

Mr. Wright.

WELLINGTON CITY TRADING DEPARTMENTS RESERVE AND  
RENEWAL FUNDS.

[LOCAL BILL.]

ANALYSIS.

Title.	9. Demands on Commissioners.
Preamble.	10. Commissioners may call for report in respect of demand made upon them.
1. Short Title.	11. Commissioners may pay amount of demand by instalments, or may decline to pay. Council may apply to the Supreme Court.
2. Interpretation.	12. Whole or part of moneys held by Commissioners may be used for purpose of making up any insufficiency of sinking fund relative to loan at maturity.
3. Council may charge annual appropriations for renewals.	13. Commissioners not to be responsible to see to application of fund by Council.
4. Appropriation to be paid to Commissioners.	14. Establishment of reserve funds.
5. Appointment of Renewal Fund Commissioners. Local Bodies' Loans Act to apply.	15. Accident funds.
6. Existing Abattoir and Tramway Renewal Funds to be paid to Commissioners.	
7. How fund to be invested by Commissioners. Accounts.	
8. Application of fund by Commissioners.	

A BILL INTITULED

AN ACT to empower the Wellington City Council to establish Renewal Funds in connection with its Trading Departments, and to appoint Commissioners in respect of such Funds. Title.

WHEREAS the Wellington City Council has established the following trading undertakings, namely—(1) Abattoir undertaking; (2) tramway and power-supply undertaking; (3) electric light and power supply undertaking: And whereas the said Council has established a renewal fund in connection with its abattoir undertaking and held on the thirty-first day of March, nineteen hundred and seventeen, in respect of such funds, investments and cash amounting to two thousand one hundred and seventy-one pounds and fourpence, and in connection with the tramway and power-supply undertaking a renewal fund in respect of which it held on the thirty-first day of March, nineteen hundred and seventeen, investments and cash amounting to thirty-two thousand and seventy-eight pounds eight shillings and sixpence: And whereas it is desirable to establish renewal funds in connection with all the above undertakings and reserve funds in connection with the tramway and power-supply undertaking and with the electric light and power supply undertaking, and to incorporate the said amounts in the several renewal funds for the abattoir undertaking, and for the tramway and power-supply undertaking: Preamble.

BE IT THEREFORE ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

2 *Wellington City Trading Departments Reserve and Renewal Funds.*

Short Title.	1. This Act may be cited as the Wellington City Trading Departments Reserve and Renewal Funds Act, 1917.	
Interpretation.	2. In this Act, if not inconsistent with the context,— “City Engineer” means the City Engineer for the time being of the City of Wellington : “Council” means the Wellington City Council : “Commissioners” means the Renewal Fund Commissioners appointed under this Act : “Mayor” means the Mayor for the time being of the City of Wellington.	5
Council may charge annual appropriations for renewals.	3. (1.) In compiling the annual accounts showing revenue and expenditure in respect of the various trading undertakings under the control of the Council, namely,— (a.) Abattoir undertaking ; (b.) Tramway and power-supply undertaking ; (c.) Electric light and power supply undertaking,— the Council shall charge an annual appropriation to provide renewal funds, such appropriation to be one pound ten shillings per centum of the value of the depreciable assets of the undertaking. (2.) Such value shall be fixed by the City Engineer, whose decision shall be final. (3.) These appropriations shall be exclusive of any amounts carried to the debit of the respective accounts for maintenance and repairs, and shall be devoted to the purpose hereinafter mentioned.	10 15
Appropriations to be paid to Commissioners.	4. The appropriations referred to in the <i>last preceding</i> section shall be paid to the Commissioners to be appointed as hereinafter provided in the month of April in each year, the first of such payments to be made in the month of April, nineteen hundred and <i>eighteen</i> .	20 25
Appointment of Renewal Fund Commissioners. Local Bodies' Loans Act to apply.	5. Immediately upon the coming into operation of this Act the Council shall appoint three Commissioners to be called “The Wellington City Renewal Fund Commissioners,” and sections thirty-five, thirty-six, and thirty-nine of the Local Bodies' Loans Act, 1913, shall, <i>mutatis mutandis</i> , apply to the Commissioners to be so appointed in like manner as if they were Sinking Fund Commissioners appointed under the said section thirty-five.	30 35
Existing Abattoir and Tramway Renewal Funds to be paid to Commissioners.	6. The Council shall forthwith transfer to the Commissioners, either in cash or in investments, the amounts which is held on the thirty-first day of March, nineteen hundred and seventeen, in respect of the abattoir undertaking and in respect of the tramway and power-supply undertaking.	40
How fund to be invested by Commissioners.	7. (1.) The Commissioners shall invest all sums of money received by them pursuant to the <i>last preceding</i> section in the manner following, that is to say :— (a.) In New Zealand Government securities. (b.) On deposit in any bank carrying on business in New Zealand under the authority of an Act of the General Assembly.	45
Accounts.	(2.) Separate accounts shall be kept by the Commissioners of all moneys paid to or received by them in respect of the several undertakings specified in section <i>three</i> hereof ; and in preparing the yearly statement of accounts, pursuant to section thirty-nine of the Local Bodies' Loans Act, 1913, the Commissioners shall show in detail the amount of such funds or moneys paid to or received by the Commissioners as aforesaid.	50

8. All the funds or moneys received by the Commissioners pursuant to the provisions of this Act, together with all accumulations and interest, shall be held by the Commissioners upon trust to pay to the Council, either in one sum or from time to time by instalments in respect of each of the undertakings specified in section *three* hereof, the portion of the funds or moneys and interest standing to the credit of each such undertaking for the purpose of renewing or replacing the plant of the undertaking or any part or parts thereof that may from time to time become worn out, obsolete, or incapable from any other cause of further usefulness.

Application of fund by Commissioners.

9. (1.) Every demand made by the Council upon the Commissioners for any sum shall be accompanied by a copy of the resolution duly passed by the Council calling up such money, and by a full specification of the works proposed to be done.

Demands on Commissioners.

(2.) Such resolution shall contain a statement that the money proposed to be called up is required to replace plant or material that has become worn out or obsolete or is incapable from any other cause of further usefulness, and shall be certified by the Mayor and Town Clerk as a correct copy of the resolution of the Council.

(3.) The Commissioners shall not pay or refund any amount in respect of any one of the various trading undertakings aforesaid in excess of the amount held by them to the credit of the said undertaking for the time being.

10. (1.) The Commissioners may call for a report by an engineer or other qualified person to be appointed by them.

Commissioners may call for report in respect of demand made upon them.

(2.) Such engineer or other person shall have the right to inquire into the reasons why the Council proposes to expend the money asked for and the nature and extent of the work proposed to be done.

(3.) Such engineer or other person shall report the result of his investigation and of his opinion upon the proposals of the Council to the Commissioners.

(4.) The Commissioners are hereby authorized to pay to such engineer or other qualified person a reasonable sum for his services.

11. (1.) The Commissioners may pay the money so demanded by instalments as the works proceed, or may decline to pay the said money except under an order of the Supreme Court, in which case the Council may, by a summons in Chambers, apply for an order directing the Commissioners to pay to the Council the money so demanded, and if the Court is of opinion that the Council has proved that the money required is necessary to replace or renew plant which has become worn out or obsolete or incapable from any other cause of further usefulness, the Court may make an order authorizing the payment of the money to the Council.

Commissioners may pay amount of demand by instalments, or may decline to pay. Council may apply to the Supreme Court.

(2.) The decision of the Supreme Court in such an application shall be final.

12. If, upon the maturity of any debentures issued by the Council, the accrued sinking fund is insufficient to pay the debentures it shall be lawful for the Council to call up from the Commissioners the whole or part of whatever moneys may be held by them in respect of the undertaking for which the said debentures were issued. The Commissioners may either pay the amount so demanded or may call for a report on the financial bearing of the Council's demands, and the

Whole or part of moneys held by Commissioners may be used for purpose of making up any insufficiency of sinking fund relative to loan at maturity.

4 Wellington City Trading Departments Reserve and Renewal Funds.

provisions of sections *ten* and *eleven* hereof shall, *mutatis mutandis*, apply to any demand made upon the Commissioners in terms of this section.

Commissioners not to be responsible to see to application of fund by Council.

13. The Commissioners shall not be answerable for the misapplication or non-application nor shall they be obliged to see to the application of any moneys which may from time to time be paid by them to the Council under the provisions in that behalf hereinbefore contained. 5

Establishment of reserve funds.

14. (1.) In compiling the annual accounts showing revenue and expenditure in respect of the tramway and power-supply undertaking and in respect of the electric light and power supply undertaking the Council shall charge an annual appropriation to provide a reserve fund; such appropriation to be one pound ten shillings per centum of the value of the depreciable assets of the undertaking. Such value shall be fixed in manner provided by section *three* hereof. 10

(2.) The Council shall in the month of April in each year pay such appropriations into two separate banking accounts to be termed the "Tramway Reserve Fund Account" and the "Electric Light Reserve Fund Account"; the first of such payments to be made in the month of April, nineteen hundred and *eighteen*. 15

(3.) The moneys paid into such accounts shall be applied for such extensions and improvements in the undertaking in connection with which the fund is established as the Council thinks fit. 20

(4.) If at any time the renewal funds created in respect of either the tramway and power-supply undertaking or in respect of the electric light and power supply undertaking shall be insufficient to meet renewals, the Council may use any part of the reserve fund established for the undertaking requiring further renewals for the purposes of such renewals. 25

(5.) The Council may invest any part of such reserve funds in manner following:— 30

(a.) In New Zealand Government securities.

(b.) On deposit in any bank carrying on business in New Zealand under the authority of an Act of the General Assembly.

(6.) Separate accounts shall be kept by the Council of all moneys paid to or received by them in respect of such reserve funds. 35

(7.) Such accounts shall for the purposes of audit be subject to the provisions of the Municipal Corporations Act, 1908.

Accident funds.

15. (1.) The Council may establish accident funds in connection both with the tramway and power-supply undertaking and with the electric light and power supply undertaking, and may set aside annually in the month of March in each year such sums as it thinks fit in connection with such funds. 40

(2.) Such funds may be used to meet claims for accidents arising in connection with the undertaking for which each fund is established.

(3.) The Council may invest such funds on deposit in any bank carrying on business in New Zealand under the authority of an Act of the General Assembly. 45