

STAFF REPORT

TO: Mayor and Councillors
FROM: Murray Staite
DATE: 6 February 2008
SUBJECT: Community Board Targeted Rate

INTRODUCTION

Staff have been asked to prepare a report that will enable Councillors to give appropriate consideration as to whether a targeted rate should be introduced to fund the cost of community boards in both Golden Bay and Motueka Wards.

BACKGROUND

Submissions to the 2007/2008 annual plan requested that the Council fund the Golden Bay and Motueka Ward community boards via a targeted rate.

In finalising its 2007/2008 Annual Plan, Council noted its intention to consider the option as part of the 2008/2009 draft Annual Plan.

DISCUSSION

Costings have been prepared which detail the cost of running both boards. In preparing these costings a reduction has been included for payments traditionally paid to community associations (\$4,000 pa).

In the case of Golden Bay, travel time by Council staff attending meetings has been rebated as it would be expected that staff being in Golden Bay would be in a position to attend to other duties.

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 introduction of a community board targeted rate is consistent with that policy and with the views expressed in the recent rates enquiry.

Legality

The Council has the power to set a targeted rate under Section 16 Local Government (Rating) Act 2002. Council has obtained a legal opinion from Fletcher Vautier Moore confirming the legality of a community board targeted rate.

The targeted rate mechanism is used by a number of councils throughout New Zealand to fund community boards. Examples include Central Otago District Council, Waimakariri District Council, South Waikato District Council and Ashburton District Council.

Option 1

Status quo. Community boards in both Golden Bay and Motueka continue to be funded by general rate across the full district. As individual costs and beneficiaries are easily identifiable, this option is **not** consistent with existing Council policy.

The status quo is also inconsistent with submissions received as part of the draft 2007/2008 Annual Plan.

Option 2

Recover the costs of operating the community boards by a targeted rate.

	Cost (excl GST) \$	Ratepayers	Cost per ratepayer (incl GST) \$
Golden Bay	134,760	3,342	45.36
Motueka	138,260	5,208	29.86

This option is consistent with Council policy and with submissions received during the draft 2007/2008 Annual Plan process.

Rating Areas

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

Effect on General Rate

The inclusion of Option 2 in the draft 2008/2009 Annual Plan would have the effect of reducing the general rate component by 1.01%.

NEXT STEPS

If the targeted rate is included in the draft 2008/2009 Annual Plan it will be the subject of consultation with the community. Only after the submissions have been received and heard will Council make a final decision.

RECOMMENDATION

That:

- a) Costs associated with the operation of the Golden Bay and Motueka Community Boards be recovered by targeted rate within the separate rating areas as contained in the accompanying maps;**

- b) Council includes in its draft 2008/2009 Annual Plan and Funding Impact Statement a rate of \$45.36 (incl GST) per rateable property for the Golden Bay Ward and \$29.86 (incl GST) per rateable property for the Motueka Ward.**

Murray Staite
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