

2009-19 Long Term Council Community Plan

Christchurch City Council Staff Submission

This document contains a submission to Council from the Chief Executive Officer, Christchurch City Council.

It holds a number of recommended changes to the Draft LTCCP 2009-19.

1. Infrastructure Capital Trust

CCHL's legal counsel have reviewed the proposal relating to the Infrastructure Capital Trust and suggest making the following changes to clarify the source and use of funds:

Charitable Trust
SCP, Vol. 1 page 214

It is recommended that the charitable trust which is proposed to be set up to receive donations for use on infrastructure work be named "The Civic and Community Infrastructure Trust."

Financial tables

Notes to the Financial statements, Note 1: Other revenue, page 227

It is recommended that the line "Contributions from subsidiaries" be amended to read, "Grants from Civic and Community Infrastructure Trust **"

and that the following note be added at the bottom of the table "Grants from the charitable trust are received as tax exempt funds and will be wholly applied to charitable purposes for which they will be received."

2. Significance Policy

To clarify this policy it is recommended that under the heading Thresholds, criteria and procedures the words "capital" and "or" are included as follows:

- Undertake a capital project or programme, or an activity that is not specified in the LTCCP or Annual Plan
- Not undertake a capital project or programme, or an activity that is specified in the LTCCP or annual Plan

3. Heritage Grants

During the consideration of the LTCCP Activity Management Plans, Council indicated to staff a desire to include an additional \$300,000 per annum to heritage grants to meet the objective of maintaining heritage grant funding to pre-amalgamation levels. Subsequent to this, at its meeting of 16 February, Council resolved to include this increase in heritage grants funding in the Draft LTCCP. This was however, inadvertently left out of the Draft LTCCP and therefore it is recommended that a further \$300,000 per annum be included in the operating budget under the Heritage Protection activity.

4. Water and Waste – rural schemes

Council when finalising the Draft LTCCP adopted the following resolution:

"That the funding in the proposed LTCCP projects:

- 15 Akaroa Sewerage Treatment Plant Improvements
- 16 Lyttelton Harbour Wastewater Review
- 17 NZ Drinking Water Standards Rural Upgrade
- 18 Little River Water Supply
- 51 Wainui Sewer Reticulation and Treatment plant
- 194 Water Supply for Akaroa

be used to fund those projects plus also projects:

- 314 Wastewater Extension to Charteris Bay
- 319 Wastewater Little River
- 320 Water Supply Extension to Charteris Bay
- 322 Water Supply Rapaki Fire Flow Upgrade

It is felt that by reviewing the scope of projects 15 – 194 (as noted above) funding may become available to also fund projects 314, 319, 320 and 322 within the proposed funding allocation".

Staff have reviewed the proposed funding for water and wastewater projects on Banks peninsula and make a number of recommendations. These being:

To include in the LTCCP:

- 314 Wastewater Extension to Charteris Bay
- 319 Wastewater Little River
- 320 Water Supply Extension to Charteris Bay
- 322 Water Supply Rapaki Fire Flow Upgrade

To be able to include the above projects within the LTCCP, the following projects are recommended to be either deleted or deferred:

Project 51 - Wainui Sewer Reticulation and Treatment plant:

- Defer one year

Project 194 - Water Supply for Akaroa:

- Supplement supply, defer four years to measure impact of renewals programme, leak detection work and water conservation programmes.
- Dam or desalination plant, move to unfunded as it is considered the lowest priority and the issue will be reviewed prior to the next LTCCP.

A schedule showing the programme incorporated in the Draft LTCCP and the recommended programme is attached as Appendix 1.

5. St Bede's College Hockey Turf

Through the Metro Sports Plan, St Bede's College sought a contribution of \$250,000 towards the establishment of a new artificial hockey turf. The full cost is estimated to be \$1,400,000 and will be funded by a combination of grants and borrowing.

This will be a community facility in that, although the St Bede's College Hockey Club and the Marist Hockey Club will have preference in terms of practice and the turf will be used by Physical Education groups during the school day, at all other times the facility will be available to external users. Canterbury Hockey will allocate training times and will include the turf in its weekly competition draws.

This proposal was supported by Councillors during deliberations on the Metro Sports Plan but was inadvertently missed off the Capital Projects list during debate over the draft LTCCP.

It is recommended that a grant of \$250,000, to be funded by borrowing, be incorporated in the adopted LTCCP.

6. Northern Arterial

The Government has identified three Roads Of National Significance (RONS) within Christchurch City. These are the Southern Motorway, the Western Bypass, and the Northern Arterial. Both the Southern and the Northern require the council to undertake a series of complementary transport works to support their delivery. The Government has signalled that it wishes to advance the construction of the Northern Arterial, possibly as early as 2015 (completed). This is earlier than previously understood, and consequently a number of Council projects currently in the latter years of the LTCCP, or beyond the present LTCCP horizon may need to be revisited.

