

STAFF REPORT

TO: Mayor and Councillors

FROM: Chief Executive

REFERENCE: C780

DATE: 3 June 2008

SUBJECT: Elected Members Remuneration 2008/2009 and Rules for Expenses and Allowances Policy

PURPOSE/REASON FOR REPORT

To advise the Mayor and Councillors that the Remuneration Authority has provided figures for the new 2008/09 remuneration. These come into effect as from 1 July 2008, and will cover the period 1 July 2008 to 30 June 2009.

BACKGROUND

The 2007/08 remuneration determination had a pool of \$503,578.00 which included the Mayor's salary of \$93,271.

In calculating the total indicative pools and Mayoral gross salary levels for the 2008/09 year, the Remuneration Authority has made two changes.

Previously the value of land under roads was deducted from the total council assets. This figure had proved difficult to obtain and the currency of the valuation figures varied widely between councils. Accordingly the Authority decided to cease making that particular deduction from the gross assets figure supplied by councils.

The second change was to move the gross assets to net assets, i.e. total assets minus total liabilities.

The effect of these changes are shown in the table below. Whilst overall it is not large, the impact on individual councils is quite varied. Some indicative pools are significantly increased by these changes, particularly where coupled with a significant rate of change factor. In others, like Tasman, they result in a reduction in the indicative pools for the 2008/09 year.

TOTAL POINTS		
	2007/08	2008/09
Population	3,954,150	4,042,250
Expenditure	2,609,739	2,667,885
Gross Assets	1,344,411	1,374,365 (Net Assets)
	7,908,300	8,084,500

For those Councils where the result was a reduction in the net indicative pool, the Authority decided to retain the net pool for the 2008/09 year at the 2007/08 levels. This Council's net indicative pool therefore remains the same as 2007/08.

DISCUSSION

At this stage the Remuneration Authority requests confirmation of the distribution of this net pool into salaries, and that they be advised of the methodology if the Council or Community Boards propose any significant change in the way the pool is to be distributed. Council's Rules for Expenses and Allowances Policy also needs to be reconfirmed (copy attached).

In November 2004 the Council along with the Motueka and Golden Bay Community Boards resolved to adopt Model "G" as the funding formula to distribute the net pool to elected members. Model "G" is based on a points allocation system, and was accepted by the Remuneration Authority.

Model "G" has been used successfully since the new remuneration pool system came into effect, and there appears to be no dissent for the Model "G" formula from elected members.

Both the Motueka and Golden Bay Community Boards have approved the 2008/09 Remuneration based on Model "G", as set out below.

OPTIONS

- (i) continue to use the Model "G" formula; or
- (ii) reconsider the way elected members should be remunerated, noting that the Remuneration Authority would have the final ruling on this.
- (iii) re-confirm Council's rules for Expenses and Allowances Policy
- (iv) re-consider and amend Council's Rules for Expenses and Allowances Policy

RECOMMENDATION

- (i) THAT the Council use the Model "G" formula to calculate the salaries from the indicative pool:

2008/09 Remuneration based on Model 'G'.

The 2008/09 Remuneration Pool is \$503,604 (including Mayor's Salary of \$93,297).

Available Remuneration Pool (08/09 year)	\$410,307
Total Points	184
Point Value	\$2,229.93

	Total Points	Current Salary/ Member/Year	Proposed Salary/	Total Remuneration from Pool
4 Chairs @ 16 points	64	35,678.88	35,678.88	142,715.52
9 Councillors @ 12 points	108	26,759.16	26,759.16	240,832.44
2 Com Bd Chairs @ 4.8 points	4.8*	10,703.66	10,703.66	10,703.66
6 Com Bd members @ 2.4 points	7.2*	5,351.83	5,351.83	16,055.50
	184			410,307.12

*NB – Half the Community Board remuneration is outside of the remuneration pool.

(ii) THAT Council re-confirm its Rules for Expenses and Allowances Policy.

Paul Wylie

<http://tdctoday:82/Shared Documents/Meetings/Council/Full Council/Reports/2008/RCN080626 Report Remuneration and Expenses and Allowances Policy.doc>