

# MINUTES

**TITLE:** Council's Enterprise Subcommittee  
**DATE:** Wednesday 28 June 2006  
**TIME:** 9.30 am  
**VENUE:** Pohara Beach Boat Club, Abel Tasman Drive, Takaka

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

**IN ATTENDANCE:** Chief Executive (R G Dickinson), Service Centres Manager (B Askew), Minute Secretary (V M Gribble)

## APOLOGIES

Apologies were received from Cr Borlase and Golden Bay Community Board Members N Hill and C McLellan.

### 1 Public forum

#### 1.1 J Bell

Mr Bell spoke about Port Taranaki charges.

#### 1.2 Port Taranaki Advisory Committee

Mr M Solly presented on behalf of a deputation of five from the Port Taranaki Advisory Committee and tabled a submission. The Advisory Committee is concerned about the financial viability of Port Taranaki.

Mr Askew said we've undertaken to talk with the mussel industry about the charges so that everyone is paying a fair and appropriate share for the use of the port.

Cr Inglis said the debt is the problem and we have to get it down.

Cr Higgins asked if the Advisory Committee has considered any alternative ownership structures.

Mr Solly said they have talked about selling marinas to owners. He said they can't get the debt down from operating funds.

Mr Dickinson agreed the debt is unsustainable for the current activity level and Council will need to look at that. He said this Subcommittee has resolved not to repay principal on the loan for a period, which is a temporary way of tackling the problem, but is not a long term solution.

Mr Solly said he hoped the interest rate on the loan is fixed. The Advisory Committee wants to see the port stay as an asset of Council for use of Golden Bay and will do whatever they can to make the port work properly. He has a problem with having to

stick with fixed bylaw prices, as some large contracts require negotiated wharfage charges.

## **2 CONFIRMATION OF MINUTES**

### **2.1 Enterprise Subcommittee, Tuesday 16 May 2006**

**Moved Crs Higgins/Inglis  
FN06/06/01**

**THAT the minutes of the Enterprise Subcommittee meeting held on 16 May 2006, containing resolutions numbered FN06/5/04 to FN06/5/15 be confirmed as a true and complete record of the proceedings of that meeting.**

**CARRIED**

## **3 PORT TARAKOHE**

### **3.1 Manager's Report**

Mr Askew would be happy to refer the port charges back to the Environment and Planning Committee who are looking at the bylaw. We'd have to make sure that adjustments below \$9.75 were brought in an open and transparent manner.

Mr Askew said the port revenue is improving and should reach \$300,000 for the full year.

The mussel industry has done a great job in getting on to the sea squirt problem quickly. There will be a need to keep the port under scrutiny monthly. A check was done in March 2006 and there was no sea squirt found at that time.

Cr Riley commented on the presentation from Cawthron on sea squirt. He asked for the presentation to be made to full Council.

Mr Askew said we want to take a cautious approach in getting prices up. We have the dilemma of needing to improve income, but we don't want to target a fixed high figure which might result in our losing business coming through the port. There needs to be more work on the matter in regard to establishing good business rates that are sustainable and improve business through the port. He said other ports have a similar process of fixing a top rate and they make adjustments downwards to avail themselves of commercial opportunities to compete with other facilities in the area.

**Moved Crs Henry/Riley  
FN06/06/02**

**THAT the Port Tarakohe Report, June 2006 be received.  
CARRIED**

Mr Dickinson said the sea squirt could put urgency on removing the old wharf.

Mr Askew said divers consider the old wharf provides a growth medium for sea squirt, but they can remove it from the wharf. If it is a risk factor in sea squirt carrying on then my advice would be that we should remove the old wharf without delay. We have to make sure we don't do something precipitously at this stage. It's early days in terms of how the remedial work is being undertaken.

### **3.2 Financial Situation**

Mr Askew spoke to the financial report to 31 May 2006 which was circulated prior to the meeting.

Mr Dickinson said the subcommittee resolved last meeting to defer principal payments for the present time and that needs to be ratified by Council. If adopted it will take effect from 1 July 2006. From 1 July 2006 the income that was received from the sale of the office block will come off the loan so the loan interest and principal payments will reduce by about \$40,000 per annum.

Cr Higgins said as a business we've got to 30 June 2006 to get the accounts right and suggested we have a window of opportunity to recover the principal repayment.

Mr Dickinson undertook to investigate it.

#### **Moved Crs Higgins/Inglis FN06/06/03**

**THAT the Port Tarakohe financial report to 31 May 2006 be received.  
CARRIED**

## **4 MOTUEKA AIRPORT**

### **4.1 Manager's Report**

Mr Askew spoke to the report contained in the agenda.

The grass taxiway has been reopened and checked out by airport users and they consider it has been a good job. The birds have disappeared from the airport. Enquiries are being received for hangar developments. The Shell fuel tank has been removed and there were no problems with leakages.

Drag Racing dates for 2006/2007 have been received. It was noted that 17 February 2007 may not be available and the Manager advised he was negotiating with the parties. The meeting proposed for 28 October 2006 conflicts with air activity but agreement has been reached for a compromise.

#### **Moved Crs Henry/Riley FN06/06/04**

**THAT the dates for the 2006/2007 drag racing events be approved as 28 October 2006, 13 January 2007, 17 February 2007 (Manager be authorised to set an alternate date for drag racing for 17 February 2007) and 7 April 2007.  
CARRIED**

Mr Askew advised that Maxine van Ingen has resigned and acknowledged the work she has done with the Motueka Airport and said she will be missed.

Cr Bryant asked Mr Askew to convey best wishes to Maxine on behalf of the Subcommittee.

The development plan is ready to go out for public consultation. Mr Askew had met with airport tenants who had concerns with hangars being located on the eastern side of the airport. There is room for 48 hangars, with potential additional income of around \$150,000 to \$200,000 per year.

Cr Riley expressed concern about children kicking balls onto the airfield from the play area and retrieving them.

Mr Askew said the alternative of putting in a structured play area would be better and it is in a safer area.

Cr Riley asked if the play area will be noted in the development plan as not being a good place for open play area.

Mr Askew said it has been noted. He said it is just an empty space, under-utilised and opportunity lost for the aerodrome for alternative uses which would be more appropriate and productive.

Cr Henry said she would like Mr Askew to discuss the matter with Community Services to see about the relocation of the play area.

Mr Dickinson agreed a small structured play area would be better and it is shown in the development plan, but asked should it be closer to the air terminal.

Mr Askew said the problem with the terminal location is that it is in a relatively confined area.

Cr Henry said after consulting with Community Services, we should go out to the public to see what comments we get back.

**Moved Crs Henry/Riley  
FN06/06/05**

**THAT the draft proposed development plan (as amended to incorporate airport tenants suggestions) be submitted to Civil Aviation Authority for comment and the Community Services Committee, that the plan also be made available for general public consultation and a report be prepared for the August 2006 Council Enterprises Subcommittee on any feedback received.  
CARRIED**

**Moved Crs Higgins/Inglis  
FN06/06/06**

**THAT the Motueka Aerodrome Report, June2006, be received.  
CARRIED**

#### **4.2 Financial Report**

Mr Askew spoke to the financial report to 30 April 2006 for the Motueka Aerodrome.

Mr Dickinson was encouraged by the way the account is developing with income increasing. The grass runway upgrade has been taken as a one-off cost in the accounts and suggested it might be appropriate for the upgrade to be a capital item.

Cr Higgins said we should be considering depreciation and asset management and said the drag strip upgrade is the same issue.

Mr Dickinson undertook to discuss the matter with the Corporate Services Manager and report back to the next meeting.

Mr Askew said there is a lot of broadleaf weed on the airport and there has been no pastoral maintenance on the airport. He is looking at compartmentalising the aerodrome and looking at broadleaf eradication, drilling, reseeding and fertilising new grass. It would cost between \$3,000 to \$5,000 per year to do the work.

Cr Henry asked why Port Tarakohe account doesn't pay rates, but the Motueka Aerodrome does.

Mr Dickinson undertook to investigate the rates issue and have a staff report prepared.

In answer to a question from Cr Higgins, Mr Askew said currently lessees pay the lease, but not rates.

**Moved Crs Henry/Inglis  
FN06/06/07**

**THAT the financial report for Motueka Aerodrome as at 30 April 2006 be received.  
CARRIED**

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

**Moved Crs Henry/Inglis  
FN06/06/08**

**THAT the public be excluded from the following parts of the proceedings of this meeting:**

**Motueka Airport  
Property**

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

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
5.1	Motueka Airport	Good reason to withhold exists under Section 7	Section 48(1)(a)
5.2	Property	Good reason to withhold exists under Section 7	Section 48(1)(a)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987, and the particular interests protected by Section 6 or 7 of the Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

Item	Reason to withhold information under Section 7	
5.1	To enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial negotiations	Section 7(2)(i)
5.2	To enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial negotiations	Section 7(2)(i)

**CARRIED**

(Refer to Confidential Minute book, resolutions numbered FN06/06/09 to FN06/06/11).

**Moved Crs Henry/Higgins  
FN06/06/12**

**THAT open meeting be resumed and the business transacted while the public was excluded be confirmed in open meeting.**

**CARRIED**

**Moved Crs Inglis/Henry  
FN06/06/010**

**THAT the Enterprise Subcommittee approve the request by Mr A Charles to build a new hangar at Motueka Aerodrome, in principle, subject to him obtaining all necessary consents/permits from Council and compliance with any other legal requirements that may apply, and to the Airport Manager obtaining a commercial rental.**

**CARRIED**

**Moved Crs Riley/Higgins  
FN06/06/11**

**THAT:**

- a) the Enterprise Subcommittee accepts the recommendation of the solicitor to negotiate with the Commissioner and failing that, vest the road, seabed and smaller esplanade reserves on a Survey Office Plan and dispose of the balance areas;**
- b) the Subcommittee authorises the Chief Executive and Chair of Enterprise Subcommittee to act on this property matter.**

**CARRIED**

The meeting concluded at 11.50 am.

Chair:

Date: