

**MINUTES OF A MEETING OF THE CHRISTCHURCH CITY COUNCIL
HELD AT 9AM ON MONDAY 26 APRIL 1999**

PRESENT: The Mayor, Garry Moore (Chairperson).
Councillors Carole Anderton, Paddy Austin, Erin Baker, David Buist,
David Close, Graham Condon, Barry Corbett, Anna Crighton,
Carole Evans, Morgan Fahey, Ishwar Ganda, Pat Harrow, Alister James,
Lesley Keast, Charles Manning, Denis O'Rourke, Gail Sheriff,
Barbara Stewart, Sally Thompson, Sue Wells and Ron Wright.

APOLOGIES: Apologies for absence were received and accepted from Councillors
Robin Booth, Sally Buck and Ian Howell.

1. SUSPENSION OF STANDING ORDERS AND TIME LIMIT ON SPEAKING

It was **resolved**:

1. That Standing Orders be suspended for the duration of the present meeting.
2. That a time limit of two minutes be imposed on each member speaking at the meeting.

2. SUPPLEMENTARY ITEMS

The Mayor referred to the following supplementary items which had been separately circulated after the agenda for the meeting had been sent out:

- Supplementary report by the Chairman of the Annual Plan Working Party regarding recommended further amendments to the draft Plan, and a proposed funding agreement with the organisers of "Supergames 2001".
- Supplementary public excluded report by the Chairman of the Projects and Property Committee regarding the proposed purchase of land on the corner of Berwick Street and Warrington Street.

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 circulated, and that as it was essential for decisions on the issues covered by the reports to be reached 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.

3. CONSIDERATION AND ADOPTION OF DRAFT CHRISTCHURCH CITY COUNCIL PLAN : 1999 EDITION

Councillor Close read the following statement:

“It gives me pleasure to present the draft Christchurch City Council Plan : 1999 Edition, because it is the plan of a city that is moving ahead.

Last week a telephone caller asked, “Why do the rates have to go up at all?” My response was simple: “The rates don’t have to go up if we’re happy to stand still.”

Efficiency gains of the past year total \$2.629m, which is more than sufficient to meet basic cost increases for a city that is standing still. But the people of this city do not want Christchurch to stand still. They want Christchurch to move ahead, and most of them are happy to pay a little more to enable that to happen.

The draft plan lists about 185 items of additional expenditure. To demonstrate how we are moving ahead, and the cost of moving ahead, I have grouped the items in 11 categories (miscellaneous items excluded) as follows:

Additional Costs of Moving Ahead 1999-2000

<i>To make Christchurch safer</i>	<i>140,000</i>
<i>To make Christchurch air cleaner</i>	<i>615,000</i>
<i>To create more jobs in Christchurch</i>	<i>643,000</i>
<i>To reduce Christchurch rubbish volumes</i>	<i>1,023,000</i>
<i>To protect Christchurch heritage/environment</i>	<i>200,000</i>
<i>To maintain new Christchurch parks</i>	<i>458,000</i>
<i>To help Christchurch youth, families at risk</i>	<i>300,000</i>
<i>To keep the centre of Christchurch alive</i>	<i>445,000</i>
<i>To give Christchurch more modern libraries</i>	<i>740,000</i>
<i>To do extra work on Christchurch streets</i>	<i>432,000</i>
<i>To put more overhead wires underground</i>	<i>1,157,000</i>
<i>Total</i>	<i><u>\$6,153,000</u></i>

In the democratic process that follows the publication of the draft plan, it is up to the people of Christchurch to tell the Council if they want to move ahead in this way at this pace.

The most dramatic way of moving ahead, however, is a proposal to create an economic development fund of \$41m to build real, long-term jobs in Christchurch and Canterbury. As this would be funded from the sale of the Southpower retail electricity business, an asset built up by generations of Christchurch people, it is appropriate that it should be reinvested for the benefit of this and future generations. The criteria for the structure and use of the fund will be the subject of a report from the Director of Finance. His recommendations will undoubtedly include the requirement for rigorous feasibility studies for any proposed investments.

Of course, Christchurch people want a council that is prudent as well as forward-looking. To ensure that our long-term financial plan is prudent, the Annual Plan Working Party made a rigorous examination of projections of capital expenditure. About \$50m was cut from the provisional ten-year programme, whilst ensuring that there was adequate funding to renew essential infrastructure in accordance with approved asset management plans. Projected operating expenditure was also scrutinised to ensure that any increases were justified.

Prudence was also exercised in adopting a recommendation of the Director of Finance for a new formula for funding capital expenditure. Under the new formula, 55% of averaged capital expenditure is to be met from depreciation and operating surplus. In other words, we will not borrow more than 45% of the cost of capital works.

A long-term view has also been adopted in the recommendation from the working party that \$40m to be received as capital repayments from trading enterprises should be used for a debt repayment reserve. This prudent recommendation would not have been possible had it not been for the sound financial judgement of previous councils in retaining ownership of the city's trading enterprises, which continue to pay good regular dividends in addition to returning surplus capital to the Council. Long live the People's Republic!

The combination of the prudent management outlined above and the strong returns from our trading enterprises have combined to produce a long-term financial plan, which after allowing for the costs of "moving ahead", has the following characteristics:

- full provision for maintenance and renewal of streets, water supply, sewerage, buildings and other assets*
- lower long-term debt (net debt of \$227m in 2007/08 compared with \$242m in 1998 Plan)*
- improved key financial ratios (all four indicators)*
- lower rate increases than projected in the 1998 Plan.*

The projections over the term of the current Council and the next are as follows:

	1999/2000	2000/01	2001/02	2002/03	2003/04	2004/05
<i>1998 Plan</i>	2.92%	2.88%	2.33%	2.64%	3.13%	3.49%
<i>1999 Plan</i>	1.94	2.74	1.85	3.26	3.52	2.94

It will be readily noted that the increase for the coming year is much lower than the increases forecast in other major cities, which are only now beginning to fund the full cost of depreciation, a procedure which this Council began to introduce in 1994. Christchurch City rates have been 20-50% lower than other major cities in the past; the gap will increase this year in Christchurch's favour.

However, there is a small fly in the ointment. Whilst the overall rate increase will be 1.94% in 1999/2000, the increase is not evenly spread. Most ratepayers will pay more or less than the average. Rural ratepayers will pay considerably more. Most commercial ratepayers will have a decrease in rates. Some residential ratepayers will also have a decrease, but most will pay more than the 1.94% increase.

What is the reason for the variations? There are two factors at work. Firstly, there was a city-wide revaluation last year, in which rural values rose steeply and central city properties declined steeply. Expensive residential properties were mainly static in value, whilst modest and average properties increased significantly.

Secondly, the Local Government Amendment Act requires the Council to have a funding policy under which costs of activities are charged to individuals, groups or sectors (residential, commercial, rural) which benefit from the activities. In the 1999 Plan expenditure has risen for some activities (such as pools and stadia) which are charged more to the residential sector, and has fallen for some activities (such as depreciation on infrastructure) which are charged across all sectors.

The working party has recommended some transition measures to ease the implementation of the funding policy, as is allowed in the legislation, but the impact of the revaluations is entirely outside the control of the Council. There are winners and losers in all revaluations. A few years ago residential ratepayers benefited from the central city property boom; they now stand to lose some of that benefit.

I would like to thank all those involved directly or indirectly in the annual plan process: the City Manager, the Director of Finance and his staff, unit managers and their support staff, the Committee Secretary, the members of the Annual Plan Working Party, and the Directors and Chief Executives of the trading enterprises.

The process has been strenuous but what we have produced is still a draft. The next stage is for the people of Christchurch to exercise their democratic right to make submissions on any project or policy, whether small or large. I have pleasure in moving the adoption of recommendations contained in the report of the Annual Plan Working Party and in the supplementary report.”

Councillor Close then moved “*That the recommendations of the Strategy and Resources Annual Plan Working Party be adopted*”. The motion was seconded by Councillor Buist.

(9.25am Councillor Wright arrived)

4. UNSPECIFIED CAPITAL EXPENDITURE (CLAUSE 7 OF REPORT)

Adopted, subject to the last sentence in the preamble and recommendation 2 being altered to provide that, as well as new capital projects, additional funding for projects already included in the long term budget would have to come from the unspecified sums.

(9.50am Councillor James retired)

5. SPECIAL DIVIDENDS AND CAPITAL REPAYMENTS (CLAUSE 13)

Councillor Evans moved by way of amendment “*That the additional capital arising from the sale of the Southpower retail business and the special dividend payment to be made by Christchurch International Airport Limited amounting to \$81 million be placed in a debt repayment reserve fund*”. The amendment was seconded by Councillor Sheriff and when put to the meeting was declared **lost** on division no 1 by 2 votes to 18, the voting being as follows:

Against (18): Councillors Anderton, Austin, Baker, Buist, Close, Condon, Corbett, Crighton, Ganda, Harrow, Keast, Manning, O’Rourke, Stewart, Thompson, Wells, Wright and the Mayor.

For (2): Councillors Evans and Sheriff.

Councillor Wells moved by way of further amendment:

“1. *That \$40 million from the monies received from the sale of Southpower, and any future capital repayments received from LATEs be paid into the debt repayment fund, with the exception of:*

- *\$21 million to be sourced from the Southpower proceeds*
- *\$20 million from the Christchurch Airport dividend*

2. *That the combined sum of \$41 million be used to establish an economic development fund.*”

The amendment was seconded by Councillor Buist and when put to the meeting was declared **lost**.

The Mayor moved by way of further amendment “*That, in addition to preparing a report on criteria for the use of the economic development fund and for a structure for the governance of the fund, the Director of Finance also be requested to report on a process for consultation with the public regarding the use of the special dividends and capital repayments*”. The amendment was seconded by Councillor Buist and when put to the meeting was declared **carried**.

Councillor Baker moved by way of further amendment “*That recommendation 5 be amended to provide that a statement be included in the draft Plan advising that a variety of projects to ensure economic development will be considered, which may include a technology centre, or technology transfer for manufacturing more generally, irrigation of the Canterbury Plains or any other projects which generate long term jobs in Christchurch or the Canterbury region*”. The amendment was seconded by Councillor O’Rourke and when put to the meeting was declared **carried**.

(11am Councillor Fahey arrived)

The recommendations contained in this clause were then adopted, subject to incorporation of the foregoing amendments.

6. CANTERBURY MUSEUM TRUST BOARD (CLAUSE 15)

Received.

It was **resolved** further that the Christchurch City Council request the Government and the Tourism Board to investigate methods by which a charge could be introduced for overseas tourists visiting art galleries and museums in New Zealand, possibly by instituting a daily bed or other tax similar to bed taxes levied for such purposes in some States within the USA.

7. CITY STREETS (CLAUSE 20)

CITY STREETS 20 YEAR CAPITAL WORKS PROGRAMME

Received.

STREET LANDSCAPING

Adopted.

It was **resolved** further on the motion of Councillor Anderton seconded by Councillor Condon that the staff be requested to investigate the possibility of the Parks Unit assuming responsibility for the design, installation and maintenance of street landscaping, as an alternative to having such work carried out by contractors.

CYCLE TRAINING

Received.

SHUTTLE BUS

Councillor Sheriff moved by way of amendment "*That the draft provision for an additional shuttle bus be deleted*". The amendment was seconded by Councillor Stewart and when put to the meeting was declared **lost**.

The recommendation made by the working party was then adopted.

It was **resolved**, further that the proposed provision of an additional shuttle bus and possible changes to the route/s covered by the shuttle buses be discussed with taxi companies and bus operators providing scheduled services in the central city.

8. CLEAN AIR PROGRAMME (CLAUSE 29)

Received.

