

12. 7. 2001

**STRATEGY AND RESOURCES ANNUAL PLAN WORKING PARTY
15 JUNE-5 JULY 2001**

**Meetings of the Strategy and Resources Annual Plan Working Party
were held on 15, 19, 20, 21, 22, 25, 26, 27, 29, 30 June, 2, 4 and 5 July 2001**

PRESENT: Councillor David Close (Chairman),
The Mayor,
Councillors Carole Anderton, Graham Condon, Anna Crighton,
Carole Evans, Pat Harrow, Ian Howell, Alister James,
Denis O'Rourke, Gail Sheriff, Barbara Stewart and Ron Wright.

APOLOGIES: Apologies for absence were received and accepted from
the Mayor (15, 20, 21, 22, 25 June, 5 July), Councillor James (15 June,
2 and 5 July), Councillor O'Rourke (15 June), Councillor Condon
(30 June, 2, 4 and 5 July), Councillor Anderton (2 July), Councillor Close
(5 July), Councillor Evans (5 July) and Councillor Stewart (5 July).

The Working Party reports that:

PART A - MATTERS REQUIRING A COUNCIL DECISION

**DRAFT CHRISTCHURCH CITY COUNCIL FINANCIAL PLAN AND PROGRAMME : 2002 EDITION
STRATEGIC STATEMENT : 2002 EDITION
COMMUNITY CAPITAL WORKS PROGRAMME : 2002 EDITION**

1. PUBLIC SUBMISSIONS

The draft plan, strategic statement and community capital works programme were released on Friday 19 April and were available for public comment until Monday 21 May 2001.

Collectively, the three documents attracted 801 submissions raising 1,017 issues. The vast majority of submissions addressed issues in the draft plan. Very few submissions were received on the strategic statement. The complexity of the funding policy is no doubt the reason for this rather than a lack of public interest.

It will be seen from the table below that this year's level of public participation in the annual plan process compares very favourably with the previous five years consultation. While this is pleasing, it must be said that several well-organised campaigns on a range of issues were largely responsible for this heightened interest in the plan.

Another statistic of minor interest is the growth in the use of email for transmitting submissions. Last year submissions reached double figures for the first time with 18 submissions being received by this medium. This year 67 (8%) submissions were emailed.

A breakdown of submissions by topic for the past five years is detailed below:

TOPIC	2001	2000	1999	1998	1997
Art Gallery	2		366	1	10
Capital Repatriation/Capital Endowment Fund	94		544		
Cathedral Square	8		8		11
City Streets #	196	145	115	61	138
Community/Social Issues	98	39	68	3	116
Economic Development	1	5	54	7	34
Environment	15	41	28	14	47
Financial/Rates/Council Spending	23	35	53	34	52
Grants	39	16	30	26	19
Heritage	12	6	15	4	18
Housing	10	14	6	5	15
Inner City Promotion	24		17	17	15
Leisure/Events ^	171	35	14	8	38

Strategy and Resources Annual Plan 15.6-5.7.2001

- 2 -

1 Cont'd

TOPIC	2001	2000	1999	1998	1997
Libraries *	68	1	120	2	62
Miscellaneous	12	1	11	3	14
Museum	38		2	4	1
Parking	15	11	13	15	20
Parks	89	47	89	11	77
Waste/Sewerage	153	39	114	16	41
Water Services	3	8	16	10	51
TOTALS	378	443	1683	241	779

Includes 36 submissions on Briggs Rd and 45 on Weston Rd

^ Plus a further 325 submitters on Floral Festival (additional names on campaign forms)

* Includes 62 submissions on Parklands Library

2. CITY SCENE QUESTIONNAIRE

Included in the April issue of "City Scene" was a questionnaire seeking the public's views on the Council's plans for managing the Council's share of the proceeds from the sale of Orion's North Island gas assets.

Six hundred and thirty-eight questionnaires were returned. This compares unfavourably with previous years' returns of 800 (1998), 2,200 (1999) and 1,400 (2000). This year's questionnaire was different from its predecessors in that it dealt with a single issue. The previous three questionnaires sought residents' views on a range of issues relating to the delivery of Council services. This would seem to suggest that the multi-issue approach is more popular and it is suggested that this be borne in mind in designing future questionnaires.

3. ANNUAL RESIDENTS' SURVEY

A graphical analysis of selected results from the Annual Residents' Survey undertaken in March/April 2001 was presented to the working party on 20 June. A total of 788 residents were interviewed and the survey has a margin of error of plus or minus 3% at the 90% tolerance level. The full results have already been made available to Councillors.

The Citizens' Survey and the Annual Plan issue of City Scene both included the same question to gauge support for the Council's plans for managing the capital to be returned from Orion from the sale of the North Island gas assets. This allows comparison between the two data sets. In making this comparison, it is important to note that the respondents to the City Scene questionnaire are a self-selecting sample. Only those who feel sufficiently motivated will have returned a questionnaire. It is not possible to infer that their opinions are representative of the city as a whole. Of note, however, is the closeness of the two results overall, as may be seen from the following table:

	Citizens' Survey	City Scene
Strongly agree	11%	28%
Agree	57%	34%
Total Agreed	68%	62%
Disagree	17%	8%
Strongly disagree	4%	21%
Total Disagree	20%	29%
Neither agree nor disagree	8%	2%
Don't know	4%	8%
Sample Total	100%	100%

While the views held by the City Scene respondents are stronger and slightly more negative than the views held by the survey respondents, both results indicate a good measure of support for the Council's proposal.

Strategy and Resources Annual Plan 15.6-5.7.2001

3 Cont'd

The City Scene questionnaire included two additional questions. The questions, together with the responses, are detailed below:

If you agree, or strongly agree with the Council's proposal, what do you think about the share of the money that will be used to avoid having to borrow, compared with the share that will be used for the endowment fund?

Avoid borrowing/Capital endowment			Total Responses to Q3
0/175	19	3.93%	483
50/125	10	2.07%	
75/100	54	11.18%	
100/75	295	61.08%	
125/50	31	6.42%	
175/0	46	9.52%	
No response	28	5.80%	

If the Council goes ahead and sets up an endowment fund, how would you feel about the following uses of income from the fund?

	Strongly Support	Support	No Feeling	Oppose	Strongly Oppose	Totals
Economic Development	88 23.16%	142 37.37%	43 0.00%	43 11.32%	64 16.84%	380
Upgrading the Canterbury Museum	61 15.02%	167 41.13%	65 16.01%	52 12.81%	61 15.02%	406
Other major civic projects	29 0.00%	108 29.19%	107 28.92%	51 13.78%	75 20.27%	370
Revitalise the central city	54 13.92%	103 26.55%	48 12.37%	70 18.04%	113 29.12%	388
Projects in local communities	147 32.74%	175 38.98%	44 9.80%	29 6.46%	54 12.03%	449

4. HEARING OF SUBMISSIONS

The 12 volumes of submissions, most accompanied by staff comments, were circulated to the working party prior to the hearings.

This year 152 submitters (and one kiwi) appeared in support of their submissions. This is a record number and represents a 68% increase on last year's figure and a 25% increase on the previous record. This development was not altogether unexpected as there has been a steady increase in recent years in the number of submitters electing to appear in support of their submissions. The effect of this was to increase the time it took to hear the submissions with eight days being required to complete this phase of the consultation rather than the customary four or five.

Four issues, the Endowment Fund, Floral Festival funding, greenwaste charges and the Lyttelton Marina attracted the greatest number of submissions. Other high profile issues included traffic problems in Briggs and Weston Roads, funding for the Canterbury Museum, Parklands Library and social services, the development of an artificial reef at New Brighton and sports grounds charges.

In a number of respects, this year's consultation was similar to previous years with many submitters seeking the allocation of additional funding for new initiatives and worthy causes, the advancement of projects in the capital works programme and the enhancement of existing services. Not surprisingly, the proposal to abolish sports grounds charges has been warmly welcomed by outdoor sports associations, with their indoor counterparts seeking similar treatment in respect of their charges.

One of the most pleasing trends is the steadily reducing number of submissions that make generalised criticisms of the level of rates and Council spending. Three years ago 53 submitters were concerned about these issues. Last year 35 submissions were received on this topic and this year 23. Interestingly, only five submissions were received on the increase in rural rates.

4 Cont'd

Two submitters, the Canterbury Employers' Chamber of Commerce and Federated Farmers, raised concerns about funding policy issues. The Chamber objected to the method of allocating roading costs based on heavy traffic road damage and the consequent impact on the commercial sector and Federated Farmers opposed the allocation of the cost of a number of services to the rural sector.

As mentioned earlier in the report, the majority of respondents to the question in the Citizens' Survey and City Scene on the use of the capital return from Orion supported the Council's proposal. A similar trend emerged from the public submissions with most submitters supporting the establishment of the Capital Endowment Fund and proposing a range of uses for the income.

Each year a small number of residents take the trouble to express their appreciation to the Council for the work it does on behalf of the Christchurch community. This year, a delightful letter was received from a member of the city's Samoan community:

"We are very much thankful for New Zealand councils for the greatest work they are doing day by day no stop.

People like us we very lucky when we go to sleep means we had a good sleep no worry, but you council people I am sure some of you don't have much sleep but worry where money to pay for that and pay for this.

I am Samoan born came to NZ 1959 my son born NZ had two sons both born New Zealand. Thank you again."

In recent reports the working party has made special reference to the quality of submissions and presentations. It is pleasing to report that this year's submissions were of an equally high standard and most submitters presented their cases in a good-humoured, non-confrontational way. Over the years submitters have found quite novel ways of trying to win support for their cause. This year the assistance of Star, a two month old brown kiwi, was enlisted to convince the working party of the merits of the NZ Conservation Trust's kiwi breeding programme. The presentation concluded with a motion passed by Star lapsing for want of a seconder!

