



Otorohanga District Council

AGENDA

16 December 2014

10.00am

Members of the Otorohanga District Council

Mr MM Baxter (Mayor)
Mr RM Johnson
Mrs RA Klos
Mr KC Phillips
Mrs DM Pilkington (Deputy Mayor)
Mr R Prescott
Mr TD Tindle
Mrs AJ Williams

Meeting Secretary: Mr CA Tutty (Governance Supervisor)

OTOROHANGA DISTRICT COUNCIL

16 December 2014

Notice is hereby given that an ordinary meeting of the Otorohanga District Council will be held in the Council Chambers, Maniapoto St, Otorohanga on Tuesday 16 December 2014 commencing at 10.00am.

8 December 2014

DC Clibbery
CHIEF EXECUTIVE

AGENDA

VISITORS ATTENDING THE MEETING

11.00am Sport Waikato Representatives

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PRESENT

IN ATTENDANCE

APOLOGIES

OPENING PRAYER

ITEMS TO BE CONSIDERED IN GENERAL BUSINESS

CONFIRMATION OF MINUTES – 18 NOVEMBER 2014

REPORTS

Item 151 APPROVAL OF BUILDING CONSENT FEES 2015

**To: His Worship the Mayor & Councillors
 Otorohanga District Council**

From: Environmental Services Manager

Date: 16 December 2014

Relevant Community Outcomes

- Ensure services and facilities meet the needs of the Community
 - Promote the local economy and opportunities for sustainable economic development
-

Executive Summary

In October 2014 Council resolved that a proposed increase of building consent fees should be notified for public consultation. The consultation period has closed and the proposed schedule of fees is presented for Council approval. It is proposed that the new fees will have effect from 1 January 2015.

Staff Recommendation

It is recommended:

That in accordance with Section 240(1) Building Act 2004 and Section 82 Local Government Act 2002, the attached schedule of Building Act Fees and Charges be approved, commencing on 1 January 2015.

Report Discussion

In August 2014 the Environmental Services Manager reported that it would be necessary to increase building consent fees in order to generate an additional \$60,000 income. This fee increase was necessitated by the recent IANZ audit which required Council to employ additional staff to carry out building control functions.

Following consideration of the proposed fee structure it was decided that the building consent fees would be increased in a manner consistent with the following formula;

Building work valued under \$20,000 - \$100 increase per application

Building work valued \$20,000 to \$200,000 - \$325 increase per application

Building work valued over \$200,000 - \$400 increase per application.

This increase was applied to the current schedule of fees and charges. The increased fees were notified for public consultation on 11 November with submissions closing Friday 12 December. At the time of closing the agenda no submissions had been received. Should any submissions be lodged prior to the shut off date they will be tabled at the meeting on 16 December.

A complete schedule of all building control fees and charges is presented for approval by Council. The new fee structure will have effect from 1 January 2015.

AR Loe
ENVIRONMENTAL SERVICES MANAGER

Attachments

- a. Building Act Fees and Charges 2015

BUILDING CONTROL FEES

Operative from **1 January 2015**

All charges GST inclusive



KAWHIA AND AOTEA URBAN AREAS

ADD \$105 TRAVEL PER INSPECTION TO ALL BUILDING CONSENTS

OTOROHANGA URBAN AREA

ADD \$26 TRAVEL FEE TO ALL BUILDING CONSENTS

RURAL TRAVEL COSTS - APPLIES TO ALL BUILDING CONSENTS

\$2.60 PER KM EACH WAY

• Project Information Memorandum (PIM)	FEES
Value of work	(excluding DBH, BRANZ, BCA & travel)
Less than \$20,000	\$60.00
\$20,000 to \$300,000.....	\$145.00
Over \$300,000.....	\$225.00
• Certificate of Title	
Per copy per title.....	\$25.00

A current copy of Certificate of Title is required for all building consent applications.

