

Reports from Council/Committee Meetings

1. Council's Enterprises Subcommittee

It was pleasing to receive in the Subcommittee's agenda a copy of the Profit and Loss Statement and the Balance Sheet for the Motueka Airport for the period ended 31 December 2010.

What was most interesting was comparing the 2009 – 2010 actual figures with the 2010 – 2011 full year budget.

Naturally, these financial details raise questions – principally the high cost of “professional and management fees” and the increased cost of the “maintenance” item.

Motueka Aerodrome – Financial Statement – 31 December 2010

The following questions were sent to Jim Frater, who responded as follows:

Income

The General rate payment to the Profit and Loss Statement is budgeted to increase 79% from \$4,775 (2009/2010) to \$8,547 (2010 – 2011). The public perception is that the Airport now is self-funding. Which TDC policies are addressing this? I don't understand the question. The increase in dollar terms is tiny. However we have indicated an increase in landing charges this year and are undertaking a review of landing fee payments over the last two years. Because I have chosen to charge my time against the aerodrome to provide a true picture that has had a minor impact. I have several development options I am working on which if they proceed will see us on the right side of the ledger.

Expenses

- 1 Professional and management fees are budgeted to increase from 47,521 (2009 – 2010) to \$27,676 (2010 – 2011), which is an increase of 3.68 times (268%).
 - a. What do these fees include? Consultant and staff time
 - b. Why is there a dramatic increase? It's a decrease not an increase
 - c. Can they be reduced and how? Look at the actual figures only 12% of the budget has been spent.
- 2 Aerodrome Maintenance budgeted to increase from \$35,229 (2009 – 2010) to \$45,787 (2010 – 2011), which is an increase of 30%.
 - a. What do these fees include? The maintenance contract which includes mowing the taxiways and grass runway, carpark and runway maintenance.
 - b. Why such a large increase? The previous budget was understated, the maintenance contract by itself accounts for most of it.
 - c. Is this both efficient and cost-effective? The maintenance contract is being retendered and we hope to get competitive prices. It is not a lot of money to spend on maintaining an aerodrome to the equivalent of CAA standards.
- 3 Depreciation is 3% higher at \$29,961.
 - a. Should this be less?
 - b. How is depreciation being calculated?

- c. Are the assets (eg hangars, fuel depots, carparks etc) under TDC ownership? *We do not own any buildings or the fuel system. We do have a sealed car park plus runways, taxiways, aprons and navigational aids, plus fences, gates, grass and some shrubs and a pile of topsoil.*
- d. Detail those assets. What is meant by infrastructural assets and are they included on other balance sheets, eg roading, parking, wastewater, power, telecommunications?

Balance Sheet

- Debtors have grown from \$6,487 to \$9,930 in six months (53% increase). Are these under control? *Yes, we have an issue with one tenant which is being addressed.*
- What is the loan of \$17,000 for? *Probably the concrete apron at the southern end of the runway.*

2 Engineering Services, 3 February 2011

- Footpath expenditure
- Motueka Flood Control

3 Community Services Committee, 10 February 2011

- Teqnet
- Nelson Cycle Trail
- Reserves Manager's Report
- Community Development Fund

4 Environment and Planning Committee, 27 January 2011

- Dangerous Buildings (S.132 of 2004 Building Act)
- Animal Control – dog registrations
- RMA Notification procedures
- Freedom Camping Regulation
- Agrichemical Collection
- NES for onsite wastewater
- Extracts from Manager's Report