

**152ND MEETING  
OF  
THE CHRISTCHURCH CITY COUNCIL**

**MINUTES OF A MEETING OF THE CHRISTCHURCH CITY COUNCIL  
HELD AT 2.00 PM ON THURSDAY 26 MARCH 1998**

**PRESENT:** The Mayor, Ms Vicki Buck (Chairperson).  
Councillors Oscar Alpers, Carole Anderton, Graham Berry, David Buist, David Close, Graham Condon, David Cox, Anna Crighton, Newton Dodge, Carole Evans, Morgan Fahey, Gordon Freeman, Ishwar Ganda, Pat Harrow, Ian Howell, Alistair James, Lesley Keast, Charles Manning, Garry Moore, Margaret Murray, Denis O'Rourke, Gail Sheriff, Barbara Stewart and Ron Wright.

**APOLOGIES:** Apologies for lateness were received and accepted from Councillor Garry Moore who arrived at 3.00 pm and from Councillor Charles Manning who arrived at 3.32 pm.

**1. SUPPLEMENTARY ITEMS**

The Mayor referred to the following supplementary items which had been tabled at the meeting:

- Report by Funds and Planning Manager on amendments to the Draft Plan, Long Term Financial Strategy and Funding Policy.
- Schedule of proposed charges for Centennial and Pioneer Swimming Pools setting out:
  - Charges originally recommended by the Leisure and Community Services Manager.
  - Changes recommended by the Parks and Recreation Committee.
  - Changes recommended by the Strategy and Resources Committee.
- Memorandum by Councillor Close on Funding Policy - Economic Development.

The Mayor advised that these items had not been included in the agenda as they were not available at the time the agenda had been prepared and sent out, and that as they related to the draft Plan under discussion at the present meeting they could not be deferred to a subsequent meeting.

It was **resolved** that the foregoing items be received and considered at the present meeting.

## 2. **CONSIDERATION AND ADOPTION OF DRAFT CHRISTCHURCH CITY COUNCIL PLAN : 1998 EDITION**

Councillor Close read the following statement:

*"I am pleased to present to the Council the draft Christchurch City Council Plan : 1998 Edition.*

*It represents the culmination of several months of work by staff, Community Board members and Councillors. The result is a detailed programme of services and projects for the 1998/99 financial year and an indicative programme for the rest of the decade.*

*I wish to begin by stating that it is my firm belief that the Plan demonstrates quality long term planning for the city's finances, services and infrastructure. In recent years the City Council has gained a reputation for its innovation. We have an exciting programme of free entertainment which includes an enhanced SummerTimes and an expanded range of festivals through the year. We have built a convention centre which is the most up to date in New Zealand, and are in the process of completing a sport and entertainment centre which will likewise be the best of its kind in the country. We have had the courage to back a community initiative and support the construction of the New Brighton Pier, which is producing a surge of private sector investment. We have taken bold steps to preserve open space for future generations by the purchase of Travis Wetland and extensive areas on the Port Hills. We have taken initiatives with the Canterbury Development Corporation and the New Zealand Employment Service to help people of all ages find employment. We have embarked on a series of social initiatives, mainly through grants to effective community organisations, and often in association with government agencies and the Trustbank Community Trust. Does this mean that our traditional basic services have been neglected? Emphatically not. An analysis of operating expenditure for 1998/99 reveals that 77% is being spent on the traditional areas of streets, sewers, water supply, refuse, libraries and the Art Gallery.*

*Our basic infrastructure - roads, water supply, sewerage and drainage - is in good condition, and the Asset Management Plans which have been developed in recent years and incorporated for the first time in the 1997/98 Plan will ensure that the standard is maintained or enhanced into the indefinite future. The people of Christchurch gave a strong endorsement to our Asset Management Plan for these services last year.*

*This year we have moved to refine our Asset Management Plan for buildings, stadia and swimming pools. This has required, amongst other things, an additional \$5 million to upgrade the pools at Queen Elizabeth II Park. A detailed engineering assessment has indicated that the commitment of adequate renewal expenditure will extend the working life of what is still a very fine asset. Further design work will be carried out in the coming months to integrate major building maintenance and plant renewal with the development of the proposed leisure pool, which has been signalled in the long term financial plan for several years. The people of Christchurch City can be confident that the maintenance of their assets has never been better planned and provided for than at the current time.*

*The most significant financial change in the 1998 Plan is the implementation of capital restructuring which was signalled in last year's plan. In recent weeks we have received advice from Lyttelton Port Company that it will repatriate \$15 million to the City Council through Christchurch City Holdings, that Christchurch Transport Limited will repatriate a sum of approximately \$3 million, and Southpower a much larger sum. Although the timing, amount and method of the capital repatriation from Southpower is not yet certain, the Director of Finance has recommended that we provisionally budget to receive \$120 million in the 1998/99 financial year. I would emphasise that the repatriation of capital from the trading enterprises to the City Council through City Holdings is a reflection of the long term policy of the City Council in building the strength of these enterprises. When the Government corporatised some of its own departments and transformed them into state owned enterprises, it usually took out a large amount of capital leaving the state owned enterprise with a heavy debt. The City Council, by contrast, did not follow this policy; instead it left Southpower and the Airport Company with minimal debt and injected a significant capital sum into the Lyttelton Port Company to help finance the redevelopment of the container terminal. In the case of all the trading enterprises, the City Council took only modest dividends during the years during which they were being established. It has taken care to build the financial strength of the Christchurch Airport so that the company has been able to finance the construction of the major new terminal from its own resources. The policy of building the financial strength of the trading enterprises has now enabled those companies which do not have the demand for a large amount of capital in the medium term to repatriate to the City Council their surplus capital. I cannot emphasise too strongly that the decision to repatriate capital is in every case the responsibility of the Directors of the respective companies, who are bound to act in the best interests of their company, as well as creating wealth for their shareholder. It has been interesting to note that the commercial world has been supportive of the Council's plans for capital restructuring, as it is well known that it is the interests of a company to have an appropriate mix of debt and equity on its balance sheet.*

*It is obvious to all that the strength of the City Council lies not merely in the quality of its assets and the strength of its rating base but also in the assets of its trading enterprises. The Council is grateful to the Chief Executives and the Directors of all the Council's trading enterprises for their commercial competence and for their commitment to working in the interests of their companies and of the Council's wider community and economic objectives. The people of Christchurch are fortunate that a significant number of people with outstanding corporate experience have been prepared to serve as Directors on our publicly owned companies.*

*The capital restructuring will not result in a bonanza of new projects. The citizens of Christchurch need not fear that the City Council will embark on a series of projects that will absorb the capital injection. Instead the capital restructuring will result in reducing the net debt held by the City Council to a mere \$21 million by the end of the 1998/99 financial year. This will result in significant reductions in interest charges, which in turn results in rate increases projected to be 1-2% lower each year than those projected in last year's plan. This is a very satisfying result. As a 2% allowance for inflation has been built into the Council's financial model, this means that rate increases over the next few years will be zero in real terms.*

*Councillors will have noted that the financial projections indicate quite a steep increase in borrowing towards the end of the decade. I have discussed this matter with the Director of Finance, who has agreed that we should institute a review of capital expenditure for those years during the course of the preparation of the 1999 Plan. The intention would be to ensure that the Council's debt level did not rise at an unacceptable rate. One project - the redevelopment of Lancaster Park - needs specific mention. The Council wishes to consult the public of Christchurch fully on the package which it has suggested for Lancaster Park. To put it simply, the Council would commit itself to providing \$4 million of capital and to assuming the responsibility for the residual debt of the Victory Park Board, subject to contributions from the major sporting codes, the business sector, the public, and other funding agencies. Under the proposal the City Council would acquire ownership of the physical assets of Lancaster Park whilst the Victory Park Board would retain ownership of the land. We await with interest the views of the people of Christchurch on this proposed package.*

*In association with this year's Plan, we are publishing a Strategic Statement and a draft Funding Policy as required by the Local Government Amendment Act No 3. The Funding Policy has entailed the making of thousands of decisions about who benefits from each activity the Council engages in, and how those benefits should be paid for, whether directly by the user, by ratepayers in general, or by particular ratepayer groups. Generally speaking, the Council is recommending that people related services be charged more to the residential sector and property related services more to ratepayers in general. A large proportion of the cost of maintaining the roads has been charged to the commercial sector because of engineering evidence that a heavy commercial vehicle causes approximately 13,000 times more damage to a road than the average private car. Submissions on the preliminary consultation carried out last year revealed a number of anomalies, especially affecting the rural sector, and these have been corrected in the current draft. During tonight's meeting I shall be proposing some amendments which would correct some anomalies which affect the commercial sector.*

*In conclusion I would like to thank the City Manager, and the Director of Finance and his staff for their assistance during the preparation of this year's Plan. I am also grateful to the members of Community Boards and Standing Committees for their work. In particular I would like to thank the members of the Strategy and Resources Committee who have spent long hours debating the issues. As a result of their tolerance and commitment to debate, I believe we reached an acceptance of the decisions made even when we did not personally agree with them. It gives me pleasure to recommend the adoption of the City Council Plan : 1998 Edition Volume I and Volume II."*

Councillor Close then moved "That the recommendations of the Strategy and Resources Annual Plan Working Party be adopted". The motion was seconded by Councillor Murray.

(2.35 pm Councillor Berry retired)  
(3.00 pm Councillor Moore arrived)

### 3. HIRE OF SPORTS GROUNDS

Councillor James moved by way of amendment “*That the fees and charges for the hire of sports grounds remain at the 1997/98 levels*”. The amendment was seconded by Councillor Keast and when put to the meeting was declared **carried** on division no 1 by 13 votes to 10, the voting being as follows:

**For (13):** Councillors Anderton, Buist, Condon, Cox, Crighton, Dodge, Evans, Ganda, Harrow, James, Keast, Moore and Murray.

**Against (10):** Councillors Alpers, Close, Fahey, Freeman, Howell, O’Rourke, Sheriff, Stewart, Wright and the Mayor.

**Absent:** Councillors Berry and Manning.

(3.32 pm Councillor Manning arrived)

### 4. CENTENNIAL POOL: NAMING RIGHTS

Councillor Crighton moved by way of amendment “*That the draft provision of \$450,000 for the sale of naming rights for the Centennial Pool be deleted from the draft Plan*”. The amendment was seconded by Councillor O’Rourke and when put to the meeting was declared **lost** on division no 2 by 5 votes to 18, the voting being as follows:

**Against (18):** Councillors Alpers, Anderton, Buist, Condon, Cox, Dodge, Fahey, Freeman, Ganda, Harrow, Howell, James, Manning, Moore, Murray, Stewart, Wright and the Mayor.

**For (5):** Councillors Cox, Evans, Keast, O’Rourke and Sheriff.

**Absent:** Councillor Berry.

**Abstain:** Councillor Close.

### 5. STRATEGIC RESERVE PURCHASES

Councillor Dodge moved by way of amendment “*That the following amended provision be made for strategic reserve purchases on page 74 of Volume II of the draft Plan:*

1998/99	Add \$215,000
1999/2000	Add \$500,000
2000/01	Add \$500,000
2001/02	Add \$500,000
2002/03	Add \$500,000”

The amendment was seconded by Councillor Manning.

Councillor Close moved by way of further amendment “*That the modifications to the provision for strategic reserve purchases suggested in the foregoing amendment be referred to the Annual Plan Working Party for possible inclusion in the 1999 Edition of the draft Council Plan*”. The further amendment was seconded by Councillor Wright and when put to the meeting was declared **carried** as the substantive motion.

## 6. CORPORATE ADMINISTRATION

Arising from a discussion as to the appropriateness of the description for this item, the City Manager undertook to rename it as “Civic Offices Corporate Office”.

## 7. COMPUTERS

Arising from a question by Councillor Cox, the City Manager undertook to report back in due course to the Strategy and Resources Committee on the present policy for the supply and use of computers by staff, the arrangements for the purchase and/or leasing of computers, the arrangements for the sale or disposal of obsolete computers and the extent to which Council computers were located and used in the homes of staff members.

