

STAFF REPORT

TO: Chair and Members, Corporate Services Committee
FROM: Bryce Grammer, Financial Accountant
DATE: 17 February 2011
SUBJECT: Loan Funding – RFN11-02-04

Purpose

To approve Council loan funding for the 2010/2011 financial year.

Background

At the meeting of 16 August 2007 it was resolved that staff prepare on an annual basis, for Council adoption, a list of loans contained within the annual plan and that staff be permitted to raise budgeted loans as expenditure is incurred, subject to that loan being included within the appropriate annual plan.

Discussion

The loans noted below are all for work contained within the 2010/2011 Annual Plan. It is important to note that the passing of this resolution does not authorise the works to be undertaken but just ensures that the appropriate funding is in place should the works commence.

THAT:

- i) **The Council shall borrow up to thirty two million, nine hundred and eighty four thousand, nine hundred and twenty seven dollars (\$32,984,927) to finance the following projects identified in Council's 2010/2011 Annual Plan:**

| | \$ |
|---|-----------|
| Roading: | |
| Unsealed Road Metalling | 627,300 |
| Sealed Road Resurfacing | 1,147,500 |
| Drainage Renewals | 284,070 |
| Pavement Rehabilitation | 681,870 |
| Associated Improvements/ Structures Replacement | 466,140 |
| Bridge Renewals/Cycleways | 138,504 |
| Minor Safety Improvements | 374,642 |
| Motueka – Decks Reserve Carpark | 104,490 |
| Footpaths Rehab/K&C/Street Lighting/Litter Bins/Walkways & Seal Extensions | 249,349 |
| Road Construction Capital | 589,529 |

Stormwater:

| | |
|--|---------|
| Motueka: Pool St/High St and reticulation improvements | 572,366 |
| Ruby Bay stormwater system improvements | 193,548 |
| Seaton Valley Drain upsizing and improvements | 341,432 |
| Reservoir Creek | 643,046 |
| Other Urban Drainage Areas | 64,074 |

Refuse:

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| Eves Valley Landfill Enhancements | 363,121 |
| Richmond Resource Recovery Centre Enhancements | 660,680 |
| Mariri Resource Recovery Centre: | |
| Pit upgrade and enhancements | 328,529 |
| Collingwood/Takaka/Murchison Resource Recovery Centre Enhancements | 531,072 |

Water:

| | |
|--|-----------|
| Richmond Improvements & Upgrades | 573,354 |
| Richmond Water Treatment Plant | 219,486 |
| New Groundwater Source Richmond | 314,738 |
| Lee Valley Dam - TDC Contribution | 266,283 |
| Meter Renewals | 210,562 |
| Richmond East High Level Rising Main/Reservoir | 537,204 |
| Seismic Protection of high and low level reservoirs | 426,052 |
| Telemetry Richmond./Waimea | 127,816 |
| Motueka New Town Supply | 969,452 |
| Coastal Pipeline | 130,176 |
| Dovedale Renewals | 170,421 |
| Redwood Renewals & Improvements | 312,174 |
| Tapawera Improvements | 225,083 |
| Development Contributions Bridging Finance Loans (only if required) | 1,426,572 |

Wastewater:

| | |
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| Motueka Renewals | 132,215 |
| Motueka Pipeline Renewals | 639,078 |
| Motueka WWTP land & resource consents | 510,197 |
| Richmond Pipeline Renewals | 332,034 |
| Takaka Upgrade | 3,035,621 |
| Mapua Wharf Pumpstation upgrade | 407,782 |
| Murchison Renewals & Improvements | 305,814 |
| Development Contributions Bridging Finance Loans (only if required) | 872,163 |

Coastal Structures:

| | |
|---------------------------|-----------|
| Mapua Pontoon Replacement | 100,000 |
| Port Tarakohe Marina | 3,607,122 |

Property:

| | |
|-----------------------|-----------|
| Main Office Buildings | 1,788,762 |
|-----------------------|-----------|

Community Facilities:

| | |
|---|-----------|
| Land - Sportspark Motueka | 346,167 |
| Saxton Field Grant | 390,015 |
| Softball/Hockey Pavilion | 293,296 |
| Athletics/Cricket Pavilion | 686,370 |
| Learn To Swim Pool - ASB Aquatic Centre | 1,065,130 |
| Richmond Community Facility Grant | 799,695 |
| Brook Sanctuary Fence | 293,222 |
| Fitness Centre - ASB Aquatic Centre | 175,000 |

Reserve Financial Contributions:

| | |
|---|-----------|
| Mapua Waterfront Park | 532,565 |
| Reserve Financial Contributions Bridging Loan (only if required) | 1,500,000 |

Rivers:

| | |
|------------------------|---------|
| Lower Motueka Stopbank | 213,026 |
|------------------------|---------|

Other:

| | |
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| Sundry (eg computers, vehicles, Lidar) | 689,018 |
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\$32,984,927

- ii) **The Chief Executive and Corporate Services Manager are authorised to request such advances on behalf of the Council in accordance with facility agreements entered into between the Council and lenders from time to time.**
- iii) **The Chief Executive and the Corporate Services Manager are authorised to negotiate the interest rate, term and maturity date of such advances.**
- iv) **Such borrowing will be secured by security stock allocated to approved lenders under the terms of the Debenture Trust Deed dated 7 July 2010 between the Council and Perpetual Trust Limited.**
- v) **The Council acknowledges that pursuant to the Debenture Trust Deed the Council has granted a security interest over rates and rates revenue in favour of Perpetual Trust Limited on behalf of stockholders.**
- vi) **The Council is satisfied that this borrowing is in accordance with the Treasury Management Policy and, in particular, the borrowing limits set out in the Treasury Management Policy.**

Bryce Grammer
Financial Accountant