It is premature for council to directly amend the LTCCP as the dates, funding options and range of works that need to be initiated have not been confirmed. However Council should be aware that once confirmation is reached this may require future amendments to the LTCCP, to ensure that Council is able to effectively integrate its transport infrastructure with the opportunities presented by the Government's new transport agenda.

7. Wigram Air Force Museum Grant

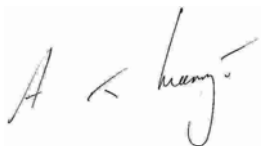
At its meeting on 16 February 2009, Council resolved to include in the Draft LTCCP a grant to the Wigram Air Force Museum. In the Draft LTCCP financials this grant was funded from rates whereas consistent with the revised Liability Management Policy, the grant should be funded through borrowings. This is because this is a capital grants made for the refurbishment of assets and the benefits of the grant will be realised over a number of years.

It is recommended that the grant for Wigram Air Force Museum be funded by borrowing.

Summary

The following table summarises the rating impact of the recommendations contained in this submission.

CEO Submission Summary										
(\$million)	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19
Capital & Special Project Changes										
Air Force Grant to be borrowed for	0.500	0.500	0.500							
St Bedes Artificial Hockey Turf grant	0.250									
BP Water/Waste Water changes	0.191	0.981	2.453	0.296	-0.775	3.363	-2.442	-4.157	-0.134	-0.134
Total Change to Capital Programme	0.941	1.481	2.953	0.296	-0.775	3.363	-2.442	-4.157	-0.134	-0.134
Operating Budget Changes										
Increased Heritage Grants	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300
Air Force Grant to be borrowed for	-0.500	-0.500	-0.500							
Debt Servicing Impact	0.021	0.121	0.314	0.553	0.553	0.593	0.804	0.450	0.067	0.049
Total Rates Impact	-0.179	-0.079	0.114	0.853	0.853	0.893	1.104	0.750	0.367	0.349
% Impact on Rates	0.07%	0.03%	0.07%	0.27%	0.00%	0.01%	0.06%	0.10%	0.10%	0.00%
Proposed Rates Increases	3.83%	3.94%	4.22%	4.25%	4.60%	3.88%	3.90%	3.70%	3.73%	3.70%



A J Marryatt
CHIEF EXECUTIVE

LTCCP DRAFT

Fiscal year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Totals
WW Wainui Sewer Retic & WWTP				3,705,000	5,195,427						8,900,427
WW Akaroa WWTP Improvements		487,500	487,500	487,500		3,412,500	8,248,500	8,248,500			21,372,000
WW Lyttelton Harbour WWTP								487,500	4,875,000	4,875,000	10,237,500
WS Akaroa Water Upgrade											
Upgrade Plant to DWSNZ	146,250	328,481	697,987	1,395,974							2,568,692
Supplement Supply			195,000	417,438	1,832,667	1,832,667					4,277,772
Dam or desalination plant							2,986,972	6,374,167	6,374,167	6,374,167	22,109,472
WS NZDWS District Upgrades	497,250	975,000	741,000								2,213,250
WS Little River Increased Supply		190,590	292,500	1,842,450	1,842,450						4,167,989
Totals	643,500	1,981,571	2,413,987	7,848,362	8,870,543	5,245,167	11,235,472	15,110,167	11,249,167	11,249,167	75,847,103

Unfunded in Draft LTCCP

Wastewater Extension to Charteris Bay Water Extension to Charteris Bay
Wastewater Little River Water Supply Rapaki Fire flow upgrade

LTCCP PROPOSED ALTERNATIVE FOR BP VERSION 5

Fiscal year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Totals
WW Wainui Sewer Retic & WWTP				100,000	3,605,000	5,195,427					8,900,427
WW Akaroa WWTP Improvements		487,500	487,500	487,500		3,412,500	8,248,500	8,248,500			21,372,000
WW Lyttelton Harbour WWTP								487,500	4,875,000	4,875,000	10,237,500
WS Akaroa Water Upgrade											
Upgrade Plant to DWSNZ	146,250	328,481	697,987	1,395,974							2,568,692
Supplement Supply							195,000	417,438	1,832,667	1,832,667	4,277,772
Dam or desalination plant											-
WS NZDWS District Upgrades	497,250	975,000	741,000								2,213,250
WS Little River Increased Supply		190,590	292,500	1,842,450	1,842,450						4,167,989
WW Extension to Charteris bay		336,651	1,800,000	3,470,000	1,799,666						7,406,317
WW Little River retic and STP (New)							350,000	1,800,000	4,407,045	4,407,045	10,964,090
WS Extension to Charteris Bay		121,169	848,185	848,185	848,185						2,665,725
Rapaki Fire Flow Upgrade	190,590	522,884									713,474
Totals	834,090	2,962,275	4,867,172	8,144,109	8,095,301	8,607,927	8,793,500	10,953,438	11,114,712	11,114,712	75,487,236
Difference by year from Draft LTCCP	190,590	980,704	2,453,185	295,747	- 775,242	3,362,760	- 2,441,972	- 4,156,728	- 134,455	- 134,455	- 359,866