

STAFF REPORT

TO: Mayor and Councillors
FROM: David Ward
DATE: 2 December 2005
SUBJECT: Review of Activity Costs Years 2 To 5

PURPOSE

To allow Councillors to consider the general rating impact on the 2007 and 2008 subsequent three years.

BACKGROUND

Attached to this report are financial operating and revenue spreadsheets for each of the activities that Council proposes to undertake during the ten year period to be covered by our draft LTCCP.

COMMENT

At the top of the table entitled "Prospective Income Statement", we have identified the annual (and cumulative) general rating impact during the ten year timeframe. These figures are inclusive of growth. **The following figures are general rate increases exclusive of growth.**

| | Inclusive of Growth | Allowance for Growth | Net of Growth |
|-----------|----------------------------|-----------------------------|----------------------|
| 2006/2007 | 6.05 | 2.30 | 3.70 |
| 2007/2008 | 4.93 | 2.30 | 2.63 |
| 2008/2009 | 3.33 | 2.30 | 1.03 |
| 2009/2010 | 2.65 | 2.30 | 0.35 |
| 2010/2011 | 3.70 | 2.30 | 1.40 |

The activity costs have assumed increases in salary levels and some service costs as previously adopted by Council.

David Ward
Corporate Services Manager