

MINUTES

TITLE: Council Enterprise Subcommittee
DATE: Wednesday 22 February 2006
TIME: 9.30 am
VENUE: St John's Hall, Courtney Street, Motueka
PRESENT: Mayor J C Hurley, Crs S G Bryant (Chair), E E Henry, J L Inglis, M J Higgins

IN ATTENDANCE: Golden Bay Community Board Chair (J Bell), Chief Executive (R G Dickinson), Service Centres Manager (B Askew), P F Olsen & Co Ltd (D Finchem), Reserves Manager (B Wilkes), Property Manager (J K Frater), Corporate Services Manager (D G Ward), Minute Secretary (V M Gribble)

APOLOGIES

Moved Crs Bryant/Inglis
FN06/02/01

THAT apology from Cr N Riley be sustained.
CARRIED

1 RECEIPT OF MINUTES – 23 NOVEMBER 2005

Moved Crs Higgins/Inglis
FN06/02/02

THAT the minutes of the Council Enterprise Subcommittee meeting held on 23 November 2005, containing resolutions numbered be received.
CARRIED

2 FORESTRY

2.1 Quarterly Report – 1 October 2005 to 31 December 2005

Mr D Finchem spoke to the Quarterly Report which was included in the agenda.

Cr Higgins questioned the use of biosolids and the area available for them. He also raised the issue of using Rough Island for biosolids. He advised that Nelson Regional Sewerage Authority is going to seek a resource consent to allow double the nitrogen to be used.

Moved Crs Inglis/Henry
FN06/02/03

THAT discussions be held with Nelson Regional Sewerage Authority and forest managers on the biosolids matter.
CARRIED

**Moved Crs Henry/Higgins
FN06/02/04**

**THAT Reserves Manager, Forestry Consultants, Chief Executive, Chairman of Enterprise Subcommittee and Cr Inglis meet with Nelson Regional Sewerage Authority to discuss the biosolids issues.
CARRIED**

**Moved Crs Henry/Inglis
FN06/02/05**

**THAT the Forestry Quarterly Report for the period 1 October 2005 to 31 December 2005 be received.
CARRIED**

2.2 Harvesting Quarterly Report – 1 October 2005 to 31 December 2005

Mr Finchem spoke to the Harvesting Quarterly Report contained in the agenda.

Cr Higgins raised the issue of variances in density of trees. He said it is possible that some wood in the Nelson district won't pass the market test in future.

Mayor Hurley said varieties and growth rates affect the end qualitative performance of crops.

Mr Dickinson said this is a significant issue and the subcommittee previously thought the way to go was to prune everything, grow as big a tree as possible, then cut it down. In the last two years density has become a factor with testing being carried out.

Mr Finchem said strategies have changed and the value for pruned logs is a lot less than predicted.

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

**THAT the Harvesting Quarterly Report for 1 October 2005 to 31 December 2005 be received.
CARRIED**

2.3 Agreement for Forestry Management Services and Harvesting Services

The agenda contained a report to bring to the Subcommittee's attention that the above agreements are halfway through the initial three year term and at that stage in previous contracts an audit of Council's forestry managers operations has been carried out.

Cr Higgins was happy with the performance of the forest managers and was happy for an audit to be delayed a year.

**Moved Crs Higgins/Inglis
FN06/02/07**

THAT the audit of Council's forestry managers operations be carried out in 2007.

CARRIED

3 MOTUEKA AERODROME REPORT FEBRUARY 2006

3.1 Financial Status

Mr Askew reported on the financial status of the Motueka Airport. He believes the account will at best break even, for the year ending 30 June 2006.

Mr Askew was confident that by year end the budget of \$20,000 for landing fees will be met. He advised that with security cameras in operation, the landing fees would be expected to rise considerably. He said other systems are also being looked at to encourage people to pay at the time of landing.

Mr Askew advised he was still putting a lot of time into drag racing issues and this time is charged to the Motueka Airport account. He thought the year end staff costs would be close to \$25,000.

3.2 Shell Fuel Facility

The new tanks will be filled with Avgas this afternoon and should be operational by middle of March 2006.

Cr Bryant thanked Mayor Hurley and Maxine van Ingen for meeting with residents along College Street to address their concerns about the siting of the fuel facility.

3.3 Drag Racing

Two meetings have been held since the last Subcommittee meeting and Mr Askew advised that they had both run smoothly. Bad weather early on 11 February 2006 raised the Sunday lay day issue, but on this occasion the bad weather held off.

Cr Henry suggested the Service Centres Manager write to Nelson Drag Racing Association thanking them for their co-operation.

3.4 Airport Tenants Meeting

There have not been any meetings recently but they are being kept informed of matters relevant to the airport.

3.5 Birds

Mr Askew reported on a problem with pigeons at the aerodrome and advised that the issue is being addressed.

3.6 Airport Tour

Mr Askew gave a powerpoint presentation and reported on the airport tour which covered Westport, Greymouth, Hokitika, Wanaka, Oamaru, Timaru, Ashburton, Rangiora and Kaikoura. He said following the tour it was agreed that Motueka Airport is operating well, is well managed, with good tenants and income stream potential.

Moved Cr Inglis/Mayor Hurley FN06/02/08

**THAT the Airport Tour Briefing Report be received.
CARRIED**

4 PROPERTY PROJECT UPDATE

4.1 Richmond Library

Mr Frater was cautious of doing a development that relied on income for a tenancy that may be difficult to achieve.

4.2 Takaka Library

Carver Architects have been engaged to design a new library with the expectation that the project would be ready to go to tender in July 2006.

At the Community Services Committee the question was raised as to whether it was necessary to have a new Takaka Library.

Mr Dickinson said the policy in regard to libraries lies with the Community Services Committee, but this Subcommittee's interest is in the property side. For the first time in living memory we are not seeing increases in book issues, which is a significant change in circumstance.

Mayor Hurley suggested asking the Community Services Committee to prioritise the use of the District Library building as a first stage.

Cr Inglis said Council can't afford to do everything and considers the Takaka Library building should be put on hold and the District Library be altered to allow shops on the street frontage.

Cr Henry reiterated that libraries and what is needed or not needed is the responsibility of Community Services and provision has been made in the annual plan for these matters. There was a discussion at the last meeting and we cannot gain any more by discussing the matter further. In the case of the Takaka Library there are a lot of issues to be addressed.

4.3 Main Office, Richmond

The project is on time and within the approved budget. The resource consent for the project required the provision of additional parking spaces which were identified on the land owned by Council at 3 Wensley Road. A separate report will be prepared on whether the building at 3 Wensley Road should be removed and the area converted

to car parking or whether it should be sold and the proceeds utilised to purchase car parking elsewhere in the vicinity.

Cr Higgins commented on the use of the Council car park by staff from other businesses. He asked for options for the use of the car park.

Mr Dickinson suggested the Property Manager prepare a report on the legal options for the use of the car parks in the vicinity of the office building.

Cr Henry suggested Council should put up a notice advising that car parking is available for Council clients and provide staff members with car parking stickers.

Mayor Hurley suggested working through the issue quietly and noted there will be more car parking available when the pre-fab building is removed.

Cr Higgins was opposed to selling 3 Wensley Road. He said the most critical thing is that it is part of Council's land bank.

Mr Dickinson said if the Subcommittee decides not to sell, then the only option is to remove the building and provide the car parks.

Mayor Hurley said we should sell the building which will become a liability to Council. The site is important but it can't be accessed while the building is still there.

Mr Frater said he would prepare a report on 3 Wensley Road for the next meeting, outlining all options, including financial implications.

**Moved Crs Henry/Higgins
FN06/02/09**

**THAT the Property Manager's report be received and Mr Frater be congratulated on his management of the office building project.
CARRIED**

5 PORT TARAKOHE REPORT FEBRUARY 2006

**Moved Crs Inglis/Henry
FN06/02/10**

**THAT Golden Bay Community Board Chair, J Bell, be granted speaking rights on the Port Tarakohe issue.
CARRIED**

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

Mayor Hurley considered it was time to consolidate, do the essential work and work on improving income streams.

Mr Dickinson commented on the poor condition of the wooden wharf, which probably should be removed for safety reasons.

Mr Ward said the biggest issue is health and safety related to the wooden wharf. The wharf frontage proposed was designed in conjunction with marine farming industry. He agrees that the wharf should be removed. The major issue over the future is the ability to work the wharf and store goods going over the wharf. Future funding streams appear optimistic.

Mayor said we should initiate the removal of the wharf to meet the health and safety aspects and remain mindful of the limited carrying capacity of the other wharf.

In reply to a question from Mr Bell, Mr Askew advised there is a lot of storage area across the road which is preferable to having storage on the wharf.

Mr Bell said the timbers in the wooden wharf are valuable and he suggested tendering the wharf for removal.

Mr Ward agreed with Mr Bell, particularly in light of the interest that has been shown from interested parties.

**Moved Crs Henry/Inglis
FN06/02/11**

**THAT staff consult with Port Taranaki harbour users regarding removal of the wooden wharf and report back to the Enterprise Subcommittee with recommendations.
CARRIED**

**Moved Crs Henry/Higgins
FN06/02/12**

**THAT the Port Administration Manager's report be received and that payments for the matters of unbudgeted capital expenditure noted in this report (pile extension, electricity upgrade and water treatment) be approved.
CARRIED**

6 RESOLUTION TO EXCLUDE THE PUBLIC

**Moved Crs Henry/Inglis
FN06/02/13**

THAT the public be excluded from the following part of the proceedings of this meeting, namely:

Motueka Airport

The general subject of the matter to be considered while the public is excluded, the reason for passing this resolution in relation to the 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	Reasons	Grounds
Motueka Airport	Commercial Update	To enable the Committee to carry out commercial activities without prejudice or disadvantage

CARRIED

(Refer to Confidential Minute Book, resolution number FN06/02/14).

**Moved Crs Inglis/Henry
FN06/02/15**

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

CARRIED

The meeting concluded at 2.30 pm.

Date Confirmed:

Chair: