

Notice is hereby given that an extraordinary meeting of the Gore District Council will be held, virtually by Zoom video conferencing, on Tuesday 28 April 2020, at 4.30pm



Stephen Parry
Chief Executive

24 April 2020

Agenda

1. Apologies
2. NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY (LGFA) - AMENDMENTS TO BORROWING DOCUMENTS

(Memo from Chief Executive – 24.04.20)

As Councillors will be aware the Council is a member of the Local Government Funding Agency (LGFA) borrowing programme as both a borrower and a guarantor.

LGFA has proposed amending its borrowing programme by making amendments to certain LGFA documents. These documents are:

- (i) Multi-issuer Deed;
- (ii) Guarantee and Indemnity; and
- (iii) Notes Subscription Agreement

Amendments to the LGFA Shareholders' Agreement have previously been approved and LGFA will enter into a deed to record those changes.

The purpose of the proposed amendments is to:

- (a) enable approved council-controlled organisations to borrow directly through the LGFA borrowing programme (on the basis of guarantees from and/or sufficient uncalled capital issued to their parent local authorities);
- (b) allow local authorities to apply to LGFA to be tested at the group level rather than at the parent level (for compliance with LGFA covenants);
- (c) increase the amount of borrower notes required to be subscribed for when borrowing from LGFA; and
- (d) make certain other technical improvements to the borrowing programme.
- (e) In order to amend the LGFA documentation, each local authority member of LGFA is required to enter into certain deeds of amendment and restatement. The Council therefore needs to make a formal resolution to execute the following legal documents:
 - a. Amendment and Restatement Deed (Multi-issuer Deed);
 - b. Amendment and Restatement Deed (Notes Subscription Agreement); and
 - c. Amendment and Restatement Deed (Guarantee and Indemnity).

The Council will also need to formally authorise me as the Chief Executive to sign a section 118 Chief Executive Certificate (in relation to the documents noted at 4.1 – 4.3).

- (f) The documents at 4.1, 4.2 and 4.3 have been prepared by LGFA’s solicitors, Russell McVeagh. Simpson Grierson reviewed and approved the documents on behalf, and from the perspective, of the Shareholders' Council of LGFA (which includes the Crown and nine Councils). The Chief Executive Certificate has been prepared by Simpson Grierson.
- (g) Authority for signing the abovementioned documents will need to be delegated to two elected members of the Council.

RECOMMENDATION

THAT the report “New Zealand Government Funding Agency (LGFA): Amendments to Borrowing Documents, be received and noted,

THAT the Council’s entry into the documentation noted in this report be authorised,

THAT any two of the Council’s elected members be authorised to execute the following deeds for the purposes of the recommendation above:

- 1.1 Amendment and Restatement Deed (Multi-issuer Deed);**

- 1.2 Amendment and Restatement Deed (Notes Subscription Agreement); and**
- 1.3 Amendment and Restatement Deed (Guarantee and Indemnity)**

AND THAT the Council authorise the Chief Executive to execute the Chief Executive Certificate and such other documents and take such other steps on behalf of the Council as the Chief Executive considers necessary or desirable to execute or take to give effect to the preceding recommendations above.