

NOTICE IS HEREBY GIVEN THAT THE MONTHLY MEETING OF THE OPERATIONS COMMITTEE, WILL BE HELD IN THE COUNCIL CHAMBERS, 29 CIVIC AVENUE, GORE, ON TUESDAY 10 NOVEMBER 2009, FOLLOWING THE CONCLUSION OF THE FINANCE AND POLICY COMMITTEE MEETING

**Stephen Parry
CHIEF EXECUTIVE**

4 November 2009

A G E N D A

1. Civil Defence Report (Pages 1-2)
2. Report of the Roading Manager (Pages 3-5)
3. Report of the Asset Manager, Utilities (Pages 6-7)
4. Report of the Animal Control Contractor (Pages 8-9)
5. Gore Indoor Events Centre - Operation (Pages 10-21)

NOVEMBER 2009

OPERATIONS COMMITTEE MEETING AGENDA

1. CIVIL DEFENCE REPORT

(Memo from General Manger, District Assets – 28.10.09)

Activities during the past month have been as follows:

The disaster awareness week campaign to explain the home preparedness message was well received by the public. The volunteers from Citizen Advice Bureau, the Youth Council and the rescue squad manned the stand at the supermarket from 1pm until 7pm Monday – Thursday. There were in excess of 500 Civil Defence Bags distributed and 467 entries received for the draw to win an emergency kit. The lucky draw was won by Frances Robertson. The local radio station also contributed by conducting an interview about Civil Defence preparedness and replayed it during the week.

I attended the October Co-ordinating Executive Group (CEG) meeting as well as workshops developing the needs of the Shared Services Civil Defence proposal.

Radio checks continue to be performed by Bernard Chapman, Luke Blackbeard and Virginia Carter.

The rescue squad had two training sessions during October. The first training session consisted of a debriefing from the combined exercise with the Invercargill and Red Cross teams and then some practise with stretcher work. On the second night the squad practised reconnaissance, victim & hazard identification and mapping at Gore High School. This venue was chosen in order to increase familiarity with the building. It is planned to have a similar exercise at St Peters College next year. 4 of the team also attended an Urban Search and Rescue course during October, this ran for a whole weekend and covered all aspects of search and rescue in an urban environment including actual rubble crawls and line and hail search through demolished buildings. All four members passed this course. Three of those members have now completed the requirements for Orange Card status which is a minimum skill set. In a controlled incident, admission onto the site requires an orange card. This means that effectively 7 of our 10 core members have their Orange Card, which is a very high percentage for our region. This is an excellent result and highlights the efforts and commitment the volunteers have for their chosen vocation.

A fitting farewell for Joe Cummings was held on 20 October and the event was well attended by staff, Civil Defence personnel and Civil Defence volunteers.

RECOMMENDATION

THAT the information be received.

2. REPORT FROM ROADING MANAGER

Network Maintenance Contract - General

Various works including pre-reseal repairs continued relatively free of interruptions from inclement weather.

Monthly Maintenance Activity – October

- Routine cyclic rural and urban maintenance.
- 403km of gravel roads were inspected since the previous report. Refer attached map.
- 162km of gravel roads inspected complied and did not require grading when inspected.
- 172km of the gravel roads inspected were graded to restore compliance.
- 39km of the gravel roads inspected had other works completed to restore compliance.
- Concrete kerbing repair works continued on Bangor Street, Church Street, Coutts Road, Crombie Street, Frank Street, Hokonui Drive, and McQueen Ave.
- Concrete footpath repairs were undertaken on Coutts Road.
- Several vehicle crossings were replaced in Pukaki Street.
- Seal widening and drainage improvements were carried out on Ontario Street and Whiterig Road.
- Hyde St railway crossing was dug out and the pavement reconstructed at the approaches.
- Digout repair of faulty pavement areas was carried out on Diamond Peak and Kaiwera Roads.
- Several culverts were replaced on Pyramid Creek Road.
- Remote kerb cleaning underway.
- Bridge maintenance in progress.
- Pre-reseal edge break patching underway.
- GDC Essential Services Department service repairs on roads were reinstated.

