

# MINUTES

**TITLE:** Council's Enterprise Subcommittee  
**DATE:** Wednesday 30 March 2005  
**TIME:** 9.30 am  
**VENUE:** Hydro Meeting Room, 189 Queen Street, Richmond

**PRESENT:** Crs S G Bryant (Chair), E E Henry, M J Higgins, N Riley, J L Inglis

**IN ATTENDANCE:** Chief Executive (R G Dickinson), Service Centres Manager (D Blake-Gillard), Reserves Manager (B Wilkes), Forestry Consultant (P Wilks), Corporate/Engineering Administrator (V M Gribble)

## APOLOGIES

**Moved Crs Bryant/Higgins  
FN05/03/25**

**That an apology for absence from Cr E E Henry be sustained.  
CARRIED**

## **1 RECEIPT OF MINUTES – 24 FEBRUARY 2005**

**Moved Crs Higgins/Inglis  
FN05/03/26**

**That the minutes of the Council's Enterprise Subcommittee meeting held on 24 February 2005, containing resolutions numbered FN05/02/19 to FN05/02/23 be received.  
CARRIED**

## **2 FORESTRY**

### **2.1 Quarterly Report – 1 October 2004 to 31 December 2004**

Mr Wilks spoke to the Forestry Quarterly report for the period 1 October 2004 to 31 December 2004 that was contained in the agenda.

**Moved Crs Higgins/Riley  
FN05/03/27**

**That the Forestry Quarterly Report for 1 October 2004 to 31 December 2004 be received.  
CARRIED**

### **2.2 Harvesting Report – 1 October 2004 to 31 December 2004**

Mr Wilks spoke to the Harvesting report for 1 October 2004 to 31 December 2004 that was contained in the agenda.

**Moved Crs Inglis/Higgins  
FN05/03/28**

**That the Forestry Harvesting Report for 1 October 2004 to 31 December 2004  
be received.  
CARRIED**

**2.2 Budget**

Mr Wilks tabled the revised Forestry budget for the 2005/2006 year.

Mr Dickinson noted the revised budget summary drops the rates contribution down from \$700,000 to \$400,000 and Council staff were assuming there would be \$600,000 for the 2005/2006 year.

Mr Wilks said there is a small stand of Douglas Fir that could be harvested at the entrance to Borlase Forest.

Mr Wilks said the credit balance in the forestry account would be brought back to zero if the \$600,000 rates contribution was provided.

Mr Ward said he was satisfied that if Council takes \$600,000 from forestry this year and adjusts the budget that it could work in Council's favour. He said if \$100,000 is sacrificed from Forestry, then it will have to be found from another budget.

Mr Wilks said the forest is being cut at the maximum level of sustainability and they are doing the best to maximise recovery. It will be a tall order to meet the \$600,000. He said the forestry account has been supplying a non sustainable rates contribution for several years. He said the reality is that using \$400,000 for 2005/2006 will mean it will be 4 or 5 years where the contribution will be zero to be able to maintain a credit balance in the account.

Mr Ward asked why we need to maintain a credit balance in the forest account when Council is under pressure to provide funding for other activities.

Mr Dickinson suggested \$500,000 rates contribution be made.

Mr Wilks said there may be some prospect of making an extra contribution if there was a better year end than forecast.

Cr Higgins said if it is not there then we shouldn't be taking it. He sees his role as managing a good forest investment and it is for this Subcommittee to say what is in the budget. If full Council wants to up the rates contribution it is their call.

Crs Inglis and Riley agreed with Cr Higgins.

Mr Wilks said simply owning a forestry estate costs \$350,000 per year as an overhead. It is hard to reduce those costs.

Mrs Wilkes said 10% net cost from forest harvesting is required to be put back for Rabbit Island Reserve management.

Cr Higgins asked if Tic Toc Road could be gravelled.

Mrs Wilkes said there is extra money in the Community Services budget for maintaining Tic Toc Road.

**Moved Crs Higgins/Riley  
FN05/03/29**

**That the proposed forestry budget be accepted.  
CARRIED**

### **3 BUDGET TEMPLATES**

Mr Ward said there are a variety of financial reports for various Council activities. Proposed templates for the Motueka Airport and Forestry Account were included in the agenda.

Cr Higgins wondered if we should record asset values.

Mr Ward said in annual plans and annual reports we nominate the value of the assets.

There was general agreement with the budget template proposal for committee reporting.

### **3 MOTUEKA AIRPORT**

#### **3.1 Quarterly Report**

Cr Bryant said the airport users see the upgrade of the grass runways and taxi ways as a priority.

Ms Blake-Gillard said the Aviation College use the grass runways more than they use the sealed runway.

Ms Blake-Gillard had met with consultants MWH and aviators before the estimates were put together and said they needed the grass runways levelled and re-grassed. As long as we can meet a standard acceptable to the CAA, it doesn't need to be to engineering standards or road standard. This was discussed at the airport users meeting and all they want is a level runway and asked if someone with expertise could be consulted. It has cost \$9,000 for professional fees to this point.

**Moved Crs Higgins/Riley  
FN05/03/30**

**That the Enterprise Subcommittee authorise the Motueka Airport Manager, Chairman of the Subcommittee and Cr Inglis to meet with a local contractor with a fixed budget to see if a reasonable fix can be obtained for that money.  
CARRIED**

Mr Dickinson said if some work was done immediately and the rest next spring it would mean the money is already committed.

Ms Blake-Gillard recommended that there be no changes to the fees and charges for the Motueka Airport for the 2005/2006 year. She said the landing fees were increased in the 2003/2004 year, and Shell Aviation agreed to a put through fee which generates \$4,000 annually. We have an honesty box system at the Aero Club, and Abel Tasman Airlines take note of landings and who pays and if people don't pay they are charged an administration fee of \$15 plus the \$5 landing fee on invoice.

Ms Blake-Gillard noted the benefit of having fuel available on the airfield. She had compared our charges and believed they are comparable to other small airports.

Ms Blake-Gillard was asked to prepare an analysis for the next meeting showing what each of the airport users pay.

**Moved Crs Bryant/Riley  
FN05/03/31**

**That Chief Executive and Airport Manager be authorised to meet with Shell to negotiate a new put through fee.  
CARRIED**

Ms Blake-Gillard said Skydive Abel Tasman have an individual agreement based on a per canopy fee structure.

We are awaiting information from MWH updating the Asset Airport Management Plan.

Cr Riley said the review of the asset plan should be the role of the Enterprise Subcommittee.

Mr Dickinson undertook to investigate the matter.

Ms Blake-Gillard sought approval to advertise the maintenance contract on the same basis as currently but for a three year period. It would be advertised calling for registrations of interest because of the costs involved in tendering.

**Moved Crs Higgins/Inglis  
FN05/03/32**

**That the Council Enterprise Subcommittee approves the tendering of the Airport Maintenance Contract for a three year period from 1 July 2005.  
CARRIED**

The agenda contained the financial report for the year ending 28 February 2005.

Cr Inglis said the Motueka Airport should be paying its way.

Ms Blake-Gillard said we have a small number of users carrying the airfield and the business needs to be grown. Nothing has been spent on the grass runways and taxiways for years.

Ms Blake-Gillard spoke to the 2005/2006 budget. She said the problems with the sealed runway are incurring fees and believes the salaries and wages are under estimated. Professional fees may also be under estimated.

Cr Higgins said he would like to see the general rate required reduced.

Ms Blake-Gillard agreed that the airport should be standing on its own feet.

**Moved Crs Higgins/Inglis  
FN05/03/33**

**That the Motueka Airport budget, as amended, be accepted.  
CARRIED**

## **5 RESOLUTION TO EXCLUDE THE PUBLIC**

**Moved Crs Higgins/Riley  
FN05/03/34**

**That the public be excluded from the following part of the proceedings of this meeting, namely:**

**Motueka Airport**

**The general subject of the matter to be considered while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for passing this resolution are as follows:**

<b>Subject</b>	<b>Reasons</b>	<b>Grounds</b>
<b>Motueka Airport</b>	<b>Update regarding negotiations</b>	<b>To enable a frank and free discussion</b>
<b>Motueka Airport</b>	<b>Fuel installation</b>	<b>To enable the Subcommittee to carry on, without prejudice or disadvantage, commercial negotiations</b>

**CARRIED**

(Refer to Confidential Minutes resolutions numbered FN05/03/35 to FN05/03/36).

**Moved Crs Higgins/Riley  
FN05/03/37**

**That open meeting be resumed and the business transacted while the public was excluded be adopted.**

**CARRIED**

The meeting concluded at 12.15 pm.

Date Confirmed:

Chair: