

MINUTES OF A MEETING OF THE CHRISTCHURCH CITY COUNCIL HELD AT 9AM ON THURSDAY 12 JULY 2001

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

APOLOGIES: An apology for absence was received and accepted from Councillor Graham Condon.

REPORT OF THE STRATEGY AND RESOURCES ANNUAL PLAN WORKING PARTY

Councillor David Close made the following statement:

"Eleven years ago I recall making my first speech as Chairman of the Annual Plan Working Party. In it I warned the Council, without avail, of the folly of raising loans to fund a nil rate increase - 'borrowing money to pay for the groceries', to use the popular saying. It is with a very satisfying sense of irony that I stand here today to thank the staff, the Mayor, the Council and the members of the Annual Plan Working Party, for their role over several years in prudent, long-term planning of the Council's finances.

I must include the people of Christchurch in my congratulations because they have taken the long-term view as well. They supported us in the nineties when we resisted the pressure to sell off our trading enterprises for ready cash, and this year they have supported the proposal to use the \$175M from Orion for debt repayment and an endowment fund. It was interesting to note that the clear majority support was found in the Citizen Survey, the City Scene response form, and the written and oral submissions, whether from community groups, business organisations or individual citizens.

The Council's projected future debt has been reduced to very modest levels. At Year 9 term debt is projected to be \$151M (down from \$226M in last year's plan) and net debt is projected to be \$32M (down from \$200M in last year's plan). These levels of debt are very low indeed in view of the vast assets of the Council.

Lest we begin to be complacent, let me hasten to add that there are plenty of challenges still. We are providing higher standards of service in almost every area - waste minimisation, refuse disposal, wastewater treatment, stormwater systems, libraries, swimming pools, art gallery - but these higher standards are driving up our operating costs. For this reason our projected rate increases for the next few years are higher than most Councillors are comfortable with but I am pleased to point out that the rates 'spike' in 2004-05 has been reduced from 8.6% to 6.71% in the plan before us today. We must continue to exercise discipline in our spending, especially as our very successful trading enterprises cannot be expected to increase their dividends as rapidly as in the past. A transitional modifier has been used to adjust rates between the sectors this year because of changes arising from the funding policy and the rating of utilities.

This year the working party spent eight days hearing submissions and three to four days in deliberating on them. The process is a great exercise in democracy for Councillors and for submitters. Not every request has been agreed to, but the pages of recommendations in today's agenda are proof that public submissions have a real impact on the Council's decision-making.

As a result of the thorough deliberations of the working party, something approaching consensus was achieved for many of our recommendations. Some healthy differences of opinion remain on some issues and these will no doubt be the subject of lively debate. In other cases some fine-tuning will be required.

I shall end this statement as I began, with thanks for those who have contributed to the preparation of another Annual Plan. In particular, I would like to thank the City Manager and the Director of Finance and their very competent and dedicated supporting staff, and, last but not least, our indefatigable and unflappable Committee Secretary.

I have pleasure in moving the adoption of the Financial Plan and Programme : 2002 Edition, and associated recommendations."

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

Councillors David Buist, Carole Evans, Carole Anderton, Alister James and Robin Booth then spoke in reply.

PUBLIC SUBMISSIONS

(Councillor Manning retired at 9.30am.)

Councillor Harrow moved *"That the references to the Treaty of Waitangi in the Strategic Statement be deleted"*. The motion was seconded by Councillor Booth and when put to the meeting was declared **lost** on division no 1 by 20 votes to 1, the voting being as follows:

Against (20): Councillors Anderton, Austin, Baker, Buck, Buist, Close, Corbett, Crighton, Evans, Ganda, Howell, James, Keast, O'Rourke, Stewart, Stonhill, Thompson, Wells, Wright and the Mayor.

For (1): Councillor Harrow.

Abstain: Councillor Robin Booth.

Temporarily Absent: Councillors Manning and Sheriff.

Councillor Harrow then moved by way of further amendment *"That the Strategic Objective relating to economic development on page 14 of the Strategic Statement be amended by the deletion of the word "real" from objective B1"*. The amendment was seconded by Councillor Crighton and when put to the meeting was declared **lost**.

CAPITAL RETURN FROM ORION NEW ZEALAND LTD

Councillor Close moved by way of amendment to recommendation 4 of the report *"That to provide a more secure funding flow to local community projects income from the fund be allocated each year in the following way:*

<i>Economic development</i>	<i>70%</i>
<i>Civic and community projects</i>	<i>30%</i>

The motion was seconded by Councillor Howell and when put to the meeting was declared **carried** on division no 2 by 20 votes to 2, the voting being as follows:

For (20): Councillors Anderton, Austin, Baker, Buck, Buist, Close, Corbett, Crighton, Ganda, Harrow, Howell, James, Keast, O'Rourke, Stewart, Stonhill, Thompson, Wells, Wright and the Mayor.

Against (2): Councillor Evans and Sheriff.

Abstain: Councillor Robin Booth.

Temporarily Absent: Councillor Manning.

The recommendations made by the working party in clause 9.1 of the agenda were then adopted subject to the inclusion of the adopted amendment as set out above.

PROPOSAL FOR ALLOCATING THE ECONOMIC DEVELOPMENT STREAM OF INCOME FROM THE CAPITAL ENDOWMENT FUND

Councillor Close moved by way of amendment the insertion of an additional clause 2 *"Ensure an inclusion of direct increase in economic activity and job creation as a prime criterion"*. The motion was seconded by Councillor Corbett and when put to the meeting was declared **carried**.

The recommendations made by the working party in respect to clause 9.3 were then adopted subject to the inclusion of the amendment as set out above and renumbering of the subsequent recommendations.

PROPOSAL FOR ALLOCATING THE CIVIC AND COMMUNITY PROJECTS STREAM OF INCOME FROM THE CAPITAL ENDOWMENT FUND

Councillor Baker moved by way of addition *“That in the allocations to local community projects the Council follow the principle that all parts of the city benefit, over a period, from local projects”*. The amendment was seconded by Councillor Close and when put to the meeting was declared **carried**.

Councillor Buck moved by way of further amendment in respect to recommendation 2 of clause 9.4 *“That the museum fund itself by the sale of the Hawaiian cloak held in its collection”*. The amendment was seconded by Councillor Sheriff and when put to the meeting was declared **lost**.

The recommendations of the working party in respect to clause 9.4 of the agenda were then adopted subject to inclusion of the amendment set out above.

(Councillors Buist and Keast retired at 10.45am.)

CAPITAL ENDOWMENT FUND - INVESTMENT STRATEGY

Councillor Howell moved by way of amendment in respect to recommendation 2(a) *“That the words “up to 10%” be inserted in this clause”*. The motion was seconded by Councillor Austin and when put to the meeting was declared **carried**.

Councillor O'Rourke then moved by way of further amendment *“That recommendation 4 be amended:*

‘That the treasury review team be authorised to call for expressions of interest from appropriate fund managers, evaluate the proposals, having taken independent professional advice, and make recommendations to the Strategy and Resources Committee.’”

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

Councillor Austin then moved by way of further amendment to recommendation 2(a) *“A target of up to 10% of the funds being invested in South Island owned or based companies consistent with prudent investment practice, the form and procedure for the investment being the subject of a report from the Director of Finance”*. The amendment was seconded by Councillor Close and when put to the meeting was declared **carried**.

The recommendations made by the working party in respect to clause 9.5 were then adopted subject to the inclusion of the three adopted amendments set out above.

(Note: Councillor Booth requested that his vote against clauses 9.1 to 9.5 of the agenda be recorded.)

(Councillor Keast returned at 10.50am.)

CENTRAL CITY RATE SURVEY

It was **resolved** that recommendation 3 be amended to read:

“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 and a report on this matter be supplied to the Strategy and Resources Committee.”

REVISION OF TRANSITIONAL MODIFIER

Councillor Harrow moved by way of amendment *“That the transitional modifier be adjusted so that the rural rate increase be no more than 8%”*. The motion was seconded by Councillor Booth and when put to the meeting was declared **lost**.

Councillor Harrow then moved by way of further amendment:

“3. *That in view of:*

(i) *the excessive reliance on property rates to fund wear and tear on roads*

(ii) *the controversy this generates among commercial, rural and residential ratepayers*

the Council, in its submissions on the rates bill and the new Local Government Bill, press for mechanisms which allow for more direct funding from road users.”

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

The recommendations of the working party in respect to clause 10 of the agenda were then adopted subject to the inclusion of the adopted amendment as set out above.

