

STAFF REPORT

TO: Chair & Members, Corporate Services Committee
FROM: Murray Staite
DATE: 24 September 2007
SUBJECT: Corporate Services Manager's Report

1. FINANCIAL MATTERS

a. Funding Requirements

The following loans have been included in Council's 2007/2008 Annual Plan. Works have commenced, or are 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:

- i) The Council shall borrow the sum of Six million, six hundred and twenty four thousand, eight hundred and twenty eight dollars (\$6,624,828) from (Bank).
- ii) The loan documentation shall comprise the following:
 - a. 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. A letter of offer from Westpac.
- iii) The Mayor and the Chief Executive are authorised to sign the loan documentation on behalf of the Council.
- iv) The Chief Executive is authorised to sign a certificate, pursuant to s122ZG(3) of the Local Government Act 1974.
- v) The loan advance of dollars shall be used to finance the following projects identified in Council's Annual Plans:

	\$
Drainage Renewals Culverts	228,728
Maintenance Chip Seals	716,645
Seal Widening	188,227
Thorp/Orinoco Stage 1	119,842
Area Wide Pavement Treatment	800,568
Traffic Services	182,808
Minor Safety Projects	328,610
Footpaths District Capital Works	223,011

Richmond Town Centre Development	1,615,866
Refuse District Capital Works	220,901
Headingly Lane	240,000
Brightwater Reservoir	1,350,000
Old Mill Walkway	309,622
Takaka Airport Runway	<u>100,000</u>
	6,624,828

- vi) The Council shall charge rates revenue as security for the loan and the performance of its obligations pursuant to the loan documentation.
- vii) 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.
- viii) 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.
- ix) 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.
- x) 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 Council following the raising of the loan.

2. 2007 ANNUAL REPORT

Audit field work for Council's 2007 Annual Report commenced on 24 September 2007. The work is expected to last three weeks, with a final sign off date prior to the end of October 2007. The report should be adopted by Special Council meeting by 31 October 2007 at the latest.

3. MOTUEKA CLOCK TOWER TRUST

Attached for the Committee's information is a copy of the audited accounts for the Motueka Clock Tower Trust for the year ended 28 February 2007. It is a requirement of our arrangement with the Trust that this information be formally received.

The balance of the loan raised for the Clock Tower is \$115,935 at 30 June 2007. The loan expires in 2023.

4. ACKNOWLEDGEMENT

As this is the last meeting of the Corporate Services Committee, I wish to express my thanks to our Chair, Tim King, for his guidance over the last three years, and to our Committee members for your support during this term of Council.

Murray Staite
Corporate Services Manager