

STAFF REPORT

TO: Chair and Members, Corporate Services Committee
FROM: Corporate Services Manager, M W Staite
DATE: 12 August 2008
SUBJECT: **Corporate Services Manager's Report**

1 Treasury

Council's debt at 30 June 2008 was \$73,235,954 with an average interest rate of 7.44% (February 2008, 7.24%).

LTCCP Key Performance Indicator 1

Treasury	Actual	Target
Debt Servicing on external debt not to exceed 20% of annual rates	14.3%	20%

2 Interests Register

Periodically I remind Councillors of the need to ensure that transactions that need to be noted in the interests register are recorded. The interests register is formally adopted annually for inclusion in Council's annual report and we would expect to adopt this register at the September 2008 meeting. To refresh Councillors thinking I have enclosed a section from the February 2007 report on declaring transactions.

"The Local Government Act places restrictions on being involved in contracts with the Council. I remind you that you cannot be a member of the Council, Community Board or a committee of Council, a Community Board or a key staff member of Council, if the total payments made by the Council in respect of a particular contract in which you are concerned or interested, exceeds \$25,000. The prohibition is not restricted to contracts to which you are a party. It extends to contracts between the Council and a company in which you or your spouse have an interest. Once again, there are exceptions to the general rule, but they are limited and if you are in any doubt, I suggest that you raise the matter with either the Chief Executive or myself.

In addition, NZ Reporting Standards require the following transactions with Councillors other than payments of rates or rubbish bags etc to be disclosed in the annual report:

- *The amount of the transaction*
- *The amount of any outstanding balances at reporting date*
- *Any allowance for bad debts*

There is no dollar threshold in regard to this disclosure. As indicated to the Audit Subcommittee it would be preferable if the Interests Register was adopted annually for inclusion in Council's Annual Report.

I would suggest that any Councillor, Community Board Member or key staff member who believes they may be involved in any organisation or transaction that could trigger a need for inclusion of a transaction in Council's Members Interest Register, to contact me personally."

3 Rates Rebate

During the 2007/2008 year, staff processed 1,736 rate rebate applications. 89% of applications were accepted by DIA with the average rebate being \$454.51. This equates to a total rebate received of \$705,848.

This year's rebate process is underway and the maximum rebate has increased to \$530. Staff would expect to have the majority completed by the end of September 2008.

4 LTCCP Key Dates

26 August 2008 - Workshop on Richmond projects, waste and stormwater

10 September 2008 - Workshop on LTCCP

25 September 2008 - Workshop on LTCCP

30 September 2008 - Workshop on LTCCP

5 & 6 November 2008 - First review of financial information for the LTCCP

End of November 2008 (possibly 24 & 25 November) - Second review of LTCCP financial information

10 December - Initial draft of LTCCP and third review of LTCCP financial information

11 December 2008 - Resolutions adopting LTCCP financial policies and Asset Management Plans at the Full Council meeting

5 February 2009 - Council resolution to release draft LTCCP for public consultation and adoption of Funding Impact Statement at a Full Council meeting to be scheduled following the Corporate Services Meeting

Mid-March 2009 - Public release of draft LTCCP

Mid-March - end of April 2009 - consultation on draft LTCCP, including roadshows, community boards, community associations, public meetings, stakeholder meetings, etc

End of April 2009 - submissions close on draft LTCCP

May/June 2009 - hearings of submissions and workshops on draft LTCCP

End of June 2009 - LTCCP adopted by Full Council

5 Financial Matters

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.

The loans noted below are all for work contained within the 2008/2009 Annual Plan.

THAT:

- i) The Council shall borrow the sum of twenty three million, five hundred and eighty-three thousand, six hundred and three dollars (\$23,583,603) 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 2008/2009 Annual Plan:**

\$

Resource Information:

Telemetry Upgrade	50,000
Flood Model	158,454

Roading:

Road Construction – General	91,305
Major Drainage Control	193,800
Maintenance Chip Seals	831,300
Seal Widening Professional Services	20,400
Area Wide Pavement Treatment	642,600
Paton Road Reconstruction	820,000
Traffic Services Renewal	115,770
Minor Safety	319,390
Carpark Takaka Fire Station	16,739

District-wide Footpaths Rehabilitation	158,517
Footpath Pohara Abel Tasman	52,786
Footpath Mapua Toru Street	16,908
Footpath Mapua Aranui Road	33,817
Kerb and Channel District-wide	49,880
Rural 3 Pomona Road	14,781
Rural 3 Old Coach Road	50,421
Cattle Underpass	21,136
Seal Extension Low Traffic Contract	128,927
Richmond Town Centre Development	300,000

