

STAFF REPORT

TO: Mayor and Councillors
FROM: Corporate Services Manager, David Ward
DATE: 4 May 2006

SUBJECT: Corporate Services Manager's Report 11 May 2006

1. FUNDING REQUIREMENTS

The following loans have been included in Council's 2005/2006 Annual Plan. 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:

i)	The Council shall borrow the sum of Two million one hundred and fifty two thousand one hundred and eighty five (\$2,152,185) 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:	
		\$
	Best Island Bridge	157,850
	Footpaths New Works	100,000
	Abel Tasman Drive	230,000
	Streetscape Richmond	150,000
	Bird and Elizabeth Streets	100,000
	Hunt and Lowry Streets	200,297
	Stormwater Collingwood	100,000
	Water Brightwater Reservoir	296,320
	Sewer Motueka Pumps and Ponds	400,000
	Sewer Motueka Pipe Renewals	200,000
	Sewer Treatment Renewal	118,718
	Kaiteriteri Riwaka Tapu Bay	<u>110,000</u>
		<u>2,152,185</u>

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. RURAL PROPERTY NUMBERING – MURCHISON/LAKES WARD

The contractor continues to make steady progress with rural property address numbering in the Lakes Murchison Ward. Work has continued up the Korere - Tophouse Valley towards St Arnaud, with adjoining side roads being completed also. Recent work has been carried out in St Arnaud, with this area due to be completed next week. Work will then carry on towards Murchison.

The contractor has supplied 200 GPS waypoints to date, of approximately 1,300 properties to be captured.

Road name submissions within this Ward closed on 7 April 2006. Council received six submissions, with four letters being written to clarify queries raised - the other two submissions were in support of the road name changes. The next stage will be to formalise these road name changes through Council's delegated authority process.

3. LTCCP PUBLIC MEETINGS UPDATE AND PROCESS TO 30 JUNE 2006

At the time of writing this report there have been very well attended public meetings to discuss Council's draft LTCCP. At each of the meetings to date there have been wide-ranging discussions on a number of issues.

At today's meeting we will have a general discussion on some of those issues raised at those public meetings and consider some of the issues raised and submissions received to date.

4. EMERGENCY WORKS – GOLDEN BAY

At its meeting of 27 April 2006, Council's Engineering Services Committee resolved:

“THAT Engineering Services Committee recommends to Council that it approves the local share of funding of \$153,000 from the General Disaster Fund.”

Council established the General Disaster Fund in 1998 for the express purpose of providing an immediate cash resource to fund the reinstatement of services (assets) following a major unforeseen event such as a natural disaster.

The seeding fund for this account was \$1,250,000. The fund is separately banked and interest earned is retained within the account. In the ensuing seven year period since the establishment of this account there have been seven separate “claims”, totalling a sum of \$1,218,000. Each of these claims has been for meeting the cost of repairing flood damage to road works following flood events. The balance of the General Disaster Fund at 31 March 2006 is \$750,400.

The staff report to the Engineering Services Committee meeting provides background to the detail of the funding request for \$153,000. I have reproduced the first paragraph from the staff report, to assist with today's discussion.

In November, 2005 a series of small isolated events caused damage to the Wainui Hill section of the Abel Tasman Drive. Seven sites on the hill section require treatment. This section of roadway has experienced ongoing movement for some time. Commonly known as the Separation Point Granite the formation is well-known for its soft, weathered and highly erodable nature due to the almost complete breakdown of feldspar and mica clay minerals. In engineering geological terms, the surface material varies from sandy clay to clay-fine sand.

A series of photographs were attached to the report detailing the damage to Abel Tasman Drive.

In my view, the staff request for funding assistance is consistent with previous resolutions effecting funds transfers from the General Disaster Fund. Accordingly I recommend that the Corporate Services Committee accept the following recommendation:

Recommendation

That the Corporate Services Committee on behalf of Council, agrees to transfer the sum of \$153,000 from the General Disaster Fund to meet part of the costs associated with repairing recent flood damage to Abel Tasman Drive.

David Ward
Corporate Services Manager