
**MINUTES OF THE FARM & AERODROME COMMITTEE MEETING
OF THE STRATFORD DISTRICT COUNCIL HELD IN THE COUNCIL
CHAMBERS, STRATFORD DISTRICT COUNCIL ON TUESDAY 15
JUNE 2021 AT 12 NOON**

PRESENT

Councillors G W Boyde (the Chairman), the District Mayor, N C Volzke, V Jones and Committee Members the Director Corporate Services – Mrs T Radich and the Acting Property Officer – Mrs M McBain.

IN ATTENDANCE

The Deputy Mayor – A L Jamieson, Councillor W J Sandford, the Chief Executive – S Hanne, the Director Community Services – Ms K Whareaitu, the Director Environmental Services – Mr B Sutherland and the Executive Administration Officer – Mrs E Bishop, the Health and Safety/Emergency Management Advisor – Mr M Bestall, the Special Projects Manager – Mr N Cooper, the Administration & Communication Support Officer – Ms R Vanstone (*part meeting*), the Farm Sharemilkers – Mr A & Mrs F Riddick, one member of the media (Stratford Press).

1. WELCOME

The Chairman welcomed the District Mayor, the Chief Executive, Councillors, the Sharemilkers, staff and the media to the meeting of the Farm and Aerodrome Committee.

He reminded those present to ensure they were familiar with the health and safety notice at the start of the agenda.

2. APOLOGIES

Apologies were received from Councillor P S Dalziel and the Director – Assets – Mrs V Araba.

RECOMMENDATION

THAT the apologies be received.

BOYDE/JONES
Carried
F&A/21/12

3. ANNOUNCEMENTS

There were no announcements.

4. **DECLARATION OF MEMBERS INTEREST**

There were no declarations of interest relating to the agenda items.

5. **ATTENDANCE SCHEDULE**

The attendance schedule for Farm & Aerodrome Committee meetings was attached.

6. **CONFIRMATION OF MINUTES**

6.1 Farm and Aerodrome Committee Meeting – 16 March 2021
D21/8645 (Pages 7-14)

RECOMMENDATION

THAT the minutes of the Farm and Aerodrome Committee Meeting, held on Tuesday 16 March 2021, be confirmed as a true and accurate record.

BOYDE/VOLZKE
Carried
F&A/21/13

7. **MATTERS OUTSTANDING**

D20/11504 (Page 15)

RECOMMENDATION

THAT the matters outstanding be received.

BOYDE/JONES
Carried
F&A/21/14

The following points were noted:

- It was noted that the outstanding debt on the farm was covered in the reports. This matter was now complete.
- It was requested the minutes from the Sharemilker quarterly meetings be shared with the committee. The Acting Property Officer confirmed these would be circulated when complete. A folder will be created in the resource centre for these.

The Deputy Mayor joined the meeting at 12.06pm.

8. **PROGRAMME OF WORKS**

D20/28552 (Page 16)

RECOMMENDATION

THAT the programme of works be received.

VOLZKE/BOYDE
Carried
F&A/21/15

The Director – Corporate Services noted the following points:

- The Aerodrome Business plan noted in the programme of works for June had not been prepared. She sought further clarification from the committee on the request for a business plan as the activity contributed to the social outcomes of Council rather than an economic/business one. It was confirmed this activity was included in the Property Asset Management Plan and agreed by the committee that a separate business plan for this activity was not required due to being a recreational site rather than a business activity.

The Administration & Communications Support Officer joined the meeting at 12.11pm.

9. **DECISION REPORT – APPROVE (DRAFT) FARM BUSINESS PLAN/REPORT 2021**

D21/19204 (Page 17-40)

RECOMMENDATIONS

1. THAT the report be received.

BOYDEJONES
Carried
F&A/21/16

2. THAT the Committee approves the Draft Farm Business Plan/Report 2021, with actual results for the year ended 30 June 2021 to be reported back to the Committee in September 2021.

JONES/BOYDE
Carried
F&A/21/17

Recommended Reason

So that the Committee can approve the final budget for 2021/22, the draft report for 2021 is being presented, as actual results for year end 2020/21 are yet to be finalised.

The Director – Corporate Services noted that this report was still in draft format as the year end results were still being finalised (closing 30 June 2021). It was still subject to change following it being audited.

Mr Riddick noted the following points:

- It was noted they were really appreciative of the way the farm is at the moment and the infrastructure that is now in place. He felt that the farm would attract top sharemilkers with the way it is now.
- The priority has been setting up the farm with the conversion of the Campbell farm into one operation. They can now focus on the farming operation and feel they will be up around 160,000 kgs/ms over the next two years.
- They will be working on getting the cows accustomed to the in-shed feeding system and felt expenses would now be minimal. This was a farm Council should be proud of.

Questions/Points of Clarification:

- The District Mayor noted the pride should sit with the sharemilkers and the work they have done over the past 12 months. Production is outstanding and the environmental aspects have been right up there with the riparian planting and fencing. He felt this was a 100% success story.
- The Chairman noted the seven years had gone quickly and there had been a massive transition for the sharemilkers since they entered the farm including new land, bridges etc. He thanked them for their work on behalf of Council.
- The split of the profit between rate mitigation and loan repayments in the plan were questioned. Mrs Radich clarified she required direction from the committee on how to split the profit between the three main areas being \$50,000 minimum to rates mitigations, rates reserve funding and debt repayment. She noted she had not recommended to fund the rates reserve this year and repay debt due to rising interest rates and proposed the capital expenditure be loan funded.
- Councillor Jones felt more should be put towards rate mitigation to ease the burden on the community and felt the loan could be spread over a wider generation like the pool loan would be.
- It was clarified the contribution towards rates this year could not be increased but an amount could be put into the reserve to mitigate rates from Year 2 of the Long Term Plan.
- It was clarified that the Revenue and Financing Policy does not permit Council to fund for capital expenditure from revenue which was why a higher proportion had been suggested to be put towards debt repayment.
- The District Mayor requested that the rate mitigation amount be noted as \$50,000 *minimum* in the plan. He noted there had been a common theme of expenditure this year not having set budgets and felt some provision for capital works needed to be included to ensure work does not have an impact on the current situation. He felt some of this year's profit should be put into the rates reserve to have a higher rate mitigation next year and some into debt repayment.
- It was suggested that \$75,000 be put into the rates reserve, \$50,000 used for this year's rate mitigation and the remaining be put into debt repayment. Mrs Radich noted that this would mean the loan would increase by \$69,000 due to the planned capital works. Mrs Radich would bring the updated report back in September for adoption.
- Questions pre-circulated by Councillor Dalziel noted the budget was conservative based on a \$6.25 payout but the revenue was based on an \$8 payout and felt that surplus should be thought about now. He noted the sharemilkers 5 year contract would overlap

the introduction of freshwater regulations, methane reduction targets and felt this needed to be planned for in the future contract. There is significant work and research going into Regenerative Agriculture and while it is not yet known how this can be applied to the farm operation it still needed to be considered at this point. It was noted the sharemilkers were already working towards these targets.

- Councillor Jones noted his disappointment that Council had approved capital works this year without them coming through this committee and wanted to move that this committee endorse the budgets and have input into capital activity.
- It was clarified that the expiring consent for the effluent pond noted on page 35 was in regards to the decommissioned effluent pond on the Campbell Farm. It was requested that this be clearly noted in the report.
- Councillor Jones noted the dividend forecast meant Council held the risk with Fonterra Shares and felt this would need to be reviewed when it is clear what Fonterra's plans were.
- It was clarified that with the sharemilkers contract up for review next year it would be preferable to have someone in place by the end of this year. There would be a workshop in September to work on items such as contracted terms, with a desire to have someone in place by December. Once the committee had approved the terms it would be undertaken by Officers as an operational task.
- Councillor Jones noted his concern that the in-shed feed system had just been installed and yet the report noted limitations with supplement being brought in.

10. **INFORMATION REPORT – RISK REVIEW**

D21/18644 (Pages 41-49)

RECOMMENDATION

THAT this report be received.

BOYDE/VOLZKE
Carried
F&A/21/18

Recommended Reason

To provide an update to the Farm and Aerodrome Committee of any changes to the Farm Risk Register and advice the Committee of any incidents in relation to the Top Seven Risk on the Risk Register from the previous quarter.

The Acting Property Officer noted the following points:

- This report provides the Committee an update on the Farm and Aerodrome risk registers and any incidents that had occurred in relation to the top seven risks.
- There were no incidents or threats in relation to the top seven risks since the last committee meeting and no changes to the register.

11. **QUARTERLY REPORT – FARM AND AERODROME BUSINESS
AND FINANCIAL REPORT**

D21/18357

(Pages 50-59)

RECOMMENDATION

THAT the report be received.

JONES/VOLZKE

Carried

F&A/21/19

Recommended Reason

This report provides a quarterly update to the Farm and Aerodrome Committee. It highlights the milk production from the current season at the farm and also reports on the key activities at the Aerodrome.

The Acting Property Officer noted the following points:

- Farm milk production currently sits above the target of 150,000 kgs/ms.
- Riparian planting has been underway and is nearing the end now. There were some trees that have not survived which is why the percentage remains the same as this time last year. There will be an officer from the Taranaki Regional Council going onsite to complete a report. The Regional Council will also be supplying contractors to plant trees free of charge.
- The new recording system at the Aerodrome has resulted in lower numbers in regards to movement, however this is a much more accurate reading. Officers are still liaising with the aero club and gliding club to ensure the results match theirs.

Questions/Points of Clarification:

- The Special Projects Manager noted that the contract for the new yard had been let and demolition of the current yard began in the weekend as well as the top soil excavation for the new loading race.
- The Chairman requested a workshop be held in the future regarding strategic alignment with this committee and getting certainty for where the farm is heading.
- Councillor Jones noted his concern with clearing the sides of the race which could cause the race to de-stabilise then cause more lame cows. Mr Riddick clarified this was only clearing some of the edges to ensure the water can get out.
- The Chairman noted the graphs showing the amount of feed going into the farm and that there were a lot less crops which resulted in less walking for cows and felt this was heading in the right direction.
- Mr Riddick clarified there was a crop of oats to hold the cows in a month's time. He noted they could not fit into the Campbell shed as it has now been decommissioned, if the yard is not complete there is the option of going into the oats early or put the cows on two day breaks. This will only affect one winter while this is being built. He noted the new yard will hold the whole herd.
- The District Mayor noted his concern that the proposed landing fees had not been communicated properly with the Aerodrome users. He had been led to believe there had been discussions with these users and the feedback he has received was that this did not occur. The Chief Executive noted that there were a number of unaffiliated

parties that have different levels of contacts. The main contact is the aero club. Any changes to these charges would now have to be made at the Annual Plan time and would give the opportunity for further conversations to be had.

12. **QUARTERLY REPORT – HEALTH AND SAFETY**

D21/18380 (Pages 60-61)

RECOMMENDATION

THAT the report be received.

BOYDE/VOLZKE
Carried
F&A/21/20

The Acting Property Officer noted there were no recorded incidents at the farm or at the aerodrome.

Questions/Points of Clarification:

- It was noted the Council's Health and Safety/Emergency Management Advisor did have a meeting booked in with the sharemilkers. At this point they would be discussing the chemical register and changing hazard numbers which is a change to ensure chemicals are globally recognised.

13. **QUESTIONS**

The meeting closed at 1.08pm

G W Boyde
CHAIRMAN

Confirmed this 21st day of September 2021.

N Volzke
DISTRICT MAYOR