It was also agreed that the report to be prepared by the Corporate Services Manager for the Strategy and Resources Committee should also address the possibility of instituting a loans scheme as well as grants, to encourage early conversion of existing appliances.

9. CENTRAL CITY MARKETING (CLAUSE 31)

Councillor O'Rourke moved by way of amendment "*That recommendation 3 be amended to provided:*

'That new initiatives be developed more closely related to the Council's central city objectives'".

The amendment was seconded by Councillor Stewart and when put to the meeting was declared **carried**.

The three recommendations made by the working party were then adopted, subject to the amendment of clause 3 to reflect the foregoing amendment.

(12.10pm Councillors Crighton and Keast retired)

10. EVENTS AND FESTIVALS (CLAUSE 32)

Councillor Wright moved by way of amendment "*That funding for the Millennium New Year's Eve event be reduced to \$250,000*". The amendment was seconded by Councillor Corbett and when put to the meeting was declared **lost** on division no 2 by 5 votes to 13, the voting being as follows:

Against (13): Councillors Anderton, Austin, Baker, Buist, Close, Condon, Ganda, Harrow, Keast, Stewart, Thompson, Wells and the Mayor.

For (5): Councillors Corbett, Evans, Fahey, Sheriff and Wright.

Abstain: Councillor O'Rourke.

The working party's recommendations were then adopted.

11. DEVELOPMENT OF NEW COMMUNITY CENTRES (CLAUSE 35)

Recommendations 1 and 4 were adopted without amendment.

It was **resolved:**

1. That recommendation 2 relating to the Parklands Community Centre be amended to provide:

"That, in the case of the Parklands Community Centre, staff explore the possibility of alternative funding for any minor shortfall in the project budget."

2. That recommendation 3 relating to Avebury House be amended to provide:

“That preliminary provision for the Avebury House project be included in the draft Plan, but that final approval or otherwise of the funding proposed for this project be subject to the requested report defining the groups which would use the building, together with future revenue streams, and the project being reviewed as part of the proposed study on the needs for the development and upgrading of community centres city wide.”

12. NEW ART GALLERY - CAR PARKING (CLAUSE 39)

Adopted.

It was **resolved** further that the Council investigate transport and parking options (including the use of the Shuttle) to alleviate parking problems in the cultural precinct.

13. PERSONAL COMPUTING FOR COUNCILLORS (CLAUSE 43)

Received.

It was **resolved** on the motion of Councillor O'Rourke seconded by Councillor Wells that provision of an additional \$24,000 be made to allow all Councillors to be provided with laptops, subject to a report on this proposal being submitted to the Strategy and Resources Committee by the Director of Information.

(1.20pm Councillor Keast retired)

14. RECOMMENDED FURTHER AMENDMENTS TO THE DRAFT PLAN

Consideration was given to the recommended further amendments to the draft Plan set out in clause 1 of the supplementary report by the Chairman of the Annual Plan Working Party.

It was **resolved** that the changes outlined in the report in respect of reduced interest income and increased dividends be incorporated in the draft Annual Plan.

15. EVENTS FUNDING SUPERGAMES 2001 CHRISTCHURCH

Consideration was given to clause 2 of the supplementary report by the Chairman of the Annual Plan Working Party regarding this event.

It was **resolved** that the Council enter into a funding agreement with the organisers of Supergames 2001 for \$150,000 (over two years - \$75,000 1999/2000 year 1 and \$75,000 2000/01 year 2).

(2pm Councillor Ganda retired)

16. METROPOLITAN ADVOCACY: MAORI LIAISON

Councillor Harrow moved by way of amendment “*That the provision of \$40,000 on page 47 of the agenda currently described as ‘Metropolitan Advocacy - Maori Liaison’ be renamed as ‘Community Ethnic Liaison Advocacy’*”. The amendment was seconded by Councillor Stewart and when put to the meeting was declared **lost** on division no 3 by 4 votes to 13, the voting being as follows:

Against (13): Councillors Anderton, Austin, Baker, Buist, Close, Condon, Evans, Manning, O’Rourke, Thompson, Wells, Wright and the Mayor.