MINOR WORKS

• Solid Fuel Heaters	
• Garden Sheds >10sq m	
• Installation of Basic Fire Warning System (type 2)	
• Marquees	
includes 1 Inspection, <i>Plus rural travel</i>	\$355.00 (previously \$255)
• Plumbing & Drainage	
• Swimming Pools	
- Para/fibreglass type	
- Concrete Pool	
1 Inspection, <i>Plus rural travel</i>	\$355.00 (previously \$255.00)
2 Inspections, <i>Plus rural travel</i>	\$467.00 (previously \$367.00)
• Carports	
• Demolition	
• Decks & Pergolas	
2 Inspections, <i>Plus rural travel</i>	\$467.00 (previously \$367.00)

OTHER BUILDINGS

• Garages	
• Hay Barns	
2 Inspections, <i>Plus rural travel</i>	\$585.00 (previously \$485.00)
• Bridges	
• Implement Sheds	
3 Inspections, <i>Plus rural travel</i>	\$810.00 (previously \$485.00)

DWELLINGS AND ALTERATIONS

<ul style="list-style-type: none">• Detached habitable buildings with NO plumbing & drainage (e.g. Sleepouts, Office, Studio)• Small additions or alterations up to 30m² with NO plumbing & drainage 3 Inspections, <i>Plus rural travel</i>	\$925.00	<i>(previously \$597.00)</i>
<ul style="list-style-type: none">• Detached habitable buildings WITH plumbing & drainage (e.g. Sleepout with toilet and shower)• Small additions or alterations up to 30sq m WITH plumbing & drainage 4 Inspections, <i>Plus rural travel</i>	\$1150.00	<i>(previously \$830.00)</i>
<ul style="list-style-type: none">• Additions from 30m² to 60m² in area. (For extensions over 60m² the new building fees apply) 4 Inspections, <i>Plus rural travel</i>	\$1250.00	<i>(previously \$920.00)</i>
<ul style="list-style-type: none">• Resited Dwellings 5 Inspections, <i>Plus rural travel</i>	\$1500.00	<i>(previously \$1183.00)</i>
<ul style="list-style-type: none">• Single storey dwellings up to 100m² 8 Inspections, <i>Plus rural travel</i>\$2000.00	<i>(previously \$1688.00)</i>
<ul style="list-style-type: none">• Single storey dwellings up to 200m² 8 Inspections, <i>Plus rural travel</i>	\$2300.00	<i>(previously \$1908.00)</i>
<ul style="list-style-type: none">• Single storey dwellings larger than 200m² 9 Inspections, <i>Plus rural travel</i>\$2400.00	<i>(previously \$2020.00)</i>
<ul style="list-style-type: none">• Dwellings two storey or more up to 200m² 9 Inspections, <i>Plus rural travel</i>	\$2670.00	<i>(previously \$2270.00)</i>
<ul style="list-style-type: none">• Dwellings two storey or more larger than 200m² 9 Inspections, <i>Plus rural travel</i>	\$2870.00	<i>(previously \$2468.00)</i>

COMMERCIAL

<ul style="list-style-type: none">• Bridges• Implement Sheds 3 Inspections, <i>Plus rural travel</i>	\$810.00	<i>(previously \$485.00)</i>
<ul style="list-style-type: none">• Dairy Sheds 5 Inspections, <i>Plus rural travel</i>	\$1380.00	<i>(previously \$1055.00)</i>
<ul style="list-style-type: none">• Small Commercial Buildings up to 300m² 9 Inspections, <i>Plus rural travel</i>	\$2300.00	<i>(previously \$1908.00)</i>

- Commercial or Industrial Buildings larger than 300m²
10 Inspections, *Plus rural travel*..... **\$3300.00** (previously \$2896.00)

LEVIES

It is a requirement of the Building Act 2004 to collect fees on behalf of others:

- MBIE Levy:** \$2.01 per \$1,000 or part thereof on the total value of buildings over \$20,000
- Building Research Association Levy:** \$1.00 per \$1,000 or part thereof on the total value of buildings over \$20,000
- BCA Accreditation Levy:** **\$40.00** (previously \$21.00) per consent

MISCELLANEOUS

Amendments to Building Consent

- **Minor Amendment**..... **\$60.00**
- **Major Amendment**

Redesign, structural change, substitution of building materials.

Fee will be assessed as a percentage of consent fee at the Discretion of District Building Control Officer..... **\$200.00 deposit**

- **Extra Inspections**

Where client books an inspection but the project not ready or fails inspection, that inspection is not covered by fees and an additional charge will be made, *plus travel*..... **\$110.00 plus travel**

- **Application for Certificate of Acceptance**

Also liable for all fees that would have been charged if consent had been obtained before building work commenced..... **\$421.00 plus \$110 per inspection**

- **Application for Certificate of Public Use**..... **\$421.00 plus \$110 per inspection**

- **Code Compliance Certificate**

Process application and issue Code Compliance Certificate.....**\$100.00 fee on all Consents**
Any additional inspection necessary to approve Certificate, *plus travel*..... **\$110.00 plus travel**

- **Extension of Time**

Extend period of consent by six months.
Application just be lodged before the date consent lapses..... **\$55.00 per application**

- **Inspection of Existing Swimming Pool Fences *plus travel***....**\$110.00 plus travel**

- **Report on Buildings to be relocated**

A refundable bond based on the estimated cost of remedial work may be required, *plus travel*..... **\$110.00 plus travel**

- **New Compliance Schedule or Audit inspection or Amendment to Existing Compliance Schedule**.....**\$250.00**(previously \$184.00)

- **Inspections of Buildings for Compliance with Section 224(f) of the Resource Management Act**..... **\$184.00**

- **Building Consent Statistics:**

Quotable Value NZ.....\$50 per month Others..... **\$300 per year**

- Notice to Fix.....\$421.00
 plus \$110 per inspection
 - Planning Check
- Application reviewed for compliance with District Plan..... \$150.00
- Section 71 and Section 77 Building Act 2004
- Preparation, signing and registration of Notices and
 Certificates charged at actual cost..... \$500.00 deposit
- Cancellation of Building Consent
- Upon cancellation of a building consent that has been approved, Council will refund all fees less 50% of the Building Consent fee.

DEVELOPMENT CONTRIBUTION

Building Consents issued for a new dwelling or additions in a development contribution policy area may be liable for payment of a Development Contribution. Refer to the Development Contribution Policy for detail and use the flowchart and assessment guide to calculate the amount payable for each project.

Item 152 DELEGATION & POLICY MANUAL 2014 REVISION

**To: His Worship the Mayor & Councillors
 Otorohanga District Council**

From: Environmental Services Manager

Date: 16 December 2014

Relevant Community Outcomes

- Ensure services and facilities meet the needs of the Community
 - Promote the local economy and opportunities for sustainable economic development
 - Manage the natural and physical environment in a sustainable manner
 - Foster an involved and engaged Community
-

Executive Summary

A review and update of the Policy and Delegation Manual has been undertaken in order to reflect changes to Council staffing and the statutory requirements of the Local Government Amendment Act 2014.

Staff Recommendation

It is recommended:

That the report be received

Report Discussion

As a result of changes to Council staff, their job descriptions and changes to Council policies required by the commencement of the Local Government Act Amendment Act 2014 it has been necessary to revise and update the Delegations and Policy Manual. The manual has three sections. The delegations and policy section contains the powers and authorities conferred on Territorial Authorities by various acts and statutes that have been delegated to specified officers of Council. It also contains a small number of minor discretionary policies. Part 3 is a register of Council Policies, many required under various pieces of legislation which are subject to regular review and change. The last section lists all the warrants issued to Council officers. The actual warrants are jointly signed under Council seal by the Mayor and Chief Executive. The purpose of this report is to table the Manual for Councillors to review subject to formal adoption in February 2015.

AR Loe
ENVIRONMENTAL SERVICES MANAGER

Attachments

- b. Draft – 2014 Revision of Policy and Delegation Manual (to be tabled 16 December)

Item 153 AMENDMENT TO ELECTED MEMBER'S CODE OF CONDUCT

To: **Mayor and Councillors
Otorohanga District Council**

From: **Chief Executive**

Date: **16 December 2014**

Relevant Community Outcomes

- Foster an involved and engaged Community
-

Executive Summary

An amendment is proposed to the *Elected Member's Code of Conduct* primarily to recognise the increased significance of digital communication media.

Staff Recommendation

That the section within Council's Elected Member's Code of Conduct headed '*Contact with the Media*' is replaced with the alternative section titled '*Media Engagement*' as set out in this report, which makes reference to digital media forms.

Report Discussion

Council has previously made reference to the fact that ODC's *Elected Member's Code of Conduct* is not 'up to date' in that the section within that code that relates to elected member engagement with media only refers to traditional print or broadcast media, and does not recognise the now widespread use of alternative digital media forms.

Council proposed a review of the code to address this and associated media issues.

It is therefore proposed that the section headed '*contact with the Media*' within the code is replaced with the following section (in italics) which extends reference to such alternative media forms, and also includes provisions relating to Community Board members.

Media Engagement

Communication media (of all types, including digital social media) can play an important part in local democracy.

From time to time individual elected members will be approached by external media contacts to comment on a particular issue either on behalf of Council or a Community Board, or as an elected member in their own right. This part of the code deals with the rights and duties of elected members when engaging with the media on behalf of Council or a Community Board or in their own right, whether at the request of others or self-motivated.

The following rules apply for media comment or content provided on behalf of Council:

- *The Mayor is the first point of contact for the official view on any issue. Where the Mayor is absent, any matters will be referred to the Deputy Mayor. The Chief Executive Officer may be the first point of contact for general information.*
 - *The Mayor may refer any matter to the Chief Executive for their comment.*
 - *No other member may comment on behalf of Council to external media or via any other media type without having first obtained the approval of the Mayor.*
-

The following rules apply for media comment or content provided on behalf of a Community Board:

- The Chairperson of the Community Board is the first point of contact for the Board's view on any issue. The Chief Executive Officer may be the first point of contact for general information.*
- The Chairperson may refer any matter to the Mayor or the Chief Executive for their comment.*
- No other member may comment on behalf of a Community Board to external media or via any other media type without having first obtained the approval of the Chairperson.*

All elected members are free to present a personal view or content in the media, at any time, provided the following rules are observed:

- Media comments or content must not state or imply that they represent the views of Council or a Community Board.*
- Where an elected member is making a statement that is contrary to a decision or policy of the elected body of which they are a member he or she must not state or imply that his or her statements represent a majority view.*
- Media comments or other media content must observe the other requirements of the Code of Conduct, e.g. not disclose confidential information, or compromise the impartiality or integrity of staff.*

The same general rules apply to all types of media, including digital social media.

Members are recommended to be cautious about comments made and material placed in the media as it may create perceptions about Council, Community Boards and particular members.

Dave Clibbery
CHIEF EXECUTIVE

Item 154 INVESTMENT AND LIABILITY POLICIES

**To: His Worship the Mayor & Councillors
 Otorohanga District Council**

From: Finance and Administration Manager

Date: 16 December 2014

Relevant Community Outcomes

- Foster an involved and engaged Community
-

Executive Summary

An Investment Policy and Liability Management Policy has been amended as per Section 102 of the Local Government Act.

Staff Recommendation

It is recommended:

That the Otorohanga District Council Investment Policy and Liability Policy be adopted

Report Discussion

Section 102 of the Local Government Act lists the Funding and Financial policies required in the preparation of a Long Term Plan. All of the policies must be consulted on under Section 82 of the Act with the exception of the Investment Policy and Liability Management which only needs to be adopted by Council.

A Liability Management Policy adopted under Section 102(1) must state the local authority's policies in respect of the management of both borrowing and other liabilities, including –

- a. Interest rate exposure; and
- b. Liquidity; and
- c. Credit exposure; and
- d. Debt repayment

An Investment Policy adopted under Section 102(1) must state the local authority's policies in respect of investments, including –

- a. The mix of investments; and
- b. The acquisition of new investments; and
- c. An outline of the procedures by which investments are managed and reported on to the local authority; and
- d. An outline of how risks associated with investments are assessed and managed.

GD Bunn
FINANCE AND ADMINISTRATION MANAGER

Attachments

- c. Investment Policy
- d. Liability Management Policy



INVESTMENT POLICY

GENERAL POLICY

Investments are maintained to meet specified business reasons.

