

# Treasury Management Policy – funding maturity profile

**Meeting:** Kaipara District Council  
**Date of meeting:** 29 June 2022  
**Reporting officer:** Graeme Coleman, Financial & Risk Manager

## Purpose | Ngā whāinga

To confirm the recommendation of the Audit, Risk and Finance Committee that Council approves the external term loans maturity profile as at April 2022 noting that 0 to 3 years mix is out of policy by 3% and will remain out of policy until April 2023.

## Executive summary | Whakarāpopototanga

Council undertakes treasury management activities in accordance with its Treasury Management Policy and Treasury Operations Schedule.

Council management provides the Audit, Risk and Finance Committee with detailed operational treasury reporting monthly. At the June 2022 Committee meeting it was noted that Council was no longer within its Treasury Policy for funding maturity profile. This report seeks to confirm the recommendation of the Audit, Risk and Finance Committee to approve the out of policy until April 2023.

## Recommendation | Ngā tūtohunga

That Kaipara District Council:

- a) Approves the external term loans maturity profile as at April 2022 in accordance with Council's Treasury Policy as follows:

	Minimum cover to Maximum cover	Actual %	Compliance
0 to 3 years	15% to 60%	63%	No
3 to 7 years	25% to 85%	44%	Yes
7 years plus	0% to 60%	6%	Yes

- b) Notes that 0 to 3 years mix is out of policy by 3% and will remain out of policy until April 2023.

## Context | Horopaki

Council's current Treasury Management Policy was adopted in September 2020.

## Discussion | Ngā kōrerorero

It was noted at the June 2022 Audit, Risk and Finance committee meeting that Council was out of policy for its funding maturity profile. Council's Treasury Policy states that

*"A funding maturity profile that is outside the limits, but self corrects within 90-days is not in breach of this Policy. A maturity schedule outside these limits for a period greater than 90 days requires specific Council approval".*

Therefore, in accordance with the policy it is recommended that Council approves the current out of policy external term loans maturity profile for 0-3 years debt.

As at 30 April 2022 council's funding maturity profile was:

	Minimum cover to Maximum cover	Actual %	Compliance
0 to 3 years	15% to 60%	63%	No
3 to 7 years	25% to 85%	44%	Yes
7 years plus	0% to 60%	6%	Yes

#### Public Debt - external term loans maturity profile

Local Government Funding Agency (LGFA)					
LGFA - Long term loans					
Settlement Date	Terms Years	Maturity Date	Interest Rate	Principal	Expiring in
11/04/2016	7	15/04/2023	2.9225%	5,000,000.00	0.8 years
16/05/2016	7	15/04/2023	2.7425%	5,000,000.00	0.8 years
23/04/2019	5	15/04/2024	2.6300%	2,000,000.00	1.8 years
17/05/2021	3	15/04/2024	2.4180%	5,000,000.00	1.8 years
29/08/2016	9	15/04/2025	2.8675%	3,000,000.00	2.8 years
17/05/2021	4	15/04/2025	2.4780%	4,000,000.00	2.8 years
23/07/2018	8	15/04/2026	2.7550%	2,000,000.00	3.8 years
15/04/2021	5	15/04/2026	2.5250%	5,000,000.00	3.8 years
17/12/2018	8	15/04/2027	2.8625%	2,000,000.00	4.8 years
15/03/2021	6	15/04/2027	2.6650%	5,000,000.00	4.8 years
17/05/2021	7	15/05/2028	2.8260%	3,000,000.00	5.9 years
17/05/2021	8	20/04/2029	2.6300%	3,000,000.00	6.8 years
Total principal				44,000,000.00	

The Audit, Risk and Finance Committee noted that out of policy position and resolved to recommend to Council, in accordance with the Treasury Policy, that it approves the external term loans maturity profile as at April 2022 noting that 0 to 3 years mix is out of policy by 3% and will remain until April 2023. At that time Council may be in a better position and have more knowledge about what is to occur regarding central government taking over Councils outstanding Three Waters debt.

#### Significance and engagement/Hirahira me ngā whakapāpā

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

#### Next steps | E whaiake nei

No further actions need to be taken.