

File: CFO/06/03/01

Report 11.273

Council

Minute extract from meeting held on 29 June 2011

Investing in the Local Government Funding Agency and resultant amendment to the Treasury Risk Management Policy

Moved

(Cr Laidlaw/Cr Glensor)

That Council:

1. *Receives the report.*
2. *Notes the contents of the report.*
3. *Amends the Long Term Council Community Plan by making the amendments to its Treasury Risk Management Policy, incorporating the Liability Management Policy and Investment Policy as detailed in Attachment 1 and 2 annexed to this report*
4. *Approves the participation by Greater Wellington in the LGFA Scheme as a Principal Shareholding Local Authority, including the following:*
 - a) *subscribing for Shares in the LGFA with an aggregate issue price of up to \$2.5 million*
 - b) *subscribing for Uncalled Capital in the LGFA with an aggregate unpaid amount of up to \$2.5 million*
 - c) *entering into loan documentation with the LGFA*
 - d) *subscribing for Borrower notes with the LGFA*
 - e) *committing to provide additional equity to the LGFA under certain circumstances that may arise in the future.*
 - f) *entering into a joint and several guarantee with the LGFA and other Councils*
 - g) *committing to meet 80% of the Council long term debt funding needs from the LGFA for a 5 year term*

- h) amending the Greater Wellington's Negative Pledge Deed to provide a charge over rates and rates revenue to secure some or all of its obligations under the LGFA Scheme*
 - i) any other things which are contemplated in the attachments to this report that a Principal Shareholding Local Authority will do*
 - j) anything which is not specifically described in paragraphs (a) to (i) above, but which is ancillary to or not materially different from those.*
5. *Delegates to the Chief Executive the authority to*
- a) Agree the terms on which Greater Wellington participates in the LGFA Scheme as a Principal Shareholding Local Authority, including which of the arrangements described above are entered into and the terms of those arrangements;*
 - b) Determine how Greater Wellington exercises its rights under the arrangements entered into in connection with the LGFA Scheme, including, without limitation, the Council's rights as a shareholder in the LGFA.*
6. *Authorises the Chief Executive to execute such documents and take such other steps on behalf of the Council as the Chief Executive considers it is necessary or desirable to execute or take in connection with Greater Wellington's participation in the LGFA Scheme as a Principal Shareholding Local Authority*
7. *Authorises any two elected members of the Council to execute such deeds on behalf of the Council as the Chief Executive considers it is necessary or desirable for them to execute in connection with Greater Wellington's participation in the LGFA Scheme as a Principal Shareholding Local Authority*

The motion was **CARRIED**.