

Confidential Council Meeting Minute Extract
27 September 2022

Apology: Cr O'Malley

C4 LOCAL GOVERNMENT FUNDING AGENCY

A report from Legal advised that Council had resolved to join the New Zealand Local Government Funding Agency Limited (**LGFA**) borrowing programme as a Guaranteeing Local Authority. The Council was now required to sign documentation to join LGFA and for Dunedin City Treasury Ltd to join LGFA.

The Chief Executive Officer, Sandy Graham and Chief In-House Legal Counsel, Karilyn Canton spoke to the report and responded to questions.

Moved (Cr Mike Lord/Cr Doug Hall):

That the Council:

- a) **Approves** the following documents:
 - i) Document 1: Debenture Trust Deed between Council and Trustees Executors Limited;
 - ii) Document 2: Registrar and Paying Agent Services Agreement between Council and Computershare Investor Services Limited;
 - iii) Document 3: Accession Deed to Multi-issuer Deed between Council and New Zealand Local Government Funding Agency Limited;
 - iv) Document 4: Accession Deed to Notes Subscription Agreement between Council and New Zealand Local Government Funding Agency;
 - v) Document 5: Accession Deed to Guarantee and Indemnity between Council and TEL Security Trustee (LGFA) Limited;
 - vi) Document 6: Accession Deed to Equity Commitment Deed between Council and New Zealand Local Government Funding Agency Limited;
 - vii) Document 7: Chief Executive Certificate under section 118 of the Local Government Act 2002 in relation to the four accession deeds, three security stock certificates and the stock issuance certificate involved in the Council's accession to the New Zealand Local Government Funding Agency;
 - viii) Document 8: Chief Executive Certificate under section 118 of the Local Government Act 2022 in relation to the Debenture Trust Deed and the Registrar and Paying Agent Services Agreement;

- ix) Document 9: Security Stock Certificate number 1 – evidencing the issue of security stock to New Zealand Local Government Financing Agency Limited to secure Council's obligations to New Zealand Local Government Funding Agency Limited under the Multi-Issuer Deed and related Accession Deed;
- x) Document 10: Security Stock Certificate number 2 – evidencing the issue of security stock to New Zealand Local Government Financing Agency Limited to secure Council's obligations to New Zealand Local Government Funding Agency Limited under the Equity Commitment Deed and related Accession Deed;
- xi) Document 11: Security Stock Certificate number 3 – evidencing the issue of security stock to TEL Security Trustee (LGFA) Limited to secure Council's obligations to TEL Security Trustee (LGFA) Limited under the Guarantee and Indemnity and related Accession Deed;
- xii) Document 12: Stock Issuance Certificate, as required by the terms of the Debenture Trust Deed, in relation to the security stock to be issued to New Zealand Local Government Funding Agency Limited and TEL Security Trustee (LGFA) Limited;
- xiii) Document 13: Shareholder's resolution and entitled person's agreement in relation to Dunedin City Treasury Limited's accession to the New Zealand Local Government Funding Agency;
- xiv) Document 14: Accession Deed to Multi-Issuer Deed between Dunedin City Treasury Limited and New Zealand Local Government Funding Agency Limited;
- xv) Document 15: Accession Deed to Notes Subscription Agreement between Dunedin City Treasury Limited and New Zealand Local Government Funding Agency Limited;
- xvi) Document 16: Agreement between Council and Dunedin City Treasury Limited recording that, if Borrower Notes are to be converted to redeemable preference shares in New Zealand Local Government Funding Agency Limited, a fair market value for the transfer of the Borrower Notes will be agreed by Council and Dunedin City Treasury Limited at the time immediately prior to the conversion.
- xvii) Document 17: Chief Executive Certificate under section 118 of the Local Government Act 2022 in relation to the Council's acknowledgement of the Accession Deed to Multi-issuer Deed and Accession Deed to Notes Subscription Agreement involved in Dunedin City Treasury Limited's accession to the New Zealand Local Government Funding Agency.

