

#### 4. CAPITAL FUNDING LOAN 1999

In June 1999 the Director of Finance reported to the Strategy and Resources Committee on the proposed funding structure for Jade Stadium Ltd and Transwaste Canterbury Ltd.

A capital contribution of \$4.0M is required for Jade Stadium Ltd and approximately \$4.2M for Transwaste Canterbury Ltd. Of the funding required for Jade Stadium Ltd \$1M has already been provided from Council capital sources. Provision has been made in the loan approval sought to cover any capital contingencies that might arise. Where the borrowing is less than the amount approved the balance of the loan will not be raised.

To provide for the long term capital funding of these LATES it is necessary for the Council to pass the following resolution:

- “1. *That in exercise of the powers vested in it by the Local Government Act 1974 the Christchurch City Council resolves to raise a loan to be known as the Capital Funding Loan 1999 of \$7,500,000 in accordance with the following terms:*
  - (a) *The purpose and terms of the borrowing are:*
    - (i) *to fund the Council’s equity investment in the two companies Jade Stadium Limited and Transwaste Canterbury Limited,*
    - (ii) *the maximum amount of the borrowing is \$7,500,000,*
    - (iii) *the maximum term of the borrowing is 20 years,*
    - (iv) *the borrowing or any part thereof shall be repaid by either*
      - *annual payments to a loan repayment reserve at a rate not less than 3 percent per annum until the reserve and accrued interest earned is sufficient to repay the amount borrowed within the term of the loan,*
      - *or by table loan repayments over 20 years.*
  - (b) *For the purpose of S.122ZE (2) the Council charges a special rate as security for this loan.*
  - (c) *The Council has considered the risks and benefits to the Council of the borrowing or incidental arrangement and of the security to be given in relation to the borrowing or incidental arrangement.*
  - (d) *The Council is satisfied that the general terms and conditions of the borrowing or incidental arrangement and of the security to be given in relation to the borrowing or incidental arrangement will be in accordance with the current borrowing management policy as adopted by the Council under section 122R of the Local Government Act 1974 and in particular, the limits and guidelines set out in the borrowing management policy.*

2. *That the following persons be delegated authority to act on behalf of the Council to agree the precise terms and conditions of the loan or incidental arrangement.*

*Robert A Lineham*

*Director of Finance*

*Geoff W Barnes*

*Funds and Financial Policy Manager*

*Paul A Baldwin*

*Funds Accountant”*