy thresholds and the Council is not required to deliver a project just because it is in its Annual Plan.

**8. Recommendation/s**

- 8.1 Staff recommend that Council adopts Option b.

**9. Timeline/Next Steps**

- 9.1 Staff will incorporate Council's decision in the final Annual Plan, which Council will consider adopting on or before 30 June 2011.

**10. Draft Resolution**

**THAT the Tasman District Council:**

- 1. Receives the Mapua Wharf and Pontoon Replacement Report – RCN11-06-10**
- 2. Agrees to pool the \$340,000 funding, made up of the \$100,000 in the 2010/2011 budget and the \$240,000 in the 2011/2012 proposed Annual Plan budget, for the pontoon replacement, re-roofing the Mapua Wharf buildings and navigational aids projects to be undertaken during the 2011/2012 year.**
- 3. Asks staff to report back on allocation between the projects prior to final signoff of any of the project expenditure.**
- 4. Asks staff to add wording into the final Annual Plan 2011/2012 to reflect the Council's decisions in 2 and 3 of this resolution.**

Peter Thomson  
Engineering Manager