

MINUTES

TITLE: Council's Enterprise Subcommittee
DATE: Wednesday 9 August 2006
TIME: 9.30 am
VENUE: Tasman Council Chambers, 189 Queen Street, Richmond
PRESENT: Crs S G Bryant (Chair), E E Henry, N Riley, J L Inglis
IN ATTENDANCE: Mayor J C Hurley, Crs S J Borlase, R G Currie, T B King, E M O'Regan, Chief Executive (R G Dickinson), Corporate Services Manager (D G Ward), Community Services Manager (L L Kennedy), Property Manager (J K Frater), Service Centres Manager (R Askew), Minute Secretary (V M Gribble)

APOLOGIES

Moved Crs Henry/Inglis
FN06/08/36

THAT an apology for absence from Cr M J Higgins be sustained.
CARRIED

1 Minutes – Enterprise Subcommittee 28 June 2006

It was noted that amendments had been made to these minutes at the Corporate Services Committee meeting held on 3 August 2006.

Moved Crs Henry/Inglis
FN06/08/37

THAT the minutes of the Enterprise Subcommittee meeting, held on 28 June 2006, containing resolutions numbered FN06/06/01 to FN06/06/12, as amended on 3 August 2006, be received.
CARRIED

2 PORT TARAKOHE

2.1 Manager's Report

2.1.1 Governance and Management

Mr Askew spoke to the report contained in the agenda. He proposed that a report be prepared for the next meeting of the Enterprise Subcommittee on all matters relating to the future governance and management of Port Tarakohe.

Cr Henry asked that the possibility of Port Tarakohe becoming a Council Controlled Organisation (CCO) be explored and be included in the report.

Cr Riley referred to an e-mail he had received from Mr Bell.

Mr Dickinson said due process needs to be followed. He suggested the e-mail be received and staff would deal with it at the next meeting.

Cr Inglis wondered how Port Tarkohe would survive with a Board structure, given the added expense this would involve.

Cr King said there would need to be a significant rearrangement before it could work successfully.

Cr Borlase said things will change radically in the next 18 months and if things go as we are told they should that would be the time to consider a CCO.

Cr Riley said Council has a responsibility to sort out the problems now and then once it is settled, consider the possibility of it becoming a CCO.

Cr Henry said it is not her intention to move to a CCO in the short term, but we need to be doing some forward planning so there is a clear path. Not all CCOs have paid directors. It is an opportunity to look at another model that we might be able to use later.

**Moved Crs Henry/Riley
FN06/08/38**

THAT the Port Tarkohe Administration Manager provide a detailed report for the next meeting of the Enterprise Subcommittee on all matters relating to the future governance and management of Port Tarkohe and such report include matters of:

- **the Government role of the Tasman District Council through the Council Enterprise Subcommittee;**
- **the terms of reference for the management of the port through the Chief Executive Officer, through to the Administration Manager and Harbour Manager, with recommendations on delegations and limits of responsibilities and liabilities for each management level;**
- **the role of the Port Tarkohe Advisory Committee, including its constitution and terms of reference;**
- **the possibility of Port Tarkohe becoming a Council Controlled Organisation.**

CARRIED

2.1.2 Fees and Charges

Mr Askew said it is a widely accepted practice amongst other ports and indeed businesses generally, that stated rates are not strictly adhered to. The charges are embodied in the Navigation Safety Bylaw and in the LTCCP which seems unnecessary. Bylaw charges are to recover fair and reasonable administration charges. Charges set in the LTCCP can only be adjusted at the time of the annual plan consultation process.

Cr O'Regan arrived at the meeting at 9.50 am.

Cr Inglis was concerned that if discounts are given to one person others will also expect them.

Mr Dickinson said generally we should stick to the agreed schedule of charges, but there are situations where there needs to be the ability to negotiate for bulk volume on a one-off special case.

Cr King said currently we have no opportunity to charge more and in the current trading environment it might not be appropriate, but in the future there may well be circumstances where we need to charge more. He said the harbour management, within their delegation, need to be given the opportunity to do their job to the best of their ability.

Mr Dickinson said the decision was made to put all charges in the LTCCP as it gave them legitimacy. He said it would be preferable to have the general charges prescribed in the LTCCP and not in the bylaw as there are inherent difficulties with putting charges in the bylaw.

Mr Askew said we're going through a process with the bylaw that people have already submitted on and that includes the charges. It means every time you want to change the charges there has to be a public submission process. He recommended Council get legal advice on the appropriateness of the charges. If they were considered to be inappropriate then we'd have to go through another process to extract them from the bylaw.

**Moved Crs Henry/Inglis
FN06/08/39**

**THAT the Port Tarakohe Administration Manager obtain further advice on the matters of prescribing charges both under bylaw and the LTCCP processes and advise the Enterprise Subcommittee at its next meeting the legal requirements of removing business-related charges from the lists of prescribed fees.
CARRIED**

2.1.3 Marine Farmers Association

Mr Askew reported on the meeting held with the Marine Farmers Association and advised that initiatives will be brought back to the Enterprise Subcommittee at the next meeting.

**Moved Crs Riley/Henry
FN06/08/40**

**THAT the Port Administration Manager's report be received.
CARRIED**

Cr Henry asked if the other community board members are aware of the e-mail that has been received from Mr Bell.

Cr Riley said there have been discussions on the matters and there was agreement to send the document.

Cr Borlase said he had suggested some changes which had been effected.

Mayor Hurley said the report was a Council report and he recommended that any documents that come should be referred to Council.

**Moved Mayor Hurley/Cr Inglis
FN06/08/41**

**THAT the e-mail received from Mr Bell and any other documentation received about Port Tarakohe be referred to Full Council.
CARRIED**

2.2 Financial Report

Mr Ward spoke to the provisional financial report.

Mr Askew said he has made it clear that he was not and will not be involved with discussions on Port Tarakohe with the Golden Bay Community Board where there is an ethical conflict between his roles as Administration Officer for the Board and Manager of Port Tarakohe.

**Moved Crs Henry/Riley
FN06/08/42**

**THAT the financial report on Port Tarakohe to 30 June 2006 be received.
CARRIED**

3 MOTUEKA AIRPORT

3.1 Airport Manager's Report

3.1.1 Turf Management

Mr Askew noted there was a prevalence of broad-leaf weeds in the turf. SICON have recommended a turf management programme be undertaken and given a price.

Cr Inglis suggested that advice be sought from CRT and said there are some good contractors around who could undertake the work at a much more competitive cost.

Mr Askew said the turf management work may have to be delayed until next autumn.

Cr Bryant was concerned that Mr Askew suggested foregoing the security lighting to pay for this work.

Mr Askew said the lighting was expensive and the time involved in checking the data was a cost. Given the way the aerodrome works, only two cameras would be in place and people could land their aircraft without being spotted.

**Moved Crs Henry/Riley
FN06/08/43**

THAT Council approves payment, based on a competitive quote, for turf management for Area 1 on the plan and that the Aerodrome Manager reports back when the work has been completed.

CARRIED

3.1.2 Emergency Management

Mr Askew reported on a proposal for the development of emergency management regimes which will involve all emergency services, CAA, airport tenants and Council's engineering consultants, MWH NZ Ltd. Emergency Management Officer, Jim Burrows, will be involved as it is intended to utilise the protocols of CIMS (Co-ordinated Incident Management System).

3.1.3 Boogie Weekend

The skydivers will be holding a "Boogie Weekend" on 17 – 21 August 2006 for parachutists and skydivers from around the country.

3.1.4 Shell Fuel Facility Sign

The sign has been erected which also helps to screen the tanks at the fuel facility.

3.1.5 Development Plan

The draft plan has been viewed by CAA and Reserves Officers. CAA have approved the plan with the proviso that no night time operations using the runway are permitted. Council's Reserves Manager has suggested local residents need to be surveyed about the use of the section on the corner.

Two additional enquiries about hangars have been received.

**Moved Crs Bryant/Henry
FN06/08/44**

THAT the Motueka Airport Manager's report be received.

CARRIED

3.2 Financial Report

A financial report to 30 June 2006 (provisional) was included in the agenda.

