

DIRECTOR CORPORATE AND COMMUNITY SERVICES

DA/ITEM 6.2 LATE REPORT

2. CHINAMAN WELLS SEAWALL FUNDING – DEBENTURE LOAN

PURPOSE

Council, at its meeting held on 8th March 2017, approved funding for certain shack owners at Chinaman Wells to enable the building of a critical sea wall with all costs to be recovered via declaration of a separate rate on those properties over a ten(10) year period. To enable Council to borrow funds from the Local Government Finance Authority a motion of Council is required.

RECOMMENDATION

1. Pursuant to the provision of Section 134 of the Local Government Act 1999, the Yorke Peninsula Council does hereby order that the said Council shall borrow by means of a debenture loan on the security of the general revenue of the Council, the sum of \$209,179 (Two Hundred and Nine Thousand One Hundred and Seventy Nine Dollars) from the Local Government Finance Authority and that the said loan shall be for a period of 10 (Ten) years. The said loan will be for the funding of the Chinaman Wells Sea Wall project with all costs to be recovered via a separate rate declared for a ten (10) year period commencing on 1st July 2017 on properties benefitting from the construction and also accessing funding from Council.
2. That Council authorise the Mayor and Chief Executive Officer to sign and seal any documentation necessary to give effect to this resolution.

LINK TO STRATEGIC PLAN

- Goal: 3 Valued and Restored Environment
 5 Responsible Governance
- Strategy: 3.4 Support Progress Associations and other community groups to improve environmental outcomes
 5.2 Effective leadership and informed decision making

BACKGROUND

A request has been received from the Chinaman Wells Shack Owners Association Foreshore Protection Sub-committee via their appointed representative Mr Doug Pritchard in regard to the proposed seawall construction project for which plans have been submitted compliant with approved Development Application 544/2244/2010.

Council endorsed the funding of this project at its meeting held on 8th March 2017:

Cr Hoyle moved Cr Braund seconded

That Council:

- 1. receive and consider all responses received during the public consultation period; and*
- 2. resolve to provide requested funding to cover costs relating to those properties listed in Attachment 3 as requiring funding via a fixed low-interest, fixed term loan from the LGA Finance Authority over a 10 year period; and*
- 3. authorise the Director Corporate and Community Services to bring a report to the Council meeting to be held on 10th May 2017 in compliance with Section 154 (6) of the Local Government Act 1999 recommending a separate rate be declared for a ten (10) year period commencing on 1st July 2017 on properties benefitting from the construction and also accessing funding from Council.*

CARRIED 059/2017 (08/03/2017)

A resolution of Council is now required to enable Council to borrow the required funds from the Local Government Finance Authority.

DISCUSSION

The report submitted to Council at its meeting held on 8th March 2017 stated that “if Council agree to provide the requested funding all advances would be funded via loan from the LGA Finance Authority at fixed interest over a fixed term with rates to be determined at the time of drawing down funds. Amounts to be drawn down will be paid by Council direct to the developer under an agreement yet to be constructed. Council will not need to allocate any amounts from existing reserves or revenue streams.”

In order to secure the appropriate loan Council endorsement is now required.

COMMUNITY ENGAGEMENT PLAN

Not applicable

CONSULTATION PROCESS

In preparing this report, the following Yorke Peninsula Council officers were consulted:

- Corporate Management Team
- Manager Financial Services

In preparing this report, the following External Parties were consulted:

- Chinaman Wells Shack Owners Association

POLICY IMPLICATIONS

Not applicable

BUDGET AND RESOURCE IMPLICATIONS

There are no expected costs for Council other than administration in setting up of loans, declaration of separate rates and collection of rates. These costs are not considered to be material and, if they were considered significant, could be recovered via the declaration of the separate rates on the properties concerned.

RISK/LEGAL/LEGISLATIVE IMPLICATIONS

In its current form the request does not impose risk or legal impositions on Council other than the normal risk associated with collection of rates.

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

ATTACHMENTS

Nil