

**MINUTES OF A MEETING OF THE CHRISTCHURCH CITY COUNCIL
HELD AT 9AM ON FRIDAY 24 MARCH 2000**

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

APOLOGIES: Apologies for absence were received and accepted from Councillors
Erin Baker and Robin Booth.
Apologies for lateness were received and accepted from Councillors
Graham Condon and Lesley Keast.

1. SUSPENSION OF STANDING ORDERS

It was **resolved** that Standing Orders be suspended for the duration of the meeting in respect to members not being able to speak more than once as per clause 2.19.8 of the Council's Standing Orders.

2. CONSIDERATION AND ADOPTION OF THE DRAFT CHRISTCHURCH CITY COUNCIL PLAN : 2000 EDITION

Moved: That the working party's report be adopted.

Councillor Close read the following statement:

"I am pleased to present to the Council a draft Annual Plan which is responsive, responsible and fair.

The first bullet point in the Council's mission statement is "be responsive to local needs". One of the enjoyable features of this year's Annual Plan process is the numerous ways in which we have been able to respond to requests from our community. In some cases, such as the provision of \$250,000 for an environment centre, we are responding to submissions made over several years. In other cases, such as the allocation of an additional \$35,000 for the autumn leaf collection, we are responding to numerous telephone requests to deal with leafy trouble spots last year. The proposed annual grants to cricket and hockey for capital development are comparable with the grants made in earlier years to netball and tennis. The expansion of kerbside recycling to include various grades of plastic and paper (to be financed not from rates but from the waste levy) is in response to strong public feedback in the Citizens Survey. The proposed additional \$200,000 per year for retention of heritage buildings is a frank recognition that our existing heritage funds are not sufficient to meet the demands placed upon them. (I should add a warning that rigorous prioritisation will still be necessary.) The increased sum for cemetery maintenance is in response to a call from a primary school, supported by the local Community Board.

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The most significant increase in expenditure is the allocation of an additional \$50,000 a year to each of our six Community Boards. This represents a new step in delegation of responsibility to local decision-makers, who are better able to assess local needs. The new funding will enable Community Boards to provide continuity of funding to recognised groups employing experienced community workers.

The draft plan is also responsible. Funding of our long-term asset management plans, incorporated in earlier annual plans, is retained. In addition, an extra \$4m has been allocated to roading projects over the next five years. A much larger sum, \$14m, has been included in years 6 and 7 of the capital works programme for the major upgrade of the wastewater (sewage) treatment system. This brings to about \$62m the total provision for the upgrade over a period of about six years. I draw the attention of the Council to this item, because it dwarfs all other capital projects and will also entail an increase in operating costs. It is quite unrealistic to expect a project of this magnitude to be accomplished without impact on rates, and it is, in fact, one of the reasons for the blip of 4.78% in the projected rate increase in Year 4. I am quite sure all citizens agree that the city must treat its wastewater to a standard that ensures there is no threat to human health and minimal impact on the environment.

The plan is also responsible with respect to borrowing. On the advice of the Director of Finance, the working party is recommending that the Council fund 60% of average capital expenditure from revenue. This change entails a modest increase in rates phased in from year 3. This has a gradual but positive impact on net Council debt. In comparison with last year's plan, net debt in 2008/09 is now projected to be \$166.77m, compared with last year's projection of \$214.59m. Another factor in the reduction is the decision of Christchurch City Holdings to retain a base debt within the company to maintain an appropriate gearing.

The working party has also endeavoured to make the funding of the plan fair as between residential, rural and commercial ratepayers. The overall rate increase is 2.38%, somewhat below the 2.74% projected last year. This translates into an increase of 2.25% for residential ratepayers, a reduction of 1.41% for rural ratepayers, and an increase of 3.04% for commercial ratepayers, many of whom enjoyed a decrease last year. The reason for the varying impact on the different sectors is the funding policy required by the Local Government Amendment Act No 3 1996, under which the Council endeavours to allocate costs to the sectors in proportion to the benefits received. Opportunity has been taken to rectify an anomaly under which the residual costs of the new convention and entertainment facilities were allocated to the uniform annual charge. Opportunity has also been taken to remove the loading of \$933,300 on the commercial sector, which was introduced as a transitional modifier to reduce the impact on residential ratepayers when the funding policy was introduced. We will thus remove two anomalies, one accidental and one intentional. The uniform charge remains at \$105 to deal with the adjustment difficulties identified in 1999, when many low value properties experienced increases of over 20%.

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Talkback hosts are already chiding the Council for what they call the relentless upward trend in rates. I have to point out that Christchurch rates, for both residential and commercial ratepayers, are 20-50% lower than other major cities in New Zealand, even though we provide a greater range of services with fewer user charges. The increases on our existing low rates are modest in cash terms. A \$120,000 residential property will pay an extra 27 cents a week; a property worth \$160,000, slightly above the median, will pay an extra 35 cents a week. Even a \$1m commercial property will face an increase of less than \$5 a week. I hope we shall be able to reduce the overall rate increase below 2% by the time we finalise the plan on 6 July.

The responsive, responsible, fair Annual Plan which we are considering today is the product of a huge amount of diligent work by our staff under the guidance of the City Manager and the Director of Finance, and the product of a working party who over the past two years have pursued sound long-term financial management rather than short-term expediency. As Chairman, I am most grateful for the contribution of all the staff and elected members involved in the process.

One final piece of good news. The draft plan does not take into consideration the sale of the gas networks. A large proportion of the sale proceeds will be needed to repay the debt Orion incurred in purchasing Enerco and a large proportion will have to be invested to maintain the income stream which the Council, through Orion, has received from the gas network. Eventually, however, the Council will receive significant additional income either by capital repayments or greatly increased dividends, which will enable a prudent Council to reduce rates in real terms.

One final word of thanks. The directors, management and staff of our trading enterprises deserve the gratitude of the Council and the people of Christchurch. Their stewardship of our companies is to a large extent the reason for the financial strength of the Christchurch City Council.

The plan before us today is a draft plan which has been given close scrutiny. I would suggest that any significant changes, either of additions or deletions, which elected members have in mind would be best advanced at the next stage of the process when the working party gives consideration to the submissions from the public. I have the pleasure in moving the adoption of the draft City Council Plan : 2000 Edition and the recommendations contained in the report of the Annual Plan Working Party.”

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.

Councillors Buist, Anderton and Evans then spoke to the Annual Plan.

3. LONG TERM FINANCIAL ISSUES (Clause 5 of the Report)

SALE OF ORION GAS AND NETWORK ASSETS

Adopted.

4. GRANTS SUBCOMMITTEE (Clause 6)

2000/02 Major Grants Programme

Adopted.

5. PARKING ISSUES (Clause 7)

EXTENSION OF METERED PARKING AREAS

Adopted.

(Note: Councillor Corbett requested that his vote against this resolution be recorded.)

INTRODUCTION OF COMMUTER COUPON PARKING AREAS

Adopted.

CAR PARKING BUILDINGS INCENTIVE SCHEME

Adopted.

COLOMBO STREET - ON STREET PARKING

Adopted.

6. CITY STREETS (Clause 8)

ADDITIONAL CAPITAL FUNDING

Adopted.

LANDSCAPE MAINTENANCE

Adopted.

OXFORD TERRACE - AMENITY IMPROVEMENTS

Adopted.

(Note: Councillor James declared an interest in this clause and retired from the voting and discussion thereon.)

7. LEISURE UNIT (Clause 9)

CANTERBURY CRICKET ASSOCIATION GRANT

Adopted.

CANTERBURY HOCKEY ASSOCIATION GRANT

Adopted.

8. CIVIC OFFICES (Clause 10)

Received.

9. ENVIRONMENTAL ISSUES (Clause 11)

ENVIRONMENT CENTRE

Adopted.

URBAN RENEWAL

Adopted.

HISTORIC BUILDING EMERGENCY FUND

Adopted.

CATHEDRAL SQUARE REDEVELOPMENT STAGE V

Adopted.

(Note: Councillor Corbett requested information on the total cost of redevelopment of the Square and also requested that a report be provided to the appropriate Standing Committee on the breakage of granite pavers in the Square, whether this was acceptable and how they would be replaced.)

CATHEDRAL SQUARE REDEVELOPMENT - LIGHTING ENHANCEMENTS

Adopted.

(Note: Councillor Corbett requested that his vote against this resolution be recorded.)

10. ECONOMIC DEVELOPMENT AND EMPLOYMENT (Clause 12)

CANTERBURY DEVELOPMENT CORPORATION

Adopted.

(Councillor Sheriff retired at 9.50am)

INNOVATION ACCELERATION

Adopted.

11. COMMUNITY BOARD FUNDING OF COMMUNITY GROUPS (Clause 13)

Adopted.

12. PARKLANDS COMMUNITY CENTRE (Clause 14)

Adopted.

13. RICCARTON BUSH TRUST - CAPITAL GRANT (Clause 15)

Adopted.

14. CHANGES TO COUNCIL FUNDING POLICY STATEMENT (Clause 16)

Adopted.

15. IMPACT OF FUNDING POLICY ON RATES (Clause 17)

Adopted.

16. 2000/01 RATES INCREASE (Clause 18)

Councillor Close moved by way of amendment “*That recommendation 2 be amended to read ‘That the Council approve an overall rate increase of 2.38% in 2000/01 for draft consultation purposes’*”. The amendment was seconded by Councillor Wells and when put to the meeting was declared **carried**.

Councillor Close moved by way of further amendment “*That recommendation 7 be amended to read ‘The members of the Strategy and Resources Committee be appointed to hear public submissions on the draft CCC Plan : 2000 Edition on Friday 16, Monday 19, Tuesday 20 and Wednesday 21 June (and Thursday 22 and Friday 23 June if necessary) and to report thereon to the Council at its meeting on Thursday 6 July 2000’*”. The amendment was seconded by Councillor Buist and when put to the meeting was declared **carried**.

Report adopted as amended.

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(Councillor Denis O'Rourke retired at 10am)

17. CHRISTCHURCH CITY COUNCIL ADVERTISING

Councillor Austin moved "*That an open letter be placed in the media clarifying the resolution of the Council in respect to advertising of resource consents, public notices, tenders, property sales and other advertising*". The motion was seconded by Councillor Wells and when put to the meeting was declared **carried**.

18. STRATEGY AND RESOURCES COMMITTEE REPORT TO COUNCIL OF 13 MARCH 2000

(4) Central Plains Water Enhancements Steering Committee: Membership

Adopted.

19. CONCLUSION

The meeting concluded at 10.07am.

CONFIRMED THIS 19TH DAY OF APRIL 2000

MAYOR