## 8. CITY SCENE

Councillor Wright moved by way of amendment “*That the City Scene be published monthly, but that no additional financial provision be made for its publication*”. The amendment was seconded by Councillor Murray and when put to the meeting was declared **lost**.

(4.40 pm Councillors Cox, Ganda and Fahey retired)

(4.50 pm Councillor Dodge retired)

## 9. BERM MAINTENANCE

Councillor Evans moved by way of amendment “*That the provision for berm maintenance be increased by \$25,000*”. The amendment was seconded by Councillor O’Rourke and when put to the meeting was declared **carried**.

## 10. SEATING IN COUNCILLORS’ LOUNGE AND RECEPTION AREA

Councillor Evans moved “*That a report be prepared for the Annual Plan Working Party on the cost effectiveness of replacing the existing seating in the Councillors’ Lounge and reception area, on the basis that the existing seats and couches are replaced by lighter furniture which is more easily shifted when these two areas are in use for functions or other purposes*”. The motion was seconded by Councillor Howell and when put to the meeting was declared **carried**.

## 11. BOTTLE LAKE LAND SALE

Councillor Evans moved by way of amendment “*That the provision of \$5.35 million for the future sale of the Bottle Lake land to offset part of the Travis Swamp land purchase be deleted from the five year capital expenditure programme*”. The amendment was seconded by Councillor James and when put to the meeting was declared **lost** on division no 3 by 5 votes to 15, the voting being as follows:

**Against (15):** Councillors Alpers, Anderton, Buist, Close, Condon, Crighton, Harrow, Howell, Keast, Moore, Murray, O’Rourke, Stewart, Wright and the Mayor.

**For (5):** Councillors Evans, Freeman, James, Manning and Sheriff.

**Absent:** Councillors Berry, Cox, Dodge, Fahey and Ganda.

Councillor Sheriff moved by way of further amendment “*That the provision for revenue from this item be rescheduled to the year 2002/03*”. The amendment was seconded by Councillor Evans and when put to the meeting was declared **lost**.

Councillor O’Rourke moved by way of further amendment “*That the provision for revenue from this item be rescheduled to 2001/02 and that an asterisk be placed against this item noting that the eventual sale of the land is subject to compliance with the rezoning provisions of the Resource Management Act*”. The amendment was seconded by Councillor Keast and when put to the meeting was declared **carried**.

(6.00 pm Councillors Anderton and Freeman retired)

## 12. STAFF ATTENDANCE AT MEETINGS

Arising from a discussion concerning this matter, it was **resolved** that Councillor Close be requested to circulate a memorandum reminding the Chairpersons of Standing Committees and Committee Secretaries that care should be taken to avoid keeping staff, consultants and legal advisers waiting unnecessarily at meetings.

## 13. METROPOLITAN GRANTS 1998/99

Councillor Howell moved by way of amendment “*That the proposed payment of an additional sum of \$25,000 to the Ferrymead Trust for a summer programme for January 1999 be subject to the formal review of Ferrymead confirming its long term financial stability*”. The amendment was seconded by Councillor Moore and when put to the meeting was declared **carried**.

Councillor Moore moved by way of further amendment “*That the Ferrymead Development Group (rather than Mr Chris Carswell of Deloitte) be asked to carry out a formal review of Ferrymead to advise on the requirements for long term financial stability*”. The amendment was seconded by Councillor James and when put to the meeting was declared **carried**.

(Note: Councillor Sheriff requested that her vote be recorded against the adoption of recommendation 1, relating to a grant to the Nga Hau E Wha National Marae.)

(Note: Councillor Close retired from consideration of recommendations 1 and 2 regarding the Nga Hau E Wha National Marae, and took no part in the discussion or voting thereon.)