ALLOWANCES FOR WATER CHARGES

Councillor Close moved by way of addition:

“2. *That schools be informed of the changes made to the water charging system and be offered further assistance in water conservation measures.*

3. *That production units in the rural sector with high water consumption be contacted to assess the impact of the new water charging system on their operations.”*

The amendments were seconded by Councillor Harrow and when put to the meeting were declared **carried**.

The recommendation of the working party in respect to this clause was then adopted subject to the inclusion of the above two amendments.

CANTERBURY INNOVATION INCUBATOR

(Councillor Buck retired at 11.30am.)

(Councillor Manning returned at 11.30am.)

Councillor O'Rourke moved by way of amendment “*That a special grant of \$7,000 per annum be made available to the Canterbury Development Corporation and that it be used exclusively for parking at the Council's Manchester Street parking building in relation to the Innovation Centre parking needs on a casual basis for up to 10 spaces*”. The motion was seconded by Councillor Austin and when put to the meeting was declared **carried** as the substantive motion on division no 3 by 13 votes to 9, the voting being as follows:

For (13): Councillors Anderton, Austin, Baker, Close, Crighton, Ganda, James, Keast, Manning, O'Rourke, Stonhill, Thompson and the Mayor.

Against (9): Councillors Booth, Corbett, Evans, Harrow, Howell, Sheriff, Stewart, Wells and Wright.

Temporarily Absent: Councillors Buck and Buist.

COUNCIL STAFF BUS STAFF

Councillor Close moved:

“1. *That as part of the Council's "Sustainable Christchurch Initiatives", the proposal for free bus passes for Council employees who travel to work be endorsed, subject to agreement from bus operators for a discount of 30%.*

2. *That a sum of \$65,000 be included in the Financial Plan and Programme for 2001/02, and \$95,000 for 2002/03 and 2003/04 and these sums be provided in a rates neutral way and the Director of Finance be authorised to make the appropriate adjustments.*

3. *That urgent representations be made to the Ministers of Finance, Environment and Energy to waive fringe benefit tax on this and similar schemes.*

4. *That discussions be held with other employers to encourage their participation in the scheme."*

The motion was seconded by Councillor O'Rourke.

Councillor Baker moved by way of further amendment:

- "5. *That the Council explore initiatives to increase bus patronage by way of family bus subsidy.*

6. *That a report be provided in a year's time to show the staff use of the scheme."*

The motion was seconded by Councillor Austin.

When put to the meeting the motions were declared **carried** as the substantive motion.

(Note: Councillors Crighton and Ganda declared an interest in respect to the above item and retired from consideration and took no part in the discussion or voting thereon.)

(Councillors Buist and Buck returned at 12.35pm.)

FESTIVAL OF FLOWERS

Councillor Austin moved by way of amendment:

- "1. *That funding of \$70,000 be provided in the Annual Plan for the Festival of Flowers.*
2. *That the balance of \$19,564 be added to the \$51,150 provided in the 2000/01 plan for garden city marketing, carried forward to 2001/02 and be allocated to the Festivals and Events Advisory Board for the development of a major floral/lifestyle festival.*
3. *That no commitment be given to funding the festival beyond 2002.*
4. *That the Garden City Trust work with the Festivals and Events Advisory Board in the development of the new festival.*
5. *That Councillor Barbara Stewart be appointed as a member of the Advisory Board."*

(Councillor Wells retired at 1.05pm.)

The amendment was seconded by Councillor Ganda and was put to the meeting on a clause-by-clause basis.

(Councillor Corbett retired at 1.15pm.)

Clause 1 when put to the meeting was declared **carried** on division no 4 by 13 votes to 8, the voting being as follows:

For (13): Councillors Anderton, Austin, Baker, Buck, Close, Crighton, Ganda, James, Keast, Manning, O'Rourke, Thompson and the Mayor.

Against (8): Councillors Booth, Buist, Evans, Harrow, Howell, Sheriff, Stewart and Wright.

Temporarily Absent: Councillors Corbett, Stonhill and Wells.

The remaining clauses when put to the meeting were declared **carried** as the substantive motion.

ELDER CARE CANTERBURY - FALL PREVENTION INITIATIVE

It was **resolved** that this proposal be referred to the Community Services Committee.

COMMUNITY BOARD SUBMISSIONS

Fendalton/Waimairi Community Board

It was **resolved**:

- (e) That the request from Thornycroft Street residents be declined on the grounds that it does not comply with the Council's undergrounding policy unless a substitution item be found from the Fendalton area to allow the kerb and channel work to proceed.

