

33.1 REVENUE AND FINANCING POLICY

Source: LTCCP 2004/2005, adopted 30/6/04

BACKGROUND

Section 102(4)(a) of the Local Government Act 2002 states that a local authority must adopt a revenue and financing policy. The revenue and financing policy must state:

- a) The local authority's policies in respect of funding operating expenses from the sources listed below.
- b) The local authority's policies in respect of funding capital expenditure from the sources listed below.

Alternative funding sources (S103(2)):

- General rates
- Targeted rates
- Fees and Charges
- Interest and Dividends from Investments
- Borrowings
- Proceeds from Asset Sales
- Development Contributions
- Financial Contributions under the RMA
- Grants and Subsidies
- Any other source

In considering which funding sources are appropriate for each activity, Council has considered (S101(3)):

- a) The promotion of **community outcomes**.

- b) **User/beneficiary pays** - the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.
- c) **Intergenerational Equity** - the period in or over which those benefits are expected to occur.
- d) **Exacerbator Pays** - the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.
- e) The **costs and benefits** of funding an activity in a different manner to the way other activities are funded, including consequences for transparency and accountability.
- f) The **overall impact on the current and future social, economic, environmental, and cultural well-being of the community**.

POLICY

Type of Expenditure	Source of Funding	Percentage
CIVIC AND COMMUNITY SERVICES		
Operating		
> Council	General Rates*	100%
> Community Board	General Rates*	100%
> Economic Development	General Rates*	100%
> Reefton Service Centre	General Rates*	100%
> Reefton Post Office	Fees and Charges	100%
> Community Services	General Rates*/Reserves	100%
> Employment	Targeted	100%

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Projects	Rates	
➤ Libraries	Fees and Charges General Rates*	10% 90%
➤ Recreation Facilities ➤ St James Theatre	Fees and Charges General Rates*	60% 40%
➤ Swimming Pools	General Rates*	100%
➤ Community Hall	General Rates*	100%
Capital	Funded by way of the following in order of availability: - Reserves - Loans	

➤ Stock Control	Fees and Charges General Rates*	40% 60%
➤ Civil Defence	Grants General Rates*	5% 95%
➤ Rural Fire	General Rates* (NB Fire Attendances are charged for on a cost recovery basis)	100%
Capital		
➤ Dog Control	<i>Funded by way of following in the order of availability:</i> - Separate Balances - Loans	
➤ Other	Funded by way of following in the order of availability: - Reserves - Loans	100%

Type of Expenditure	Source of Funding	Percentage
REGULATORY SERVICES		
Operating		
➤ Resource Management	Fees and Charges General Rates*	15% 85%
➤ Building Control	Fees and Charges General Rates*	65% 35%
➤ Environmental Health	Fees and Charges General Rates*	20% 80%
➤ Liquor Licensing	Fees and Charges General Rates*	75% 25%
➤ Noise Control/General Inspection	Fees and Charges General Rates*	5% 95%
➤ Dog Control	Fees and Charges General	85% 15%

Type of Expenditure	Source of Funding	Percentage
AMENITIES AND RESERVES		
Operating		
➤ Reserves	Fees and Charges General Rates*	5% 95%
➤ Cemeteries	Fees and Charges General Rates*	25% 75%
➤ Elderly Person Housing	Fees and Charges General Rates*	90% 10%
➤ Public Toilets	General Rates*	100%
➤ Punakaiki	Fees and	100%

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Camping Ground	Charges	
➤ Property - Community	Fees and Charges General Rates	5% 95%
➤ Property - Private	Fees and Charges	100%
Capital		
➤ Punakaiki Camping Ground	Funded by way of following in the order of availability: - Separate Balances - Loans	
➤ Other	Funded by way of the following in the order of availability: - Reserves - Loans	

Type of Expenditure	Source of Funding	Percentage
ROADING		
Operating		
➤ Roding	Financial Assistance General Rates	40% 60%
➤ Minor Activities	General Rates*/Reserves	100%

Capital		
➤ Roding	Funded by way of following in the order of availability: - Subsidies - General Rates* - Reserves - Loans	
➤ Minor Activities	Funded by way of the following in the order of availability: - General Rates* - Reserves - Loans	

Type of Expenditure	Source of Funding	Percentage
ROADING		
Operating		
➤ Roding	Financial Assistance General Rates	40% 60%
➤ Minor Activities	General Rates*/Reserves	100%
Capital		
➤ Roding	Funded by way of following in the order of availability: - Subsidies - General Rates* - Reserves - Loans	
➤ Minor Activities	Funded by way of the following in the order of availability: - General Rates* - Reserves - Loans	

Type of Expenditure	Source of Funding	Percentage
WATER		
Operating	Targeted	100%

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	Rates Fees and Charges (Metered Water)	
Water Investigations	Reserves/ General Rates*	100%
Capital	Funded by way of following in the order of availability: - Separate Balances - Loans	

Type of Expenditure	Source of Funding	Percentage
SOLID WASTE		
Operating		
➤ Refuse Collection	Targeted Rates Fees and Charges (Bag Sales)	20% 80%
➤ Landfill Operation	Fees and Charges General Rates*	15% 85%
➤ Solid Waste Management	Reserves/General Rates*	100%
Capital	Funded by way of following in the order or availability: - Reserves - Loans	

Type of Expenditure	Source of Funding	Percentage
WASTEWATER		
Operating		
➤ Wastewater Investigations	Reserves/ General Rates*	100%
➤ Sewerage	Targeted Rates	100%
➤ Stormwater	General Rates*/Reserves	100%
Capital		
➤ Sewerage	Funded by way of following in the order or availability: - Separate Balances - Loans	
➤ Stormwater	Funded by way of the following in the order of availability: - Reserves - Loans	

Type of Expenditure	Source of Funding	Percentage
HARBOUR		
Operating	Fees and Charges	100%
Capital		
	Funded by way of following in the order or availability: - Reserves - Loans	

* General Rates includes the Uniform Annual General Charge. General Rates are levied on Land Value. Differential General Rates are applied as detailed in Council's Rating Policies. Investment Income is used to offset the funding required from General Rates.

33.4 DISTRIBUTION OF RESERVES CONTRIBUTIONS

Source: Council Meeting 25/1/06

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1. That financial contributions obtained as reserve contributions be used to fund all forms of facilities.
2. That in general terms, projects which can be funded from reserves contributions should be considered during the Annual Plan process.

That Council agrees to develop a discussion document to enable further possible changes to the District Plan for the possible creation of a roading fund to assist with the upgrade of intersections.