For (4): Councillors Corbett, Fahey, Harrow and Stewart.

17. REVIEW OF STANDARDS

It was **resolved** on the motion of the Mayor seconded by Councillor Wright:

1. That the Council undertake a review of all of its standards - output by output - during the term of this Council to verify that the value created for the community from each is appropriate to its cost.
2. That each relevant Standing Committee prepare a programme for such review to begin by August 1999.
3. That the Council accept the offer from the Canterbury Employers’ Chamber of Commerce and any similar offers which may be made by other groups to provide advice and support for this project.

18. IMPACT OF FUNDING POLICY ON RATES (CLAUSE 44)

Adopted, subject to the deletion of the words “*and the effect of the property revaluations*” in the first bullet-point of the recommendation, and the alteration of the reference to the proposed rate adjustments being amended to reflect the alterations made at the Council meeting, ie:

Residential	+4.8%
Commercial/Industrial	-5.76%
Rural	+8.79%
Institutions	+1.48%
Overall	+1.96%

19. ADOPTION OF DRAFT PLAN : 1998 EDITION

It was then **resolved**:

1. That the Council adopt the adjustments listed in Appendices 1 and 2 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 an overall rate increase of 1.96% for 1999/2000.
3. That the Uniform Annual General Charge remain at \$105 for the 1999 year and the Differential Rating Scheme be amended to comply with the Funding Policy (see pages 16 and 17 of the draft Annual Plan).
4. That the draft CCC Plan : 1999 Edition 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 for correction purposes.
6. That the City Manager publish the draft CCC Plan : 1999 Edition and that, pursuant to section 716A(1)(b) of the Local Government Act 1974 he give public notice on Monday 17 May 1999 calling for submissions from interested persons in accordance with section 716A; such submissions to close on at 5.00 pm on Friday 18 June 1999.
7. That the members of the Strategy and Resources Committee be appointed to hear public submissions on the draft CCC Plan : 1999 Edition on Monday 5, Tuesday 6, Wednesday 7, Thursday 8 and Friday 9 July 1999 and to report thereon to the Council at its meeting on 23 July 1999.
8. That pursuant to section 716A(1)(a) of the Local Government Act 1974 notice be given that the CCC Plan : 1999 Edition will be considered by the Council at its meeting to be held on Friday 23 July 1999.
9. That in terms of section 223D of the Local Government Act the draft CCC Plan : 1999 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 : 1999 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 from Monday 17 May 1999.

20. RESOLUTION TO EXCLUDE THE PUBLIC

It was **resolved** that the resolution to exclude the public set out in the supplementary report by the Chairman of the Projects and Property Committee regarding the proposed acquisition of a property at 34 Berwick Street be adopted.

CONFIRMED THIS 27TH DAY OF MAY 1999

MAYOR

**MINUTES OF A MEETING OF THE CHRISTCHURCH CITY COUNCIL
HELD AT 9AM ON MONDAY 26 APRIL 1999**

PRESENT: The Mayor, Garry Moore (Chairperson).
Councillors Carole Anderton, Paddy Austin, Erin Baker, David Buist,
David Close, Graham Condon, Barry Corbett, Carole Evans,
Morgan Fahey, Pat Harrow, Charles Manning, Denis O'Rourke,
Gail Sheriff, Barbara Stewart, Sally Thompson, Sue Wells and
Ron Wright.

APOLOGIES: Apologies for absence were received and accepted from Councillors
Robin Booth, Sally Buck and Ian Howell.

(Note: Councillors Crighton, Ganda, James and Keast retired from the
meeting prior to the exclusion of the public.)

**21. SUPPLEMENTARY REPORT BY THE CHAIRMAN OF THE PROJECTS AND
PROPERTY COMMITTEE REGARDING PROPOSED PURCHASE OF
SECTION AT 34 BERWICK STREET**

Resolved: That the report be adopted.

22. CONCLUSION

The meeting concluded at 2.25pm.

CONFIRMED THIS 27TH DAY OF MAY 1999

MAYOR