Programmed Maintenance Works - November

- Routine cyclic rural, urban and reserves inspections and maintenance.
- Various urban and rural pavement repairs.
- Urban and rural pre reseal repairs
- Concrete repairs including footpaths and vehicle crossings
- Gravel road re-metalling
- Maintenance of remote urban channels continues.
- Urban and rural weed spraying continuing.
- Complete Hokonui Drive drainage improvements.
- Reinstate essential service trenches as required.

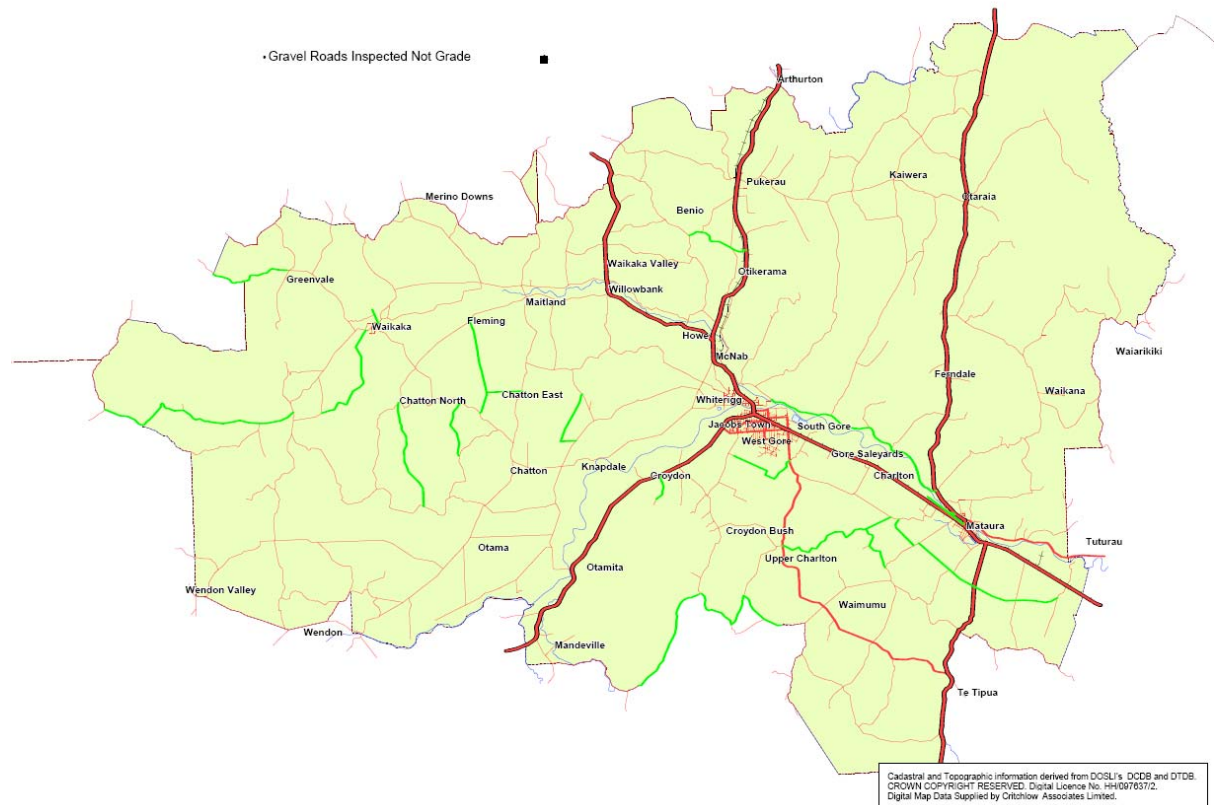
Gravel Road Inspection/Grading Details - October

Refer attached map and schedules.