Such reasons can be:

1. For strategic purposes consistent with Council's Long Term Plan;
2. To reduce the current ratepayer burden;
3. The retention of vested land;
4. Holding short term investments for working capital requirements;
5. Holding investments that are necessary to carry out Council operations consistent with Annual Plans.

Council recognises that as a responsible public authority all investments held, should be low risk. Council also recognises that low risk investments generally mean lower returns.

In its financial investment activity Council's primary objective when investing is the protection of its investment capital and that a prudent approach to risk/ return is always applied within the confines of this policy. Accordingly, only approved credit worthy counterparties are acceptable.

INVESTMENT MIX

Council maintains investments in the following assets from time to time:

- Equity investments, including investments held in CCO/ CCTO and other shareholdings.
- Property investments incorporating land, buildings, a portfolio of ground leases and land held for development.
- Financial Instruments

EQUITY INVESTMENTS

Council maintains equity investments and other minor shareholdings.

Council equity investments fulfil various strategic, economic development and financial objectives as outlined in the LTP.

Council seeks to achieve an acceptable rate of return on all its equity investments consistent with the nature of the investment and their stated philosophy on investments.

Dividends received from CCO's and unlisted companies not controlled by Council are recognised when they are received.

Any purchase or disposition of equity investments requires Council approval and any profit or loss arising from the sale of these investments is to be recognised in the Statement of Comprehensive Income.

Any purchase or disposition of equity investments will be reported to the next meeting of Council.

Unless otherwise directed by Council, the proceeds from the disposition of equity investments will be used firstly to repay any debt relating to the investment and then included in the relevant consolidated capital account.

Council recognises that there are risks associated with holding equity investments and to minimise these risks Council, monitors the performance of its equity investments to ensure that the stated objectives are being achieved. Council will seek professional advice regarding its equity investments when it considers this appropriate

PROPERTY INVESTMENTS

Council's overall objective is to only own property that is necessary to achieve its strategic objectives. As a general rule, Council will not maintain a property investment where it is not essential to the delivery of relevant services, and property is only retained where it relates to a

primary output of Council. Council reviews property ownership through assessing the benefits of continued ownership in comparison to other arrangements which could deliver the same results.

The assessment is based on the most financially viable method of achieving the delivery of Council services. Council generally follows similar assessment criteria in relation to new property investments.

Council reviews the performance of its property investments on a regular basis.

All income, including rentals and ground rent from property investments is included in the Statement of Comprehensive Income.

FINANCIAL INVESTMENTS

Liquid investment funds will be prudently invested as follows:

- Any liquid investments must be restricted to a term that meets future cash flow and capital expenditure projections.
- Interest income from financial investments is credited to general funds, except for income from investments for special funds, reserve funds and other funds where interest may be credited to the particular fund.
- Internal borrowing will be used wherever possible to avoid external borrowing.

FINANCIAL INVESTMENT OBJECTIVES

- Council's primary objectives when investing is the protection of its investment capital. Accordingly, Council may only invest in approved creditworthy counterparties.

SPECIAL FUNDS AND RESERVE FUNDS

Liquid assets are not required to be held against special funds and reserve funds. Instead Council will internally borrow or utilise these funds wherever possible.

Unless otherwise directed by Council, internal borrowing to/ (from) reserves will be undertaken at the external cost of borrowing.

TRUST FUNDS

Where Council holds funds as a trustee, or manages funds for a Trust then such funds must be invested on the terms provided within the trust. If the Trusts investment policy is not specified then this policy should apply.

NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED INVESTMENT

Despite anything earlier in this Investment Policy, the Council may invest in shares and other financial instruments of the New Zealand Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment. The Council's objective in making any such investment will be to:

- a. Obtain a return on the investment; and
- b. Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for the Council.

Because of these dual objectives, Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.

If required in connection with the investment, Council may also subscribe for uncalled capital in the LGFA.



LIABILITY MANAGEMENT POLICY

INTRODUCTION

Council has been steadily reducing its overall debt over the years 2012-2015. It is intended that the Council should have a level of core debt for the period outlined in the Long Term Plan. Council's liabilities comprise borrowings and various other liabilities.

DEBT RATIOS AND LIMITS

Debt will be managed within the following limits.

