

### 3. CAPITAL FUNDING LOAN 2000

The Director of Finance reported to the Strategy and Resources Committee on the need to provide funding for further calls on shares by Transwaste Canterbury limited.

The full amount of authorised funding for Transwaste Canterbury equity subscription is currently \$7.57 million. The 1999 Capital Funding loan provided for \$4.2 million and the remaining loan funding of \$3.37 million now needs approval.

In the Financial Plan and Programme : 2000 Edition provision was also made to fund Christchurch City Facilities Limited in 2000/01 by subscribing for redeemable preference shares of \$650,000 and to raise these funds by way of loan. This capital funding loan therefore needs to be increased by that amount.

These funds will not be raised until specific calls are made on the shares. In respect of Transwaste Canterbury Limited this will be spread over four years.

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 2000 of \$4,020,000 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 Transwaste Canterbury Limited, and Christchurch City Facility Limited.*
    - (ii) *the maximum amount of the borrowing is \$4,020,000*
    - (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 per cent 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:*

<i>Robert A Lineham</i>	<i>Director of Finance</i>
<i>Geoff W Barnes</i>	<i>Funds and Financial Policy Manager</i>
<i>Paul A Baldwin</i>	<i>Funds Accountant”</i>