

STAFF REPORT

TO: Council Enterprises Subcommittee
FROM: Motueka Aerodrome Manager
REFERENCE: A303
DATE: 6 May 2006
SUBJECT: Motueka Aerodrome Report April/May 2006

FINANCIAL STATUS

The operating accounts to the end of March 06 are attached.

First it is good to see that we have already passed the budgeted income for the year by \$229 and there are three months of income still to come (April May & June).

Although the transparent regime for staff time has shown clearly that we will over-spend on the very limited budget allowed it should be noted that we are keeping a tight rein on professional fees to the extent that things like drawing up the strategic development plan are being done by myself and Maxine rather than farmed out to a professional consultant. Also costs for monitoring the drags is not accounted for as this is done without pay during the weekend events.

Another area of over expenditure which again has been signalled from the start of the year is the cost of the maintenance contract which will run to \$33,000 for the financial year.

There has been a slight over-run on the grass runway refurbishment which has been caused by the very dry conditions after sowing the grass late last year. Additional costs have accrued for watering and we have also re-sown the area as much of the grass had stunted roots due to the low moisture levels.

SHELL FUEL FACILITY

Shell are completing the 'edge bits' for their new fuel facility which includes landscaping on College Street, re-turfing areas around the existing avgas dispenser and erecting the 'Welcome to Motueka Aerodrome' sign. I have had no complaints since the facility has been delivering fuel and the Jet Fuel users are said to be delighted with the facility as it avoids their having to collect fuel from Nelson.

DRAG RACING AND CONCURRENT AIRPORT USE

A meeting with some of the airport tenants was held to discuss the option of pursuing a return to limited concurrent use of the refurbished taxiway as a runway during drag racing events.

Given the likely high costs for a review of the risk assessment report and the uncertainty as to whether Council would rescind its current motion not to allow concurrent use the tenants have decided to keep the status quo in regards to the closure of the airport and non-concurrent activities. In addition I have consulted with the Nelson Drag Racing Association who also feel that the status quo should continue.

A situation did arise at the Easter Drag event however which did raise a concern. A family that had flown in on the Friday evening to leave for the Warbirds on Wanaka Airshow contacted me to plead for them to be allowed to take off from the airport on the Saturday the drags were on. As the family (particularly the children) had been looking forward to the airshow all year I took it on my own head to allow them to take off along an area adjoining the grass runway. It was with the cooperation of the Nelson Drag Racing Association who suspended the meeting for ten minutes that we were able to get them on their way.

Even though 'technically' there were no concurrent activities and the utmost precautions were taken there could still be some argument of risk. I would like this Committee to consider whether such discretion should be exercised by me again in the future.

Although as is normal we put out a NOTAM (Notice to Airmen) days before the event advising if the closure it is not uncommon for these to be overlooked by visitors.

DRAG RACING

The last meeting for the year was held on Easter Saturday 15th April. The weather was perfect for the last race meet of the year and the meeting went without hitch (except for the impromptu aircraft departure).

Again the NDRA provided an efficient and well run event and despite the minor delay were able to finish before 4.00pm and had cleaned up and were all off the airfield to permit its reopening by 5.00pm to permit aircraft to come back in. The early reopening was crucial as at that time of year the airport is closed shortly after 6.00pm due to CAA daylight rules.

The Association has two more seasons to run and their Resource Consent and Airport Occupancy Licence both terminate at the end of 2008.

With the development plan for the aerodrome being finalised and with the disruption to the use of the airport it is likely that any extension for drag racing beyond 2008 at the aerodrome would meet with significant opposition. Thus the development of the integrated motor sport facility away from the airport is an important objective for all concerned.

DEVELOPMENT PLAN

Progress is continuing on the strategic development plan but there are a few issues to sort through before a final draft can be presented by to this Committee for final approval.

I would hope to have the final draft ready for this Committees next meeting on the 28 June.

Meanwhile the moratorium on development has now been lifted and we are starting to get enquiries for new hangars. Note enquirers are being advised of the provisions of the draft development plan to ensure any new hangars will not interfere with its implementation.

RECOMMENDATION

THAT the report be received

B Askew
Motueka Aerodrome Manager

Motueka Aerodrome
As at 31 March 2006

	YTD Actual 05/06 \$	Budget 05/06 \$
OPENING BALANCE	\$ 9,527	
Unspent Capital	-\$ 48,048	
ADJUSTED OPENING BALANCE	-\$ 38,521	
Income		
Landing Fees	-\$ 12,142	\$ 20,000
Rentals	-\$ 23,057	\$ 20,000
Shell Aviation	-\$ 1,662	\$ -
Nelson Drag Racing Club	-\$ 6,555	\$ -
General Rate	-\$ 9,578	-\$ 12,765
Total Income	-\$ 52,994	-\$ 52,765
Expenditure		
Salaries & Wages	\$ 13,598	\$ 3,898
Professional Fees	\$ 3,766	\$ 7,000
Loan Interest	\$ 1,183	\$ 1,750
Asset Mgmt Plans	\$ -	\$ -
Rates	\$ -	\$ -
Maintenance Contract	\$ 20,903	\$ 22,500
Insurance	\$ -	\$ -
Council Overhead	\$ 1,734	\$ 2,257
Valuation Fees	\$ -	\$ -
Total Expenditure	\$ 41,184	\$ 37,405
Net Surplus	-\$ 11,810	-\$ 15,360
Capital		
Motueka Capital A/M	\$ -	\$ 500
Motueka Capital P/S	\$ -	\$ 500
Grass Runway Upgrade	\$ 36,476	\$ -
Motueka Security Lighting	\$ -	\$ 5,000
Motueka Runway Extension	\$ -	\$ 10,000
Principal Mot Runway Reseal	\$ 938	\$ 1,248
	\$ 37,414	\$ 17,248
Funding		
Sundry Income	-\$ 1,413	-\$ 1,888
	-\$ 1,413	-\$ 1,888
NET COST OF SERVICE	\$ 24,191	\$ -
CLOSING BALANCE	-\$ 14,330	

Note: A negative closing balance means that the project is in funds

Note: There was \$48,048 unspent last year on upgrading the Grass runway. When this money is spent in the current year the cost will be funded by the opening balance