

STAFF REPORT

TO: Chair and Members, Engineering Services Committee

FROM: Gary Clark, Transportation Manager
Prepared by Steve Elkington, Transportation Project Engineer

REFERENCE: B840

DATE: 30 September 2010

SUBJECT: **Transportation Budget Carryovers RESC10-09-06**
Report prepared for meeting of 30 September 2010

1 PURPOSE

- 1.1 The purpose of this report is to gain approval from the Committee to carry forward under-spent funding for specific roading projects as well as for Work Categories under Council's National Land Transport Programme and Council-owned Ports & Wharfs and Aerodromes.

2 BACKGROUND

- 2.1 There are some projects that span over two years and hence the funding allocated in the first year hasn't been spent but the total budget is still needed for the project.
- 2.2 In terms of Work Categories for example *Routine Drainage Maintenance*, under the National Land Transport Programme these are sums that haven't been spent for various reasons and to lose the subsidy component would be unsatisfactory. The New Zealand Transport Agency has already approved unspent funding from the 2009/2010 financial year to be carried forward therefore it is simply a case of Council approving its share of the funding to also be carried forward.

3 COMMENT

- 3.1 The following is the list of projects and residual budgets from Council's 2009/2010 Transportation programme that are requested to be carried-forward. The table below includes all projects that require carryover to complete unfinished works, carry out ongoing maintenance and allow for additional maintenance planned for this financial year (2010/2011).
- 3.2 The required carryovers for the Transportation Activity Areas include, Non-Subsidised Roding, Subsidised Roding and Coastal Structures. It should be noted that some of the activities that fall in Transportation are all or partly managed by other Council departments and they should be reporting back to Council with their expected carryovers. These assets include Port Tarakohe, Motueka Aerodrome and Port Motueka.

Project	Approved Budget \$	Actuals for 2009/2010 Year \$	Carry Over for 2010/2011 year\$	Comment
Mapua Waterfront Car park	92,889	0	92,889	This funding was transferred to Community Services to manage and use as part of the park upgrade. It is our understanding that this funding will be spent before December 2010
Mapua – Aranui Road Kerb and Channel	23,841	0	23,841	As above
Gladstone Road Undergrounding	123,852	4,619	119,233	This work is currently under way with delays occurring as a result of the Network Tasman Tendering process. This work is expected to be completed before December 2010
Stringer Road Upgrade	895,656	274,907	620,749	Work is in progress with this project funded over two years.
Riwaka Kaiteriteri Upgrade – Stage 3	24,770	0	24,770	This budget was set aside for future road investigation associated with Martin Farm Road. It is recommended that these funds are used to review, develop design and prepare a forward works programme for the Riwaka Kaiteriteri Road. This will be used for the review of the Ten Year Plan.
Subsidised Road Maintenance and Operations	10,774,570	10,312,810	461,760	Council's share is \$235,498 at the FAR of 49%. A discussion is provided below on this activity area.
Structures Bridges	371,556	136,000	235,556	Council's share to be carried over is \$96,578 at a FAR of 59%.
Mapua Cycle Connections as part of the Ruby By Pass	245,640	82,059	163,581	Council's share to be carried over is \$67,068 at a FAR of 59%.
Advance Investigation and Design Fees	150,000	0	150,000	Council's share to be carried over is \$61,500 at a FAR of 59%. Council has received approval to carry preliminary work relating to the intersection of Salisbury Road and Queen Street. Funding will also be used for the investigation relating to the Tree Roundabouts.
Coastal Protection	41,284	8,452	32,832	This work is programmed to be completed shortly as part of the Old Mill Walkway project.
Old Mill Walkway	1,021,562	897,410	124,150	This project is completed. The remaining relate to retentions and invoices that are paid after the 31 June 2010.

3.3 Based on the Maintenance, Operation and Renewal aspect of the Subsidised Roothing Programme which are subsidised at 49%, the under-expenditure across all Work Categories is \$461,760.

3.4 The 2009/2010 approved New Zealand Transport Agency subsidised maintenance, operations and renewals budget was \$10,774,570, of which \$10,312,810 was spent, leaving an under expenditure of \$461,760 or 4.3%. The Agency automatically carry

this amount forward into the 2010/2011 financial year thereby increasing the available budget. This essentially is how the Three-Year programme works in that the total budget for the three years is set and then any under- or over-expenditure in any year is encapsulated in the following year

3.5 Factors which contributed to this under expenditure include:

- Competitive pricing of the pavement rehabilitation contract. In addition to this were the reduced road rehabilitation sites which did not achieve the Agency's economic criteria for strengthening and instead had heavy duty maintenance undertaken;
- Reduced spending in the Associated Improvements activity area as a result of the reduction in the pavement rehabilitation works
- A mild winter required less expenditure on frost and ice control than budgeted.

3.6 Additional budget carried forward into 2010/11 will allow additional maintenance and renewal work to be completed this year. This will include drainage improvements, full network remark of road markings, sign replacements and upgrades, replacement of old streetlights, and strengthening of some unsealed pavements. It is also planned to do more sealing works this year to better meet our minimum road sealing lengths.

3.7 Capital Projects Programme Budgets

Under expenditure occurred in new bridges. Bridges programmed for replacement were Baxter and McCallum which have since been completed. The carry forward is to fund the final cost of these bridges and to use the unallocated approved funding for this year's bridge replacements and as part of the three year block allocation.

3.8 The second area of under-expenditure which needs to be carried forward is in relation to the pedestrian underpasses that are being built as part of the Ruby Bay Bypass. These projects are approved by the New Zealand Transport Agency but were incomplete at the end of last financial year.

4 RECOMMENDATION

4.1 THAT the Engineering Services Committee approves the carryover of funds for those projects identified in this report, RESC10-09-06 from the 2009/2010 financial year into the 2010/11 financial year;

Gary Clark
Transportation Manager