

# STAFF REPORT

**TO:** Mayor and Councillors  
**FROM:** D Ward, Corporate Services Manager  
**DATE:** 5 December 2006  
**SUBJECT:** Corporate Services Manager's Report

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## 1. FUNDS ROLLOVER

The following recommendation is required to acknowledge a funds rollover which will take place on Wednesday 20 December 2006, for a three month period.

**THAT a loan of \$xxx be raised for the purpose of repaying at maturity the Tasman District Council General Renewal Loan No 50, 2006, and that such loan be known as the Tasman District Council General Renewal Loan No 51, 2006.**

## 2. FUNDING REQUIREMENTS

The following loans have been included in Council's 2005/2006 or 2006/2007 Annual Plans. Works have commenced, or about to commence, on the listed projects below, thus the requirement to pass the appropriate resolution to allow staff to raise the approved loans.

**THAT:**

<b>i)</b>		<b>The Council shall borrow the sum of seven million and fifty four thousand two hundred and fifty five dollars (\$7,054,255) from (Bank).</b>
<b>ii)</b>		<b>The loan documentation shall comprise the following:</b>
	<b>a)</b>	<b>Existing deed of charge entered into between Tasman District Council, Bank of New Zealand, National Bank of New Zealand, Westpac and ASB Bank Ltd.</b>
	<b>b)</b>	<b>A letter of offer from Westpac.</b>
<b>iii)</b>		<b>The Mayor and the Chief Executive are authorised to sign the loan documentation on behalf of the Council.</b>
<b>iv)</b>		<b>The Chief Executive is authorised to sign a certificate, pursuant to s122ZG(3) of the Local Government Act 1974.</b>
<b>v)</b>		<b>The loan advance of dollars shall be used to finance the following projects identified in Council's Annual Plans:</b>

		\$
	<b>Subsidised Roding Loan 2006/2007</b> <b>Traffic Services Loan 2006/2007</b> <b>Minor Safety Loan 2006/2007</b> <b>Footpaths New 2006/2007</b> <b>Water Murchison 2006/2007</b> <b>Wastewater Motueka 2006/2007</b> <b>Chip Seal Renewals 2006/2007</b> <b>Seal Widening 2006/2007</b> <b>All Weather Pavement Treatment 2006/2007</b> <b>Footpaths Rehabilitation 2006/2007</b> <b>Road construction 2006/2007</b> <b>Seal Extensions 2006/2007</b> <b>Headingly Lane 2006/2007</b> <b>Poutama Street Drain 2006/2007</b> <b>Mapua Stormwater 2005/2006</b> <b>Redwood Water 2006/2007</b>	<b>1,832,531</b> <b>164,585</b> <b>293,134</b> <b>166,000</b> <b>148,600</b> <b>834,700</b> <b>639,540</b> <b>167,365</b> <b>739,500</b> <b>100,000</b> <b>500,000</b> <b>122,000</b> <b>592,000</b> <b>374,400</b> <b>305,000</b> <u><b>74,900</b></u>  <b>7,054,255</b>
vi)	<b>The Council shall charge rates revenue as security for the loan and the performance of its obligations pursuant to the loan documentation.</b>	
vii)	<b>The Council acknowledges that by charging rates revenue, the Council is deemed to have made a special rate of such amount each year, on the rateable value of every rateable property in the district, as is sufficient to provide in that year for the payment of its commitments in respect of the loan or loan documentation during that year plus 10% thereof until the loan is repaid or the obligations incurred under the loan documentation are fully performed.</b>	
viii)	<b>The Council has considered the risks and benefits to the Council of the loan and loan documentation and of the security to be given in relation to the loan and loan documentation.</b>	
ix)	<b>The Council is satisfied that the general terms and conditions of the loan and loan documentation and of the security to be given in relation to the loan and loan documentation are in accordance with the borrowing management policy adopted by the Council and, in particular, the limits and guidelines set out in that borrowing management policy.</b>	
x)	<b>The Council delegates to the Chief Executive and the Corporate Services Manager the authority to further determine the precise terms and conditions of the loan, loan documentation and security, to be negotiated at the best current terms and conditions, such terms and conditions to be advised to the</b>	

### **3. PORT NELSON LTD SHARE BUY-BACK DIVIDEND INVESTMENTS**

A resolution is required to acknowledge the following investments of the \$12.5 million Port Nelson Ltd Share buy-back.

**THAT the following investments of the \$12.5 million Port Nelson Ltd share buy-back be confirmed:**

**ASB Bank for a term of six months at 7.70% - \$4 million**

**ASB Bank for a term of nine months at 7.76% - \$4 million**

**National Bank of New Zealand for a term of twelve months at 7.85% - \$4.5 million**

### **4. INSURANCE RENEWAL**

I am pleased to report that we have successfully completed insurance policy renewals for the 12 month period ending 31 October 2007. In all cases, policy cover and the level of excess has been retained at the same level as applied during the previous 12 months. Premium costs to Council for the renewal process are within budgeted levels.

### **5. DRAFT ANNUAL PLAN**

On behalf of staff I wish to record our thanks to Councillors for their participation in the recent series of workshops held to discuss the drafting of Council's 2007/2008 Annual Plan, with the emphasis on considering any variation to LTCCP year two.

Over the summer holiday period, staff will be preparing the draft Annual Plan document for endorsement by Council, prior to its anticipated release for public consultation in mid March 2007.

### **6. ACKNOWLEDGEMENT**

On behalf of Corporate Services staff, I wish to thank our elected representatives for their support during the 2006 calendar year. The Corporate Services Department and Council at large, has completed a significant work load during this period, not the least of which was the successful adoption of our LTCCP document in June 2006. We wish you and your families a happy and healthy Christmas/New Year holiday period and look forward to working with you through the 2007 calendar year.

On a personal note, I would like to record my thanks to Bob Dickinson for his mentoring, support and encouragement during the time that I have worked with Council. I wish Bob and Jill safe travels on their trip around the block during 2007.

David Ward

## Corporate Services Manager