5. POST HEARING DELIBERATIONS

The working party met on Friday 29, Saturday 30 June, Monday 2 and Wednesday 4 July to consider the issues raised in the public submissions and the in-house requests for amendments to the 2002 Plan.

The remainder of this report addresses these matters.

The changes to the 2002 draft plan recommended by the working party are listed in Appendix I. The projects recommended for funding from the income from the Capital Endowment Fund are listed in Appendix II.

6. AMENDMENTS TO THE 2002 PLAN

The Financial Services Manager submitted a report seeking a number of amendments to the draft version of the 2002 Plan. These changes have arisen since the draft Financial Plan was adopted on 23 March and relate to Council decisions and corrections/amendments since then. The changes are listed in Appendix III.

Recommendation: That the changes listed in the attached schedule be approved.

7. CITY STREETS UNIT

The City Streets Manager reported on a number of changes which had occurred to the City Streets budget since the draft plan was approved by the Council in March. The changes supported by the working party are included in the Appendix I.

The City Streets Manager also sought additional funding of \$137,000 in 2002/03 for the roadworks in Gloucester Street associated with the new Art Gallery. This request was not supported by the working party on the grounds that the expenditure should at this stage be regarded as the first call on the Art Gallery contingency fund. The working party agreed to review the matter next year.

7 Cont'd

Recommendation: That the additional funding of \$137,000 for the Gloucester Street roadworks be regarded as the first call on the Art Gallery contingency fund and that the matter be reviewed next year.

8. **JADE STADIUM BORROWING**

The amount that will be on-lent to Jade Stadium Ltd (JSL) has been revised down from \$43M to \$41M. JSL have advised that on the basis of their project cash flow, their borrowing requirement will be \$41M.

In addition, as a result of hedging arrangements to minimise interest costs, the capital repayment programme has been advanced, as set out below:

	2001/02	2002/03	2003/04	2004/05	2005/06
Draft Budget		\$.925M	\$1.32M	\$1.43M	\$1.54M
Revised Budget	\$1.50M	\$1.50M	\$1.50M	\$1.50M	\$1.50M

Recommendation: That the amendment to Jade Stadium Ltd borrowing programme be incorporated into the budget.

9. **CAPITAL RETURN FROM ORION (NZ) LTD**9.1 **Establishment of Capital Endowment Fund**

It will be recalled that the working party reported to the 23 March Council meeting recommending that \$100M of the capital return from Orion be allocated to the debt repayment reserve and \$75M to the capital endowment fund. The Council adopted the working party's recommendation. Other key resolutions passed by the Council relating to the allocation of income from the fund were:

1. That, as a matter of principle, no more than 75% of projected net income from the Capital Endowment Fund be allocated more than 12 months in advance.
2. That the income available from the fund be generally allocated each year in the following way:

Economic Development Including Business Initiatives	35%
Central City Economic Development	20%
Civic Projects	25%
Any of the above categories	20%
3. That the above general categories be reviewed on a five yearly cycle.
4. That, if desired, funding for a particular category be carried forward to another year or up to 10% be reallocated to another category if there is no demand in that year for use in the primary category.
5. That projects which have a cost of less than \$100,000 in any one year not be funded from the capital endowment fund.
6. That no single project be funded for more than five years, except in exceptional circumstances.
7. That at least 50% of all future unbudgeted special dividends received by the Council be paid into the Capital Endowment Fund.

Given the strong public support for the Council proposal for managing the Orion monies, the working party recommends that the Council confirm the resolution passed at the March meeting regarding the allocation of these funds. With regard to the allocation of the income from the fund the working party considers that a more flexible approach should be adopted, by moving away from the set percentages allocation proposed in the original resolution and using a broader range of percentages. A reduction in the number of categories is also proposed. The following table compares the two proposals:

9 Cont'd

Original Proposal		Amended Proposal	
Economic development, including business initiatives	35%	Economic development	In the range of 70%-80%
Central city economic development	20%	Civic and community projects	In the range of 20%-30%
Civic projects	25%		
Any of the above categories	20%		

The majority of the working party favoured a greater emphasis on economic development initiatives on the grounds that further intervention in this area will produce ongoing benefits for the local community.

The Director of Finance estimates that, in the first year, income in the order of \$2.31M will be available for allocation. If the Council adopts the working party's recommendations regarding the allocation of the income from the fund, \$1.62M will be available in year 1 for economic development initiatives and \$690,000 for civic and community projects.

- Recommendation:**
1. That the Council note the endorsement in the Citizens' Survey, City Scene and general submissions of:
 - (a) The principle of using the \$175M for debt repayment and an endowment fund.
 - (b) The majority support for using \$100M for debt repayment.
 - (c) The majority support for an endowment fund of \$75M.
 2. That \$100M of the capital return from Orion (NZ) Ltd be allocated to the debt repayment reserve and \$75M to the capital endowment fund.
(Councillor Harrow requested that his vote against the above recommendation be recorded.)
 3. That up to 100% of the available income from the fund be allocated in year 1 and up to 75% be allocated for subsequent years.
 4. That the income from the fund be generally allocated each year in the following way:
Economic development - in the range of 70%-80%
Civic and community projects - in the range of 20%-30%
 5. That the above general categories be reviewed on a three yearly cycle.
 6. That, if desired, funding for a particular category be carried forward to another year.
 7. That civic and community projects which have a cost of less than \$100,000 in any one year not be funded from the capital endowment fund.
 8. That no single project be funded for more than three years, except in exceptional circumstances.

9.2 **Capital Endowment Fund Income Allocation of Funds**

In the draft plan the Council foreshadowed its intention to fund a number of projects from the income from the capital endowment fund. As there were no specific objections to these proposals in the public submissions, the working party considers it would be appropriate to confirm these allocations.

9 Cont'd

If the allocation of this funding is confirmed, the following sums will be available for unspecified distribution from the fund in 2001/02:

Economic development	\$850,000
Civic/community projects	\$490,000

- Recommendation:**
1. That the Council confirm:
 - (a) Funding of \$295,000 in 2001/02 from the economic development category for Central Plains Irrigation Feasibility Study.
 - (b) Funding of \$200,000 per year for three years from the civic and community projects category for central city special character upgrade.
 - (c) Funding of:
 - \$100,000 for one year for central city new business initiatives
 - \$100,000 for two years for Central City Project Team
 - \$100,000 for one year for central city attractionsfrom the economic development category.
 - (d) Funding of \$175,000 for two years for a domestic marketing campaign from the economic development category.
 2. That the balance of \$850,000 be made available for economic development projects through the process to be designed.
 3. That a report be brought to the Strategy and Resources Committee on the expenditure on the Council initiatives and the projected expenditure on the domestic marketing campaign.

9.3 Proposal for Allocating the Economic Development Stream of Income from the Capital Endowment Fund

In addition to adopting the resolutions listed in clause 9.1, the Council also resolved to enlist the assistance of Canterbury Development Corporation (CDC), the Canterbury Manufacturers' Association (CMA) and the Canterbury Employers' Chamber of Commerce (CECC) in developing criteria for judging the priorities for the general economic development projects.

In a joint submission on the draft plan the Chairmen/Presidents of the above organisations stated:

"The CDC, CECC and CMA fully support the setting up of a Capital Endowment Fund as we see it as a priority to protect the ongoing funding stream to assist with the maximisation of the economic wealth of the Canterbury community. We are also of the same view that an independent, transparent process should be put in place to evaluate and prioritise grants and assistance in the area. As CDC is the Council's economic development arm and has an appropriate, representative governance structure in place we recommend that the CDC Board be delegated authority to administer the economic development component of the fund subject to Council agreement to the criteria. We also see the opportunity for funding applications to be co-ordinated and sponsored by other local associations and agencies. To ensure satisfactory returns on investments made, hurdle rate requirements will be developed as the process is implemented, which will ensure all decisions contribute to the economic and community transformation of Canterbury.

9 Cont'd

The CMA and CECC have concerns that the allocation of funds is proposed on a predetermined basis and without the rigour of reviewing opportunities against the proposed economic development criteria. All three organisations strongly recommend that the 35% allocated to general economic development be regarded as a minimum contribution and that Council gives consideration to providing additional funds from the other categories for general economic development as appropriate and subject to proposals meeting the overall criteria.

To facilitate representation from sector groups within the business/research community we suggest that future Boards of CDC be made up as follows:

- 3 Independent Directors from Business/Education/Research (1 to be appointed Chairman)
- 1 President of CECC (or nominee)
- 1 President of CMA (or nominee)
- 5 Elected members of Council

The above structure is substantially in place with the Chair of CECC currently on the Board along with the immediate past President of the CMA but the recommendation is to formalise the ongoing appointment to ensure the widest representation from the business community."

With one or two qualifications, the approach advocated by the Canterbury Development Corporation, the Canterbury Manufacturers' Association and the Canterbury Employers' Chamber of Commerce for managing the economic development stream of income was supported by the majority of the working party. To progress this matter the working party recommends as follows.

Recommendation: That the Director of Business Projects and Relationships be asked to:

1. Develop a joint proposal in consultation with the Canterbury Development Corporation, the Canterbury Manufacturers' Association and the Canterbury Employers' Chamber of Commerce setting out criteria for assessing projects, together with appropriate evaluation mechanisms.
2. Report back to the August round of meetings.

9.4 **Proposal for Allocating the Civic and Community Projects Stream of Income from the Capital Endowment Fund**

The Director of Finance reported in response to a request of the working party on the funds available for allocation to civic and community projects, including the Canterbury Museum.

