



AGENDA

Commercial and Strategy Committee Meeting Tuesday, 28 January 2020

Date Tuesday, 28 January 2020

Time Following the Community Development
Committee

Location Council Chamber
Timaru District Council
King George Place
Timaru

File Reference 1314310

Timaru District Council

Notice is hereby given that a meeting of the Commercial and Strategy Committee will be held in the Council Chamber, Timaru District Council, King George Place, Timaru, on Tuesday 28 January 2020, at the conclusion of the Community Development Committee meeting.

Commercial and Strategy Committee Members

Clrs Peter Burt (Chairperson), Allan Booth (Deputy Chairperson), Richard Lyon, Gavin Oliver, Paddy O'Reilly, Barbara Gilchrist, Sally Parker, Stu Piddington, Steve Wills and Nigel Bowen

Quorum – no less than 6 members

Local Authorities (Members' Interests) Act 1968

Committee members are reminded that if you have a pecuniary interest in any item on the agenda, then you must declare this interest and refrain from discussing or voting on this item, and are advised to withdraw from the meeting table.

Donna Cross

Group Manager Commercial and Strategy

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- 1 Apologies**
- 2 Identification of Items of Urgent Business**
- 3 Identification of Matters of a Minor Nature**
- 4 Declaration of Conflicts of Interest**
- 5 Chairperson's Report**

6 Confirmation of Minutes

6.1 Minutes of the Commercial and Strategy Committee Meeting held on 26 November 2019

Author: Jo Doyle, Governance Advisor

Recommendation

That the Minutes of the Commercial and Strategy Committee Meeting held on 26 November 2019 be confirmed as a true and correct record of that meeting.

Attachments

- 1. Minutes of the Commercial and Strategy Committee Meeting held on 26 November 2019**



MINUTES

Commercial and Strategy Committee Meeting Tuesday, 26 November 2019

Ref: 1314310

**Minutes of Timaru District Council
Commercial and Strategy Committee Meeting
Held in the Council Chamber, Timaru District Council, King George Place, Timaru
on Tuesday, 26 November 2019 Following the Community Development Committee**

Present: Cr Peter Burt (Chairperson), Cr Allan Booth (Deputy Chairperson), Cr Barbara Gilchrist, Cr Richard Lyon, Cr Gavin Oliver, Cr Paddy O'Reilly, Cr Sally Parker, Cr Stu Piddington, Cr Steve Wills, Mayor Nigel Bowen

In Attendance: **Aoraki Development** – for item 6.1

Chairman Mark Rogers
Chief Executive Nigel Davenport

Community Board Representatives

Temuka Community Board - Gaye Broker
Point Community Board - John McDonald
Geraldine Community Board - Wayne O'Donnell

Council Officers

Group Manager Commercial and Strategy (Donna Cross), Chief Financial Officer (David Codyre), Strategy and Corporate Planning Manager (Mark Low), Property Manager (Matt Ambler), Jo Doyle (Governance Advisor)

1 Apologies

There were no apologies.

2 Identification of Items of Urgent Business

There were no urgent business items identified.

3 Identification of Matters of a Minor Nature

There were no minor nature matters identified.

4 Declaration of Conflicts of Interest

There were no conflicts of interest identified.

5 Chairperson's Report

The Chairperson reported on activities he had carried out since being appointed Chairperson at the Inaugural meeting on 31 October including meetings with the Group Manager Commercial and Strategy, other Group Managers, the Chief Executive and the Mayor.

The Chairperson welcomed the new Councillors and Community Board members.

Committee Resolution 2019/16

Moved: Cr Peter Burt

Seconded: Cr Barbara Gilchrist

That the Chairperson's report be noted.

Carried

6 Reports

6.1 Aoraki Development and Promotions Limited - Quarterly Report - 1 July 2019 to 30 September 2019

Aoraki Development's Chairman and Chief Executive presented an overview of the AD quarterly report for the past quarter.

The success of the "We Love Timaru" campaign was noted, with at least 11 new employees having shifted to the area as a result of the campaign, but it was pointed out that this is just one piece of the jigsaw with billboards, the website and promotional activities being other important parts of the puzzle.

Committee Resolution 2019/17

Moved: Cr Steve Wills

Seconded: Cr Barbara Gilchrist

That the Aoraki Development and Promotions Limited (Aoraki Development) quarterly report for the period 1 July 2019 to 30 September 2019 be received and noted.