- b) **Delegates** to the Mayor and any elected member, or to any two elected members, the authority to sign Documents 1- 6 (inclusive) and Documents 13 – 16 (inclusive) on behalf of the Council.
- c) **Delegates** to Council's Chief Executive Officer the authority to sign Documents 7 – 12 (inclusive) and Document 17.
- d) **Delegates** to Council's Chief Executive Officer, in consultation with Council's solicitors, the authority to execute such other documents and take such other steps on behalf of the Council as the Chief Executive Officer considers is necessary or desirable to execute or take to give effect to the accession of Council and Dunedin City Treasury Limited to the New Zealand Local Government Funding Agency.
- e) **Designates** the Council's Chief Executive Officer as the spokesperson in relation to joining the New Zealand Local Government Funding Agency.

Division

That the Council voted by division.

For: Crs Sophie Barker, David Benson-Pope, Rachel Elder, Christine Garey, Doug Hall, Carmen Houlahan, Marie Laufiso, Mike Lord, Steve Walker, Andrew Whiley and Mayor Aaron Hawkins (11).

Against: Crs Jules Radich and Lee Vandervis (2).

Abstained: Nil

The division was declared CARRIED by 11 votes to 2

Motion carried (CNL/2022/075)

Council Minute Extract
27 August 2019

21 DCC SUBMISSION ON LOCAL GOVERNMENT FUNDING AND FINANCING: DRAFT REPORT

A report from Policy sought approval of a Dunedin City Council (DCC) submission to the Productivity Commission on the latest stage of its inquiry into local government funding and financing.

The General Manager City Services (Sandy Graham) and Policy Advisor (Hoani Yates) spoke to the report and responded to questions on the submission.

Moved (Cr Rachel Elder/Cr Kate Wilson):

That the Council:

- a) **Approves** the draft Dunedin City Council submission to the Productivity Commission on the Local Government Funding and Financing Draft Report.

Motion carried (CNL/2019/187)

Council Annual Plan Meeting – Deliberations Minute Extract
27 May 2020

16 LOCAL GOVERNMENT FUNDING AGENCY - SUMMARY OF FEEDBACK AND NEXT STEPS

A report from Finance provided a summary of community feedback regarding Council's proposal to join the Local Government Funding Agency (LGFA) as a Guaranteeing Local Authority.

The General Manager Finance and Commercial (Dave Tombs) spoke to the report.

Moved (Cr Marie Laufiso/Cr Rachel Elder):

That the Council:

- a) **Notes** community feedback on Council's proposal to join the Local Government Funding Agency (LGFA) as a Guaranteeing Local Authority.
- b) **Approves** that the Dunedin City Council join the LGFA as a Guaranteeing Local Authority.

Motion carried (AP/2020/012) with Cr Radich recording his vote against.

C3 REVIEW OF BORROWING ARRANGEMENTS

A report from Finance advised that Council currently obtained its debt finance via Dunedin City Treasury Limited (DCTL) which was a Council Controlled Trading Organisation (CCTO). DCTL also managed the debt requirements of the other group companies.

The report provided Council with the results of the independent review to identify the risks and benefits to Council joining the Local Government Funding Agency (LGFA).

The General Manager Finance and Commercial (Dave Tombs) and Bancorp Treasury Executive Advisor (Earl White) spoke to the report and responded to questions on borrowing practices, credit ratings and the influence a credit rating has on borrowing and funding abilities.

Moved (Cr Mike Lord/Cr Doug Hall):

That the Council:

- a) **Approves** DCC supporting DCHL/DCTL in their application to add LGFA to its potential funding sources.
- b) **Requests** DCHL to work with DCC to review the necessary arrangements to allow LGFA to be a potential funding source for DCC and DCC CCOs.
- c) **Notes** the independent report formally recognises the benefits that the current lending structures have provided DCC to date and highlights that "DCC, through the DCTL structure, operates its Treasury function via a market 'best practice' framework".

Division

The Council voted by division.

For: Crs David Benson-Pope, Rachel Elder, Christine Garey, Doug Hall, Aaron Hawkins, Marie Laufiso, Mike Lord, Damian Newell, Jim O'Malley, Chris Staynes, Conrad Stedman, Lee Vandervis, Kate Wilson and Dave Cull (14).

Against: Nil

The division was declared CARRIED by 14 votes to 0

Motion carried (CNL/2019/012)