

STAFF REPORT

TO: Mayor and Councillors

FROM: Murray Staite

DATE: 18 June 2008

SUBJECT: Proposed Community Board Targeted Rate

Introduction

Staff have been asked to prepare a report to confirm the budgets for community boards and to enable Councillors to decide on whether a targeted rate should be used to part fund the cost of community boards in both Golden Bay and Motueka Wards or continue to be funded entirely by general rate.

Background

Council, in preparing and putting out for consultation its draft 2008/2009 Annual Plan, proposed to fund the additional costs of the community boards in Golden Bay and Motueka from a targeted rate.

Note: the proposals in the draft annual plan used general rate to fund the first \$14,560 of costs on the basis that a similar general rate funding was budgeted for each of the other non-community board wards.

The budgets used in the draft annual plan to ascertain those rates were those adopted by Council in March 2008 and were compiled in conjunction with the community boards.

Discussion

Budget

Council staff have reviewed the budgets contained within the draft annual plan. As part of that review, further input was sought from the community boards. Motueka Community Board has indicated support for the hours, but not the overhead rates, contained in the budget. Golden Bay did not agree with many aspects of the costs contained within the budget.

Since the March 2008 meeting, staff have been monitoring time spent on board business and are of the view that the budgets contained within the draft 2008/2009 annual plan are appropriate.

Submissions

During the annual plan round, 1,103 submissions were received with 847 submissions against the imposition of a targeted rate to fund the operations of the community board and 12 received in support of Council's proposal.

Fit to Policy

Council's rating policy (LTCCP 2006 – 2016) states that where practical identifiable beneficiaries of Council activities pay for the costs by targeted rate. The proposed community board targeted rate only addresses additional costs and is consistent with that policy and with the views expressed in the recent rates enquiry.

Legality

Despite some community concern, the Council has the power to set a targeted rate under Section 16 Local Government (Rating) Act 2002. Council has previously obtained a legal opinion from Fletcher Vautier Moore confirming the legality of a community board targeted rate. The opinion was identical to the legal opinion given to the Marlborough District Council by Simpson Grierson who are also lawyers for Local Government New Zealand.

Option 1

Status quo. Community boards in both Golden Bay and Motueka continue to be funded by general rate across the full district.

Option 2

Recover the additional costs of operating the community boards by a targeted rate. If this option was considered the costs would be as follows

	Cost (incl GST) \$	Ratepayers	Cost per ratepayer (incl GST) \$
Golden Bay	64,274	3,342	19.23
Motueka	65,101	5,208	12.50

The community board services all ratepayers within a defined Ward. If a targeted rate was accepted it would be appropriate to base that rate on ward boundaries (rating maps attached).

Effect on General Rate

The general rate contained within the draft annual plan is 4.7%. If option 1 was taken, this would increase by .4%. If option 2 was taken the general rate would remain at 4.7%.

Recommendation

That:

- a) Council adopts the budgets contained within the draft 2008/2009 Annual Plan for inclusion in the final 2008/2009 Annual Plan.**
- b) Council considers funding the additional costs of community boards in Golden Bay and Motueka from either a targeted rate or general rate.**

Murray Staite
Corporate Services Manager