



Otorohanga Community Board

# AGENDA

8 April 2010

Members of the Otorohanga Community Board

Mrs EM Cowan (Chairperson)  
Mr TJ Jones  
Mr B McNeil  
Mr AG Ormsby  
Mr R Prescott  
Mr P Tindle

Meeting Secretary: Mr CA Tutty (Governance Supervisor)

# OTOROHANGA COMMUNITY BOARD

8 April 2010

Notice is hereby given that an ordinary meeting of the Otorohanga Community Board will be held in the Council Chambers, Maniapoto St, Otorohanga on Thursday 8 April 2010 commencing at 4.00pm.

1 April 2010

**DC Clibbery**  
**CHIEF EXECUTIVE**

## AGENDA

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## **PRESENT**

## **IN ATTENDANCE**

## **APOLOGIES**

## **ITEMS TO BE CONSIDERED IN GENERAL BUSINESS**

## **CONFIRMATION OF MINUTES - 11 MARCH 2010**

## **REPORTS**

### **Item-150        OTOROHANGA GRASS MOWING CONTRACT 2010**

**To:**                **Chairperson and Members  
Otorohanga Community Board**

**From:**            **Technical Services Manager**

**Date:**             **8 April 2010**

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### **Executive Summary**

The lowest price of \$216,858.00 was submitted by a local Otorohanga grass mowing contractor, Paul Wilson of Property Contracting Limited, and this tender has been approved by the Otorohanga District Council contract awarding committee.

### **Staff Recommendation**

It is recommended that:

The report be received.

### **Report Discussion**

Five conforming tenders were received by Otorohanga District Council for the Grass Mowing Contract in Otorohanga Township previously mown by Asplundh.

The areas mown include the public reserves, sports grounds, cemetery, grounds of the pensioner housing areas and roadside verges.

The contract is for a three year period commencing 1 April 2010 with the right of extension for two further one year terms on the Engineers recommendation and if so agreed by the principal and the Contractor.

The tender documents requested prices for two options:

1. Option A - the existing scheduled areas mown each year including the Island Reserve and
2. Option B - the existing schedules areas without the inclusion of the Island Reserve.

Six tenders were received from the contractors as shown below.

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One contractor was found to be non conforming (not meeting the submission requirements) and was not included in the remainder of the process.

As part of the evaluation process, of the five remaining tenders an assessment was undertaken by the evaluation team following a weighting process that evaluates non-price attributes that provide details on the Contractor's capability to undertake this type of work.

This weighting process is used in a calculation that give an adjusted "quality value" to the tender price following the evaluation of the contractor and the tender.

On completion of the evaluation the lowest altered price tender was found to be the same as the lowest price that was submitted.

Further information was sought by the evaluation team to gain further knowledge of the capability and resources of the lowest tenderer and the information gained satisfied the team.

The lowest tender was supplied by Property Contracting limited who submitted the price of \$216,858.00 which includes mowing of the Island Reserve (Option A).

| <b>Tenderer</b>            | <b>Option A - Tender Price<br/>( for 3 years, excluding<br/>GST)</b> | <b>Option B – Tender Price<br/>( for 3 years, excluding GST<br/>)</b> |
|----------------------------|----------------------------------------------------------------------|-----------------------------------------------------------------------|
| Downer EDi Works           | \$475,500.00                                                         | \$423,000.00                                                          |
| King Country Nurseries     | \$609,343.98                                                         | \$535,895.85                                                          |
| Max Kehoe                  | \$284,199.15                                                         | \$245,000.45                                                          |
| Rob Gordon & Andrew Ormsby | \$326,539.80                                                         | \$271,902.60                                                          |
| Property Contracting       | \$216,858.00                                                         | \$193,728.00                                                          |

The lowest price for mowing the Island Reserve is from the lowest tenderer, Property Contracting Ltd., with a submission of: \$23,130.00.

The Island Reserve Management Board submitted a tender of \$67,650.00 for the island reserve mowing by Ken Millar.

It is therefore recommended by staff that the Island Reserve be included in the main contract to be awarded to Property Contracting Limited.

A further price was obtained from all tenderers for the additional mowing of the cricket oval at the Domain to a height of between 18 & 25mm from January to March inclusive. The price received from Property Contracting Ltd is \$1040 plus GST per year. This price has not yet been accepted as the cricket season has finished for this summer but can be included in next year subject to discussions with the Domain committee and approval by the Community Board.

**Simon Mailer**  
**TECHNICAL SERVICES MANAGER**

**Item-151      WATER SERVICES DELIVERY**

**To:**                    **Chairperson and Members  
Otorohanga Community Board**

**From:**                **Chief Executive**

**Date:**                **8 April 2010**

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**Executive Summary**

Council has resolved that as from 1 July 2010 the delivery of water services operations and maintenance activities will be primarily undertaken by staff employed for this purpose by Council, rather than by a contractor.

This report outlines the reasons supporting this decision.

**Staff Recommendation**

It is recommended that:

The report be received

**Report Discussion**

At its meeting of 11 March 2010 Council resolved that as from 1 July 2010 the delivery of water services operations and maintenance activities will be primarily undertaken by staff employed for this purpose by Council, rather than by a contractor.

The primary factor upon which this decision was based was a belief that Council should be able to effectively undertake this activity, and that such direct delivery would eliminate a contractor's profit margin, hence reducing the cost to ratepayers.

It was noted that during the last decade the cost of operating Council's water services had increased at a rate substantially above the cost escalation of relevant input components, and more than doubling in the last 9 years.

Other factors considered to favour bringing the delivery of water services back 'in-house' included:

- Will reduce uncertainty in respect of whether 'value for money' is being achieved
- Would further strengthen the sense of Council staff responsibility for effective service delivery, as it removes any opportunity for the possible use of poor contractor performance as an excuse. It would also be expected that in-house delivery would improve the exchange of information between plant operators and senior Council engineering staff, which might have prevented problems such as those experienced in Kawhia over the New Year period.
- Has the potential to open the way for consideration of localised service delivery that has proved difficult to incorporate in a contracted service delivery model.
- Little investment required; previous contractor's investments have been limited to utility vehicles, basic hand tools and a small inventory of pipes, fittings and associated materials. All contractors have continued to locally hire plant such as diggers and larger hand tools for the delivery of this contract.

- There is a history of consistent water service operational personnel; the three plant operators employed on these services have generally transferred from one contractor to the next.

It should however be noted that whilst there have been some recent operational problems (of which the Christmas/New Year water shortages in Kawhia was the most notable example) Council has been generally satisfied with the performance of the contractor, and contractor performance has not been a primary factor motivating a change to in-house service delivery.

Similarly it is also recognised that the current contract is also likely to be delivering good value, and that the profit margin in this contract may be relatively small.

The economic benefits of in-house service delivery are expected to be greater in the longer term than they are at present, and the relatively early move to this alternative delivery model is being carried out because other factors make this a good time at which to implement changes.

**Dave Clibbery**  
**CHIEF EXECUTIVE**

**Item-152 OTOROHANGA HOUSING FOR THE ELDERLY RENTAL REVIEW**

**To: Chairperson and Members  
Otorohanga Community Board**

**From: Governance Supervisor**

**Date: 8 April 2010**

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**Executive Summary**

Review of Housing for the Elderly Rentals in Otorohanga.

**Staff Recommendation**

It is recommended that:

Rental charged for the Housing for the Elderly units in Otorohanga remain at –

**Single** \$60 per week

**Double** \$87 per week

These rates have been effective from 1 July 2009.

**Report Discussion**

**WINDSOR COURT AND ELIZABETH PLACE**

Rentals for units at Windsor Court and Elizabeth Place were reviewed in April 2009 at which time it was resolved that the rental charged for the units be increased by approximately four percent to

**Single** \$60 per week

**Double** \$87 per week

These rental charges have been in effect since 1 July 2009

As members will be aware it is necessary to give Tenants not less than 60 days notice of any proposed increase in rental and ideally to take into account pension dates. Council is free to set whatever rental it feels appropriate and should any Tenant experience hardship because of this assistance is available through Work and Income New Zealand, Accommodation Supplement.

The gross weekly New Zealand Super Income rates, which will be effective from 13 April 2010, are as follows:

**Single** \$342.58 (sharing) \$373.56 (if on own)

**Double** \$280.62 each (both qualify) \$265.82 each (one under age)

This is a 2.5% increase on last year.

Following an inspection of the units late last year and in consultation with Council's Community Facilities Officer it was agreed the following maintenance work should be allowed for the 2010/11 year:

a. Lawn Mowing \$3,600

b. Rubbish bins \$2,400

|                                  |                 |
|----------------------------------|-----------------|
| c. General Repairs & Maintenance | <u>\$10,000</u> |
|                                  | \$16,000        |

**CAPITAL EXPENDITURE for 2010/11 year**

|                                               |                 |
|-----------------------------------------------|-----------------|
| A. Windsor Court - additional 1 or 2 Carports | \$ 4,000        |
| B Windsor Court –Roof Replacement             | \$10,000        |
| C Refurbishment of Units                      | <u>\$ 7,000</u> |
| Total                                         | \$21,000        |

**Maintenance 2009/10**

At this point it is indicated that the estimated figure of \$16,000 for maintenance for the year ending 30 June 2010 will come in on budget.

**Capital Works for 09/10 completed**

The re-sealing of the Driveway at Windsor Court \$8,000 (\$1,000 over budget )  
 Refurbishment of units \$7,600 (\$600 over budget )

**INCOME**

Based on current occupancy we will be under the estimated income target of \$77,500 by approximately \$2,500.

Should Council have full occupancy for a 12 month period the total income would equate to \$79,872. It is proposed to show the Income for the 2010/11 year at \$77500 which is the same as the 2009/10 year and equates to approximately 97% occupancy. Based on the above figures the deficit in the account will reduce by approximately \$3,500 to \$58,846 as at 30 June 2011.

Due to the economic climate and the fact that rentals were increased last year it is recommended that the rentals remain the same.

**CA Tutty**  
**GOVERNANCE SUPERVISOR**

**Attachments**

- a. Otorohanga Housing for the Elderly Statistics

**OTOROHANGA COMMUNITY HOUSING FOR THE ELDERLY**

|                                | 2009/10<br>Estimate | 2009/10<br>Est Actual | 2010/11<br>Estimate | 2011/12<br>Estimate | 2012/13<br>Estimate | 2013/14<br>Estimate | 2014/15<br>Estimate | 2015/16<br>Estimate | 2016/17<br>Estimate | 2017/18<br>Estimate | 2018/19<br>Estimate | 2019/20<br>Estimate |
|--------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>EXPENDITURE</b>             |                     |                       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Asset Maintenance / Operations | 16,000              | 16,000                | 19,000              | 19,437              | 19,874              | 20,311              | 20,748              | 21,185              | 21,622              | 22,059              | 22,496              | 22,933              |
| Activity Operation             | 0                   | 0                     | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 1                   |
| Asset Overheads                | 20,600              | 21,700                | 20,600              | 21,074              | 21,548              | 22,021              | 22,495              | 22,969              | 23,443              | 23,917              | 24,390              | 24,864              |
| Chief Executive                | 3,034               | 3,034                 | 3,200               | 3,280               | 3,360               | 3,440               | 3,520               | 3,600               | 3,680               | 3,760               | 3,840               | 3,920               |
| Finance and Administration     | 9,200               | 7,000                 | 9,200               | 9,430               | 9,660               | 9,890               | 10,120              | 10,350              | 10,580              | 10,810              | 11,040              | 11,270              |
| Engineering and Services       | 4,000               | 4,000                 | 4,000               | 4,100               | 4,200               | 4,300               | 4,400               | 4,500               | 4,600               | 4,700               | 4,800               | 4,900               |
| Depreciation                   | 26,000              | 26,000                | 26,250              | 28,340              | 29,679              | 29,025              | 30,836              | 30,998              | 31,163              | 33,436              | 33,623              | 33,626              |
|                                | 78,834              | 74,700                | 82,250              | 85,661              | 87,320              | 88,987              | 92,119              | 93,602              | 95,088              | 96,682              | 100,189             | 101,516             |
| <b>INCOME</b>                  |                     |                       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Sundry Income                  | 77,500              | 75,000                | 77,500              | 79,283              | 81,065              | 82,848              | 84,630              | 86,413              | 88,195              | 89,978              | 91,760              | 93,542              |
| Rentals                        | 77,500              | 75,000                | 77,500              | 79,283              | 81,065              | 82,848              | 84,630              | 86,413              | 88,195              | 89,978              | 91,760              | 93,542              |
| OPERATING COST                 | 1,334               | (300)                 | 4,750               | 6,378               | 8,255               | 6,140               | 7,489               | 7,189               | 6,893               | 8,704               | 8,429               | 7,973               |
| <b>CAPITAL EXPENDITURE</b>     |                     |                       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Carport Construction           | 0                   | 0                     | 4,000               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 1                   |
| Sealing Windsor Court          | 7,000               | 8,000                 | 7,000               | 7,161               | 7,322               | 7,483               | 7,644               | 7,805               | 7,966               | 8,127               | 8,288               | 8,449               |
| Refurbishment of Units         | 0                   | 0                     | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| Housing NZ Upgrade             | 0                   | 0                     | 0                   | 0                   | 0                   | 7,483               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| External Painting              | 0                   | 0                     | 10,000              | 10,230              | 10,460              | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| Roof Replacement               | 14,000              | 15,600                | 21,000              | 17,391              | 17,782              | 14,966              | 7,644               | 7,805               | 7,966               | 8,127               | 8,288               | 8,450               |
| <b>LOAN REPAYMENTS</b>         |                     |                       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Principal                      | 0                   | 0                     | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
|                                | <b>15,334</b>       | <b>15,300</b>         | <b>25,750</b>       | <b>23,769</b>       | <b>24,037</b>       | <b>21,106</b>       | <b>15,133</b>       | <b>14,994</b>       | <b>14,859</b>       | <b>16,831</b>       | <b>16,717</b>       | <b>16,423</b>       |
| <b>FUNDED BY:</b>              |                     |                       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Balance 1 July                 | (73,012)            | (73,012)              | (62,346)            | (61,846)            | (57,275)            | (52,634)            | (44,715)            | (29,012)            | (13,009)            | 3,286               | 19,901              | 36,806              |
| Balance 30 June                | (62,346)            | (62,312)              | (61,846)            | (57,275)            | (52,634)            | (44,715)            | (29,012)            | (13,009)            | 3,286               | 19,901              | 36,806              | 54,009              |
|                                | (10,666)            | (10,700)              | (500)               | (4,571)             | (4,641)             | (7,919)             | (15,703)            | (16,004)            | (16,304)            | (16,605)            | (16,906)            | (17,203)            |
| Depreciation not Funded        | 26,000              | 26,000                | 26,250              | 28,340              | 29,679              | 29,025              | 30,836              | 30,998              | 31,163              | 33,436              | 33,623              | 33,626              |
|                                | <b>15,334</b>       | <b>15,300</b>         | <b>25,750</b>       | <b>23,769</b>       | <b>24,037</b>       | <b>21,106</b>       | <b>15,133</b>       | <b>14,994</b>       | <b>14,859</b>       | <b>16,831</b>       | <b>16,717</b>       | <b>16,423</b>       |
| <b>Loan Funding</b>            |                     |                       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Balance 1 July                 | 447,613             | 447,613               | 447,613             | 447,613             | 447,613             | 447,613             | 447,613             | 447,613             | 447,613             | 447,613             | 447,613             | 447,613             |
| Borrowed                       | 0                   | 0                     | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| Repaid                         | 0                   | 0                     | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| Balance 30 June                | <b>447,613</b>      | <b>447,613</b>        | <b>447,613</b>      | <b>447,613</b>      | <b>447,613</b>      | <b>447,613</b>      | <b>447,613</b>      | <b>447,613</b>      | <b>447,613</b>      | <b>447,613</b>      | <b>447,613</b>      | <b>447,613</b>      |
| Principal Repayments           | 0                   | 0                     | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| Interest Repayments            | 0                   | 0                     | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 1                   |

**Item-153            OCB MATTERS REFERRED FROM 11 MARCH 2010**

**To:                    Chairperson and Members  
                          Otorohanga Community Board**

**From:                Governance Supervisor**

**Date:                 8 April 2010**

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**Executive Summary**

**1.    BOARD**

8 October 2009

- i.    To discuss the proposal for Board Members to hold a Public forum to obtain the public's expectations, etc.

**2.    GENERAL PURPOSES COMMITTEE**

11 February 2010

- i.    To discuss the matter of graffiti in particular the removal from private property and the costs incurred.

**3.    PARKS & RESERVES COMMITTEE**

11 March 2010

- i.    To consider the request for an adult-sized changing table being installed in one of the changing rooms at the Otorohanga Pools. To approach the Wintec Trade Training Centre to ascertain if they could assist in the preparation of plans and to include the changing table as a project.
- ii.   To consider the installation of a barbeque area at the Otorohanga Pools.
- iii. To consider whether the grass oval within the Village Green should be re-turfed.

**4.    CHAIRPERSON**

11 February 2010

- i.    To contact the local Police to ascertain their views whether motorists are experiencing problems at Maniapoto Street intersections.

**5.    MR MCNEIL**

11 February 2010

- i.    To contact Mr David Bailey to arrange a time to look at the playing areas on the Domain to the right of the Pavilion, in conjunction with Council's Community Facilities Officer.

**6.    ENGINEERING MANAGER**

11 March 2010

- i.    To follow up on the lack of lighting on Gradara Avenue and Mountain View Roads.
-

## **7. COMMUNITY FACILITIES OFFICER**

11 March 2010

- i. To obtain an estimate of the costs to include the new air conditioning units at the Otorohanga Support House within Council's maintenance programme.

**CA Tutty**  
**GOVERNANCE SUPERVISOR**

**GENERAL**

