

Chairperson and Committee Members
ŌTAKI COMMUNITY BOARD

19 JUNE 2012

Meeting Status: **Public**

Purpose of Report: For Decision

DRAFT REMUNERATION PROPOSAL FOR ELECTED MEMBERS AND EXPENSES AND ALLOWANCES POLICY FOR THE PERIOD 1 JULY 2012 TO 30 JUNE 2013

PURPOSE OF REPORT

1. To consider the Draft Remuneration Proposal for the Ōtaki Community Board and draft Expenses and Allowances Policy for the period 1 July 2012 to 30 June 2013 and make a recommendation to the Council.

SIGNIFICANCE OF DECISION

2. The Council's Significance Policy is not triggered by this report.

BACKGROUND

3. At the meeting on 17 May 2012 the Council considered a report on the draft Remuneration Policy (attached as Appendix 1) which will include the following draft recommendation in relation to the Ōtaki Community Board Elected Members' Remuneration and draft Expenses and Allowances Policy:

“That the Council adopts the draft Remuneration Proposal for Elected Members based on the same remuneration levels for each Elected Member position that applied for 2011/12 as outlined in Appendix 1 to this report Fin-12-560.

That the Council adopts the Draft Expenses and Allowances Policy as set out in Appendix 2 to this report FIN-12-560.

That the draft Remuneration Proposal for the Community Boards and the draft Expenses and Allowances Policy be presented to each Community Board for their comments and recommendations.”

4. There is no increase in remuneration pool for the 2012/13 year for the Kāpiti Coast District Council.
5. The total remuneration pool for the whole country has been increased by 1.5% by the Remuneration Authority.

6. The factors that determine the relative levels of total remuneration pool for each local authority have been applied and these include the following factors from the 2010/11 Annual Reports:

Population	(50% weighting)
Expenditure	(33% weighting)
Assets	(17% weighting)

7. The impact of applying these factors varies for each local authority in terms of determining their new total remuneration pool for the 2012/13 year.
8. The reason our Council is not receiving an increase in total remuneration is that the Council's relativity compared to the rest of New Zealand's local authorities has decreased for one of those key factors which is the level of total expenditure for the 2010/11 year.
9. In the 2009/10 year included in Council's expenditure was an item called "Impairment of Assets" totalling \$8.2 million. This was for the design and investigation costs of the Western Link Road which was previously recorded against capital expenditure but once the Government announced the Expressway and the Council was no longer building the Western Link Road those initial design and investigation costs needed to be written back against operating costs.
10. As a consequence, the 2009/10 year showed an \$8.2 million higher level of operating expenditure than normal and that higher figure was taken into account when the Remuneration Authority calculated the remuneration pools for the 2011/12 year.
11. The total operating expenditure decreased for the 2011/12 year compared to the previous year and as a consequence that has impacted on Council's share of the total remuneration pool for Elected Members.
12. As a consequence, Kāpiti's points for the share of the remuneration pool have decreased from the previous financial year but as for all Councils where the points have decreased, the previous year's remuneration levels are being retained.
13. The proposed 2012/13 remuneration for the Ōtaki Community Board is unchanged from 2011/12 and is as follows:

Ōtaki Community Board			
Position	Annual Salary	No.	Total Annual Salaries \$
Chairperson	12,882	1	12,882
Member	6,573	3	19,719
Total Annual Salaries			32,601
50% charged to indicative pool			16,300

CONSIDERATIONS

Elected Members' Remuneration

14. Given that there has been no substantial change to the relevant parts of the Governance Structure since November 2010 it is recommended that the Ōtaki Community Board remuneration remain the same as the 2011/12 year.

Draft Expenses and Allowances Policy

15. There is a minor change to the Draft Expenses and Allowances Policy relating to the maximum mileage rate as set out below from 70c per km to 74c per km. the new provisions are set out below.

Vehicle Mileage Allowance

- (1) A local authority may pay a member or a member of a community board a vehicle mileage allowance for travel by the member on a day, but only if:
- (a) the member is not otherwise provided with a vehicle by the local authority; and
 - (b) the distance travelled by the member on the day exceeds the threshold distance; and
 - (c) the travel is—
 - (i) in a private vehicle; and
 - (ii) on the local authority's business; and
 - (iii) by the most direct route that is reasonable in the circumstances.
- (2) The vehicle mileage allowance payable to a member in respect of a day is payable only for that part of the member's travel that exceeds the threshold distance.
- (3) The maximum vehicle mileage allowance payable to a member for the period of this determination is—
- (a) \$0.74 per kilometre for the first 5 000 kilometres;
 - (b) \$0.35 per kilometre for any distance over 5 000 kilometres.
- (4) In this clause:
- on the local authority's business** includes—
- (a) on the business of any community board of the local authority; and
 - (b) travel to and from a member's residence to the offices of the local authority or a community board
- threshold distance** means the distance set by the local authority, which must not be less than 30 kilometres.
16. The draft Expenses and Allowances Policy is attached as Appendix 2.
17. The Community Boards need to consider and make a recommendation back to the Council on the draft Remuneration Proposal and the draft Expenses and Allowances Policy at this meeting. Any comments or issues raised will be reported back to the Council for Council's consideration before Council adopts the final Elected Members' Remuneration Proposal for the period up until 30 June 2013 on 28 June 2012.
18. If there are any dissenting views by any of the Community Boards or the Council they will be recorded and forwarded to the Remuneration Authority so

that the Remuneration Authority can make a final decision on the Elected Members Remuneration Proposal in July 2012 for the period up until 30 June 2013.

Financial Considerations

19. For each Community Board their Elected Members' remuneration is funded 50% from each respective area and 50% Districtwide.

Legal Considerations

20. The Council must comply with the determinations set by the Remuneration Authority for this Council in relation to Elected Members' remuneration.

Consultation

21. Consultation is being undertaken with each Community Board.

Policy Implications

22. Once the final Remuneration Proposal is approved by the Remuneration Authority this will be the new Elected Members' Remuneration Policy for this Council up until 30 June 2013.

Publicity Considerations

23. A press release has been prepared in relation to the draft Remuneration Proposal.

Other Considerations

24. There are no other considerations.

Delegations

25. The Ōtaki Community Board has Delegated Authority to consider this issue.
Reference D.10 in the Governance Structure which reads:
Other
10.29 Authority to undertake any other responsibilities that are delegated to it by the territorial authority (Section 52, Local Government Act 2002 refers).

RECOMMENDATIONS

26. That the Ōtaki Community Board recommend to the Council that the following Remuneration Proposal for the Ōtaki Community Board for the period up until 30 June 2013 (the same as the 2011/12 year) be approved and forwarded to the Remuneration Authority for approval:

Ōtaki Community Board			
Position	Annual Salary	No.	Total Annual Salaries \$
Chairperson	12,882	1	12,882
Member	6,573	3	19,719
Total Annual Salaries			32,601
50% charged to indicative pool			16,300

27. That the Ōtaki Community Board adopts the Draft Expenses and Allowances Policy as set out in Appendix 1 to the report FIN-12-574.

Report prepared by:

Warwick Read

GROUP MANAGER FINANCE

Appendix 1 – Copy of Council Report on draft Remuneration for Elected Members
Fin-12-560 and Appendices

Appendix 2 – Draft Expenses and Allowances Policy