

MINUTES

TITLE: Council Enterprises Subcommittee
DATE: Friday 4 May 2007
TIME: 9.30 am
VENUE: Tasman Council Chamber, 189 Queen Street, Richmond
PRESENT: Cr S G Bryant (Chair), Mayor J C Hurley, Crs E E Henry, M J Higgins, N Riley, J L Inglis

IN ATTENDANCE: Chief Executive (P Wylie), Service Centres Manager (B Askew), Harbour Manager (A Kilgour), Reserves Manager (B Wilkes), P F Olsen & Co Ltd (P Wilks), Property Manager (J K Frater), Minute Secretary (V M Gribble)

APOLOGIES

Moved Crs Riley/Inglis
FN07/05/01

THAT an apology for absence from Cr S J Borlase be sustained.
CARRIED

1 CONFIRMATION OF MINUTES

1.1 Council Enterprises Subcommittee – 7 March 2007

An amendment to the minutes was requested noting that Cr E E Henry had left the meeting at 1.00 pm.

Moved Crs Inglis/Henry
FN07/05/02

THAT the minutes of the Council Enterprises Subcommittee held on 7 March 2007, containing resolutions FN07/03/01 to FN07/03/17 be confirmed as a true and correct record of the proceedings of that meeting.
CARRIED

2 PORT TARAKOHE

2.1 Manager's Report

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

Cr Higgins asked whether the dolomite that is swept off Port Tarakohe settles on the bottom of the harbour.

Mr Kilgour said the harbour had been dredged and there was no dolomite found on the bottom.

Cr Higgins advised that any departure from normal business practice at Port Tarakohe should be approved by this Subcommittee, particularly in light of cross boundary effects.

**Moved Crs Higgins/Riley
FN07/05/03**

**THAT any significant change in business activity at Port Tarakohe receive the Enterprises Subcommittee approval, prior to commencement.
CARRIED**

Mr Kilgour advised that heavy rain had fallen and the dam was half full of debris from the forestry runoff. It has been cleaned out with machinery, along with the creek below the dam.

**Moved Crs Riley/Inglis
FN07/05/04**

**THAT the Port Tarakohe report dated 25 March 2007 be received.
CARRIED**

Mr Wylie arrived at the meeting at 10.00 am.

3 MOTUEKA AIRPORT

3.1 Manager's Report

3.1.1 Financial Report

Mr Askew spoke to his report contained in the agenda.

Mr Askew said Mr Staite's advice was to reduce the amount over five years and the tenants are comfortable with that. After 2008 there will be a significant reduction in income after drag racing ceases.

Mr Wylie suggested the existing arrangements remain in place until he could complete a more comprehensive review of the airport.

Cr Henry reminded the Subcommittee that a resolution had been passed at the last meeting to submit to the draft Annual Plan process that the general rate component be removed from the Motueka Airport account.

3.1.2 Unbudgeted Repair

Mr Askew advised the Subcommittee that repair works are needed to the run-up to sealed runway 02. He suggested a 10m x 11m concrete pad be poured, at an approximate cost of \$6,000.

Cr Higgins asked if consideration had been given to use of concrete blocks that allow grass to grow them.

Mr Askew said that would be an effective way of providing a hardened surface and offered to obtain a price for using blocks.

3.1.3 Drag Racing

The Nelson Drag Racing Association dates for next season will be presented to the Subcommittee at the 11 July 2007 meeting.

**Moved Crs Henry/Inglis
FN07/05/05**

**THAT the Motueka Aerodrome Report – March 2007 to May 2007, be received.
CARRIED**

Mr Askew and Mr Kilgour left the meeting at 10.30 am.

4 FORESTRY

Mr P Wilks (P F Olsen & Co) and B Wilkes (Reserves Manager) were in attendance for discussion on this item.

4.1 Forestry Quarterly Report – 1 January 2007 to 31 March 2007

Mr Wilks spoke to the report which had been circulated prior to the meeting.

Cr Bryant advised that Murchison Community Council asked that P F Olsen & Co be thanked for the work they had undertaken on the Louis Creek Road.

**Moved Crs Higgins/Riley
FN07/05/06**

**THAT in light of expenditure savings, three fire fighting dams costing approximately \$24,000 be facilitated by the Forest Manager in the 2006/2007 financial year.
CARRIED**

**Moved Crs Riley/Henry
FN07/05/07**

**THAT the Forestry Quarterly Report – 1 January 2007 to 31 March 2007, be received.
CARRIED**

4.2 Harvesting Quarterly Report - 1 January 2007 to 31 March 2007

Mr Wilks spoke to the report that covered logging operations for the period 1 January 2007 to 31 March 2007.

Cr Higgins asked if harvesting should be eased in light of the higher prices being realised.

Mr Wilks said if harvesting is eased off too much, it becomes uneconomic for harvesters. He suggested continuing as planned because the prices are favourable at the moment.

**Moved Crs Henry/Higgins
FN07/05/08**

**THAT the Harvesting Quarterly Report – 1 January 2007 to 31 March 2007, be received.
CARRIED**

4.3 Forest Management Plan

Mr Wilks spoke to the Draft Forest Management Plan which had been distributed to members of the Subcommittee.

Cr Henry expressed concern about increasing the forest estate to 3,500 ha at the present time.

Cr Higgins said there is a good case for Council not being involved in forestry. He prefers not to buy more and put revenue earned into roads or infrastructure which is Council's core business.

Cr Bryant considered the forest estate should stay at 3,000 ha.

Mr Wylie asked if there was a business plan that says what Council is expecting to get as a return for the ratepayers. He suggested that as forestry is a business proposition it should bring in a sufficient rate of return to reduce rates. He believes it is too soon to make a decision and work needs to be done on whether the estate should be extended or not.

Mr Wilks said by increasing the area it will make better economic sense for the resource we've got at the moment. Any new acquisition would be done on a case by case study.

Cr Henry said the Forest Management Plan is a living policy and if we become acquainted with an advantageous situation we will be able to alter the policy. She wanted to leave it at 3,000 ha and have the Forest Manager come back with a more indepth report at some time in the future.

Mr Wylie said Council is guardian of a community asset that will go on for many years. He asked the Subcommittee not to make decisions without all the facts being placed before them. He has not seen the closed account to see whether or not owning a forest has been to the benefit of ratepayers over the last few years. He would like to see if we are at the right size, should go bigger, or perhaps, should we be selling the whole lot. We need to consider whether we should be in forestry. There are benefits outside the economic ones, but we need to start with the economic ones.

Cr Henry suggested the Forest Manager liaise with the Chairman and Chief Executive about the content of a report to come back to the Subcommittee

Mrs Wilkes suggested the Subcommittee members read through the Forest Management Plan and further consideration of it be deferred until the next meeting.

**Moved Crs Inglis/Riley
FN07/05/09**

**THAT the Forest Management Plan lie on the table until the next meeting of the Enterprises Subcommittee.
CARRIED**

4.4 Proposed Changes to Rural Fire Management

Mr Wilks said the proposal is that the Fire Service will take over rural fire fighting which will leave forest owners vulnerable. Submissions close on 20 June 2007.

5 PROPERTY

5.1 Manager's Report

Mr Frater was in attendance for discussion on this item.

5.1.1 Property Asset Management Plan

Mr Frater said the Property Asset Management Plan contract involves the collection of asset attribute information on 157 buildings at 59 sites and to undertake condition assessments. The work will be undertaken by Opus International and be completed by 30 June 2007.

5.1.2 Takaka Library

Construction of the new library will commence in May 2007. Discussions are being held with prospective lessees for the existing library building.

5.1.3 Richmond Library

Mr Frater said \$18,600 has been incurred this financial year with various designs, costings and consultation for redevelopment. He asked that it be recommended to Corporate Services that the loan funding for this year be carried forward to next year.

**Moved Crs Bryant/Henry
FN07/05/10**

**THAT it be recommended to Corporate Services Committee that the loan funding for the Richmond Library for the 2006/2007 year be carried forward to the 2007/2008 year.
CARRIED**

5.1.4 Port Mapua

The first meeting to consider the development of the former Mapua contaminated property was held recently with the project managers, Opus International Consultants. The future development has to be done very carefully looking at what is best for the ratepayers and residents of Mapua and how Council can get a return from the land. \$745,000 is to be paid to Ministry for Environment within 18 months of completion if Council sells the land.

Cr Higgins said the Ward Councillors are saying that the principles of development are established and he asked that Mr Frater keep them informed of what is happening.

5.1.5 Salisbury Road Land

Negotiations are continuing for a potential development adjacent to the ASB Aquatic Centre.

5.1.6 25 Oxford Street, Richmond

The tender for the removal of the house at 25 Oxford Street will be let during May/June 2007.

**Moved Crs Higgins/Henry
FN07/05/12**

**THAT the Property Manager's report dated 26 April 2007 be received.
CARRIED**

6 RESOLUTION TO EXCLUDE THE PUBLIC

**Moved Crs Inglis/Riley
FN07/05/13**

THAT the public be excluded from the following part(s) 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:

Item	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
6.1	Forestry Agreements Extension of Term – to be circulated separately	Good reason to withhold exists under section 7	Section 48(1)(a)

6.2	Talleys and Governance Issues	Good reason to withhold exists under section 7	Section 48(1)(a)
6.3	Port Motueka Endowment Land	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:

Item	Reason to withhold information under Section 7	
6.1	To enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial negotiations	Section 48(1)(a)
6.2	To enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial negotiations	Section 48(1)(a)
6.3	To enable any local authority holding the information to carry on, without prejudice or disadvantage, commercial negotiations	Section 48(1)(a)

**THAT the Council Solicitor, Mr Stuart Ritchie, be present because of his expertise in the matters to be discussed.
CARRIED**

(Refer to Confidential Minute Book, resolutions numbered FN07/05/14 to FN07/05/18).

**Moved Crs Riley/Henry
FN07/05/19**

**THAT public meeting be resumed.
CARRIED**

Chair:

Date: