

# Wellington City Trading Departments' Reserve and Renewal Funds Act 1917

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**An Act to empower the Wellington City Council to establish Reserve and Renewal Funds in connection with certain of its Trading Departments, and to**

**appoint Commissioners in respect of such Funds, and to establish Accident Funds in connection with such Trading Departments.**

**Preamble.**

WHEREAS the Wellington City Council has established the following trading undertakings, namely: (1) Tramway and power-supply undertaking; (2) electric-light and power-supply undertaking: And whereas the said Council has established 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 by this Act renewal funds and reserve and accident funds in connection with the tramway and power-supply undertaking and with the electric-light and power-supply undertaking, and to incorporate the said amount of thirty-two thousand and seventy-eight pounds eight shillings and sixpence in the renewal fund for the tramway and power-supply undertaking: And whereas the said Council has established accident funds in connection with the tramway and power-supply undertaking and with the electric-light and power-supply undertaking: And whereas the said Council held in investments and cash on the thirty-first day of March, nineteen hundred and seventeen, in respect of such accident fund for the tramway and power-supply undertaking the sum of thirteen thousand three hundred and sixty-two pounds seven shillings, and in respect of such accident fund in connection with the electric-light and power-supply undertaking the sum of two thousand three hundred and seven pounds seven shillings and eightpence: And whereas it is desirable to establish such accident funds under this Act:

**Be it therefore enacted by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—**

**1 Short Title.**

This Act may be cited as the Wellington City Trading Departments' Reserve and Renewal Funds Act, 1917.

**2 Interpretation.**

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.

**3 Council may charge annual appropriations for renewals.**

- (1.) In compiling the annual accounts showing revenue and expenditure in respect of the said trading undertakings under the control of the Council, namely,—
  - (a.) Tramway and power-supply undertaking;
  - (b.) Electric-light and power-supply undertaking,—the Council shall, after making provision for interest and sinking fund of loans in connection with the undertaking and for maintenance and repairs, 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.
- (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.

**4 Appropriations to be paid to Commissioners.**

The appropriations referred to in the last preceding section shall, in the month of April in each year, be paid to the Commissioners to be appointed as hereinafter provided, the first of such payments to be made in the month of April, nineteen hundred and eighteen.

**5 Appointment of Renewal Fund Commissioners.**

*Local Bodies' Loans Act to apply.*

- (1.) 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, *mutatis mutandis*, 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.
- (2.) No Councillor or employee of the Council shall be appointed a Commissioner.

**6 Existing Tramway Renewal Fund to be paid to Commissioners.**

The Council shall forthwith transfer to the Commissioners, either in cash or in investments, the amount which it held on the thirty-first day of March, nineteen hundred and seventeen, in respect of the tramway and power-supply undertaking.

**7 How fund to be invested by Commissioners.**

- (1.) The Commissioners shall invest all sums of money received by them pursuant to the last preceding 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 or other lawful authority.

*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 three hereof; and in preparing the yearly statement of accounts, pursuant to section thirty-nine of the Local Bodies' Loans Act, 1913, as applied by this Act, the Commissioners shall show in detail the amount of such funds or moneys paid to or received by the Commissioners as aforesaid.

**8 Application of fund by Commissioners.**

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 in connection with the undertaking.

**9 Demands on Commissioners.**

- (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; but no such demand shall be for a less sum than five hundred pounds.
- (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 Commissioners may call for report in respect of demand made upon them**

- (1.) The Commissioners may call for a report by an engineer or other qualified person to be appointed by 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 out of the moneys held by them in respect of the undertaking to which the report relates a reasonable sum for his services.

**11 Commissioners may pay amount of demand by instalments, or may decline to pay.**

*Council may apply to the Supreme Court.*

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

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

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.

**13 Establishment of reserve funds.**

- (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, after making provision for the charges mentioned in section three hereof, 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.
- (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.
- (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.
- (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.

- (5.) The Council may invest any part of such reserve funds in manner following:—
  - (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 or other lawful authority.
- (6.) Separate accounts shall be kept by the Council of all moneys paid to or received by them in respect of such reserve funds.
- (7.) Such accounts shall for the purposes of audit be subject to the provisions of the Municipal Corporations Act, 1908.

#### **14 Accident funds.**

- (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, but such sum shall not in any year exceed the amount that at current rates would have been payable for insurance of workers and insurance against public risk.
- (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 or other lawful authority.
- (4.) The said sum of thirteen thousand three hundred and sixty-two pounds seven shillings held by the Council as aforesaid shall form part of the accident fund established by the Council pursuant to the provisions hereof for the tramway and power-supply undertaking, and the said sum of two thousand three hundred and seven pounds seven shillings and eightpence held by the Council as aforesaid shall form part of the accident fund established by the Council pursuant to the provisions hereof for the electric-light and power-supply undertaking.
- (5.) If and so long as the accident fund in connection with the tramway and power-supply undertaking shall exceed twenty thousand pounds no further moneys shall be set aside by the Council for that purpose; and no money shall be set aside by the Council whereby such fund shall exceed twenty thousand pounds.
- (6.) If and so long as the accident fund in connection with the electric-light and power-supply undertaking shall exceed seven thousand five hundred pounds no money shall be set aside by the Council for that purpose; and no money shall be set aside by the Council whereby the said fund shall exceed seven thousand five hundred pounds.