Carried

6.2 Activity Management Planning Policy

The Strategy and Corporate Planning Manager (Mark Low) advised these reports are part of this cycle related to the Long Term Plan framework. This is based on international good practice for this development

Committee Resolution 2019/18

Moved: Cr Sally Parker

Seconded: Cr Barbara Gilchrist

That the Activity Management Planning Policy be adopted without change.

Carried

6.3 Annual Plan 2020/21 Process

The Strategy and Corporate Planning Manager Mark Low presented the report on the Annual Plan process and timetable, which is based on year 3 of the Long Term Plan. The process is an exception based approach which involves Council having the ability, but not an obligation, to consult its community, unless there are significant or material differences from what is in Council's Long Term Plan.

Confirmation is required on the process and timeframes and guidance is sought on whether any consultation is required for the Annual Plan.

Committee Resolution 2019/19

Moved: Cr Steve Wills

Seconded: Mayor Nigel Bowen

1. That the legislative requirements of the Annual Plan process be noted.
2. That the Annual Plan 2020/21 timetable is confirmed.

Carried

6.4 Asset Revaluation Project Update 26 November 2019

The Committee considered a report by the Chief Financial Officer providing an update on the implementation on the change in accounting policy to account for certain assets at fair value, and seeking approval to revalue the water, wastewater and stormwater assets to fair value for the financial year ended 30 June 2020,

The previous Audit and Risk Committee recommended to Council to have assets revalued using this method and delegated transitional requirements to this committee.

Committee Resolution 2019/20

Moved: Cr Sally Parker

Seconded: Cr Allan Booth

That the Committee approves the revaluation of water, wastewater and stormwater (excluding Downlands) Classes of Assets for the financial year ended 30 June 2020 using depreciated replacement cost.

Carried

6.5 Council Investments and Borrowing at 30 September 2019

The Committee considered a report by the Chief financial Officer on the status of the Council treasury activities at 30 September 2019.

The Treasury Policies require a report provided quarterly to this committee. The report confirms compliance with these policies.

This report is consistent with previous reports. Council is operating in a low interest environment, however there is historical debt that has higher interest rates which has resulted in the Council having a higher weighted interest rate than the benchmark. The possibility of breaking those debts is being investigated by the Bancorp Treasury advisor.

Committee Resolution 2019/21

Moved: Mayor Nigel Bowen

Seconded: Cr Barbara Gilchrist

That the Committee note and receive the report.

Carried

6.6 Timaru District Holdings Limited - Quarterly Report for Period 1 July to 30 September 2019

The Committee considered the quarterly report of Timaru District Holdings Ltd for the period 1 July 2019 to 30 September 2019, with TDHL's General Manager and Company Secretary highlighting significant points in the report.

Committee Resolution 2019/22

Moved: Cr Allan Booth

Seconded: Cr Sally Parker

That the Timaru District Holdings Limited (TDHL) quarterly report be received and noted.

Carried

6.7 Timaru District Holdings Ltd Annual General Meeting

The Committee considered the report calling for the appointment of a proxy for the TDHL Annual General Meeting to be held on 4 December 2019.

Committee Resolution 2019/23

Moved: Cr Peter Burt

Seconded: Mayor Nigel Bowen

That Clr Allan Booth be appointed as proxy, and Clr Paddy O'Reilly be appointed as alternative proxy to represent the Council at Timaru District Holdings Limited's Annual General Meeting on 4 December 2019.

Carried

6.8 Stratheona Huts - New Leases

The Committee considered a report by the Property Manager seeking approval to grant new leases in relation to the Stratheona Huts.

Committee Resolution 2019/24

Moved: Cr Richard Lyon

Seconded: Mayor Nigel Bowen

1. That the Commercial and Strategy Committee considers the attached report, and the recommendation from the prior Pleasant Point Community Board to grant new leases in relation to the hut sites for the Stratheona Huts.
2. That the Committee resolves to approve the recommendation of the prior Pleasant Point Community Board, and authorises the Chief Executive to approve the terms of the new leases, for a term of up to 10 years (including renewals).

Carried

5 Consideration of Urgent Business Items

There were no urgent business items to consider.

6 Consideration of Minor Nature Matters

There were no minor nature items to consider.

The Meeting closed at 12.36pm.

.....

Chairperson

7 Reports

7.1 Letter of Expectations to Timaru District Holdings Limited

Author: Bede Carran, Chief Executive

Authoriser: Bede Carran, Chief Executive

Recommendation

That the Committee:

1. Receives the report and draft Letter of Expectations (Draft letter attached)
2. Amends the Letter of Expectations as required
3. Approves the Mayor signing and sending the Letter of Expectations to Timaru District Holdings Limited

Purpose of Report

- 1 To present a Letter of Expectations (LoE) for its approval to be signed by His Worship the Mayor and sent to Timaru District Holdings Limited (TDHL).