The Museum Project was shown in the draft plan as a potential project to be funded from the income of the Capital Endowment Fund. The amount provided for was \$5.5 million over five years commencing in 2002/03. In addition, a capital commitment of \$2.5 million was provided for making a total of \$8 million.

The total Museum Project cost is estimated at \$31.3 million and funding is being sought as follows:

Local Government	\$10.0M
Central Government	\$12.5M
Raised by Museum (Sponsors etc)	\$8.8M

The Museum's preferred timing for the local government contributions was originally:

2001/02	\$3M
2002/03	\$3M
2003/04	\$2M
2004/05	\$2M

Strategy and Resources Annual Plan 15.6-5.7.2001

9 Cont'd

The Museum have sought a local commitment to this project so that they can approach Government with a realistic indication of local support. The likelihood of the other local authorities in the region contributing a significant sum to this project is small and so until the Council makes a significant commitment a bid for Government funding will not be possible.

If the Capital Endowment Fund is to remain the principal source of the local portion of the Museum project funding, then it would be reasonable to consider it to be exceptional and therefore allow a commitment to be made for more than three years.

Proposed Allocation Forecast - Civic and Community Projects

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Estimated total available	692,000	1,110,000	1,110,000	1,110,000	1,110,000	1,110,000
C/City precinct	200,000	200,000	200,000			
Currently unallocated	492,000	910,000	910,000	1,110,000	1,110,000	1,110,000
Unspecified community projects	242,000	100,000	100,000	100,000	100,000	100,000
Museum	250,000	532,500	532,500	732,500	732,500	732,500
To remain unallocated*	0	277,500	277,500	277,500	277,500	277,500

*Note: The unallocated amount should be reserved for community projects identified in the year these funds become available making a total of \$377,500 available per year.

With respect to the Museum, this proposal will provide funding of \$3.5 million from the capital endowment fund over six years. When the capital sum is added the total would be \$6 million. This is \$4 million less than originally sought from local government. The working party considered use of some of the savings identified by staff to provide additional grants from revenue in 2001/02 and 2002/03. As these would be non-continuing obligations, this would assist in smoothing out rate spike in the draft plan in 2004/05.

Note: For the purposes of the report the Director of Finance assumed that the split of 70/30 being recommended by the working party will be adopted by the Council.

- Recommendation:**
1. That the allocations from the civic and community projects section of the capital endowment fund income be as set out in the above table.
 2. That \$1M be allocated in years 1 and 2 from the operating surplus for the Canterbury Museum project.

9.5 Capital Endowment Fund - Investment Strategy

The working party held a seminar meeting on 26 June, to which all Councillors were invited, to consider issues relating to the investment strategy for the Capital Endowment Fund.

This seminar was addressed by Craig Ansley, the Managing Director of Frank Russell Company, a firm of international investment advisers, who outlined a range of issues which the Council needs to consider in investing the fund. Some of the key issues which were illustrated were the need for an agreed set of investment policies and objectives, making an appropriate trade-off between risk and return and the need to establish reserves to absorb fluctuating returns.

The working party also received a report from the Director of Finance which summarised the key issues and recommended an approach which took account of the advice received from Frank Russell Company.

The reports proposing the establishment of the Capital Endowment Fund (CEF) as well as the public consultation information have all referred to the fund being invested in a balanced portfolio of securities. This broadly envisaged a diverse spread of investments carefully chosen and professionally managed to enable a better return to be achieved than would be possible using traditional bank deposits and bonds.

Frank Russell Company and the Director of Finance recommended that the following statement of Investment Objectives and Polices be adopted:

9 Cont'd

Investment Objectives

The Council will invest the assets of the fund in a broad range of investments designed to achieve the following objectives:

1. *Maintain the real value of the capital of the fund with regard to inflation.*
2. *Maximise the value of the fund and therefore the amount that can be distributed from the fund over the long term, subject to a prudent level of portfolio risk.*
3. *Maintain a degree of consistency in the amounts that can be withdrawn on an annual basis.*

Investment Policies

The Investment Policies adopted by the Council to achieve the above objectives are:

1. *Responsibilities under common law and statute must be met. The following policies will be interpreted and applied subject to this policy.*
2. *The inflation-adjusted capital of the fund shall not be withdrawn.*
3. *An appropriate level of portfolio risk will be determined and accepted by the Council in consultation with professional advisers.*
4. *An appropriate level of diversification across securities, sectors, asset classes and countries must be maintained.*
5. *The portfolio will accept risks in a prudent manner and investment risk will be minimised for the expected level of return.*
6. *The capital of the portfolio will be preserved on a quarterly basis by adjusting for changes in the Statistics New Zealand All Groups CPI.*
7. *An investment fluctuation reserve must be maintained to finance budgeted distributions from the fund.*
8. *Liquidity must be considered and maintained at an appropriate level.*
9. *The investment structure must be able to accommodate changes in the fund's requirements and the investment environment.*
10. *All aspects of the investment process and functions will be reviewed regularly. In particular:*
 - *The performance of investment managers will be monitored against benchmarks at least monthly, and against the performance of other investment managers at least quarterly.*
 - *Investment managers will be monitored on an ongoing basis with respect to their organisational structure, investment processes and personnel.*
 - *Investment policies and objectives, asset allocation strategy and overall investment management structure will be reviewed at least once every three years.*

The Director of Finance reports:

"A balanced portfolio of investments is a mix of investments which combines a wide diversity of separate investments to obtain a balance of high and low earning investments commensurate with the desired rate of return and the level of risk which the investor wishes to take. By spreading the funds widely across a range of investments there is less likelihood of a poor return from one particular investor having a significant impact on the final result.

Higher returns can generally be earned from equity investments than from fixed interest investments, primarily because there is more risk involved. Also fixed interest investments which are actively managed can generally produce a higher return than fixed interest investments which are managed in a passive way. In order to minimise the risk involved in an investment fund such as this it is therefore normal to invest the funds in a range of different types of investment (e.g. New Zealand and Global Equities, New Zealand and Global Fixed Interest and Cash) which balance one another by spreading the risk of fluctuation results from individual investments. Within each type of investment it is also recommended that actual investments are spread so that the risk is spread. The key decision needs to be based on the degree of risk which can be reasonably taken.

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The diversity of the investment portfolio is normally established so that the objectives of the fund can be met. Skilled fund managers are then employed to monitor the markets and optimise the income opportunities within fund guidelines. This is a specialist skill which is not available in Council staff and it therefore likely that a large amount of the fund will need to be contracted to professional fund managers who will manage the investment as part of a much larger pool of investments. This has the added advantage of extending the diversity of investments to mitigate risk.

Frank Russell Company have explained the need to achieve a trade-off between risk and level of returns to help to form a view on the preferred type of investment mix and they illustrated that holding a range of equities between 10% and 30% as being in a prudent investment range consistent with the objectives and policies proposed for the fund. This would facilitate increasing the earning capacity of the fund by between \$350,000 and \$550,000 per annum.

It is my view that 30% of the fund should be invested in equities provided adequate provision is made for reserves.

Because returns on equities and different markets tend to fluctuate from year to year it is important to understand that returns from the fund will also be subject to fluctuation. Experience shows that overall there is a better return from equities but the swings and roundabouts need to be accepted and managed in order to benefit from the overall higher return.

The Council generally needs to be certain about its income available for the budget and therefore the fund needs to be managed in a way that can give the Council some certainty for budgeting purposes. For this reason Frank Russell Company have recommended the establishment of reserves to absorb fluctuations in income from equity investments.

The estimated level of reserves needed are \$0.9M (for 10% equities), \$2.0M (for 20% equities) and \$3.4M (for 30% equities). These reserves can be established by:

- 1. Designating part of the initial fund as reserves; or.*
- 2. Setting aside part of the income over say three years to achieve the necessary reserves.*

I would recommend that the Council opt for an investment portfolio with 30% equities and establish reserves of \$3.4 million immediately from the initial capital fund. In simple terms this should provide income of between \$1.45 million and \$3.17 million more than all other options over a 10 year period.

The establishment of reserves is simply an accounting mechanism to subdivide the initial capital. It would be sensible to make it clear at the outset that the base capital is the smaller amount and then any market fluctuations from time to time will be seen to affect the reserves and not the capital. All of the funds would still be invested and provide income either to distribute or increase the size of the reserve as deemed prudent from time to time.

Once the Council has agreed on the investment strategy it will be necessary to select the appropriate fund managers to manage the different category of funds. At this stage it is envisaged that a specification will be drawn up and proposals sought from a range of investment managers who specialise in the type of funds identified as appropriate. This process would be appropriately delegated to the Council's Treasury Review Team who would be responsible to select the actual fund manager(s) with appropriate independent professional advice.

The Treasury Review Team would be responsible on an ongoing basis to review the performance of the fund managers and report on the results in accordance with the Council's Investment Policy.

An amendment will be necessary to the Council's Investment policy, which is part of its Strategic Statement, to facilitate the proposed method of investment. The appropriate changes have been drafted and an amended Investment Policy attached to this report as Appendix IV. The changes have been highlighted."

9 Cont'd

The working party discussed the report of the Director of Finance and considered submissions which it had received regarding the investment of the funds. The working party has proposed that up to 10% of the capital is invested in South Island owned or based businesses.

The Director of Finance expressed his concern to the working party that there are a limited number of businesses in the South Island which have readily tradeable shares and that this will significantly alter the way in which this portion of the investment fund will need to be managed. The likely lack of diversity in this 10% portion of the investment portfolio could increase the risk and reduce the flexibility for managing the funds and attaining the anticipated returns on this part of the portfolio. He stated that these factors need to be taken into account in establishing the types of investments and the strategy for managing and reporting.