#### 14. CENTRAL CITY TRANSPORT INITIATIVES

Councillor Murray moved by way of amendment “*That the provision of \$200,000 for a free bus service on Saturdays and Sundays be deleted*”. The amendment was seconded by Councillor Stewart and when put to the meeting was declared **lost** on division no 4 by 8 votes to 10, the voting being as follows:

<b>Against (10):</b>	Councillors Close, Condon, Crighton, James, Keast, Manning, Moore, O’Rourke, Wright and the Mayor.
<b>For (8):</b>	Councillors Alpers, Buist, Evans, Harrow, Howell, Murray, Sheriff and Stewart.
<b>Absent:</b>	Councillors Anderton, Berry, Cox, Dodge, Fahey, Freeman and Ganda.

(7.10 pm Councillor Sheriff retired)

(7.12 pm Councillor Cox returned)

(7.15 pm Councillor Ganda returned)

Councillor Murray moved by way of further amendment “*That the sum of \$80,000 be transferred from the draft provision for central city transport initiatives to the provision for central city marketing*”. The amendment was seconded by Councillor Harrow and when put to the meeting was declared **lost** on division no 5 by 7 votes to 10, the voting being as follows:

<b>Against (10):</b>	Councillors Close, Condon, Crighton, James, Keast, Manning, Moore, O’Rourke, Wright and the Mayor.
<b>For (7):</b>	Councillors Alpers, Buist, Evans, Harrow, Howell, Murray and Stewart.
<b>Absent:</b>	Councillors Anderton, Berry, Dodge, Fahey, Freeman and Sheriff.
<b>Abstain:</b>	Councillors Cox and Ganda.

(Note: Councillors Cox and Ganda declared an interest in this item, and retired from the discussion and voting thereon.)



## 15. LANCASTER PARK REDEVELOPMENT

It was **resolved**:

1. That a separate submission form regarding Lancaster Park be provided in the draft Plan, to facilitate comment by persons wishing to make submissions on the Council's proposed funding support for this project.
2. That a clear explanation of the rationale for the Council's proposed involvement in the funding for this project be included in the draft Plan.

(7.25 pm Councillor Sheriff returned)

Councillor Sheriff moved by way of amendment "*That further public consultation regarding the proposed funding of the Lancaster Park redevelopment be sought via an article in the City Scene*". The amendment was seconded by Councillor Evans and when put to the meeting was declared **lost** on division no 6 by 10 votes to 9, the voting being as follows:

**Against (10):** Councillors Alpers, Buist, Ganda, Harrow, James, Keast, Manning, Murray, O'Rourke and Wright.

**For (9):** Councillors Close, Condon, Cox, Crighton, Evans, Howell, Moore, Sheriff and Stewart.

**Absent:** Councillors Anderton, Berry, Dodge, Fahey and Freeman.

**Abstain:** The Mayor.

Councillor Close moved by way of further amendment "*That discussions be initiated with the Canterbury Rugby Football Union and Canterbury Cricket Association and other relevant parties to achieve the Council's objectives regarding this project*". The amendment was seconded by Councillor Condon and when put to the meeting was declared **carried**.

Councillor Cox moved by way of further amendment "*That recommendation 2 made by the Working Party be amended to provide as follows:*

*The project being required to be designed, built and equipped within a maximum cost level of \$35M with provision for a \$5M contingency."*

The amendment was seconded by Councillor Condon and when put to the meeting was declared **carried** on division no 7 by 11 votes to 8, the voting being as follows:

**For (11):** Councillors Buist, Condon, Cox, Evans, Harrow, Howell, Moore, Murray, Sheriff, Stewart and Wright.

**Against (8):** Councillors Alpers, Close, Crighton, Ganda, James, Keast, Manning and O'Rourke.

**Absent:** Councillors Anderton, Berry, Dodge, Fahey and Freeman.

**Abstain:** The Mayor.

The remaining recommendations made by the Working Party regarding this project were then adopted, subject to incorporation of the adopted amendments referred to above.

(Note: The Mayor declared an interest in this item and retired from the discussion and voting thereon, when Councillor Ganda temporarily assumed the chair.)

## 16. EVENTS PROMOTION FUND

Adopted, subject to the sub-committee referred to in recommendation 2 comprising the Mayor, Chairman of Strategy and Resources Committee and Councillors Gordon Freeman and Margaret Murray.