Assessment of Significance

- 2 This matter has low significance in terms of Council's Significance and Engagement Policy.

Background

- 3 At its meeting on 10 December 2019, Council considered and approved in principle the MartinJenkins Report (the Report) on the review of TDHL. The Report noted that TDHL was performing well and put forward a number of recommendations on how governance arrangements can move from their current acceptable practice to good practice. The recommendations were designed to build resilience in the system, and ensure good governance structures and practices were formalised and embedded in TDHL's operations and relationship with Council whilst maintaining the advantages of a council controlled organisation.
- 4 Implementation of the recommendations will be undertaken through a number of work streams, and officers have been requested to bring back to the next Council meeting, a work programme for implementing the recommendations.
- 5 One of the Report's recommendations was for Council to develop and send an LoE to TDHL, which is one of the recommended mechanisms for Council to strengthen its role to set direction, and oversee and monitor performance.
- 6 Attached is a draft LoE. This is the first LoE that Council has issued to TDHL. It is likely that subsequent LoEs will be developed through joint strategic setting sessions between Council and TDHL. This first LoE signals some of the changes arising from the MartinJenkins review, and implementation of recommendations arising from the Report. Future LoEs will be refined over time to address particular themes and issues as they arise, and the changing environment in which Council and TDHL operate.

- 7 Whilst there was not sufficient lead time following Council's acceptance of the MartinJenkins Report to hold a joint strategic setting session in 2020, presenting an LoE at this point enables TDHL to reflect Council's direction when drafting its Sol for 2020/2021 rather than waiting a further year. Further, presenting an LoE now provides a degree of assurance that Council is committed to implementing recommendations from the Report. TDHL has an important role in governing commercial assets owned by Council on behalf of the community, and the LoE provides increased visibility to the community on what is important to Council and the purpose of TDHL which is reflected in its Sol. The Community has expressed an interest in knowing more about TDHL, its purpose, what it does and how to identify when it is adding value. The LoE supports developing and providing assurance to the Community on these expectations.
- 8 While it is acknowledged that the current TDHL Sol already addresses some of the matters noted, the LoE also requests matters not previously included in the Sol, such as a greater emphasis and narrative on TDHL's purpose, objectives and measures for success, and how it will identify opportunities and the actions it can take to maximise these. The LoE also asks TDHL to place more focus on presenting its reporting in a way that will invite and facilitate greater readability across the community.
- 9 The LoE is one of the first tangible steps in implementing the recommendations arising from the Report to formalise and embed good governance practices.

Options and Preferred Option

- 10 The Committee has two broad options open to it at present; to send the LoE, with or without amendment, or to defer sending an LoE at this time.
- 11 The LoE is sent to assist a council controlled organisation (TDHL) prepare its draft Statement of Intent (Sol). TDHL is currently preparing its draft Sol to present to Council. If an LoE is not sent at this time, and deferred to next year, the first TDHL Sol informed by an LoE will be the 2021/2022 Sol.
- 12 The preferred option is to send TDHL the LoE at this time, either with or without amendments. While sending an LoE is not a statutory requirement, it supports both Council and TDHL as they move to implement the recommendations arising from the Report.

Consultation

- 13 The Chair of TDHL has been provided with a copy of the draft LoE and is comfortable with what is being proposed.

Relevant Legislation, Council Policy and Plans

- 14 Local Government Act 2002.

Financial and Funding Implications

- 15 There are no significant funding or financing requirements in respect of developing and sending the letter of expectations.

Other Considerations

- 16 The LoE arises as a recommendation from the MartinJenkins Report which reviewed TDHL.

Attachments

1. **Draft Letter of Expectation to Timaru District Holdings Limited**  

[Date to be inserted]

Board of Directors
Timaru District Holdings Limited

Attn: Ian Fitzgerald (Chair)

Dear Ian

Re: Letter of Expectation

This Letter of Expectation (LoE) is intended to inform Timaru District Holdings Limited (TDHL) of Council's high level strategic direction and performance expectations in advance of your preparation of the Statement of Intent (Sol) 2020/21. In clarifying our expectations we expect that the passage of the Sol through to acceptance by Council will be more efficient and effective.