The working party requested that the Director of Finance report further on this to the Strategy and Resources Committee.

- Recommendation:**
1. That the investment objectives and policies as outlined in this report be approved.
 2. That the Capital Endowment Fund be set up generally in accordance with the recommendations of the Director of Finance and Frank Russell Company with equities of approximately 30% subject to:
 - (a) A target of 10% of the fund being invested in South Island owned or based companies, the form and procedure for the investment being the subject of a report from the Director of Finance.
 - (b) A modest income fluctuation reserve of approximately \$3.5M being established from the initial capital.
 3. That appropriate amendments be made Investment Policy, as highlighted in the re-draft (attached as Appendix IV), and the amended policy be adopted for inclusion in the Strategic Statement.
 4. That the Treasury Review Team be authorised to select appropriate fund managers for the investment with independent professional advice.
 5. That the Treasury Review Team be responsible for monitoring of the investment performance of the selected fund managers and report periodically to the Strategy and Resources Committee in accordance with the Investment Policy.
 6. That consideration be given to paying a portion of all future unbudgeted special dividends received by the Council in to the Capital Endowment Fund.

10. **CENTRAL CITY RATE SURVEY**

The Community Relations Manager reported on the results of the above survey which sought feedback from central city property owners and ratepayers and the possible introduction of a separate rate to meet the cost of promoting and marketing the central city.

The survey contained the following three questions:

1. Do you see the need for an organisation to market and promoted the central city?
2. Do you believe a separate rate should be levied on the central city to fund an organisation to market and promote the central city?
3. Do you support a separate rate for your business or property of X %?

The survey forms were sent to 2,257 central city ratepayers/property owners; 1,017 or 45% of forms were returned.

10 Cont'd

The majority of respondents to the survey opposed the implementation of a separate rate to fund the promotion and marketing of the central city. Of those surveyed, 68.5% opposed the implementation of a separate rate while only 25.4% supported it. A further question asked for their agreement to paying a separate rate on their existing rates demand. (The separate rate was based on an additional 6% +/- on top of their present Christchurch City Council rates.) The results of this question showed 72.9% were not in favour, while 21.2% were in agreement.

However, a significant percentage, 60% of those surveyed, believed there was a need for an organisation to market and promote the central city. While funding is presently an issue, it is logical to maintain the enthusiasm of those in support of a business association and assist them to develop an organisation to continue the work that has been achieved within the central city over the past five years.

The lack of support for a separate rate means that funding for the ongoing marketing of the central city is not available within the 2001/02 Annual Plan. Members of the retailer and business sub-group were conscious this could be the outcome of the survey and have forwarded submissions to the annual plan working party identifying alternative options for funding. These relate in the main to diversion of central city parking revenue. A separate report has been produced by the Central City Revitalisation Team on the proposal of diverting the central city car park revenue into marketing and promotion for the central city.

- Recommendation:**
1. That Council not support the implementation of a separate rate for the purpose of marketing and promotion of the central city at this time.
 2. That Council staff members work with the retail and business sub groups to assist them develop an effective structure for a central city business association, in response to the support shown in question one of the survey.
 3. That it be noted that legislation arising from the Funding Powers Review may allow a rate that can be targeted at retailers in the central city area.

11. REVISION OF TRANSITIONAL MODIFIER

The funding policy published in the draft Strategic Statement made provision for a transitional modifier to ease the transition from the rating incidence between sectors in 2000/01 and the different allocations arising from the triennial review of the funding policy.

The following table shows the position at the time of the draft plan publication:

	Percentage change with no modifier	Amount of Proposed Modifier	Percentage change with Modifier
Commercial/Ind.	-6.2%	+\$3.0M	+0.81%
Residential/Base	+4.54%	-\$2.4M	+2.27%
Rural	+40.8%	-\$0.6M	+11.14%
Institutions	+31.19%	NIL	+31.19%

The only changes to the Funding Policy allocations since the draft plan was promulgated have been:

- Some changes to actual costs
- The rate sector for Council-owned utilities has been changed to residential/base
- An increase in the valuation of utilities and a change in proportions of values between Council-operated and externally operated utilities.

The working party considered the submissions from a number of parties regarding the increases proposed on the sectors and the quantum of the transitional modifier in the draft plan. The working party is recommending changes in the transitional modifier to reflect the desire to avoid significant adjustment difficulties for the rural and non-rateable sectors. The unmodified rate allocation produced unacceptable rate increases for some sectors. It therefore recommends that the transitional modifier be changed as follows:

12. 7. 2001

Strategy and Resources Annual Plan 15.6-5.7.2001

- 14 -

11 Cont'd

	Modifiers in Draft Funding Policy	Proposed Modifiers
Commercial/Industrial	+\$3.0M	+\$1.89M
Residential/Base	-\$2.4M	-\$1.15M
Rural	-\$0.6M	-\$0.64M
Institutions	NIL	-\$0.10M

The following table summarises the resulting rate requirement for sectors and percentage increases as recommended to the Council:

Sector	Actual 00/01 Adjusted for Growth	Proposed 01/02 No Modifier	Percent Change	Proposed 01/02 With the Modifier	Percent Change
Commercial	40,121,450	38,847,561	-3.18%	40,737,561	1.54
Residential	107,922,926	111,583,818	3.39%	110,433,818	2.33
Rural	2,022,919	2,862,191	41.49%	2,222,191	9.85
Non Rateable	1,250,237	1,480,474	18.42%	1,380,474	10.42
Total	151,317,531	154,774,044	2.28%	154,774,044	2.28

(The actual from last year has been adjusted for the revised growth due to the changes in rating for utilities.)

- Recommendation:**
1. That the Funding Policy changes be confirmed.
 2. That the transitional modifiers, as shown in the above table, be included in the rate requirement for each sector.

12. **RATING FOR UTILITIES**

Rating of utility networks will commence for Christchurch from 1 July 2001 for the Council's network utility assets (water, sewerage, and stormwater) and those of Telecom, Orion, Clear, Gas, and Saturn owing to a determination of the Valuer-General that these networks are rateable.

Concern was expressed at the time the draft Plan was being prepared about the impact on the rate allocation under the Funding Policy on the various rate sectors, particularly the annual change in rates percentage. Staff were requested to further investigate and report back to the working party on the issue.

The draft Financial Plan and Funding Policy had the utilities all within the commercial/industrial sector for rating at estimated values. Since then the final rateable values have been released by the Quotable Values (QVNZ).

One of the concerns which was expressed was the fact that the costs paid by the Council itself were allocated to all the rating sectors but the revenue from the rates was derived for the credit of the Commercial/Industrial sector only. Superficially, this appeared to be unfair.

The following issues were investigated and it has been concluded that:

- The rates expenses payable by the Council utilities are part of the expenses of the functions like any other operating expense incurred by those activities. As a result, it is appropriate that they be charged proportionately across all sectors according to the agreed allocation formula in the funding policy for that activity output.
- While the percentage change in rates on the different rating sectors as a whole appears different depending on which sector the utilities are attached to, in fact the change on individual properties is not great. The rates decimal would generally be the same irrespective of the rate sector the utilities were in.

12 Cont'd

- The utility networks of the private sector are by their character commercial assets of the owners. They are assets essential for the operation of commercial businesses no different from any other operational property of those businesses. As such they should be rated as commercial.
- The Council's utility assets are operated in a 'not for profit' mode, seeking only cost recovery from the consumers, therefore it is appropriate to either remit rates on the utilities or to rate them in the rating sector known as "Residential and Base". There are several other 'not for profit' ratepayers in this differential group. This is the recommended option.

Options for rating have been considered, including:

- Rating all the utilities as commercial.
- Rating the private sector as commercial and the Council utilities as 'Residential and Base'.
- Remitting the CCC rates on the Council utilities. The CRC rates would still be levied. The Council may choose to remit rates in whole or in part on Council owned (or occupied) land including utilities. The CRC rates would continue as expenses of the Council as it would be their decision to remit or not.

The following table shows the shift in incidence of rates as a result of utility rates being both expenses and income on the rating sectors under the Council utilities as residential and base option. The transitional modifier has been removed from the model for the purposes of comparison. GST is excluded.

	Residential	Commercial	Rural	Non Rateable	Total
Funding Policy Output decision:					
CCC & CRC rates expense on CCC owned Utilities	2,072,176	518,772	25,296	94,755	2,710,998
Growth in CCC rates income from all utilities	-2,245,407	-1,401,469			-3,646,876
Shift in incidence	-173,231	-882,696	25,296	94,755	-935,878

The shift in incidence between rating sectors is shown but does not reflect the impact on existing ratepayers. While the additional rating expense on the Council's own utilities affects the level of rates expense the sector in which the assets are rated, it does not generally affect individual ratepayers. The rates decimal would generally be the same irrespective of the rate sector the utilities were in. Nevertheless, it is considered more appropriate to treat the Council utilities as not for profit entities and so place them on the base rate.

Recommendation: That Council-owned utilities be placed in the residential and base sector for rating purposes on the rationale that Council utilities are operated on a not-for-profit basis.

13. ALLOWANCES FOR WATER CHARGES

The working party considered several reports from staff which outlined the need for a change to the factor which is used to calculate the allowance against the charges for excess water consumed based on the amount of water rates paid.

Charging for water is by two methods. Firstly, the water rates based on capital values multiplied by the decimal for the relevant rate sector. Secondly, by charges for water consumed in excess of the allowance. The allowance takes account of the amount of water rates paid in the process of working out what charges based on consumption should be made. This amount is currently calculated as 1 cubic metre allowed for every 14 cents of water rate paid. A minimum of 255 cubic metres is allowed. Excess water is charged at 29 cents per cubic metre.

Under current policy only commercial, rural and non-rateable sectors pay for water by metre and so the allowance only applies to those sectors.

The Funding Policy made changes to the allocation of costs for water supply and as a result the rates payable per dollar of capital value for the commercial, rural and non-rateable sectors have changed significantly. The changes generally bring the rate sector allocations closer to that of the proportionate capital values of the sector. The previous funding policy had commercial and non-rateable decimals at nearly half the new level. The new Funding Policy has nearly common decimals across all sectors as illustrated in the following table:

13 Cont'd

Sector	2000/01 Decimal	2001/02 Decimal	% Change
Residential	.0050624	.00046126	-5.03%
Commercial	.00022609	.00045134	105.90%
Rural	.00055239	.00041396	-22.13%
Non Rateable	.00024736	.00046214	94.15%

As noted above the allowance is calculated by dividing the water rates levied by a factor, currently 14 cents. Water consumed in excess of this allowance is currently charged for at 29 cents. A fee increase to 33 cents is already proposed in the draft Financial Plan effective from 1 July.

Changes to the water rates means that the cubic metre allowances will double for commercial and non rateable and this would have the impact of reducing the revenue base for water. It is therefore recommended that the factor be set closer to the average cost of supply and the new charge rate of 33 cents. This results in consumers liable for excess charges paying for water closer to the average cost of supply for all consumption. The unit rate will be the same for all sectors. The new allowance will be effective from October 2001.

In the rural sector, those who consume more than their allowance of water, will be adversely affected because their rate decimal has decreased. Conversely, this will benefit those who only pay rates and no excess. The changes will impact adversely on commercial growers using the city water supply for irrigation and stock water. In the future they will be treated similarly to commercial/industrial in that the rate decimal is similar (but lower) and the excess charge unit rate is the same.

Consideration was given to moving the factor to 33 cents but this would adversely effect schools which use excess water. Their total costs would have increased beyond 20%.

The change will be advertised in the schedule of charges following the Financial Plan.

Recommendation: That the water charges allowance be calculated on the basis of 27 cents for water rates charged from and including 2001/02 year.

14. CANTERBURY INNOVATION INCUBATOR

At its April meeting the Council gave consideration to a request from the CDC for free parking in the Manchester Street car park for the Canterbury Innovation Incubator for a period of three years.

The Council resolved that the need for ancillary funding for the incubator be referred to the Annual Plan Working Party for consideration.

The working party considered that these costs should be found from the incubator's existing budget or be met by the businesses themselves.

Recommendation: That the request for funding be declined.

15. REDESIGNING RESOURCES CONFERENCE

A successful *Redesigning Resources Conference* was held in Christchurch in June 2000 with the Prime Minister, the Rt Hon Helen Clark, Paul Hawken, author of *Natural Capitalism*, and Ray Anderson, CEO of Interface Carpets as keynote speakers. The Council co-hosted the conference and was one of the six case study organisations. The commitment was made at this conference to hold a follow up conference in two years' time, the date for which has now been confirmed as Sunday 7 July to Tuesday 9 July 2002 at the Convention Centre. The working party supported a request from Councillor O'Rourke for the sum of \$25,000 to be included in the 2001/02 budget to cover the costs for the 2002 conference.

Recommendation: That provision of \$25,000 be made in 2001/02 for the Redesigning Resources Conference.

16. **LYTTELTON MARINA**

At its first meeting on 12 June 2001 the Marina Subcommittee held a preliminary discussion on the issues to be addressed and the Council's role in the development of marina facilities at Lyttelton. The Subcommittee proposes to meet with the Banks Peninsula District Council and with the Port Company in July.

There is a substantial amount of work to be done before the Subcommittee will be in a position to make a recommendation on the Council's contribution for the project. In the meantime the Subcommittee believes it would be prudent to make funding provision for planning, investigation and design work should the Council decide to assist the project further.

- Recommendation:**
1. That provision of \$150,000 be made in 2001/02 for planning, investigation and design work for public facilities and a breakwater.
 2. That it be noted in the Annual Plan that a capital contribution will be considered subject to the outcome of the investigation and consultation and agreement being reached with other parties.

17. **COUNCIL STAFF BUS PASS**

The working party gave consideration to a report seeking approval to introduce a staff bus pass for Council staff for a trial period of 12 months. The report was prepared in response to a Council request that staff explore opportunities for meeting the Council's sustainability goals.

Staff travel survey results show that most people travel to work by car (64% by car, 12% bus, 16% cycle and 5% walk). There is potential to increase the numbers travelling by bus, and 43% of non-bus users indicated that they would catch the bus if the cost were reduced by 40%.

A free 12-ride multi ticket was considered to be the best option at this stage, to encourage maximum uptake and effect. This could be reviewed when smart card ticketing is introduced in Christchurch. Further discussions will be carried out with the bus companies to confirm the level of discount that can be offered should approval be given to the proposal.

The Council would be liable for fringe benefit tax for the proposal, which results in the cost increasing by some 49% over the GST inclusive cost (or resulting in 67.6% taxes paid on the GST exclusive cost). This financial burden upon the project places a significant hurdle to be overcome with such concepts even when they are consistent with other Government objectives relating to environmental sustainability. There is a strong case to lobby for the removal of FBT in clear cases of supporting environmental sustainability such as this proposal, removing some 37.5% of the cost and making them much more viable.

The staff bus pass scheme is one of a number of work place travel initiatives that could be introduced. It could be introduced as a trial with a view to introducing it in the wider community. Monitoring of the success of the system should be carried out by a staff travel survey six months and 12 months after introducing the pass.

The report recommended that:

1. Agreement, in principle, be given to a free Council staff bus ticket being introduced on a trial basis for 12 months.
2. A ticket option be pursued, based on free 12-ride tickets, resulting in an estimated likely cost of \$150-160,000 per year (with a likely maximum cost of about \$375,000 per year to the Christchurch City Council with no operator discounts and maximum uptake by staff).
3. Should agreement in principle be given, continue discussions with the bus operators to seek agreement on the level of discount, with 20% being a minimum acceptable discount level.
4. Staff travel survey be carried out about six months and 12 months after the introduction of the bus pass.
5. The Council lobby Central Government to change fringe benefit tax regulations to recognise sustainability.

17 Cont'd

The following motion was moved at the meeting:

"That the concept be endorsed subject to:

1. *Discussions with employers groups to gain their co-operation.*
2. *Satisfactory resolution of the various difficulties raised in the report.*
3. *It being funded within the approved salary budgets."*

The majority of the working party were unable to support this proposal and the motion when put to the meeting was **lost**.

18. QEII PARK POOLS PROJECT - MEZZANINE FLOOR

The Leisure Manager reported seeking two changes to the capital works budget to provide funding for the fitout of the mezzanine floor above the new leisure and teaching pool at QEII Park. The proposal put forward by the Leisure Manager provided for a multi-purpose sports floor to be developed in this space, providing training, fitness and competition facilities for a wide range of athletics; a generic sports court area, a four lane sprint track and a two lane jogging track. Fitness equipment would be located outside the track. The report advised that the area could also be used for social functions, merchandising, media facilities and seminars.

The cost of the fitout, including consultants' fees, is estimated to be \$1.2M. To fund this work approval was sought to:

- (a) Bring forward \$1M of the funding provided in 2004/05 for a new leisure centre.
- (b) Bring forward \$200,000 provided in 2003/04 for main stadium improvement.

Staff estimate the operational cost of the facility to be \$173,500 pa. Based on a 60% occupancy rate and admission charges of \$4 for adults and \$2 for children it is estimated the facility would generate revenue of between \$200,000 plus per annum.

The above proposal was not supported by the majority of the working party on the grounds that only one option had been explored for this area. To enable an informed decision to be made on the proposal, it was considered that other options should be researched.

Recommendation: That a report be brought to the Parks and Recreation Committee identifying a full range of options for the use of the facility.

19. FESTIVAL OF FLOWERS

At its May meeting, the Parks and Recreation Committee decided to refer to the working party a report from the newly established Festivals and Events Advisory Board proposing a change to the funding of the Festival of Flowers. In its report the Board advised that it proposed to investigate options for a larger garden and lifestyle festival and to develop a framework for the new festival in consultation with key stakeholders, including representatives of the Christchurch Garden City Trust:

To achieve this the Board proposed:

1. That the 2002 Festival of Flowers be scaled down to a community-focused festival, with reduced Council funding of \$44,782 (50% of budgeted funding), to include but not be limited to, the following events:
 - Floral Carpet
 - Community Concert
 - Cookie Time Children's Fiesta Day and Street Parade
 - Birthday Flowers
 - Magic Garden
2. That the balance of the funding provided for the Festival of Flowers in the 2001/2002 budget be made available to the board for the development work for the proposed new festival.

19 Cont'd

In an oral submission to the working party, the Garden City Trust advised that a funding reduction of this level would have serious implications for the 2002 festival because it would severely limit the trust's ability to stage this event. The working party was assured that the trust required the entire grant to produce a successful festival. In light of this advice and the importance of the festival to the Christchurch community, the working party considers that the grant should remain at its current level and the funding required by the Events Advisory Board to carry out the strategic review should be found from another source.

- Recommendation:**
1. That the funding of \$89,564 provided in the draft plan for the Festival of Flowers be confirmed.
 2. That \$51,150 provided in the 2000/01 plan for garden city marketing be carried forward to 2001/02 and be allocated to the Festivals and Events Advisory Board for the development of a major floral/lifestyle festival.

