

## STAFF REPORT

**TO:** Chairman and Members, Corporate Services Committee  
**FROM:** Bryce Grammer, Financial Accountant  
**DATE:** 17 August 2009  
**SUBJECT:** **Loan Funding Resolutions – Carry Forwards from Council Committees**

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### 1 Purpose

The purpose of this report is to seek approval from the Corporate Services Committee for funding carry forward approvals from other Council committees.

### 2 Comment

The reason for the carry forwards is to ensure the continuation of work that commenced in the 2008/2009 financial year. The changes documented in this report have been approved by other Council committees and have therefore been brought to the Corporate Services Committee for final funding approval.

### 3 Environment & Planning Committee Carry Forward

At the Environment & Planning Committee meeting on 16 July 2009, the following resolution was passed:

**Moved Crs Norriss / Ensor  
EP09/07/12**

**THAT the Environment & Planning Committee approve the carry over of \$173,486 (Rainfall runoff model - \$158,454 and Plant Account \$100,000 loan-funded expenditure into the 2009/2010 year (Report EP09/07/14).  
CARRIED**

These carry forwards are for the unspent budgets of the rainfall runoff model of \$148,486 (Budget \$158,454) and the Harbour Vessel upgrade account of \$25,000 (Budget \$100,000). Both these budgets were fully loan funded.

#### **Recommendation:**

**That the Corporate Services Committee approve the carry forward of loan funding of \$173,486 from the Environment & Planning Committee from the 2008/2009 financial year to the 2009/2010 financial year.**

#### **4 Community Services Committee Loan Carry Forward**

At the meeting of the Community Services Committee held on Thursday 13 August 2009 it was resolved:

**Moved Crs Norriss/Edgar  
CS09/08/04**

**THAT the Community Services Committee recommend to the Corporate Services Committee that the \$30,000 allocated in the 2008/09 financial year for the shifting of the Marahau Fire Station be carried over to the 2009/10 financial year.  
CARRIED**

The carryover was to be general rates funded.

#### **Recommendation**

**That the Corporate Services Committee approve the carry forward of rate funding of \$30,000 from the Community Services Committee from the 2008/2009 financial year to the 2009/2010 financial year.**

#### **5 Loan Carry Forward Resolution**

**THAT:**

- i) The Council shall borrow the sum of one hundred and seventy-three thousand, four hundred and eighty-six dollars (\$173,486) 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 carried forward to the 2009/2010 Annual Plan:**

	<b>\$</b>
Rainfall Runoff Model	148,486
Harbour Vessel upgrade	25,000
	<b>\$173,486</b>
- 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.**

Bryce Grammer  
Financial Accountant