As you are aware Council commissioned MartinJenkins to review TDHL. The resulting Report was presented to Council at its meeting on 11 December 2019 and Council accepted, in principle, the recommendations contained in the Report. One of the recommendations was for the development of an LoE. This is the first LoE from Council to TDHL. Council acknowledges that an LoE is ideally provided following a joint strategy session. However, Council also notes that there have been strategy discussions over the last year between it and TDHL, and believes it is helpful and timely in light of the Report for it to provide TDHL with expectations arising as a result of these discussions, and of the Report's recommendations. Council values the important role TDHL has managing its investments, and believes this LoE will assist TDHL with developing its own Statement of Intent (Sol). Council acknowledges subsequent LoEs will refine and evolve as the environment in which Council and TDHL operate changes.

Statement of Intent 2020/21

Council expects that TDHL will treat its Sol as more than a strict compliance document and will aim for best practice. This will mean the Sol covers more than the statutory minimum requirements. To be effective, we expect the Sol should tell TDHL's performance story, providing a clear and succinct understanding of its purpose, the nature of its activities and what success looks like. As shareholder, Council is particularly interested in the forecast performance of TDHL, its approach to managing its current investments and the opportunities and/or risks with its investments and what actions TDHL can take to maximise the opportunities and mitigate the risks.

The general expectations for TDHL's Sol are as follows:

- (i) Noting the request above for TDHL to tell its performance story the main aspects of the Sol performance story will include the:

- strategic context in which TDHL operates
 - specifying what high performance and success looks like
 - the main measures and targets used to measure success.
- (ii) Its Sol must include a summary prospective Statement of Comprehensive Income, Statement of Financial Position and preferably a summary Prospective Statement of Cash Flows.
- (iii) The Sol should disclose measures such as Earnings before interest and tax (EBIT) and Earnings before interest, tax, depreciation and amortisation (EBITDA) and financial ratios which will over time provide a dashboard summary for trend analysis of TDHL's financial performance, its financial position and return on assets and equity.
- (iv) Ensure activities on its land have appropriate consents, appropriate leases are in place and it will ensure lessees are complying with both their lease and consent conditions.
- (v) Dividends are to be disclosed along with the dividend payout policies, where applicable. Where there are material changes to the dividend payments notice of this and the reasons for it should be disclosed in its reporting to Council.
- (vi) Capital expenditure and asset management intentions should be included.
- (vii) Risk management - Council would like to see in the Sol how the Board is considering and managing risks, and identification of performance risks arising specifically in regard to its investments in Alpine Energy Limited and PrimePort Limited.
- (viii) The Sol and reporting to Council should be in a plain style, concise, relevant, accessible and in contemplation of meeting the needs of Council and the community it represents. The use of graphs, tables and charts is expected to convey both financial and non-financial information along with trends (past, current and future numbers).

Specific expectations for 2020/21 are as follows:

It is Council's intention to work with the Board later in the year to formalise transparency of operations, ensure strategic alignment between Council and TDHL, and implement the recommendations of the MartinJenkins report. This will include:

- documenting roles and responsibilities between Council, TDHL and council officers
- refreshing the TDHL constitution
- developing and implementing an appointments process
- holding periodic joint "deep dives" to discuss TDHL performance and direction.

Council expects that TDHL will build the following initiatives into its work programme, to give effect to the Report's recommendations:

- i. Development of a TDHL competency matrix, during the 2020 calendar year, to be approved by Council and which will be developed with consideration of:

- the knowledge, skills and experience that are needed now for TDHL to operate effectively and to deliver its objectives;
 - the knowledge, skills and experience that will be required in the future for TDHL to be successful;
 - what knowledge, skills and experience all Board members are expected to have;
 - what knowledge, skills and experience can be held with at least one individual across the mix of members on the Board; and
 - what knowledge, skills and experience required of the Chair.
- ii. Develop a succession plan and talent management programme for future Board members.

Ongoing expectations are as follows:

- i. Compliance with legislation and confirmation in its reporting to Council that TDHL is complying with its statutory obligations.
- ii. That TDHL will operate on a no surprises basis, particularly on matters where there is a political, financial or other risk
- iii. Quarterly reporting to the Commercial and Strategy Committee (more regular reporting may be required to ensure no surprises to Council).

Council looks forward to receiving TDHL's draft Sol and trusts this will assist with its development. If you have any queries, please contact Bede Carran in the first instance.

Yours sincerely

Nigel Bowen

Mayor

cc: Donna Cross (TDHL: General Manager)

cc: David Codyre (TDHL: Company Secretary)

7.2 Council Investments and Borrowing at 31 December 2019**Author:** David Codyre, Chief Financial Officer**Authoriser:** Donna Cross, Group Manager Commercial and Strategy**Recommendation**

That the Committee;

- 1 Receive and note the report.