20. GREENWASTE CHARGES

A combined group representing a number of owner/driver refuse bin collectors submitted that the charges for greenwaste disposal should be charged by weight. They contended the current system of a flat fee for domestic users and a charge by weight for commercial users was discriminatory. The working party supports this contention and suggests that a system be put in place to charge for the disposal of this waste by weight.

The Council also received many submissions in opposition to the proposed increase in commercial greenwaste charges, both from bin operators and their customers.

Another submitter sought a stepped increase in fees rather than a single large increase. It is acknowledged that the increase is significant. However, the working party believes that it is justified as it eliminates the present inequity between commercial and domestic users. The proposal for a stepped increase would also have a significant effect on revenue. It is estimated the increases will generate revenue of \$660,000. This would fall by approximately \$300,000 in year 1 if the fees were phased in.

It should be noted that the recommendations reduce the minimum fee for a domestic trailer from \$7 to \$4.

- Recommendation:**
1. That a programme be put in place to introduce payment by weight for all greenwaste accepted at refuse stations.
 2. That the greenwaste charge for commercial and domestic customers be \$44.00 per tonne, including GST.
 3. That the minimum fee for both domestic and commercial greenwaste be \$4.00.

21. DRAINAGE PROBLEM - FUNDING OF REMEDIAL WORKS

The Legal Services Manager briefed the working party on a drainage problem in Linwood and the need for the Council to make provision in the 2002 Financial Plan for the cost of carrying remedial works. The Parks and Recreation Committee has also been briefed on this issue.

- Recommendation:** That provision of \$600,000 be spread over 2001/02 and 2002/03 for the above work.

22. INTEGRATED RETAIL/CAR PARK DEVELOPMENT PROPOSAL - COLOMBO STREET/LICHFIELD STREET

In accordance with the resolution passed by the Council at its February 2001 meeting, Council staff have been working with Ballantynes and the Yee Family Trust over the past few months to facilitate an integrated retail/car park development on the corner of Lichfield and Colombo Streets.

After considerable discussion and negotiation amongst the parties it now appears that an acceptable package has been put together and will be brought to the July Council meeting.

22 Cont'd

An outline of the proposal is contained in the public excluded section of this agenda.

Given that a development proposal acceptable to the Council is likely to emerge from the negotiations it would be prudent for the Council to make budgetary provision for its share of the costs as follows:

Operational	\$291,500
Capital	\$106,000

\$120,000 of the operational cost is proposed to be met from a carry forward of surplus car parking revenue from 2000/01.

- Recommendation:**
1. That funding of \$171,500 operational expense and \$106,000 capital be provided in 2001/02 to ensure the project proceeds.
 2. That \$30,000 be funded from the cash in lieu of parking fund.
 3. That Council participation be dependent upon the project proceeding generally in accordance with the proposal outlined in the public excluded section of the report and subject to the heads of agreement signed by the parties.

23. CHRISTCHURCH COMMUNITY HOUSE FUNDING

The Community Relations Manager sought the allocation of funding in 2001/02 for the relocation of Community House. At its August 2000 meeting the Council decided not to renew the lease on the existing premises at 187 Cashel Street and to seek more appropriate accommodation for Community House.

Also before the working party was a report from the Property Projects Manager detailing the projected costs of the relocation and recommending that additional funding be allocated for either loan servicing (in the event of the Council deciding to purchase a property) or rental charges for the replacement premises. The present project is jointly funded by the Council and the Community Trust and it is anticipated that the trust would be prepared to contribute to the additional costs.

Recommendation: That the Council budget provision be increased by \$85,000.

24. REAL TIME PARKING INFORMATION SIGNS (RTPI)

The Parking Operations Manager reported on the cost of installing RTPI signs in the central city to provide information on occupancy levels in Council car parks. To enable this proposal and other options for improving directional signage to Council parks to be investigated the working party suggested that funding of \$20,000 be provided in 2001/02.

Recommendation: That \$20,000 be allocated in 2001/02 to investigate RTPI and other signage options for off street parking in the central city.

25. ONYX REFUSE AND RECYCLING CONTRACT - ELECTRIC/GAS TURBINE VEHICLES

A cost saving of \$205,500 has occurred in the above contract because of a reduction in vehicle operating costs. In line with an earlier Council decision three electric vehicles were ordered for the expanded recycling service due to commence in November this year. However, the manufacturers have now advised that they are unable to meet the delivery deadlines because of other commitments.

The City Water and Waste Manager is reporting to the July meeting of the City Services Committee recommending that three diesel vehicles be purchased for the new service instead of electric/gas turbine vehicles. This will result in a cost saving of \$205,000 per year in ongoing operational costs.

- Recommendation:**
1. That Onyx be advised to provide three extra diesel recyclable collection vehicles instead of electric/gas turbine vehicles.
 2. That when the Onyx collection fleet needs further expansion due to increased collection quantities, the option of electric/gas turbine vehicles be considered again (probably in two to three years).

26. **ELDER CARE CANTERBURY - FALL PREVENTION INITIATIVE**

Councillor Keast submitted an application on behalf of the above group for a contribution of \$30,000 pa for three years towards the above initiative. Councillor Keast is the Council's representative on the steering group.

The working party was sympathetic to the proposal but believes that it should be funded from the social initiatives funding.

Recommendation: That the above proposal be referred to the Community Relations Manager for favourable consideration for funding from the social initiatives fund.

27. **FESTIVAL OF ROMANCE**

At its June meeting the Council referred the following report to the working party:

The purpose of this report is to present the recommendation of the Interim Events Advisory Board regarding the proposed change to funding for the Festival of Romance pursuant to the adopted recommendations of the report presented to the Parks and Recreation Committee on 13 September 2000.

The Festival City Trust submitted a proposal to the Council for the Festival of Romance to become a biennial festival and to be funded at the same level as the annual festival. The proposal provided for the Valentine's Day Dance to be held annually. This proposal was presented to the Parks and Recreation Committee on 13 September 2000. The current level of funding for the Festival of Romance is \$86,955.

The Trust's loss in revenue from The Community Trust and the additional cost of including the Valentine's Day Dance in the festival programme, without an increase in funding, created a financial burden under which the Trust felt it could not continue working.

An allocation of \$20,000 was made from the 2000/01 budget for the production of a Valentine's Day Dance in 2001, leaving a balance of \$66,955. The Board proposes this balance be carried forward to next financial year to fund:

- the production of the 2002 Valentines Day Dance
- an enhanced festival programme, subject to Leisure staff approval
- festival development

The festival providers submitted two programming options; a six-day festival requiring funding of \$105,000 and a thirteen-day festival requiring \$154,000. The board is recommending the six-day option, with the addition of the following event from the thirteen-day programme:

An Exploration of Love: Dancer Bronwyn Judge brings to life one of last century's greatest love stories, between Antarctic explorer Captain Scott and his wife Kathleen, as seen through the eyes of Kathleen, recreated from Scott's letters to her and her diaries. Bronwyn Judge is the first choreographer ever sent to Antarctica and this will be the premiere performance of this show. There will be three performances.

The board believes that An Exploration of Love is an important addition to the festival because of its particular historical significance to Christchurch as the gateway to Antarctica. The board is recommending that additional funding of \$15,000 be allocated from balance of the Festival of Romance's 2000/01 funding to enable its inclusion in the 2002 festival programme. The recommendation results in no additional funding to the festival and leaves a balance of \$31,955 to be used for festival development. This development is part of the strategic review the board is undertaking of current festivals. The board will make appropriate recommendations on the balance to the Parks and Recreation Committee for consideration.

Furthermore, the Board recommends that no commitment be given for funding the festival beyond 2002, as it is considering the possibility of merging this festival with the Festival of Flowers. The Festival City Trust will be included in the process to develop new proposals, which the board is currently undertaking.

27 Cont'd

- Recommendation:**
1. That the proposal submitted by the Festival City Trust for the funding of the 2002 Festival of Romance and the 2002 Valentine's Day Dance be approved, subject to the Council confirming, at its budget meeting on 12 July, the funding of \$89,564 provided for this festival in the draft plan.
 2. That the balance of the funding provided in the current year's budget for the Festival of Romance (\$66,955) be carried forward to be used as follows:

\$20,000 for the production of the Valentine's Day Dance
\$15,000 for the production of An Exploration of Love
\$31,955 for festival development
 3. That no commitment be given for funding for the festival beyond 2002.

28. **COMMUNITY BOARD SUBMISSIONS**

The working party makes the following recommendations in response to the major issues raised in the Community Board submissions:

1. **Burwood/Pegasus Community Board**

1.1 *Aranui Community Renewal Project*

Staff reported to the working party identifying the problems of this area including low income, low education, low skills, low employment. To assist in dealing with these issues it is **recommended** that the following resources be allocated/action taken:

- (a) That the funding of \$20,000 per year for five years towards the salary of the Consultation Co-ordinator (and successor position) be confirmed.
- (b) That the funding of \$40,000 per year for three years for projects/programmes be increased to \$60,000, subject to the identification of relevant projects/programmes.
- (c) That additional funding of \$30,000 per year for three years be provided for project management.
- (d) That CDC be asked to continue to assist with and resource local employment programmes.
- (e) That the following funding be confirmed:
Parks: Wainoni Park (playground) \$15,000 (2001-02).
Wainoni Park (pavilion and toilets) \$56,100 for 2002-03 instead of 03-04.
Farnborough Reserve (playground equipment) \$20,000 (2002-03).
Carisbrooke Reserve (playground renewal) \$20,000 for 2002-03 instead of 2005-06.
- (f) That the City Streets Manager be asked to allocate \$60,000 by way of substitution to fund priority neighbourhood improvement works over 2001-02 and 2002-03.