## 17. FUNDING POLICY: ECONOMIC DEVELOPMENT

It was **resolved** that the Draft Funding Policy relating to economic development and promotion of the city centre be modified according to the principles set out in Councillor Close's separately circulated memorandum of 26 March 1998, before it is published for consultation.

## 18. 1998/99 RATE INCREASE

The Mayor moved by way of amendment "*That in the community interest and in the interests of fairness and equity and in view of the Council's strategic objectives (C1 and C2) which emphasise the retention and creation of jobs, the implementation of the draft Plan and the proposed rate increase be modified so that the percentage increase in rates be the same for the residential and the commercial/industrial sectors*". The amendment was seconded by Councillor Murray and when put to the meeting was declared **lost** on division no 8 by 6 votes to 14, the voting being as follows:

**Against (14):** Councillors Alpers, Close, Condon, Cox, Crighton, Evans, Ganda, Howell, James, Keast, Manning, Moore, O'Rourke and Sheriff.

**For (6):** Councillors Buist, Harrow, Murray, Stewart, Wright and the Mayor.

**Absent:** Councillors Anderton, Berry, Dodge, Fahey and Freeman.

(8.25 pm It was resolved that the present meeting continue until its conclusion.)

**19. AMENDMENTS TO DRAFT PLAN, LONG TERM FINANCIAL STRATEGY AND FUNDING POLICY**

It was **resolved** to approve the amendments set out in the Funds and Planning Manager's tabled memorandum of 26 March 1998.

**20. POYNDER AVENUE: KERB AND CHANNEL RENEWAL**

It was **resolved** that the proposed funding formula for this project set out in the report by the Chairman of the Fendalton/Waimairi Community Board be approved to enable Poynder Avenue kerb and channel renewal to be undertaken in 1999/2000.

**21. ADOPTION OF DRAFT PLAN : 1998 EDITION**

It was then **resolved**:

1. That the Council adopt the adjustments listed in Appendix 1 and the recommendations contained in the Strategy and Resources Annual Plan Working Party report, as amended at the present meeting.
2. That the Council approve a 1.94% overall rate increase for 1998/99.
3. That the uniform annual general charge and differential rating scheme be amended to follow the funding policy structure.
4. That the draft CCC Plan : 1998 Edition consisting of the Strategic Statement - Volume I and the Annual Plan - Volume 2 and incorporating the adjustments listed in Appendix 1 be approved in terms of section 223D of the Local Government Act 1974.
5. That the Director of Finance be authorised to make any amendments to the draft Plan and Strategic Statement for correction purposes.
6. That the City Manager publish the draft CCC Plan : 1998 Edition and that, pursuant to section 716A(1)(b) of the Local Government Act 1974 he give public notice on Monday 27 April 1998 calling for submissions from interested persons in accordance with section 716A; such submissions to close on at 5.00 pm on Thursday 28 May 1998.
7. That the members of the Strategy and Resources Committee be appointed to hear public submissions on the draft CCC Plan : 1998 Edition on Monday 15, Tuesday 16, Wednesday 17, and also Thursday 18 and Friday 19 June 1998 if necessary and to report thereon to the Council at its meeting on Tuesday 29 June 1998.
8. That pursuant to section 716A(1)(a) of the Local Government Act 1974 notice be given that the CCC Plan : 1998 Edition will be considered by the Council at its meeting to be held on Tuesday 29 June 1998.

**26. 3. 98**

- 12 -

9. That in terms of section 223D of the Local Government Act the draft CCC Plan : 1998 Edition be available to the public free of charge. Copies to be available at the Civic Offices, Service Centres, the Central Library and community libraries.
10. That the Draft CCC Corporate Plan : 1998 Edition as amended which provides the detail of Business Unit plans be approved by the Council and be made available for public inspection at the Civic Offices and Service Centres.

## **22. CONCLUSION**

The meeting concluded at 9.00 pm.

**CONFIRMED THIS 22ND DAY OF APRIL 1998**

**MAYOR**