**Moved Crs Henry/Riley
FN06/08/45**

THAT the Motueka Aerodrome financial report to 30 June 2006 (provisional) be received.

CARRIED

4 PROPERTY REPORT

4.1 Richmond Library

Mr Frater was present for discussion on this item.

The subcommittee appointed by Council will be reporting back to Council in the next six weeks.

4.2 Takaka Library

A comparative costing for an extension to the existing war memorial library is being obtained. A report will be presented to Community Services Committee at their next meeting.

4.3 Main Office

Final accounts have yet to be received from contractors and retention monies are still being held.

Tenders for the removal of the dwelling at 3 Wensley Road have been prepared.

4.4 Tourism Services Land, Richmond

Three proposals are currently being investigated and these will be reported to the Enterprise Subcommittee as negotiations progress.

4.5 Pakawau Subdivision

The appeal against the decision of the commissioner was lodged, but after further discussion with the Chief Executive and Chairman of the Enterprise Subcommittee, the decision was made to withdraw the appeal.

4.6 Croucher Street/McGlashen Avenue Road Improvements

Negotiations are proceeding satisfactorily which will enable the proposed road improvements to take place at this intersection.

4.7 Asset Management Plans

The plans will follow the national asset management standards recently set down for property and will utilise the Confirm Asset Management System already being utilised for parks and reserves and other assets.

4.8 Endowment Land

Mr Frater advised that he is going through consultation with iwi regarding a proposal to dispose of endowment lands at Motueka, Redwood Valley and Richmond.

Moved Crs Riley/Inglis
FN06/08/46

THAT the Property report be received.
CARRIED

5 RESOLUTION TO EXCLUDE THE PUBLIC

Moved Crs Henry/Riley
FN06/08/47

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

The general subject of the matter 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 passing this resolution are as follows:

Subject	Reason	Grounds
Property – Port Tarakohe	Good reason to withhold exists under section 7	Section 48(1)(a)
Port Tarakohe	Good reason to withhold exists under section 7	Section 48(1)(a)
Property – Richmond	Good reason to withhold exists under section 7	Section 48(1)(a)
Property – Pakawau	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:

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

CARRIED

**Moved Mayor Hurley/Riley
FN06/08/51**

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

1 TALLEY REQUEST

**Moved Crs Henry/Riley
FN06/08/48**

**That the Port Tarakohe Confidential Report August 2006 be received and note that in the future the Subcommittee may move away from resolution FN05/08/06.
CARRIED**

2 PROPOSED DEBT RESTRUCTURING

**Moved Crs Henry/Riley
FN06/08/49**

THAT the Enterprise Subcommittee recommends to Council:

- a) that debt amounting to \$900,000 associated with the development of recreational/community facilities at Port Tarakohe be, for a period of three years, funded from an appropriate source, such as the dividend Council receives from Port Nelson Ltd;**
- b) that debt amounting to \$1 million be treated as interest only for a period of three years;**
- c) that debt amounting to \$1 million be refinanced over a 25 year period with full debt repayment costs being made against the operation of Port Tarakohe;**
- d) that staff, in conjunction with the Port Tarakohe Advisory Committee, continue to pursue options for replacement of the existing wooden wharf in acknowledgment of the future contribution that the aquaculture industry will be making to Port Tarakohe;**
- e) that a revised five year financial budget be presented to Council.**

CARRIED

3 DEVELOPMENT PROPOSAL – ASB AQUATIC CENTRE, RICHMOND

**Moved Crs Henry/Riley
FN06/08/50**

That:

- a) the report from the Manager Property regarding the proposed development of the Richmond Aquatic Centre site be received.**
- b) The Manager Property, Community Services Manager, Chief Executive and Chairman of the Enterprise Subcommittee be authorised to**

negotiate an agreement with CLM Ltd for the construction of a fitness centre adjacent to the ASB Aquatic Centre, Richmond, subject to ratification by the Enterprise Subcommittee;

- c) Subject to renegotiation of the management contract for the ASB Bank Aquatic Centre with CLM.**

CARRIED

The meeting concluded at 2.00 pm.

Chair:

Date: