**Draft Area Rate Policy**

**For Consultations with Community Groups**

Regional Council directed staff to create an Area Rate Policy for local activities requested by community groups. The draft policy establishes criteria for the creation of area rates and for the use of the monies raised by the rate. One of the objectives of this policy is to provide clarity to local groups as to what they may spend funds on, what conditions are attached to that spending power, and what they may not spend funds on.

The purpose of circulating this draft is to gather feedback from community groups on this draft policy. The document highlights ten questions that local community groups should consider commenting on. All comments will be provided to Regional Council along with the final proposed policy, drafted as an “Administrative Order”. The final decision on that policy is made by Regional Council.

**Establishment of Community Area Rates**

Community organizations may submit proposals for area rate in its community. Their proposal shall include the area rates:

* purpose;
* duration of the rate;
* amount of the rate;
* either a flat charge on homes or properties;
* the catchment area with an explanation as to why that boundary is appropriate; and
* a proposed financial plan showing how the funds will be used and any other available revenues;

Staff are required to

* ensure the proposal is complete,
* conduct public consultations and prepare a report to Regional Council showing the results and the process used.

The Chief Financial Officer for the Municipality establishes the procedure for consultations. Typically, this includes a plebiscite. Staff may also provide background information to the public as part of the consultations.

Area rates can only be set by Regional Council.

**Questions:**

1. Should there be a maximum area rate, such as $50 per dwelling unit?
2. Should communities be allowed to use an ad valorem rate, eg 2 cents per $100 of assessment?
3. Should there be a five-year limit on the area rate?
4. Should existing area rates be asked to re-do their public consultations?

**Renewal of Community Area Rates**

After the initial approval, community organization must submit an annual business plan and budget,

* If they wish to increase the area rate or change the boundary there must be additional consultations.
* If the rate is at the end of its duration, they may submit a new proposal for consultation.

**Governance of Community Area Rates**

Community organizations must be non-profits in good-standing under the society act.

* Meetings that relate to the area rate shall be open to the public.
* Minutes of meetings that relate to the area rate shall be available to any member of the public.
* There shall be an annual meeting, at which the majority shall review and approve the annual budget and business plan for the following year.
  + They may ask for the rate to be terminated.
* They shall provide annual financial statements and comply with all required financial procedures

**What May Funds be Spent on?**

**The Area Rate may spend funds on**

* community events;
* community accessories, including signage, picnic tables, benches, and garbage cans;
* community beautification and clean-up;
* maintenance of recreation trails and infrastructure;
* recreational programming;
* establishment and maintenance of outdoor community skating rinks;
* operation of small, local community centres;
* administrative costs associated with these items

The Area Rate may use a **Grant** to fund the above items provided Regional Council has approved a contribution agreement for those grants.

The Area Rate may fund **construction or enhancement of local recreational infrastructure** on municipal land including trails, sport courts, and playgrounds, provided:

* + the municipality has undertaken a needs assessment;
  + the municipality has prepared a maintenance plan;
  + Regional Council has approved the project in the municipality’s capital budget;
  + it conforms to capital budget procedures;
  + It is procured directly by the municipality.

**Area Rates may not be used for**

* the purchase of land;
* infrastructure that is not generally open to the public for use;
* regional infrastructure, including community centres and other facilities that attract individuals from outside the area rate’s catchment area;
* construction of indoor recreation facilities, including ice rinks and gymnasia;
* political activity; and
* grants to individuals, service clubs, sports teams, charities, non-profits, and businesses (other than above).

**Questions:**

1. Should area rates be allowed for construction and enhancement of infrastructure?
2. Should area rates be used for private purposes?
3. Should area rates be allowed to purchase land?
4. What is a small local community center vs regional infrastructure?
5. Should grants be available to individuals, service clubs and sports teams?
6. What other changes might be considered to the above spending powers?