Stormwater:

Richmond: Queen Street to SH 60	165,492
Richmond: Bird/Elizabeth Streets pipework improvements	733,141
Richmond: Poutama Drain – new channel	1,106,400
Richmond: Hunt/Lowry Streets – diversion pipework and channel	251,514
Richmond: Kingsley Place – upgrade pipework	250,034
Motueka: Lammas Drains improvements	85,760
Mapua: Ruby Bay improvements	131,886
Brightwater: Brightwater School/Sale Yards	26,472
Murchison: Fairfax Street upgrade	40,496
Tata Beach: Cornwall Place – pipework replacement and upsizing	73,975
Collingwood: Upper Gibbs Road – pipework improvements	75,296

Refuse:

Richmond refuse transfer station redevelopment	158,517
Mariri refuse transfer station redevelopment	132,097
Murchison Landfill	67,210
Takaka RTS redevelopment	96,462

Water:

Richmond West	1,015,000
Urban: Water Renewals	70,000
Urban: New High Level Reservoir	87,977
Richmond WTP High Level pump	29,590
Urban: Replace System Valves, Water Meters, Hydrants	94,054
Urban: Telemetry Upgrades	63,407
Redwood Valley: Reservoir Construction	116,245
Brightwater: Meter Renewal	115,189
Mapua: Coastal Pipeline	214,230
Murchison: Cromwell Street Pipeline Replacement	77,145
Murchison: Decommission Grey Street Main	16,591
Murchison: Hotham Street West	15,852
Murchison: Waller Street Pipeline Replacement	47,556
Wakefield: Construct new reservoir	585,456
Wakefield: New source construction	110,751
Wakefield: Replace System Water Meters	84,015

Lee Valley Dam Investigation	264,195
Wastewater:	
Richmond: Headingly Lane Land Purchase	880,000
Richmond West pump station	1,525,600
District-wide Wastewater Renewals	70,000
Motueka: Tarrant Place pump station	38,890
Motueka: Thorp Street pump station	47,978
Motueka Pipeline Renewals	317,034
Richmond: D'Arcy Street Upgrade	528,390
Richmond Telemetry	173,312
Takaka WWTP Upgrade	275,000
Takaka pipeline renewals	105,678
Brightwater pipeline renewals	10,568
Collingwood: Motels pump station	249,804
Collingwood: Walleys Rest pump station	260,496
Mapua reticulation upgrade	722,837
Pohara/Tata Beach upgrade	602,365
Coastal Structures:	
Old Mill Walkway coastal protection	960,876
Port Motueka investigation	52,839
Port Tarakohe marina	580,000
Camping Grounds:	
Riverview upgrade	150,000
Pohara upgrade	300,000
Property:	
Motueka Service Centre Extension	30,000
District Library Extension	500,000
Community Facilities:	
Motueka Recreation Centre	800,000
Saxton Field Stadium loan	1,500,000
Soccer pavilion	340,000
Theatre Royal loan	195,000
Athletics loan	500,000
Cultural Centre loan	500,000
Trafalgar Centre loan	528,000
Other:	
Harbour vessel	100,000
Dog pound	250,000
	\$23,583,603

- 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.**

6 Resolution to Raise Loans

In addition to loans budgeted to be uplifted for the 2008/2009 year, staff require a resolution from Corporate Services for loans raised during the 2007/2008 year that relate to work budgeted in the 2006/2007 and 2007/2008 year that have not been included in previous resolutions. All work completed was either included in the budget or was subject to a separate resolution outlining the work.

THAT:

- i) **The Council shall borrow the sum of three million, eight hundred and ninety-seven thousand, seven hundred and seventy-two dollars (\$3,897,772) from (Bank).**
- ii) **The loan documentation shall comprise the following:**
 - c. **Existing deed of charge entered into between Tasman District Council, Bank of New Zealand, National Bank of New Zealand, Westpac and ASB Bank Ltd.**
 - d. **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.**

Stormwater

Hart Road Upgrade	261,705
Beach Road	200,000

Refuse

Beach Road weighbridge	82,300
Richmond RRC traffic reorganisation	15,000
Murchison landfill	97,000
Kerbside bunker and cap replacement	39,200
Beach Road drainage improvements	10,000

Water

Brightwater reservoir	600,000
Meter renewal	52,700
Mapua Augmentation	600,000
Wakefield new source investigation	120,000

Other

Murchison sports ground	800,000
Tasman Tennis Stage 3	174,867
Saxton Field	<u>845,000</u>

\$3,897,772

- 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.**

Murray Staite
Corporate Services Manager