

Ref: E855 and E859

29 September 2010

Mr David Ogilvie
Chair
Motueka Community Board
PO Box 184
MOTUEKA

Dear David

As you are aware the Tasman District Council has included in its draft Annual Plan for the 2008/2009 year a proposal to establish a targeted rate to cover the quantum of operating costs for each community board, to the extent that those community board operating costs exceed the estimated costs of funding community associations/councils in those wards that do not have community boards.

The quantum established for your Board was \$57,868. This amount was worked out by Council staff using the attached budget calculation.

In relation to this calculation sheet there are some points that need to be clarified in order there are no misunderstandings. The Tasman District Council is currently in the process of establishing activity based job costing throughout the entire range of council activities. The job costing system follows standard accounting principles and is applied without fear of favour across all council activities. While the rates per hour may seem high at first glance, they do in fact reflect the full costs of operating a complex service operation such as a Council. It must be remembered that all Council Officers are highly qualified and experienced experts in their own rights and just as professional services suppliers such as engineers, lawyers and accountants incur high hourly costs so do most Council staff.

It is also important to understand that all council activities are required to budget for their year's activity and expected to manage their affairs so they remain within those budget limits. In this sense community board activities are no different from any other council activities and on behalf of the ratepayer it is reasonable to accept that community boards must live within predetermined budgetary limitations.

While the attached calculation sheets were used to establish tentative figures for the purposes of the draft Annual Plan it is now important that final figures be established to include in the final Plan.

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6 May 2008

Mr David Ogilvie

I therefore ask that you review the figures on the attached work sheet carefully and satisfy yourselves that the times and values allowed will be adequate for you to fund the Community Board's activities over the 2008/2009 year.

I am already aware that some additions will be necessary. For example, the original calculation sheets did not include mileage allowances which you are now seeking, on behalf of community board members, as fair and reasonable reimbursement. You may be aware of other costs that have emerged.

Please remember that budgets will be required irrespective whether or not this is eventually funded by way of a targeted rate or a general rate. Neither the Council or the Community Boards would wish to face the embarrassment of finding out that the budgets were inadequate halfway through the year.

It is important that the Community Board accepts responsibility for these budgets. As I have previously indicated, whatever quantum you set is likely to be accepted by the Council, but just how much is largely up to you. Therefore it is important that your Community Board either approves the budgets at your forthcoming meeting or if this inadequate time, authorises your Chairman to sign off a proposed community board budget which will then be treated as a submission by the Council Officers when preparing their final report to the Council.

Thank you for your cooperation.

Yours faithfully

A handwritten signature in black ink, appearing to read 'P. Wylie', with a stylized flourish at the end.

Paul Wylie
Chief Executive

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