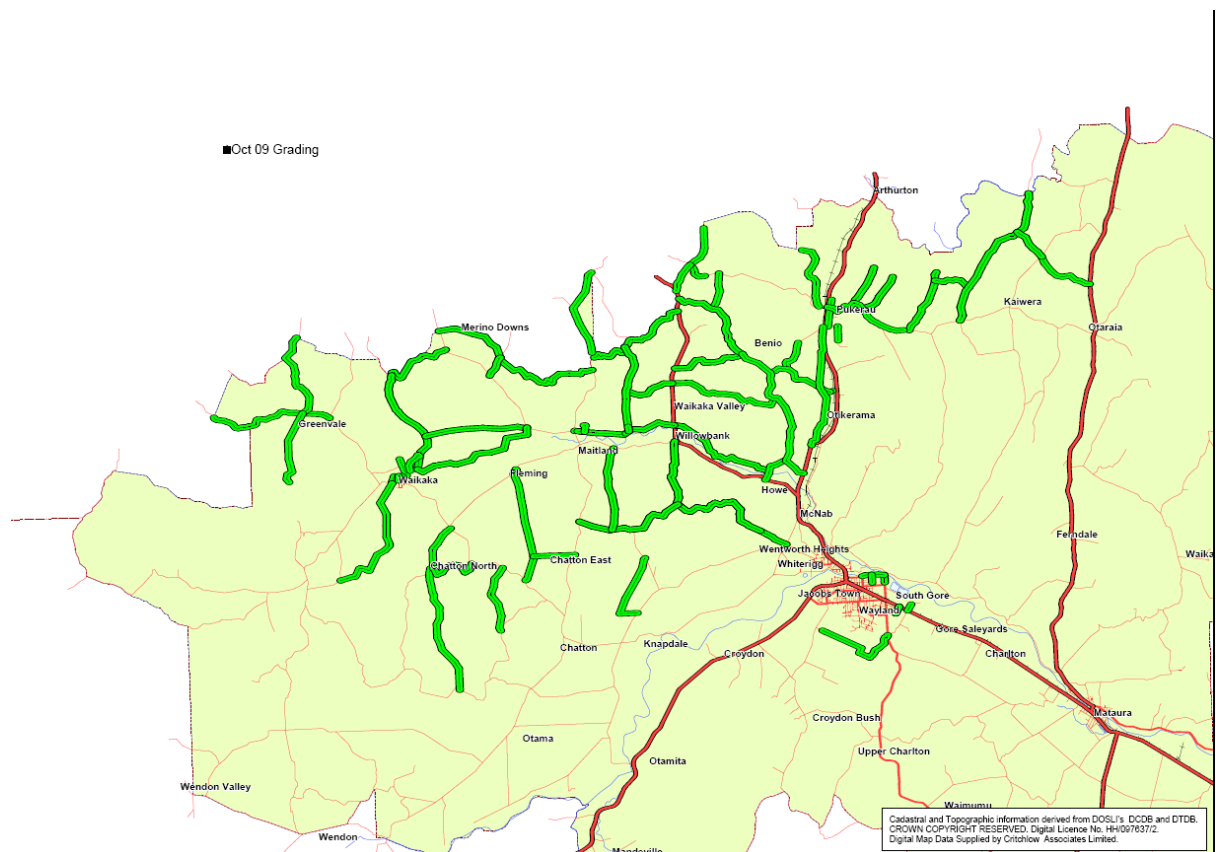
Table 1
Roads Inspected and Graded

Road Name (Graded*)	Quantity (m)	Road Name (Graded*)	Quantity (m)
ANDREWS RD	1559	NOBLE RD	341
BENIO RD	6999	OLSEN RD	340
BOAG RD	3927	PINNACLE RD	4741
BROCK RD	934	PRYDE RD	3687
BURNETTS HILL RD - WEST	1339	PUKERAU PLANTATION ROAD	1055
BURNETTS HILL ROAD - EAST	1806	QUERTIER RD	2748
BURY ST	354	RIVER ST - GORE	1022
BYARS RD	5795	SALFORD ST	327
CHITTOCK RD	4961	SANDY KNOWES RD	5019
CLEMENT RD	6895	SMALLS RD	5080
COALPIT RD	1435	SMILLIE RD	2256
COLLINS RD	3527	SPEDEN RD	2915
CRAIGIE RD	5013	TERRY RD	3964
CRICHTON PARK RD	1811	TURNBULL RD	5803
CUNNINGHAM RD	5024	ULSTER ST	148
DONALD RD	3963	WINSLOE RD	3066
DYNES RD	1654		
ELDER RD	1847	Total	171292
ELLIOT RD	3587		
FAULKNER RD	373		
FOYLE ST - WEST	202		
GALWAY ST	324		
GARDEN GULLY RD	3222		
GARDYNE RD	4561		
GILCHRIST RD	2293		
GORDON RD	1646		
GREGORY RD	966		
HERRON RD	2020		
HOWE RD	1389		
KAIWERA RD	4000		
LANDSLIP VALLEY RD	957		
MASON RD	5557		
MAXTED RD	3216		
MCDONALD RD	3090		
MCINTYRE RD	3265		
MCPHAIL RD	4287		
MCQUEEN RD	2390		
MERINO DOWNS RD	8237		
MILNE RD	5110		
MORRISON RD	2945		
NICHOLSON RD (CHATTON)	2054		
NITHDALE RD	4246		

Map 1 - Roads Inspected Grading Not Required (Note North at LHS)



Map 2 - Roads Inspected and Grading Completed (Note North at LHS)



3. REPORT FROM ASSET MANAGER, UTILITIES

During the month the Essential Services team have continued installing the new water main in Onslow Street. This has included installing new shutdown valves in Park Street and three valves in Johnston Street. A new section of pipe was installed in Johnston Street between Park and Thistle Street. This was done because of the location of the existing main being on private property and at a depth that if the main did leak, would have made the repairing extremely difficult. This line was an A/C main and was amongst the trees on the east side of Johnston Street. This line was cut into and connected to the Johnston street main above Thistle Street. Most of the residents in Onslow Street are now connected to the new water main. This only now requires the old water main to be disconnected.

The tender for the replacement of the sewer main in Salford Street, Gore closed on 19 October and is currently being assessed. Once awarded the work is programmed to be completed in December. A significant risk management plan is being developed to ensure the safe delivery of this service continues while work is being carried out.

Pluera Dam and Waikana Stream Water Consent

Environment Southland has renewed the consent for the Gore District council to take water from the Pluera Dam and the Waikana Stream for a 10 year period in order to supply the residents of Matura. The new conditions that have been applied to the consent are that the Council must report daily the volume of water taken from both the Pluera Dam and the Waikana Stream. This will require new flow meters to be installed at both sites. Other conditions relate to when the dam is to be cleaned. This will require the Council to notify Environment Southland in writing when the work will commence and for monitoring of the water in the stream during and after completion of removing the silt from behind the dam. The dam is to be drained of water and a bypass pipe system set up to allow the water to flow around the dam during the removal of the silt from the dam. A large digger will be used to remove the silt and it will be transported away from the dam.

Transfer Station

Weights (tonnes) from January 2009

	Refuse 09	Green Waste	Metal	Clean fill	Glass	Refuse 08	Refuse 07
Jan-09	543	91	3	15	15	557	593
February	513	70	8	22	17	569	509
March	581	81	3	20	13	531	614
April	588	58	5	12	10	565	539
May	597	44	3	12	11	528	597
June	597	37	8	7	11	524	478
July	561	33	3	10	10	532	533
August	664	95	6	17	11	513	573
September	576	73	5	32	22	579	541
October		69	3	12	10	594	579
Totals	5221	651	48	158	130	5492	5557

General Repairs

A total of 12 toby taps were repaired in Gore and Mataura. One lateral line was replaced in Mataura. Four minor repairs were carried out to lateral connections. A water meter was replaced in Kakapo Street. A new water connection was completed to supply water in Vera Street. Two fire hydrants were serviced. Fire hydrant testing was completed in the south west area of Mataura.

Water meter readings were recorded in both Gore and Mataura and invoices sent to users.

The Otama Water Scheme had five minor leaks repaired. A new control valve was installed in the water line at Bushy Park road.

Seven sewer pumps in Mataura were lifted at the pumping stations and cleared of blockages.

Two trade waste samples were sent away for testing. Samples were taken from the Gore Oxidation pond discharge along with river samples and sent for testing to meet the consent conditions for the Oxidation pond discharge.

Samples (4) were collected from the Gore and Mataura water reticulation system every nine days for testing. Weekly samples were taken from all the water plants. The water samples taken during the month from the Gore and Mataura water supplies showed no ecoli transgression which confirms the quality of the water that we strive to deliver.

RECOMMENDATION

THAT the report be received.

4. REPORT FROM THE ANIMAL CONTROL CONTRACTOR

Customer Service Requests

There were 36 reported incidents during October. These were varied.

I contacted 22 rural dog owners to remind them that their dogs were not registered for this current year. Most assured me that they would do so within the following week.

The repeat wandering offender from East Gore was picked up for non registration and impounded. After angry abuse from the owner and much needed assistance from police, the registration fee was paid and the dog released to a Sword Street address. I hope this dog is now contained.

Another incident worth a mention was an unregistered terrier in Afton St that rushed at the postie and latched onto her clothing and was further reported to be constantly wandering, as well as suspected of killing a pet rabbit, was finally put down by the owner. I offered advice to the owner but it was not heeded.

A heading dog was picked up in Old Coach Road and never claimed. This is most unusual.

The highlight of the month was the dog that was stuck under the house in Ashton St. I could not get the dog out, so I had to enlist the assistance of the Fire Brigade who jack hammered under the foundations until there was enough room to free the dog. I recognised the dog immediately as she is a frequent visitor to the pound.

	Mataura	Gore	Total
Dog Attacks (stock & person)		2	2
Barking Dogs		7	7
Dogs Claimed by Owner		2	2
Dogs Rushing Out		1	1
Escaped			
Euthanased	1	1	2
Fouling			
Impoundment	1	4	5
Infringement		1	1
Missing Dogs			
Other & Animal Welfare		3	3
Registration Checks		8	8

Rehoused		1	1
Stock Calls	1	2	3
Unsubstantiated			1
Wandering Dogs	1	10	11
Warning		2	2

RECOMMENDATION

THAT the report be received.

5. GORE INDOOR EVENTS CENTRE (STAGE 3 – MULTI-SPORTS COMPLEX) OPERATION

(Report from Chief Executive – 22.10.09)

1.0 INTRODUCTION

At the September meeting of the Council the following resolution was passed in regard to the Council's increased involvement in the funding of the operation of the Gore Indoor Events Centre:

This resolution was passed as a result of a request for financial assistance being received from the Gore Multi-sport Charitable Trust.

- ↳ A copy of this letter is attached.

RESOLVED on the motion of Cr Harvey, seconded by Cr Dixey, THAT resolutions 2003/136 and 2003/137, passed at a Gore District Council meeting on 23 September 2003 pertaining to the Council's non-involvement in capital and operational funding of Stage 3 of the multi-sports complex be rescinded,

THAT the Council approve in principle, funding 50 percent of the operational shortfall of the indoor sports centre after allowing for user fees and advertising revenue SUBJECT TO the Maitava Licensing Trust contributing 25 percent and the Community Trust of Southland contributing the other 25 percent of this shortfall,

THAT a funding agreement be executed between the Council, Maitava Licensing Trust and Community Trust of Southland to formalise the understanding outlined above,

AND THAT the Council note that further reports will be prepared on the ownership structure of the facility and management options in respect of its operation.

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2.0 SUBSEQUENT DEVELOPMENTS

- 2.1** Both the Community Trust of Southland and the Maitava Licensing Trust have confirmed their willingness to fund 25% of the operating shortfall of the new Centre for the first 12 months at least. With a Code of Compliance

certificate being issued for the new facility during the past week, attention has now quickly moved to how the new Centre will operate and the funding implication of the preferred option.

- 2.2** Regrettably there is not a great deal of time available to the Council to ponder this issue. This report endeavours to expeditiously canvas the merits of the realistic options on offer in order that the Council can make an informed decision on this issue.
- 2.3** Before setting out the merits of the available options it maybe appropriate to outline the expectations of our two funding partners and indeed the wider community. The two Trust's share common ideals of a facility that has a stable operation, a professional flavour and a positive outlook, all of which combine to give users satisfaction and in absence of worry or uncertainty in regard to how activities or events are conducted from the venue.
- 2.4** In addition, the two Trusts, along with the Council, are keen to see the facility marketed and revenue generation opportunities in regard to sponsorship and signage display, maximised. Whilst the community may also harbour this desire it is contended that the principal concern from the community's perspective is that the new facility be successful operationally and not founder due to a lack of organisation and/or communication between the management and users.

3.0 SKILLS NEEDED FOR OPERATION ROLE

- 3.1** One of the first questions to be posed in determining the best means by which to operate the new facility is to assess what skills are required. It appears to Council staff that the principal skills required revolve around property management and customer liaison. This view is proffered on the basis that it appears that the new facility is not too dissimilar to the James Cumming Wing in regard to multiple users and the need for the facility to be ready for use and enquiries/concerns from customers to be handled with urgency and accuracy.
- 3.2** Obviously the new Indoor Events Centre will differ markedly from the James Cumming Wing in terms of its size and recreational focus as well as potentially being able to host higher profile events. But when viewed in simplistic terms there are a number of similarities in

regard to the skills required on a regular and ongoing basis to effectively operate the facility.

3.3 Of course there is the added dimension of marketing and sponsorship generation at the new Indoor Events Centre, which is not an ingredient contained within the James Cumming Wing for example. However to advertise the role either as an in-house position or a contracted basis with all property management, customer service/liaison skills and a high degree of panache in the area of marketing and advertising, would appear to price the role beyond the budgetary expectations of both the Council and its two funding partners.

3.4 Given that marketing skills will not be required all the time it would therefore appear to be more economically viable to contract in these skills when required as opposed to insisting that they exist within the person or entity charged with operating the new Centre. From this vantage point it appears that the focus is going to be predominantly on being able to offer a trouble free, turn-key service to users and quickly resolve the inevitable teething problems associated with the start up of a new facility of this magnitude.

4.0 OPTIONS FOR SERVICE DELIVERY

4.1 There appear to be two distinct options available in regard to the operation of the Indoor Events Centre. These options are:

A. The Council to deliver the service as an in-house operation to complement the adjoining Aquatic Centre;
or

B. A contract entered into by the Council and its two funding partners with a contractor, who would be charged with responsibility of providing property management and customer service for the facility. Marketing could also be included if deemed appropriate. This particular option can be further subdivided into a contract entered into with an unknown entity (at this point in time) via a contestable process or a contract being entered into with Sport Southland. Both of these sub-options will be analysed below.

4.2 Option A

The identified advantages of the Council providing an in-house service for the operation of the Indoor Events Centre are considered to be:

- Certainty of cost. Whilst it is acknowledged that the start up of the operation of the Indoor Events Centre is a venture into the unknown, the Council can have a reasonable chance of being quite accurate in its estimation of running costs. These costs will be covered in more detail in the financial section of this report.
- The Council has a strong track record of facilities management and directly delivering services across a wide gamut of activities/disciplines to the community.
- There is no profit margin or incentive when the Council delivers a service. This suggests that there is a better prospect of containing costs to a minimum level.
- An in-house service delivery option will be able to attend to additional tasks that crop up, particularly during the start up phase, without incurring additional costs. This in all probability would not be the case with a contractor, where a variation to the contract would be invoked or additional time spent over that specified, would be charged to the operating costs of the Centre.
- An in-house service delivery would enhance the prospect of a compatible organisational culture running between the Indoor Events Centre and the adjoining Aquatic Centre upon which the Indoor Events Centre will be reliant for booking services. Given the strained and confused relationships that currently exist between the Charitable Trust and the Council, the possibility of a harmonious culture is seen as being particularly attractive.
- Speed of implementation. The Council has the ability to recruit a suitable person into the position and have the new person fully operational before the end of the current calendar year. A contract on the other hand that is put in place via a contestable process is unlikely to be able to be embedded within a similar timeframe.

The disadvantages of this particular option are considered to be as follows:

- Uncertainty as to whether the best possible price has been secured. Without going to the market place the Council will not know whether a better price for operating the Centre based on the scope of the service being sought, could be realised.
- The Council could be viewed as being pedestrian in the area of marketing should this particular attribute be incorporated within the core function of either an in-house service delivery option or a contracted service.

Option B (1)

The advantages of the Council and its funding partners entering into a contract with a third party for the delivery of an operational/management service associated with the new Indoor Events Centre are considered to be:

- An ability for the contractor to introduce innovation in regard to the way in which the Centre is operated and promoted due to being unconstrained by existing practice.
- The Council and its funding partners being assured in the knowledge that the best possible price together with non-financial attributes being brought by the chosen contractor, would have been realised via a contestable process.

The disadvantages associated with this particular option are considered to be:

- Price uncertainty due to the Council being unable to clearly detail exactly what is required in the service to be contracted. Given a number of nebulous aspects of the operation of the new facility and the overwhelming view that it is very much in the “suck it and see” category, there is fertile ground for price uncertainty and escalation to cover unforeseen aspects.
- Time delay in implementation. If a contestable process is embarked upon it will be several months before a contract can be entered into. This is due to the fact that the Council will need to carefully articulate the service it requires, advertise the contract, screen/vet offers/tenders received, accept or enter into

negotiations with a preferred tenderer and then sign a contract. Given that the Christmas holiday period is fast approaching it is not beyond the realms of possibility that a new contract would not be in place until well into the New Year.

- The potential for cultural incompatibility between the Aquatic Centre and the new contractor. Whilst it is acknowledged that this is a risk rather than a fait accompli, it is nonetheless a factor that needs to be borne in mind. This risk could be mitigated by a close consideration of any tender/proposal received.
- The risk of an unknown entity failing to deliver the service to the standard expected. Given price sensitivity in respect of the operation of the Centre, it is likely that a contracting option would favour an entity that is big on enthusiasm, innovation, but light on experience as opposed to a proven operator which may be domiciled outside of the District or region and have an accompanying high cost structure. It is suggested that the former, while attractive, can potentially from a cost and freshness perspective turn out to be risky in regard to being unable to deliver consistently to the required standard.

Option B (2)

This option would involve the Council entering into negotiations directly with Sport Southland with a view to securing a contract for the operation of the facility. The perceived advantages of this particular option are:

- Sport Southland has a recognised feel for sport and recreation services which align well with the activities proposed to be conducted in the new facility. This particular option can be put in place reasonably promptly due to there being no need to go through an exacting tender invitation and evaluation process. This in turn provides confidence that the organisation could provide the type of service desired.

The disadvantages of this particular option are considered to be:

- Sport Southland does not have a recognisable track record in facilities management. Whilst Sport Southland does have a strong track record in delivering recreational programmes and an in-depth

knowledge of sport and recreation within the province, it does not actually have any experience it can point to in respect of property and facility management. This is considered to be a key weak point in its armoury in regard to whether it should be offered a contract to operate the new Indoor Events Centre. Other attributes such as customer service/liaison are considered to be well established and in no way detrimental to its appeal.

- Entering into a contract directly with Sport Southland may expose the Council to criticism that it is not being sufficiently transparent or robust in endeavouring to seek the best possible option for operating the Centre, there could also be criticism that the Council is effectively shutting out those entities which have an interest in submitting a tender for operating the facility.

5.0 FINANCIAL

- ↳ **5.1** A draft operating budget is enclosed for consideration. It should be noted that the area of the budget entitled fixed costs which is also shaded, will run with the operation no matter which option is chosen. For example, the big expense item of depreciation, whilst it may not be a feature of any contract that the Council may enter into with a service provider, will nonetheless – irrespective of which option is chosen in terms of operation or ownership – still be left with the Council and its partners to fund.
- 5.2** The two main variables in regard to the options before the Council relate to staffing and administrative costs along with revenue to be generated. On the latter item, revenue from advertisers could significantly be increased from that included in the budget which in the interests of no surprises has been constructed along conservative lines.
- 5.3** This budget has therefore been prepared with an in-house solution in mind. This is due to the fact that it is very difficult for Council staff to speculate what a contract may cost and the revenue opportunities that a contractor may foresee which in turn could shape a price tendered. This uncertainty has been highlighted by Sport Southland not being in a position to put forward a fixed sum or even an estimate of cost of providing the service due to the number of uncertainties about the scope of the service required.

6.0 VIEW OF FUNDING PARTNERS

The Community Trust of Southland has been forwarded a copy of this report. The Trust Board has expressed comfort with the proposed recommendations. It does however have some questions about depreciation and the need for its funding.

The Mataura Licensing Trust Board has not viewed this report, but its General Manager, John Wyeth has had an opportunity to consider what is being proposed. He has expressed comfort with the general direction but expressed a preference for Sports Southland to be in the operating mix. Like the Community Trust of Southland, he has expressed reservations about funding depreciation.

7.0 CONCLUSION

- 7.1** In an ideal world the Council would have the time to go to the market and invite tenders for the operation of the Indoor Events Centre. This invitation would be made after a specification had been prepared detailing the services required to operate the new facility. These tenders could then be compared to the costs, advantages and disadvantages of the Council providing the service itself.
- 7.2** Unfortunately, like many aspects of this project, the environment in which the Council has been asked to act is not what could be deemed to be ideal. The Council has been asked to move quickly to secure funding and operational certainty. Council staff have therefore focussed its attention on providing this certainty and assessing the key skills required to ensure that the facility is used and enjoyed by a variety of recreational pursuits without the burden of an inordinate amount of teething problems. The minimisation of surprise and disappointment has been foremost in our minds when profiling practicable options open to the Council and its funding partners.
- 7.3** If the Council was to opt for an in-house service delivery, the Parks and Recreation Manager has confirmed that the employee that would result from this decision could be accommodated within the Aquatic Centre control room, in the short term.
- 7.4** The key skills required to get the new facility up and running on a confident footing appear to be property

management and customer liaison. It is suggested that marketing and selling skills which will be required to generate advertising revenue, can be purchased on an as required basis.

7.5 The community has waited a very long time for this facility to be available for use. It is with this longing in mind that the staff believes an in-house service delivery mechanism is in the best interests of the community, in the short term at least. This comment is offered on the basis that the Council does have a very strong track record in delivering services across a wide variety of disciplines which meet with a high satisfaction rate with the community. This opinion is supported in the most recent resident satisfaction survey conducted earlier this year.

7.6 To ensure that other options are not lost sight of, it is suggested that a formal review of the success or otherwise of the preferred in-house service delivery be conducted after 12 months.

RECOMMENDATION

THAT the Council endorse the employment of its own staff as the preferred service delivery option for operating the Gore Indoor Events Centre,

THAT the Council note the attached budget report and authorise expenditure to be committed in the current financial year to allow the Indoor Events Centre to operate,

AND THAT the Council note that a review of the success or otherwise of the in-house service delivery option for the operation of the Indoor Events Centre will be conducted in 12 months time.