PUBLIC SUBMISSIONS

(Councillor Ganda retired at 1.20pm.)

Recommendation 29.10 was amended to read:

"That the following action be taken in response to the submission from Orana Park seeking the remission of rates and financial assistance levied on the Aquarium in Cathedral Square:"

In respect to recommendation 29.19 Councillor Crighton moved by way of amendment *"That the Council contribute \$35,000 in 2001/02 towards the heritage carpenter position at Ferrymead Historic Park"*. The amendment was seconded by Councillor Manning and when put to the meeting was declared **carried**.

In respect to recommendation 29.24(a) it was noted that the events seeding funding increase of \$50,000 applied for year 1 only.

In respect to recommendation 29.36 it was **resolved**:

"That the submissions relating to OSCAR funding and After School programmes including the Woolston Development Programme be referred to the Community Services Committee for consideration."

In respect to recommendation 29.39(b) it was noted that the recommendation should be amended to read:

*"That it be noted that this does **not** imply Council commitment to the project."*

In respect to recommendation 39(a) Councillor Wright moved by way of amendment *"That the Council contribute \$10,000 towards the cost of a feasibility study for an artificial reef at New Brighton"*. The amendment was seconded by Councillor Crighton and when put to the meeting was declared **lost** on division no 5 by 10 votes to 9, the voting being as follows:

Against (10): Councillors Anderton, Austin, Baker, Buck, Evans, James, Sheriff, Thompson, the Mayor, the Mayor's casting vote..

For (9): Councillors Booth, Buist, Close, Crighton, Harrow, Howell, Manning, Stewart, Wright.

Temporarily Absent: Councillors Ganda, Keast, O'Rourke and Wells.

The motion as a whole was then put to the meeting and was declared **carried** on division no 6 by 10 votes to 9, the voting being as follows:

For (10): Councillors Anderton, Austin, Baker, Buck, Evans, James, Sheriff, Thompson, the Mayor, the Mayor's casting vote.

Against (9): Councillors Booth, Buist, Close, Crighton, Harrow, Howell, Manning, Stewart, Wright.

Temporarily Absent: Councillors Ganda, Keast, O'Rourke and Wells.

In respect to recommendation 29.45 it was **resolved** that the submission from the Homemade Partnerships Trust be referred to the Community Services Committee for favourable consideration under the social initiatives fund.

12. 7. 2001

- 7 -

Councillor James then moved by way of further amendment "*That the sum of \$10,000 be provided for three years for the Kimihia Youth Skills Trust*". The amendment was seconded by Councillor Baker and when put to the meeting was declared **carried**.

(Councillor Keast returned at 2.03pm.)
(Councillor Crighton retired at 2.03pm.)

In respect to recommendation 29.46 it was **resolved** that any conflicts of interest in relation to this recommendation should be identified.

The recommendations of the working party in respect to clause 29 were then adopted, subject to the inclusion of the above amendments.

FINANCIAL SUMMARY

Councillor Booth requested that his vote against the adoption of this clause be recorded.

NET REQUIREMENT FROM RATES

It was **resolved** by way of addition that all amendments including those in the attached schedules be approved.

NOTICES OF MOTION

(1) Differential Rating Resolution 2001/02

Councillor Stewart moved by way of amendment "*That the uniform annual charge be revised from \$105 to \$110 and thereafter be adjusted in line with the annual inflation rate*". The amendment was seconded by Councillor Wright and when put to the meeting was declared **lost** on division no 7 by 9 votes to 7, the voting being as follows:

Against (9): Councillors Anderton, Austin, Baker, Close, James, Keast, Manning, Thompson and the Mayor.

For (7): Councillors Booth, Buck, Buist, Harrow, Howell, Stewart and Wright.

Temporarily Absent: Councillors Condon, Crighton, Evans, Ganda, O'Rourke, Stonhill and Wells.

The recommendations of the Annual Plan Working Party in respect to the Notices of Motion were then **carried** subject to the inclusion of an amended page 56 as tabled at the meeting.

RESOLUTION TO EXCLUDE THE PUBLIC

It was **resolved** that the resolution to exclude the public set out on page 58 of the agenda be adopted.

CONCLUSION

The meeting concluded at 2.30pm.

CONFIRMED THIS 26TH DAY OF JULY 2001

MAYOR