

19. 4. 2000

**REPORT BY THE CHAIRMAN OF THE  
STRATEGY AND RESOURCES COMMITTEE**

**1. CANTERBURY MUSEUM DRAFT ANNUAL PLAN**

<b>Officer responsible</b> Director of Finance	<b>Author</b> Bob Lineham
Corporate Plan Output: Corporate Expenses & Revenues	

The purpose of this report is to seek Council approval to a revised Museum levy.

**BACKGROUND**

At the March meeting of the Council, consideration was given to the Canterbury Museum Trust Board levy for 2000/01. As the levy request included a capital levy of \$1.8m in addition to the ordinary operating levy, the Council resolved as follows:

*“That the Canterbury Museum Trust Board be advised:*

- 1. That the Council approves the ex gratia payments.*
- 2. That, in accordance with section 15(3) of the Canterbury Museum Trust Board Act 1993, the Christchurch City Council objects to the proposed levies.*
- 3. That the Council will favourably consider a revised ordinary levy which provides for the operational sum of \$2,198,711.*
- 4. That once the Strategic Plan is completed further consideration will be given to the capital levy issue.”*

It was necessary for the Council to formally reject the levy in terms of the Museum legislation as the capital levy had been tied in with the ordinary operating levy. However, it will be noted from the resolution that the Council indicated that it would favourably consider a revised ordinary levy for an operational sum of \$2,198,711.00.

The Museum Trust Board has now advised that it has decided to amend its draft Annual Plan and exclude the request for a capital levy. The normal process under the Act would require the Board to call a meeting of all contributing local authorities to discuss any changes to the Annual Plan. However, as our objection to the levy only related to the capital levy, the Museum has requested advice as to whether we wish to go through the meeting process to amend the levy or whether it is acceptable to receive an amended draft Annual Plan excluding the capital levy.

**1 Cont'd**

**APPROVAL OF REVISED LEVY**

As the Council has previously indicated that it is prepared to approve the requested operating levy it does seem to be a pragmatic approach to agree to accept a revised levy for this amount only and avoid the need to go through the statutory process of calling a meeting of all contributing local authorities. I therefore recommend that this approach be taken. It will, however, depend on whether the other local authorities are prepared to adopt this approach.

As the Museum Trust Board have revised their approach, I believe it would be appropriate for the Council to formally approve this level of operating levy so that even if a meeting is called, this Council can give its approval without the need for further recourse to Council.

- Recommendation:**
1. That the Council confirm its approval of an operating levy for the Canterbury Museum Trust Board of \$2,198,711 for the 2000/01 year.
  2. That this Council confirm its agreement to accept an amended draft Annual Plan with a capital levy of this amount without the need to call a meeting under Section 16(2) of the Canterbury Museum Trust Board Act 1993.

**Chairman's**

**Recommendation:** That the above recommendation be adopted.

**2. RESOLUTION TO RAISE JADE STADIUM DEVELOPMENT LOAN 2000**

At the April 2000 Strategy and Resources Committee meeting the Committee recommended that the Council approve provision of loan finance to Jade Stadium Ltd to undertake redevelopment of Jade Stadium with the loan resolution authorising the borrowing to be submitted to the April meeting of the Council.

In order to raise the redevelopment loan for on lending to Jade Stadium Ltd it is necessary for the Council to pass the following resolution:

1. That in exercise of the powers vested in it by the Local Government Act 1974 the Christchurch City Council resolves to raise a loan to be known as Jade Stadium Development Loan 2000 of \$43,000,000 in accordance with the following terms:
  - (a) The purpose and terms of the borrowing are:
    - (i) to make a loan to Jade Stadium Ltd to enable it to finance redevelopment of Jade Stadium.

2 Cont'd

- (ii) to refinance existing loans
  - (iii) the maximum amount of the borrowing is \$43,000,000
  - (iv) the maximum term of the borrowing is 20 years,
  - (v) the borrowing or any part thereof shall be repaid by either:
    - annual payments to a debt repayment reserve at a rate not less than 3 per cent per annum until the reserve and accrued interest earned is sufficient to repay the amount borrowed within the term of the loan,
    - or by table loan repayments over 20 years,
    - or by one lump sum.
  - (b) For the purpose of S.122ZE the Council charges its ordinary revenue as security for this loan.
  - (c) The Council has considered the risks and benefits to the Council of the borrowing or incidental arrangement and of the security to be given in relation to the borrowing or incidental arrangement.
  - (d) The Council is satisfied that the general terms and conditions of the borrowing or incidental arrangement and of the security to be given in relation to the borrowing or incidental arrangement will be in accordance with the current borrowing management policy as adopted by the Council under section 122R of the Local Government Act 1974 and in particular, the limits and guidelines set out in the borrowing management policy.
2. That any two of the following persons be delegated authority to act jointly on behalf of the Council to agree the precise terms and conditions of the loan or incidental arrangement.

Robert A Lineham	Director of Finance
Geoffrey W Barnes	Funds and Financial Policy Manager
Paul A Baldwin	Funds Accountant

**Chairman's**

**Recommendation:** That the above resolution be passed.

**CONSIDERED THIS 19TH DAY OF APRIL 2000**

**MAYOR**