Ratio	Otorohanga
Net debt as a percentage of total revenue	< 100%
Net Interest as a percentage of total revenue	< 5%
Net Interest as a percentage of annual rates income (debt secured under debenture)	<10%
Liquidity (External, term debt and committed loan facilities and liquid investments/ cash equivalents to existing external debt)	>110%

The ratios were developed with reference to the ratios required to borrow from the Local Government Funding Agency and the expected borrowing needs of the Otorohanga District Council over the 10 years.

Revenue is defined as earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue.

Net debt is defined as total debt less liquid financial assets/ investments.

Debt will be repaid as it falls due in accordance with the applicable loan agreement. Subject to the debt limits, a loan may be rolled over or re-negotiated as and when appropriate.

Disaster recovery requirements are to be met through the liquidity ratio.

ASSET MANAGEMENT PLANS

In approving new debt the Council considers the impact on its borrowing limits as well as the economic life of the asset that is being funded and its overall consistency with Council's LTP.

BORROWING MECHANISMS

Otorohanga is able to borrow through a variety of market mechanisms including issuing stock/bonds, commercial paper and debentures, direct bank borrowing, LGFA, accessing the short and long-term wholesale and retail debt capital markets directly or internal borrowing of reserve and special funds. In evaluating strategies for new borrowing (in relation to source, term, size and pricing the Finance and Administration Manager, takes into account the following.

- Available terms from banks, LGFA, debt capital markets and loan stock issuance;
- Council's overall debt maturity profile, to ensure concentration of debt is avoided at reissue/ rollover time;
- Prevailing interest rates and margins relative to term for loan stock issuance, debt capital markets, LGFA and bank borrowing;
- The market's outlook on future interest rate movements as well as its own;
- Legal documentation and financial covenants together with credit rating considerations

Council's ability to readily attract cost effective borrowing is largely driven by its ability to rate, maintain a strong financial standing and manage its relationships with its investors and financial institutions.

INTEREST RATE RISK MANAGEMENT

Council's borrowing gives rise to direct exposure to interest rate movements. Generally, given the long term nature of Council's assets, projects and intergenerational factors, and Council's preference to avoid an adverse impact on rates, there is a general tendency to have a high percentage of long term fixed rate or hedged borrowing.

The Finance and Administration Manager sets the interest rate risk management strategy by monitoring the interest rate markets on a regular basis and evaluating the outlook for short term rates in comparison to rates payable on its fixed rate borrowing.

The Council's general tendency is to have a high percentage of fixed rate or hedged borrowing. Notwithstanding the above, it may be appropriate from time to time, depending on the Council's outlook on interest rates to have a floating rate profile (any debt or interest rate risk management instrument where interest rates are being reset on a frequency of 180 days or less). The Council manages this specifically using the following operating parameter.

- The Finance and Administration Manager can approve up to 50% of the total debt to have a floating rate profile.

Management implements an interest rate risk management strategy through the use of the following:

- Adjusting the average maturity of its borrowings, thereby managing interest rate risk; and
- Interest rate risk management products to convert fixed rate borrowing into fixed or hedged borrowing.

The following interest rate risk management instruments may be used for interest rate risk management activity, after seeking former prior approval of Council:

- Forward rate agreements;
- Interest rate swaps;
- Purchase of interest rate options products; and
- Interest rate collar type option strategies.

SECURITY

Council's borrowings and interest-rate risk management instruments will generally be secured by way of a charge over rates and rates revenue. The utilisation of special funds and reserve funds and internal borrowing of special funds / reserve funds and other funds will be on an unsecured basis.

Under the Debenture Trust Deed Council's borrowing is secured by a floating charge over all Council rates levied under the Rating Act. The security offered by Council ranks equally for all stock issued by Council including any security stock issued.

Council offers deemed rates as security for general borrowing programmes. From time to time, with prior Council and Debenture Trustee approval, security may be offered by providing a charge over one or more of Councils assets.

Physical assets will be charges only where:

- There is a direct relationship between the debt and the purchase or construction of the asset, which it funds (e.g. an operating lease, or project finance).
- Council considers a charge over physical assets to be appropriate.
- Any pledging of physical assets must comply with the terms and conditions contained within the Debenture Trust Deed.

DEBT REPAYMENT

The funds from all asset sales and operating surpluses will be applied to the reduction of debt and/ or a reduction in borrowing requirements, unless the Council specifically directs that the funds will be put to another use.

Despite anything earlier in this Liability Management Policy, the Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- a. Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA, for example Borrower Notes;
- b. Provide guarantees of the indebtedness of other Local Authorities to the LGFA and of the indebtedness of the LGFA itself;
- c. Commit to contributing additional equity (or subordinated debt) to the LGFA if required;
- d. Subscribe for shares and uncalled capital in the LGFA; and
- e. Secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

SHORT – TERM OVERDRAFT FACILITIES

Overdraft facilities are utilised as little as practical but it is acknowledged that, from time to time, they may be necessary. The Finance and Administration Manager, is authorised to arrange an overdraft facility with the Council's primary Banker of up to \$750,000. Overdraft facilities over this amount require prior Council approval. The use of overdraft facilities is to be reported to Council quarterly.

FIXED TERM OVERDRAFTS AND REVOLVING CREDIT FACILITIES

The Finance and Administration Manager is authorised to arrange Fixed Term overdrafts and Revolving Credit facilities provided that no more than 50% of total debt has a floating rate profile and subject to Council approval.

CONTINGENT LIABILITIES

Council provides financial guarantees to community and service organisations. Management ensures that the business plan of the guaranteed party furthers the strategic objectives of the Council and that financial statements are received on a regular basis. Should the guarantee be called up, Council takes immediate action to recover the money.

INTERNAL BORROWING

Council may adopt internal loan funding mechanisms to fund capital projects from existing surplus funds.

The treasury function is responsible for administering the Council's internal borrowings.

Loans are set up within the internal debt portfolio based on planned loan funded capital expenditure and allocated to the activity incurring the capital expenditure to achieve the following objectives:

- To minimise interest rate variations between invested funds and borrowed funds of the Council;
- To best utilise and manage any surplus funds generated to fund depreciation;
- To provide consistency in interest rates and conditions of borrowing for all Council activities, irrespective of the time capital expenditure is incurred;

- To obtain maximum benefits from the higher degree of predictability of rate cashflows and all other funds required for capital expenditure;
- To reduce or eliminate the need for refinancing loans borrowed to fund infrastructural projects that have a 'useful life span' longer than loan repayment periods available from financial institutions; and
- To reduce the overall cost of funds to Council.

The following operational parameters apply to the management of the Council's borrowings:

- A notional internal loan is set up for all capital expenditure and allocated in the internal portfolio to the activity incurring the expenditure;
- Interest is charged to activities with loan balances at an agreed rate; and
- The interest rate is based on the Council's expected weighted average cost of funds, and takes into account factors such as the Council's long term cost of funds, anticipated cost of new debt over the next eighteen months and a buffer which provides for certainty in the charging rate and avoids frequent adjustments. The rate is reviewed by the Council and is fixed for the next financial year.

The Finance and Administration Manager uses the internal debt portfolio as an input into determining Council's external debt requirements.

Where possible, the Council's reserves are used to reduce external debt, effectively reducing the Council's net interest cost.

Item 155 APPLICATION FOR TEMPORARY ROAD CLOSURE – HAMILTON CAR CLUB – PIRONGIA WEST ROAD RALLY SPRINT

**To: His Worship the Mayor and Councillors
 Otorohanga District Council**

From: Engineering Support Officer

Date: 16 December 2014

Relevant Community Outcomes

- Provide for the unique history and culture of the District
 - Promote the local economy and opportunities for sustainable economic development
 - Foster an involved and engaged Community
 - Recognise the importance of the Districts rural character
-

Executive Summary

An application has been received from Hamilton Car Club for the following road closure within the Otorohanga District, to enable the Hamilton Car Club to hold the Pirongia West Road Rally Sprint.

Staff Recommendation

It is recommended that approval be granted for the following road closure:

Purpose: Pirongia West Road Rally Sprint

Date: Sunday, 8 March 2015

Details of Closure: **PIRONGIA WEST ROAD** – Ten kilometres from the Pekanui, Okupata, Te Rauamo intersection.