Purpose of Report

- 2 To update the Committee on the status of Council treasury activities at 31 December 2019.

Assessment of Significance

- 3 The assessment of significance is low.

Discussion

- 4 Council's treasury management involves holding a range of investments and borrowing to fund long term capital projects and specific operational projects such as the District Plan Review.
- 5 Council treasury activities are managed in compliance within the limits of the Council's Investment and Liability Policy.
- 6 Bancorp Treasury Services Limited provide external treasury advice to Council.

Investments

- 7 Timaru District Council

	31/12/19	30/09/19	30/06/19
	\$(000)	\$(000)	\$(000)
General Funds	\$27,108	\$29,089	\$23,878
Special Funds	\$26,525	\$28,332	\$29,172
Total	\$53,634	\$57,421	\$53,050

Details of these are set out in Schedules attached.

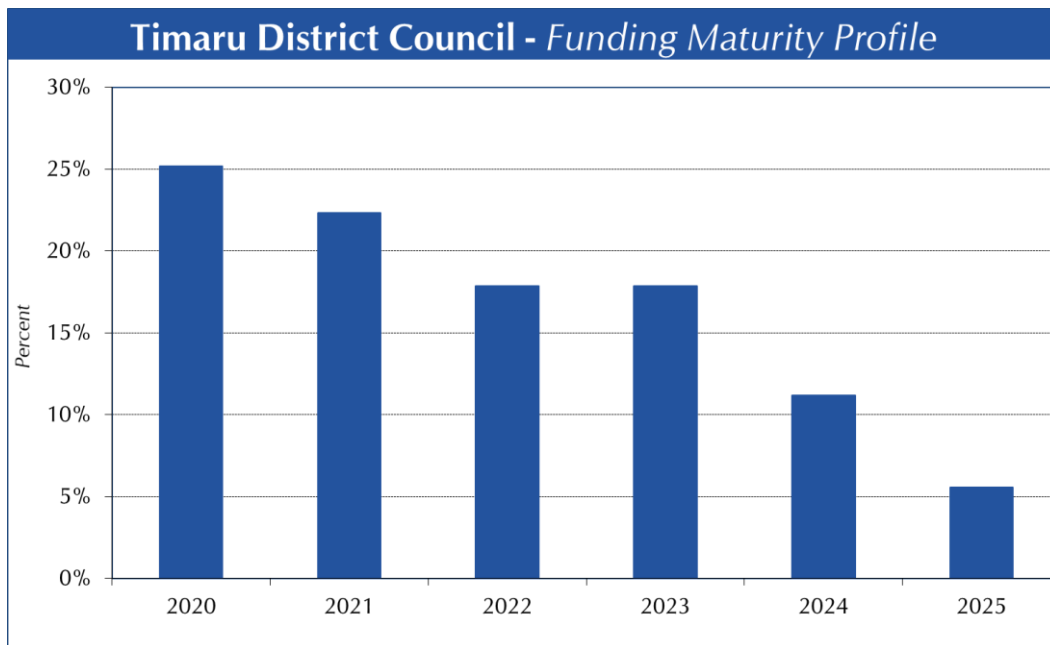
General and Special Funds

- 8 General Funds are cash reserves held for day to day operating activities. General Fund balances fluctuate across the quarter depending on operational income and expenditure cash flows. The Council's Financial Strategy is to maintain a minimum of \$10 million general funds for liquidity purposes.

\$12.5 million commercial paper for 91 days at 1.315%.

We are continuing to use shorter periods for finance to take advantage of low rates. \$12.5 million of existing debt will mature in quarter to 31 March 2020. We will continue to look to refinance maturing debt in line within the limits of the Funding Maturing Policy as well as using Internal Borrowing, (Cash Reserves), to fund debt requirements.

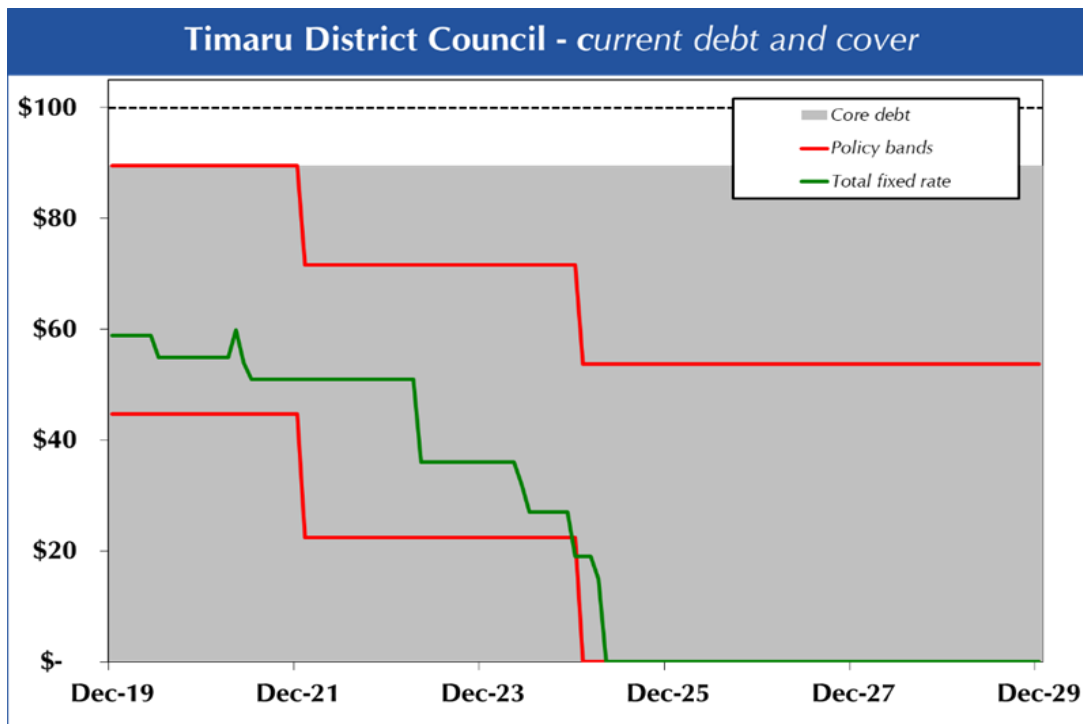
19 The Funding Maturity Profile is as follows:



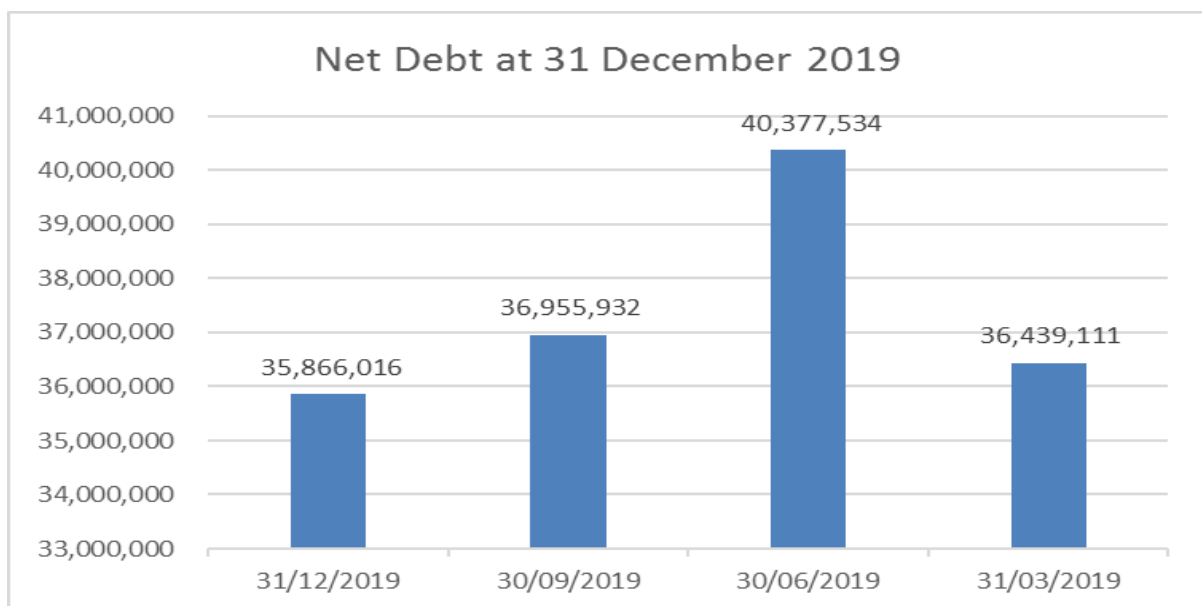
20 Council Policy requires no more than 33% of Council’s outstanding borrowings being subject to refinancing within any 12 month period. The funding maturity profile above indicates Council continue to meet this requirement.

21 The weighted average cost of funds excluding margins was 2.78% compared to the benchmark rate of 2.00% as calculated on the Liability Management Policy. The higher rate is reflective of long term borrowings held by Timaru District Council at high rates for specific purposes such as the CBAY development. We have been advised that the cost of breaking these instruments would exceed the benefit of doing so as the break fee consists of interest payable over the time remaining of the instrument.

22 The following chart illustrates the debt and cover profile set against the Liability Policy Control:



- 23 The green line indicates that Council is currently inside the policy bands with a forecast marginal breach of the policy bands for one month June 2024. Bancorp currently advises against additional hedging to get back to policy while Council has a large cash reserve.
- 24 The following table shows the Council’s net debt position as at 31 December 2019. Net Debt has decreased over the period due to the cyclical nature of Councils cashflow and the reduction in external debt. Net debt will increase as the Capex programme progresses.



Attachments

- 1. **Summary of Investments and Loans 31 December 2019**

Timaru District Council
General Funds Held as at 31 December 2019

Institution	Percentage	Category	Invested	Maturity	Rate	Amount
Registered Banks	100%	\$1 million BBB or better, \$10 million A1 or better				
BNZ (A1+ short term)		General Funds		Call	1.00	6,567,000
BNZ (A1+ short term)		General Funds	18-Sep-19	20-Apr-20	2.78	2,000,000
ASB (A1 short term)		General Funds	11/09/2019	19-Mar-20	2.77	2,000,000
ASB (A1 short term)		General Funds	17/09/2019	4-Apr-20	2.77	3,000,000
ASB (A1 short term)		General Funds	28/08/2019	25-Mar-20	2.75	2,000,000
ANZ (A1+ short term)		General Funds	19-Aug-19	8-Apr-20	2.90	3,000,000
Westpac (A1+ short term)		General Funds		WP Call	1.00	541,599
Westpac (A1+ short term)		General Funds	31-Dec-19	13-Jun-20	3.05	2,000,000
		General Funds	16-Aug-19	24-Feb-20	2.95	1,000,000
Kiwibank (A1 short term)		General Funds	17-Sep-19	24-Apr-20	2.80	2,000,000
		General Funds	24/09/2019	9/04/2020	2.80	3,000,000
Total Registered Banks	100.00%					<u>27,108,599</u>

**Timaru District Council
Special Funds Held as at 31 December 2019**

Institution	Percentage	Category	Invested	Maturity	Rate	Nominal amount	Amount
Rated Local Authorities	(Limit 70% of portfolio, \$1m BBB per issuer, \$2m A- rating per issuer, \$3m A+ rating per issuer, \$4m AA or better rating per issuer)						
Total Rated Local Authorities	0.00%					-	-
Unrated Local Authorities	(Limit 60% of portfolio, \$2m per issuer)						
Total Unrated Local Authorities	0.00%					-	-
NZ Registered Banks	(Limit 100% of portfolio, \$2m A- rating per issuer, \$3m A+ rating per issuer, \$4m AA- rating or better per issuer (Deposits \$10m A1 or better rating))						
BNZ	AA-	Stock	15-Jun-16	15-Jun-23	4.10	500,000	516,779
BNZ	BBB+	Stock	17-Dec-15	17-Dec-25	5.30	500,000	537,204
China Construction Bank	A	Stock	19-Jun-18	19-Jun-23	3.98	750,000	791,208
ANZ	A1+	Special Funds					
ANZ	A1+	Special Funds	24-Dec-19	21-Jul-20	2.70	3,000,000	3,000,000
ASB	AA-	Special Funds	10-Sep-19	7-Apr-20	2.72	2,800,000	2,800,000
ASB	AA-	Special Funds	22-Nov-19	19-Jun-20	2.73	3,000,000	3,000,000
ASB	AA-						
BNZ	A1+	Special Funds	17-Jun-19	17-Jan-20	3.26	2,500,000	2,500,000
BNZ	A1+	Special Funds	15-Jul-19	17-Feb-20	3.25	1,000,000	1,000,000
BNZ	A1+	Special Funds	31-Dec-19	28-Jul-20	2.80	2,500,000	2,500,000
BNZ	A1+						
Kiwibank	A1+	Special Funds	9-Jul-19	24-Jan-20	3.05	2,000,000	2,000,000
Westpac	A1+	Special Funds	10-Sep-19	9-Apr-20	2.80	3,000,000	3,000,000
Westpac	A1+	Special Funds	16-Aug-19	24-Feb-20	2.95	2,000,000	2,000,000
Westpac	A1+	Special Funds		Call	1.00	1,617,375	1,617,375
Total Registered Banks	95.24%					25,167,375	25,262,566
Regional Health Entities	0.00% (Limit 40% of portfolio, \$3m A+ rating per issuer)						
Total Regional Health Entities						0	-
SOE'S	(Limit 70% of portfolio, \$1 m BBB rating per issuer, \$2m A- rating per issuer. \$3m A+ rating per issuer, \$4m AA- or better per issuer)						
						-	-
						-	-
						-	-
Total SOEs	0.00%					-	-
Corporates	(Limit 60% of portfolio, \$1 m BBB rating per issuer, \$2m A- rating per issuer, \$3m A+ rating per issuer, \$4m AA- or better per issuer)						
Genesis	BBB+	Stock	18-Mar-16	18-Mar-22	4.14	500,000	522,874
Genesis	BBB+	Stock	14-Dec-17	8-Mar-23	5.81	500,000	555,734
Meridian Energy		Stock	27-Jun-18	27-Jun-25	4.21	170,000	184,211
Total Corporates	4.76%					1,170,000	1,262,819
Total Special Funds	100.00%					26,337,375	26,525,385
Totals							
Stock						2,920,000	3,108,010
Special Funds						23,417,375	23,417,375
						26,337,375	26,525,385

**Timaru District Council
Loans Outstanding**

Actual borrowing at 31 December 2019

				Maturity Date	Interest rate	Margin	Nett		
LGFA FRB	3 year	Bond	5,000,000	14-Apr-22	1.42%	0.3750%	1.04%	52,000	18,750
LGFA FRN	3 year	Bond	5,000,000	14-Apr-22	1.40%	0.3550%	1.04%	52,000	17,750
TDC FRB	7 year	Bond	10,000,000	9-Apr-20	4.76%	1.1000%	3.66%	366,000	110,000
LGFA FRN	8 year	Bond	10,000,000	15-May-21	2.08%	0.8425%	1.24%	124,000	84,250
LGFA FRN	8 year	Bond	4,000,000	15-May-21	2.36%	1.1225%	1.24%	49,600	44,900
LGFA FRB	8 year	Bond	6,000,000	15-May-21	6.00%	0.7400%	5.26%	315,600	44,400
LGFA FRB	9 year	Bond	5,000,000	15-Apr-23	5.50%	0.8300%	4.67%	233,500	41,500
LGFA FRN	9 year	Bond	6,000,000	15-Apr-23	1.86%	0.8225%	1.04%	62,400	49,350
LGFA FRN	4 year	Bond	5,000,000	14-Apr-23	1.52%	0.4750%	1.04%	52,000	23,750
LGFA CP	90 days	Zero Coupon	12,500,000	14-Feb-20	1.32%	0.1100%	1.21%	150,625	13,750
LGFA CP	147 days	Zero Coupon							-
LGFA FRB	8 year	Bond	5,000,000	15-Apr-25	3.87%	0.6300%	3.24%	162,000	31,500
LGFA FRN	5 year	Bond	6,000,000	15-Jun-22	1.65%	0.4375%	1.22%	72,900	26,250
LGFA FRB	7 year	Bond	5,000,000	15-Jun-24	3.40%	0.5800%	2.82%	141,000	29,000
LGFA FRN	5 year	Bond	5,000,000	14-Apr-24	1.53%	0.4920%	1.04%	52,000	24,600
Total Bond Debt			89,500,000						
Total Debt			89,500,000					1,885,625	615,525
								2.11%	1.71%

Hedging in place as at 31 December 2019

Amount	Rate	Termination Date	
4,000,000	4.70%	3-May-24	188,000
4,000,000	4.38%	31-Mar-25	175,200
2,900,000	6.82%	29-Jun-21	197,780
8,000,000	3.96%	16-Dec-24	316,800
5,000,000	5.60%	9-Jun-21	280,000
4,000,000	5.38%	29-Jun-20	215,000
27,900,000			1,372,780
			4.92%

Investor swap

Average cost of borrowing 2.78%

Forward Start hedges in place as at 31 December 2019

Amount	Rate	Termination Date				
10,000,000	0.97%	15/04/2022	Starts 15/4/2021	ANZ	Trade date 29/6/16	
10,000,000	3.71%	15/04/2025	Starts 19/4/2022	ANZ	Amended 21/11/16	
10,000,000	2.94%	9/04/2023	Starts 9/4/2020	ANZ	Trade date 16/8/2017	
					Trade date 31/5/18	

8 Consideration of Urgent Business Items

9 Consideration of Minor Nature Matters