1.2 *Community Facilities*

That the Board be informed that:

- (a) Funding for the North New Brighton Community Centre will be limited to that already budgeted.
- (b) The Council would value the Board's assistance in prioritising the other five community facilities for which future funding was requested.
- (c) The Council regrets it is not able to bring forward the capital and operational funding for the Parklands Library.

28 Cont'd

2. **Riccarton/Wigram Community Board**

That the Board be informed that the Council will be pleased to consider an assessment from the Libraries Manager of the proposal for a community library based in the grounds of Riccarton High School.

3. **Fendalton/Waimairi Community Board**

- (a) That the Board be informed that the working party has noted its views on a range of city-wide and corporate issues.
- (b) That, in recognition of the Board's submission and residents' submissions, and the Council's new policy on cost-sharing of undergrounding, the Council allocate an additional \$100,000 pa operational funding, and an additional \$30,000 pa capital to pay the Council's share of about 800 metres additional undergrounding per year.
- (c) That as the residents of Wai-iti Terrace have undertaken to contribute 50% of the cost, in compliance with the new Council policy, \$37,500 operational and \$11,000 capital expenditure be provided in 2001/02 from the additional underground provision specified in 3(b) to allow undergrounding to proceed in Wai-iti Terrace.
- (d) That, in view of the fact that Tui Street residents attempted to raise the full cost prior to the Council's new policy of 50% contribution being established, Tui Street also be funded (CCC share \$45,000, plus \$15,000 capital) from the additional underground provision specified in 3(b).
- (e) That the request from Thornycroft Street residents be declined on the grounds that it does not comply with the Council's undergrounding policy.

4. **Hagley/Ferrymead Community Board**

That the Board be informed that the working party:

- (a) Has noted its views on a range of corporate and city-wide issues.
- (b) Supports the funding allocated to the proposed Redcliffs creche.
- (c) Notes the request for an additional kilometre of kerb and channel renewal each year but regrets that increases of about 20% in contract prices will make it difficult to achieve the existing targets in the coming year.

5. **Shirley/Papanui Community Board**

The Board supported the submissions from the residents of Briggs Road who raised concerns about the deterioration of the carriageway because of the increase in heavy traffic and damage to houses alleged to be caused by traffic vibrations.

- (a) That both the initial smoothing work in Briggs Road and the final smoothing with P11 be carried out in the coming summer, and that the work be funded by advancing the road smoothing allocation from 2002/03.
- (b) That a brief report be prepared by an independent assessor on the alleged damage to homes in Briggs Road.
- (c) That the funding of \$45,000 towards the rent of the Papanui Youth Facility be confirmed.

6. **Spreydon/Heathcote Community Board**

That the Board be informed that:

- (a) The Annual Plan Working Party has recommended to the Council that a target of up to 10% of the endowment fund be invested in South Island based and/or owned businesses.

28 Cont'd

- (b) The working party considers business liaison persons for suburban shopping centres should be funded by Boards, either individually or jointly, but the Board may wish to seek the support of the Business Grow section of CDC.

7. **Community Boards - General**

Community Boards have been given responsibility for dealing with local issues. In addition to making recommendations to the Council for spending in the major areas of parks and streetworks, they are provided with funds of \$390,000 per year for local projects, of which a portion is kept for discretionary spending during the year. The Boards also distribute funds from the Hillary Commission and the Council's Community Development Fund. Although \$390,000 is a significant sum, up from \$250,000 when the Boards were established in 1989, at least half the increase has been eaten up by inflation. Moreover, the project, discretionary and grant funding of Community Boards (at about \$2.5m) is only about 2% of the Council's rate revenue. The working party considers that funding of Community Boards should be increased if they are to take responsibility for local issues. As a minimum funding should be increased in line with inflation and with city growth, much of which occurs in the suburbs.

Recommendation: That the Director of Finance report to the Annual Plan Working Party in 2002-2003 budget round on an appropriate formula to ensure Community Board funding keeps pace with inflation and city growth.

29. **PUBLIC SUBMISSIONS**

The working party makes the following recommendations in response to the major issues raised in the public submissions:

1. That the Canterbury Employers' Chamber of Commerce be informed, inter alia, that:
 - (a) The Council has noted the request that roading costs be spread across all sectors by capital value.
 - (b) The Council acknowledges that rates, as a property tax, do not provide a precise match between the sums paid and the benefits received.
 - (c) That the Council is supporting proposals in the current transport policy review and funding powers review for a greater direct contribution to roading costs from road users.
 - (d) That the Council would welcome discussion with the Chamber on key performance indicators.
 - (e) That the Council has effected savings and efficiencies to achieve some reduction in the rates 'spike' of 2004-05.
2. That Environment Canterbury be informed, inter alia, that the Council would welcome recommendations on specific intersections where bus prioritisation is required.
3. That the Organic City Trust be advised:
 - (a) That the Council has noted that the certification programme is currently being considered by CDC.
 - (b) The Council acknowledges the work of the Kids Edible Gardens Project but does not propose to increase funding on the grounds that concentration of effort on a small number of schools may produce better long-term results.
4. (a) That the Council confirm its intention to publish results of a monitoring programme for water quality in the Estuary, and the Christchurch Estuary Association be informed accordingly.
 - (b) That the results be considered for regular inclusion in City Scene.

29 Cont'd

5. That the submitters seeking additional funding for heritage building preservation be informed of the Council's new policy for heritage grants equivalent to the increase in rates on redeveloped heritage buildings
6. That, in response to concerns raised by the Sydenham Residents' Association about pedestrian safety at the Brougham/Colombo intersection, a report be prepared for the City Services Committee on the progress in planning for an amber light phase at pedestrian crossings.
7. In its submission the New Brighton Residents' Association requested the Council to acquire Collingwood House for a community base. An evaluation report was obtained on the property which confirmed the need for considerable expenditure to upgrade Collingwood House and meet ongoing maintenance. For this reason, coupled with a relatively high purchase price, officers recommended against purchase of the property.

Recommendation:

- (a) That the Council not purchase Collingwood House but that support be given to the New Brighton Residents' Association and, if necessary, other current users of Collingwood House, in locating suitable premises for their activities.
 - (b) That, in the meantime, the Burwood/Pegasus Community Board support the New Brighton Residents' Association's activities in Collingwood House while it is available.
 - (c) That Councillors Evans and James initiate a direct approach to the owners of the property, Age Concern, to ascertain their willingness to continue to use the building for community purposes.
8. That, in response to a request from the Canterbury Volunteer Centre, consideration be given to changing terminology (private/public/community/commercial/household/voluntary/customer/citizen) along the lines suggested for 2002-03 Annual Plan.
 9.
 - (a) That the proposal presented by Mr David Bolam-Smith for feature lighting on the Avon River bridges in the central city be referred to the Environment Committee for investigation and prioritisation for a long-term strategy.
 - (b) That \$30,000 be allocated for this work in 2001-02 and that sponsorship opportunities be investigated.
 10. That the following action be taken in response to the submission from Orana Park seeking the remission of rates levied on the Aquarium in Cathedral Square:
 - (a) That, in view of the need to maintain viable businesses in heritage buildings such as the Regent Building, the advice of the Environmental Services Manager be sought on appropriate signage for the aquarium.
 - (b) That Christchurch and Canterbury Marketing be asked to assist the passage of patrons through the building.
 - (c) That the Council decline to provide direct funding.
 11. That the following action be taken in response to the submissions on central city marketing, car parking etc:
 - (a) That the Council encourage the formation of a strong organisation to take responsibility for marketing the central city.
 - (b) That the Mayor be asked to host a function for central city retailers to provide initial impetus, and that all Councillors be asked to attend to demonstrate their support.
 - (c) That consideration of any extension to 'one hour's free parking' be deferred until an evaluation of the proposed scheme has been completed.

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12. The Major Grants Committee received a number of requests this year to provide funding for school halls. It decided to decline them all, including an application from Aranui Primary School, for two reasons:
- (a) Acceding to any of the requests would have put the grants total outside the 2% growth cap set by the Council.
 - (b) Local projects, including schools projects, were considered to be the responsibility of community boards.

The Council has not generally funded schools halls, but has made exceptions on a number of occasions for specific reasons: Aurora Centre (historic commitment by Waimairi District Council); Elmwood School (joint project with Elmwood Players); Christchurch East and Addington (low decile schools with minimal fund-raising capacity). As the Burwood/Pegasus Community Board has committed \$50,000 over two years, and as Aranui is a 1A decile school, the Council could consider augmenting the Board grant to assist the project, which has a funding shortfall of approximately \$50,000.

Recommendation: That the Council make a one-off grant of \$30,000 to the Aranui Primary School Hall project.

13. That the Council increase its funding of the Beneficiary Advisory Service by \$5,000 to \$17,000 pa, subject to the normal accountability mechanisms.
14. In the past the Council has declined to fund Birdlands because it is outside the Council's area. However, the Council may wish to change its stance in view of the 'living nature' science programme which the trust is providing for Christchurch schools, and the successful pre-employment training programmes which the Trust is assisting the Community Employment Group to conduct for Christchurch youth. The Trust requested a total of \$60,000 for three years, \$40,000 for a manager's salary and \$20,000 for a groundsman.

Recommendation: That the Council contribute \$30,000 a year for three years towards a manager's salary.

15. That a one-off grant of \$10,000 be made to the New Zealand Conservation Trust towards its kiwi breeding programme.
16. That, to maintain the viability of Canterbury Opera, the Council contribute an additional \$12,000 in 2001-02 to train replacement staff for key roles.
17. That, as other Community Boards fund local advice bureaux, the application for funding support from the Christchurch West Citizens' Advice Bureau be referred to the Riccarton/Wigram Community Board.
18. That the Council make a grant of \$10,000 pa to Crichton Cobbers for three years.
19. That the Council contribute \$15,000 in 2001/02 towards the heritage carpenter position at Ferrymead Historic Park.
20. That the request from the Quail Island Trust for funding support be referred to the Major Grants Committee for consideration in the 2002-03 funding round.
21. That the rescheduling of the Council's grant to the Rannerdale Trust be approved.
22. The St Bede's College 90th Jubilee Steering Committee sought a grant on \$300,000 over three years or \$250,000 towards the construction of a performing arts centre, gymnasium and hall. Sufficient funding is available for the performing arts centre - the grant is required to complete the gymnasium component of the project.

Recommendation: That, in view of the Council's commitment to the Papanui Youth Centre, the request for funding support for the above facility be declined.

29 Cont'd

23. That the Parks and Waterways Manager investigate the proposal from Michael Case for an 'avenue-of-parks' approach to the city in Cranford Street.
24. That the following action be taken in response to the Canterbury Car Club's request for funding of \$200,000 for a revival of the Lady Wigram Classic:
 - (a) That the events seeding fund be increased by \$50,000 and a grant of \$100,000 be made to the Canterbury Car Club for the Lady Wigram Classic.
 - (b) That the co-operation and assistance of Christchurch and Canterbury Marketing be sought.
 - (c) That staff report on the extent to which it is reasonable to provide assistance in kind.
 - (d) That it be recommended to the Parks and Recreation Committee that the 5% gate levy payable by the hirers of the Ruapuna Raceway and Speedway be abolished.
25. That the request from the City East Charitable Trust for an additional grant of \$40,000 for the Blaze Youth Complex be declined in view of the funding already provided this year.
26. That the request from MasterClass NZ Ltd for funding of \$120,000 for the "Savour NZ MasterClass" promotion be referred to the Events Advisory Board.
27. The new Council policy on rating of sports organisations on privately owned land has resulted in significant reductions for all such organisations - except Canterbury Tennis, which, because of a concession granted many years ago has never paid rates and will now be liable for \$5000 pa (this is for 50% of water and sewerage rates only). This is not a large sum and is dwarfed by the grant of \$75,000 a year for five years which the Council is making to Canterbury Tennis for Wilding Park. Rather than making exemptions from the new rating policy, the Council could consider appropriate ongoing financial support.

Recommendation:

- (a) That the request for an exemption from all rates be declined but that Canterbury Tennis be informed it may make another application to the Council for support when payment of the current five year grant has been completed.
 - (b) That similar requests from bowling clubs for an exemption from all rates be declined.
28. Most sports clubs on Council land had a big decrease in lease charges as a result of the new policy. A small minority of clubs that had paid only 10c a year received an increase and sought retention of the status quo. In the interests of equity the working party believes these requests should not be supported.

Recommendation: That these requests be declined.

29. Several indoor sports bodies sought reduction or abolition of charges for indoor sports venues to parallel the abolition of charges for sports fields. It should be noted that outdoor sports use grounds for only a few hours per week and that the general public has use of them for the rest of the time.

Recommendation: That the groups be informed that the Council may give consideration in future years to reducing charges for indoor sports to reduce barriers to participation.

30. The Christchurch Kart Club sought the allocation of \$1M to relocate its facilities. The club came into being before residential development took place and has a resource consent for its operation. However, residents have made numerous complaints and there has been pressure for the club to move. The Council requested a report on low-cost options for relocation. The officer comment states that a land exchange is being negotiated but that \$600,000 will be required in 2002-03 to compensate the club for its loss of its existing facility. This is outside the definition of 'low-cost'. The Council cannot set a precedent of spending ratepayer funds to relocate an activity which has a resource consent.

29 Cont'd

Recommendation:

- (a) That it be noted the working party views with concern the implication that a contribution of \$600,000 from the Council is being contemplated.
 - (b) That a report on the issue be prepared for the Parks and Recreation Committee.
 - (c) That the Environmental Services Manager be asked to clarify the terms of the kart club's consent and that the conditions are being adequately complied with.
31. That the application from the Canterbury Primary Schools Sports Association for funding assistance of \$10,000 pa be declined.
32. That the residents of Lookaway Place and Woodlau Rise be advised that urgent investigations will be carried out into stormwater management, land stability and the risk to road stability and Council services.
33. That the residents of Weston Road be advised that:
- (a) Four-way stop signs will be installed at the intersection of Bretts Road and Weston Road.
 - (b) Additional traffic management devices will be installed in due course.
 - (c) The respective community boards will be informed that the works referred to in (b) could be advanced if they are able to make a contribution.
34. That, as the large balance in the Christchurch Safer Community Council's accounts related to funds granted for the coming year, the Council restore the grant by \$10,000 to \$40,000.
35. That the submissions from Restorative Justice Services and Drug Arm Christchurch be referred to the Community Relations Manager for favourable consideration for funding as a social initiative.
36. That the submissions relating to OSCAR funding be referred to the Community Services Committee for consideration.
37. (a) That the submitters seeking additional funding for the implementation of the Council's disability policy be informed of initiatives currently being undertaken.
- (b) That the Libraries Manager be asked to investigate voice-activated sensors for computers.
- (c) That the Director of Information be asked to investigate the use of email in communicating with people with disabilities.
- (d) That it be noted that every unit of the Council is required to report to the Council annually on the implementation of the Council's Disability Policy.
38. That in response to the submission from the Anglican Parish of Linwood (St Chad's Church) the Area Engineer be asked to arrange for a cover on the channel outside the vicarage, and parking space, to enable disabled people to alight from cars in wet weather; the funding for this work to be found from within existing budgets.
39. (a) That the Council contribute \$20,000 towards the cost of a feasibility study for an artificial reef at New Brighton.
- (b) That it be noted that this does imply Council commitment to the project.

29 Cont'd

40. That the submitters seeking the allocation of additional funds for the Botanic Gardens and the purchase of further land in the Rural 6 zone be advised:
 - (i) The Council accepts that in recent years funding has been directed towards the acquisition of large areas of open space (Travis Wetland, Port Hills, A&P land etc) before urban growth swallowed up areas or made purchase unaffordable.
 - (ii) The Council will request a report on future development of the Botanic Gardens to address the issues raised.
 - (iii) The Council's decision to consult the public on its proposal to promote a local bill to enable the Canterbury Museum to use the McDougall for its collections does not preclude the possible use by the Friends of the Gardens of some part of the gallery complex, such as the Canaday Wing.
 - (iv) The Council has recently purchased a tussock grasslands area at McLeans Island.
41. That the Tramway Historic Society's request for a tidy-up of the car park be agreed to, provided officers confirm that a satisfactory re-seal can be done for \$5,000 without compromising later work.
42. That the Parks Manager be asked to discuss the proposal for a cultural centre and that, following the discussions, Ngati Kahungunu be asked to submit a proposal for possible inclusion in the overall concept plan for the new Council reserve at Curletts Road.
43. (a) That the Community Advocate be asked to ensure that the waka ama group of Nga Maata Waka are consulted and their interests protected in the development of the Owles Terrace Reserve.

(b) That consideration be given in the redevelopment to the making of a safe and clean launching area for waka ama, kayaks and canoes.
44. That responses be forwarded to submitters as per the above recommendations and the comments provided by staff.

The Chairman makes the following additional recommendations:

45. That the submissions from Kimihia Youth Skills Trust and Homemade Partnerships Trust be referred to the Community Relations Manager for favourable consideration under the social initiatives fund.
46. That the submissions from Canterbury Tertiary Education Millennial Trust, Canterbury Medical Research Foundation and Health Research Organisation be referred to the Canterbury Development Corporation for consideration under the economic development initiatives fund.

30. FINANCIAL SUMMARY

Following this report is a financial summary which provides a 10 year forecast of the Council's finances showing operating costs and revenues, capital expenditure, borrowing and long term debt forecasts.

It is worth noting that the net and term debt figures at the end of the 10 year period are approximately \$50 million less than forecast in the draft plan. This is influenced by a number of small factors plus the correction of an error in the draft plan of the forecast borrowing from 2007/08 to 2010/11.

The draft plan forecast a significant rate increase of 8.6% in 2004/05. This is principally caused by the new landfill scheduled for commissioning in that year with consequential cost increases. Although these costs must still be provided for some action has been taken to smooth the budget so that the rate increase is reduced to a 6.71% increase.

12. 7. 2001

Strategy and Resources Annual Plan 15.6-5.7.2001

- 31 -

31. **NET REQUIREMENT FROM RATES**

The net overall rate increase, including the changes recommended by the working party, is 2.28%. This represents a rate requirement of \$137.58M GST exclusive.

- Recommendation:**
1. That the Council adopt a 2.28% overall rate increase.
 2. That the Christchurch City Council Financial Plan and Programme : 2002 Edition, as amended, be adopted.
 3. That the Christchurch City Council Strategy Statement : 2002 Edition, as amended, be adopted.
 4. That the Christchurch City Council Corporate Plan : 2002 Edition, as amended, be adopted.
 5. That approval be given to the Director of Finance to approve any necessary corrections to the Strategy Statement, Corporate Plan or Financial Plan and Programme.
 6. That public notice be given that at its meeting on Monday 17 September 2001 the Council will consider a resolution to make and levy rates in accordance with the approved Christchurch City Council Financial Plan and Programme : 2002 Edition.

CONSIDERED THIS 12TH DAY OF JULY 2001

MAYOR