

MINUTES

TITLE: Council's Enterprise Subcommittee
DATE: Wednesday 23 November 2005
TIME: 10.30 am
VENUE: Council Chambers, 189 Queen Street, Richmond
PRESENT: Crs S G Bryant (Chair), M J Higgins, N Riley, J L Inglis
IN ATTENDANCE: Chief Executive (R G Dickinson), Service Centres Manager (B Askew), Corporate/Engineering Administrator (V M Gribble)

APOLOGIES

Moved Crs Riley/Inglis
FN05/11/04

THAT apologies for absence from Cr E E Henry be sustained.
CARRIED

1 RECEIPT OF MINUTES – 12 OCTOBER 2005

Moved Crs Inglis/Riley
FN05/11/05

THAT the minutes of the Council's Enterprise Subcommittee held on 12 October 2005, containing resolutions numbered FN05/10/01 to FN05/10/12 be received.
CARRIED

2 GOLDEN BAY MEDICAL CENTRE TRUST

H Holmwood and J Crocker were in attendance and presented the Financial Statements for the Trust for the year ended 30 June 2005.

Mr Holmwood advised of planned extensions to the Medical Centre valued at around \$1 million. He noted there are some people in Golden Bay who want to move the Medical Centre to the hospital but he doesn't believe that should happen. The Centre will be extended towards Commercial Street and there are three houses involved.

Commencement of work would be around 12 months away and if Council agreed to help, it would need to go through the LTCCP process. He said the ambulance is on the Medical Centre site and they are looking to be able to have physiotherapists on site also. He said the last rent review was in 1991 and the formula that is used is market rental less 25% because doctors keep their fees low.

Mayor Hurley arrived at the meeting at 10.40 am.

Cr Higgins said a rental review every two or three years is in order.

Mr Holmwood said if the Trust was to spend \$1 million it could never be recovered from rentals. He said the only assets are the facilities within the Centre as the Council owns the land and buildings. He said a local group called Integrated Health Services did a survey and employed Mr Ayling to prepare a report.

Mr Dickinson said the report from the Integrated Health Services needs to come to Council and Council needs to understand what is happening in the health sector.

Cr Inglis said government wants to put all medical services together in one centre, but they don't want to pay for it.

Mr Dickinson said legally if Council was of a mind and was convinced there was community support there could be a targeted rate set. Council needs to understand what is causing the problem, how big the centre should be, and if it is the right place for it.

**Moved Mayor Hurley/Cr Inglis
FN05/11/06**

**THAT the Chief Executive liaise with all the necessary parties and report back to the Enterprise Subcommittee.
CARRIED**

3 MOTUEKA AIRPORT

3.1 Manager's Report

Mr Askew spoke to his report which was contained in the agenda.

Mr Askew said the recent drag racing meeting went very well with good co-operation from everybody at the track. He said there is still some frustration from the airport tenants concerning the uncertainty of racing, which is dependent on the weather. He said the safety measures in place for drag racing worked very well. Mr Bean had provided a radio in case an aircraft had to make an emergency landing and there is a protocol in place to enable a plane to land safely.

It is hoped issues can be resolved for the Shell fuel installation. A consent needs to be out to them by the end of this month.

Mr Askew said in conjunction with the airport tenants a "good neighbour" protocol has been developed and this is being sent to Motueka residents who have expressed concern about aircraft noise.

A tour of airports will be undertaken next week, including Westport, Greymouth, Hokitika, Wanaka, Oamaru, Timaru, Ashburton, Rangiora and Kaikoura. He said all practical information, eg options for hangars, safety plans, will be compiled and passed on to Takaka Aerodrome Committee and also the Enterprise Subcommittee.

**Moved Crs Riley/Higgins
FN05/11/07**

**THAT the Manager's Report on the Motueka Airport be received.
CARRIED**

3.2 Financial Report

Mr Askew spoke to the financial report to 30 September 2005 which was included in the agenda.

Mr Askew advised that it will cost about \$100,000 to upgrade the grass runway which will need to be done in two or three years time.

**Moved Crs Inglis/Riley
FN05/11/08**

**THAT the Motueka Airport Financial Report be received.
CARRIED**

4 FORESTRY

4.1 Quarterly and Harvesting Reports 1 July 2005 to 30 September 2005

P Wilks and D Fincham from P F Olsen & Co Ltd were in attendance.

Cr Higgins asked if it would be wise to stop pruning on Rabbit Island because of the sapstain/poor log quality. He asked if bio-solids are helping to overcome the problem.

Mr Wilks believes it is the location of the stands and the quality of silviculture that has been carried out previously.

Mr Wilks was asked to bring a full report back to the Subcommittee in early 2006 advising on causes, remedies, costs.

Mr Fincham said selected areas could be looked at and only trees in the centre of the block could be pruned.

Mr Wilks said sonic testing has now been introduced on an operational scale with weekly log sampling and reporting results back to Southpine and Nelson Pine Industries.

**Moved Crs Higgins/Inglis
FN05/11/09**

**THAT the Forestry Quarterly Report and Harvesting Quarterly Report for the period 1 July 2005 to 30 September 2005 be received.
CARRIED**

4.2 Forestry Budget 1 July 2006 to 30 June 2007

Cr Higgins said advice from Nelson Pine Industries is very disturbing. He asked if Council should step up its harvest now and suggested the cutting rate be varied.

Mr Wilks said the current downturn is the longest for a long time. There are large log sales from Russia going to China. The strategy adopted for Council has been getting alongside local processes and selling locally. Export log trade is not what we should be focusing our attention on.

Mr Wilks said some flexibility is allowed in the harvest stage and they don't like to cut under age 27 years or over 32 years. Most forest companies are reducing harvesting volumes. If all our volume is cut now we'll have no volume at all when prices go up.

Cr Inglis agreed with Mayor Hurley and said if it is ready to harvest it should be.

Mr Dickinson suggested \$100,000 cut from the expense budget would be helpful to Council.

Mr Fincham said if no fertilising or spray releasing was done it would cut \$75,000 from the budget.

Cr Bryant suggested increasing the cut a little and reducing costs.

Mr Dickinson suggested taking the expense budget down \$50,000 and to leave the volume as budgeted. He asked Mr Wilks to report on 29 year old trees for the 6 December 2005 workshop.

Moved Crs Higgins/Inglis FN05/11/10

**THAT the forestry budget for the 2006/2007 financial year be approved, with a \$50,000 expense reduction.
CARRIED**

The Subcommittee wished Mr P Wilks well for his year away in Chile.

5 PROPERTY

5.1 Administration Building

Mr Frater introduced Mr Don Robertson, Tasman Projects Ltd, who is employed as Project Manager on behalf of RDT Pacific for Council's administration building project.

Mr Robertson said the builder is due to hand over the new offices on 20 December 2005. By Monday 9 January 2006 the front building will be vacated and builders will be moving in to strengthen and refurbish it.

Mayor Hurley said he would like to have our customer services counter made out of LVL and asked if it can be accommodated.

Mr Robertson said the joiner has started work on the counter, but undertook to follow up on it.

Mr Frater said he would provide a detailed financial statement for the next meeting.

Cr Higgins expressed concern at the lack of car parks and noted that Placemakers staff are parking in the Council's car park.

Mr Frater said it was a condition of consent that it be a "public" car park.

Mr Dickinson suggested leaving the matter until the building alterations are completed.

5.2 Takaka Library

RDT Pacific have been engaged to assist with profiling and development of concept plans through to developing of working plans. \$20,000 will be used to produce developed plans and money for construction will be budgeted for the 2006/2007 financial year.

Mr Frater said he understood the community have rejected the idea of the community arts centre being a joint venture with the library.

Cr Riley said there has been a push to include a changing room in the new library, but that two Takaka businesses were also planning to provide changing rooms for infants.

6 PORT TARAKOHE ISSUES

6.1 Harbour Manager's Contract

The Harbour Manager's contract has been renegotiated and is working well.

6.2 Port Tenants

An initial meeting with port tenants has been held and day to day management issues discussed with the Harbour Manager.

6.3 Refuse

There has been an issue regarding commercial refuse disposal. The Harbour Manager has been instructed not to collect commercial waste as his contract is for general litter removal only.

Mayor Hurley said there has to be an understanding that the commercial operators attend to their own refuse disposal.

6.4 Liability Insurance

Some marina operators require boat owners to take out insurance to cover liability such as if the boat sinks in the harbour or they damage some else's boat or harbour equipment.

**Moved Crs Riley/Inglis
FN05/11/11**

THAT:

- 1. All users of Port Tarakohe (berthage and wharfage, including aquaculture backbone line payers) be required to have a minimum of third party insurance for their boat and port operations and that coverage also extends to any salvage works needed in the event that their vessel is damaged and has to be removed by Council from the Port.**
- 2. This notification be included in the Port Tarakohe user conditions.**

CARRIED

6.5 Pohara Beach Boat Club

A meeting was held on 17 November 2005 with the Pohara Boat Club to exchange ideas and see what ways the port and the Club can exchange synergies to their mutual benefit and to the benefit of the Golden Bay community.

6.6 Aquaculture Back-Bone Line Levies

Mr Askew advised that whilst several aquaculturists are meeting the payment there remains a number that are not paying and this is causing increasing disquiet amongst those that are. He suggested a firm deadline is required and if those parties continue not to pay then wharfage be charged.

**Moved Crs Riley/Higgins
FN05/11/12**

THAT the Harbour Manager levy wharfage as per the bylaw as at 1 December 2005 for those aquaculturists who have not paid their back-bone line levies.

CARRIED

6.7 Port Anomalies

There are a few situations at the port in regard to power supply, building leases, fuel store leases and wharfage charges which the Port Tarakohe Administration Manager is addressing.

6.8 Proposed Road Realignment

A proposal has been put forward to put a road realignment across the front of the Boat Club building. The land is flat and is extremely useful for port development purposes. Having the road cut through the port land will create other practical

problems. The main reason for the realignment is to resolve the sharp bend approaching Port Tarakohe. The Subcommittee was very reluctant to lose such valuable land for a roadway and staff were instructed to further discuss the matter with Council's Engineering Department.

6.9 Sea Squirt

Port Tarakohe has received a clearance, being free of Sea Squirt. Notices have been installed around the port in an attempt to increase awareness and therefore detection of this unwanted creature.

6.10 Five Year Financial Plan

Mr Ward will be producing a five year financial plan for the December 2005 workshops.

Mr Askew advised that with the current decline in the fishing industry and with the increase in interest rates that the port will not be able to provide a positive fiscal return for some time unless some of the capital debt currently financed by loans is retired.

**Moved Crs Riley/Inglis
FN05/11/13**

**THAT the Port Tarakohe report be received.
CARRIED**

The meeting concluded at 3.25 pm.

Chair:

Date: