

Report No:	RCS11-06-01
File No:	
Date:	2 June 2011
Decision Required	

REPORT SUMMARY

Report to: Community Services Committee
Meeting Date: 16 June 2011
Subject: Facilities Operating Rate
Report Author: Lloyd Kennedy, Community Services Manager

EXECUTIVE SUMMARY

The current funding of the Moutere Hills Community Centre and the Murchison Sport, Recreation and Cultural Centre is by way of the facilities operating rate and general rate through the parks and reserves maintenance budgets. It would appear that there is some confusion regarding this split as well as some discrepancies that require correcting.

RECOMMENDATION/S

Staff recommend that the funding split between the facilities operating rate and the general rate be corrected as part of the Long Term Plan.

DRAFT RESOLUTION

THAT the Community Services Committee receives the Facilities Operating Rate Report (RCS11-06-01); and

THAT the Community Services Committee agrees that any corrections between the split of facilities operating rate and general rate for the Moutere Hills Community Centre and the Murchison Sport, Recreation and Cultural Centre be made as part of the next Long Term Plan.

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1. PURPOSE

- 1.1 To advise the Committee on how the facilities operating rate and the general rate is separated in the funding of new facilities such as the Moutere Hills Community Centre and the Murchison Sport, Recreation and Cultural Centre.

2. BACKGROUND

- 2.1 Prior to the implementation of the facilities operating rate all facilities were funded by general rate either through the halls and reserves budget or through the parks and reserves budget.
- 2.2 The building of larger multi use facilities as in Murchison and Moutere Hills increased the operating costs significantly and resulted in Council implementing the facilities operating rate.

3. PRESENT SITUATION/MATTERS TO BE CONSIDERED

- 3.1 The facilities operating rate funds the:
- ASB Aquatic Centre
 - Moutere Hills Community Centre
 - Murchison Sport, Recreation and Cultural Centre
 - Rotoiti Community Hall
 - Motueka Recreation Centre
 - Saxton Stadium.
- 3.2 These are all facilities that have been funded by either the district or shared facilities rate. With the exception of the Moutere and Murchison facilities, they are all standalone facilities that are not associated with sportsfields that are managed by Council.

- 3.3 With both the Moutere and Murchison facilities, the funding for the new buildings is separated from the sportsfield funding.

The reasons for this relate to the conditions put in place at the time of implementing the facilities operating rate. This rate was for the funding of facilities funded by the district and shared facilities rate. In developing the two facilities either general rate, through the parks and reserves budget, or reserve financial contributions were used for developing the sportsfields etc.

- 3.4 Staff have attempted to keep the rules for funding these facilities as simple as possible although when the costs were first transferred to the facilities operating rate some costs were overlooked. This has resulted in some confusion for both staff and management committees.
- 3.5 Some of the grey areas of funding related to the building maintenance and especially Programme Maintenance, which is the contract Council has on some facilities for maintenance of the exterior painting. These costs are definitely part of the running and operation of both the Moutere and Murchison facilities.
- 3.6 Staff consider that all costs relating to the new buildings at both Moutere and Murchison should be part of the operation of the facility and therefore funded by revenue from hireage, and the facilities operating rate and costs relating to the maintenance of the sportsfields should be funded from revenue from hireage and from general rate through the parks and reserves maintenance budget. There will always be grey areas such as where do exterior maintenance of gardens and grass areas around the building end and the maintenance of sportsfield start.
- 3.7 Provided Council has allocated sufficient funds through both the facilities operating rate and the general rate, where the grey areas actually end up being funded from will have little or no impact on the management committee.

4. FINANCIAL/BUDGETARY CONSIDERATIONS

- 4.1 The funding for the operation and maintenance of the total complexes for both the Moutere and Murchison facilities is currently provided from both the facilities operating rate and general rate through the parks and reserves maintenance budgets.

- 4.2 There may need to be an adjustment between the facilities operating rate and general rate, however, there is no urgency in correcting this. Staff suggest that this be reviewed as part of the Long Term Plan.

5. OPTIONS

- 5.1 This report was prepared to explain to the Committee the issues that have been raised by one of the management committees and this has shown that there may be some discrepancies between the allocation of the facilities operating rate and general rate.
- 5.2 The options for the Committee are to accept that there may be some discrepancies with this funding and that these could remain as is or an effort is made to correct them as part of the Long Term Plan.

6. PROS AND CONS OF OPTIONS

- 6.1 By not correcting the funding split, future management committees could be confused about their funding as has happened recently.
- 6.2 By correcting the funding split there may be a need to adjust the facilities operating rate although any change would also change the general rate by a similar amount.

7. EVALUATION OF OPTIONS

- 7.1 Not correcting the funding split would just delay the issue that will need to be corrected at some stage.
- 7.2 Correcting the funding split as part of the Long Term Plan provides the ideal time to make any necessary changes.

8. SIGNIFICANCE

- 8.1 This is not a significant decision according to the Council's Significance Policy.

9. RECOMMENDATION/S

- 9.1 Staff recommend that the funding split between the facilities operating rate and the general rate be correct as part of the Long Term Plan.

10. DRAFT RESOLUTION

THAT the Community Services Committee receives the Facilities Operating Rate Report (RCS11-06-01); and

THAT the Community Services Committee agrees that any corrections between the split of facilities operating rate and general rate for the Moutere Hills Community Centre and the Murchison Sport, Recreation and Cultural Centre be made as part of the next Long Term Plan.

L L Kennedy
Community Services Manager

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