Period of Proposed Closure: 9.00am to 5.00pm

With the following conditions imposed:

1. Persons will be allowed through in the event of an emergency.
2. Hamilton Car Club is to pay an application fee of \$2,000.00 towards administration of the road closure and damage assessment to Otorohanga District Council.
3. Hamilton Car Club is to pay for all advertising costs in appropriate newspapers. Public notice advertisements are to be published in the Waitomo News.
4. Hamilton Car Club is responsible for obtaining public liability insurance (and paying the cost thereof) to a minimum value of \$2,000,000. This is required to indemnify Council against any damage to property or persons as a result of rally activities during the road closure period.
5. Hamilton Car Club is to comply with the objection provisions contained in the Transport (Vehicular Traffic Road Closure) Regulations 1965.
6. Hamilton Car Club is to liaise, and provide evidence of liaison with all operators and businesses that may be affected by the road closures.
7. Hamilton Car Club is to consult with all residents of all properties on the roads intending to be closed and also residents on roads connecting with the roads intending to be closed,

including any no exit roads. Two mail drops to residents are also to be carried out. All initial mail drops to residents are to be approved by Council staff before distribution commences. The subsequent mail drop is to be completed no later than ten full days before the proposed closures.

8. Hamilton Car Club is solely responsible for signposting and policing of the roads to be closed, to ensure that only vehicles connected with the event have access to the road closure areas. This includes arranging the delivery, erection and staffing of all road closure barriers and the removal thereof after closures. All gates and entranceways are to be taped and tape is to be removed thereafter.
9. Signs advising of the road closures are to be erected at the start and end of the closed portions of roads and on each intersecting road two weeks prior to the road closure. All signs are to be removed immediately after the closure. A Hamilton Car Club representative is to meet with Council Engineering staff regarding the required signs format, size, location and quantity of signs for approval before they are manufactured and erected.

Report Discussion

Hamilton Car Club have applied for this road closure pursuant to the Tenth Schedule of the Local Government Act 1974.

They are prepared to comply with the objection provisions contained in the Transport (Vehicular Traffic Road Closure) Regulations 1965. Hamilton Car Club are in the process of obtaining consents from residents of the affected areas, indicating agreement for the road closures. They are also making an initial letter drop and will carry out a reminder mail drop no later than ten full days before the proposed closure.

This event will also provide another fundraising opportunity for Ngutunui School, who provide an off-road venue, catering for service crews and official lunches. The Car Club will also give the Ngutunui School a donation of \$5 per entry and the profit from the catering.

Robyn Hodges
ENGINEERING SUPPORT OFFICER

Item 156 SPORT WAIKATO REGIONAL FACILITIES PLAN

**To: His Worship the Mayor & Councillors
 Otorohanga District Council**

From: Chief Executive

Date: 16 December 2014

Relevant Community Outcomes

- Ensure services and facilities meet the needs of the Community
 - Provide for the unique history and culture of the District
 - Foster an involved and engaged Community
 - Recognise the importance of the Districts rural character
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Executive Summary

Sport Waikato Representatives will attend the meeting to update Members on the Regional Facilities Plan.

Staff Recommendation

It is recommended:

That the Sport Waikato presentation on the Regional Facilities Plan be received.

DC Clibbery
CHIEF EXECUTIVE

Item 157 ODC MATTERS REFERRED FROM 18 NOVEMBER 2014

**To: His Worship the Mayor & Councillors
 Otorohanga District Council**

From: Governance Supervisor

Date: 16 December 2014

Executive Summary

1. COUNCIL

15 July 2014

- i. To give consideration in a workshop to establishing an Iwi Liaison Group. Information is to be obtained from other Councils on this matter.

2. MAYOR

28 October 2014

- i. With regard to establishing an Iwi Liaison Group to follow up on this proposal with groups involved in.

3. CHIEF EXECUTIVE

28 October 2014

- i. To review Elected Members Code of Conduct in particular to members speaking on social media on Council matters.

CA Tutty
GOVERNANCE SUPERVISOR

GENERAL