

# MINUTES

## Farm and Aerodrome Committee

F19/13/05- D22/21720

Date: Tuesday 21 June 2022 at 12noon  
Venue: Council Chambers, 63 Miranda Street, Stratford

### Present

Councillor G W Boyde (the Chairman), the District Mayor N C Volzke, Councillor V R Jones, and Committee Members: the Director Corporate Services – Mrs T Radich, and the Property Officer – Mrs S Flight.

*Via audio visual link: Councillor P S Dalziel*

### In attendance

Councillor W J Sandford

The Acting Chief Executive and Director – Community Services – Ms K Whareaitu, the Director – Assets – Mrs V Araba, the Director – Environmental Services – Mr B Sutherland, the Committee Advisor and Executive Assistant – Mrs E Bishop, Mrs F Riddick (sharemilker), Mr J Buckley (consultant) and Mr P Radich (Fonterra).

#### 1. Welcome

The Chairman welcomed the Acting Chief Executive, Councillors, staff, and the farm representatives.

##### 1.1 Opening Karakia D21/40748 Page 5

The opening karakia was read.

##### 1.2 Health and Safety Message D21/26210 Page 6

The Chairman reiterated the health and safety message and emergency procedures.

#### 2. Apologies

An apology was noted from the Chief Executive – Mr S Hanne.

#### Recommendation

THAT the apologies be received.

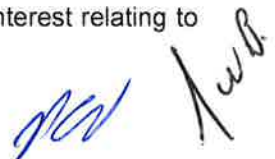
BOYDE/DALZIEL  
Carried  
F&A/22/10

#### 3. Announcements

The Chairman reminded Councillors a workshop was being held following the conclusion of this meeting with Paul Radich, Fonterra.

#### 4. Declarations of Members Interest

The Chairman requested Councillors to declare any real or perceived conflicts of interest relating to items on this agenda. There were no declarations of interest.



5. Attendance Schedule

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

6. Confirmation of Minutes

**6.1 Farm and Aerodrome Committee Meeting – 15 March 2022**  
D22/9103 (PE) D22/11472 (Open) Page 9

**Recommendation**

THAT the minutes of the Farm and Aerodrome Committee Meeting held on Tuesday 15 March 2022 be confirmed as a true and accurate record.

VOLZKE/JONES  
Carried  
F&A/22/11

7. Matters Outstanding  
D20/11504 Page 15

**Recommendation**

THAT the matters outstanding be received.

BOYDE/JONES  
Carried  
F&A/22/12

8. Programme of Works  
D20/28552 Page 16

**Recommendation**

THAT the Programme of Works be received.

DALZIEL/JONES  
Carried  
F&A/22/13



9. Decision Report – A1 Jet Fuel Facility  
D22/20341 Page 17

**Recommendations**

1. THAT the report be received.

JONES/BOYDE  
Carried  
F&A/22/14

2. THAT the Committee consents to RD Petroleum establishing a Jet A1 fuel dispensing facility at the Stratford Aerodrome and approve the proposed location.

BOYDE/VOLZKE  
Carried  
F&A/22/15

**Recommended Reason**

The provision of an A1 Jet fuelling facility at the aerodrome would be beneficial to the future of the aerodrome and it is appropriate for reasons outlined in the report to the Committee.

The Property Officer noted the following points:

- RD Petroleum have approached council with a proposal for an additional fuel tank.
- They have consulted with the users and there is support for their proposal.
- It is anticipated that having the second type of fuel will help attract future development which will see more hangar requirements and more users.

Questions/Points of clarification:

- It was clarified that this would be RD Petroleum's third North Island site.
- It was clarified that the red square on the image was where the tank would be located and it would be pumped to the existing pump station for use.

10. Information Report – Risk Review  
D22/19650 Page 24

**Recommendation**

- THAT the report be received.

DALZIEL/JONES  
Carried  
F&A/22/16

**Recommended Reason**

To update the Farm and Aerodrome Committee of changes to both the Farm and Aerodrome Risk Registers and advise the Committee of any incidents in relation to the identified risks.

The Property Officer noted that the only change to the Risk Register since the last meeting was the amended raw risk score for COVID-19 from medium to high.

Questions/Points of clarification:

- It was noted that there wasn't a requirement for a new risk relating to leaks from the fuel tanks as the concrete pad installed for the additional tank would have a lip to contain leakages. This has been approved by the Taranaki Regional Council.

### Recommendation

THAT the report be received.

DALZIEL/BOYDE  
Carried  
F&A/22/17

### Recommended Reason

This report provides the first 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 Property Officer noted that the total milk production from the current season has come in above the targeted amount at 154,394 kgs ms. This makes this the best season during the term of the 50/50 sharemilking contract.

#### Questions/Points of clarification:

- The Chairman thanked the sharemilkers for a really great year. He noted the new sharemilking agreement had been signed for another five years which indicates the confidence both parties have in each other.
- It was clarified that the whole asset management plan is being reviewed, the Director – Assets noted that once a programme has been finalised it would be brought to this committee. The Chairman noted his concern regarding the use of Zone C and Animal Safety for the farm stock. The District Mayor noted that when the strategic plan was commissioned in 2011 it was completed by a specialist aviation consultant and its adoption was not supported by all councillors. There was a lot of support for it, but also a lot of opposition and concerns including the hangars being close to existing runways, safety issues with the site having no control tower etc. He urged officers to put a more personalised view on the strategic plan rather than a commercialised plan and ensure it will work for Stratford. He also noted that there had been a clear instruction for the plan not to impede on existing farm operations, however with the additional property purchased to increase the farm size there would be potential for hangars to use farmland. The plan had made provision for a high level of development and he noted it was important to remember there were only one or two hangars built every ten years. Councillor Dalziel reiterated the District Mayor's comments and noted what Stratford wants for the operation needs to be considered.

#### *Mr Radich joined the meeting at 12.20pm*

- Councillor Jones noted there was a lot of focus on the milk production and agreed it was a great result in a tough year but noted there had been two thirds more spent in supplementary feed and in a low payout year that extra feed may not equal out. Mr Buckley noted that through modelling the farm was 1.5 tonnes of pasture down on what has traditionally been used and with 200 tonne of feed missing the difference in milk solids may have been around 25,000 kgs, about 200 kgs of dry matter per hectare less and 0.3 of a condition score per cow which would the sharemilkers would be trying to rectify now. He noted another challenge had been the heifers being brought home for an extra month which are still eating 12kgs a day each.
- Mr Buckley noted that the availability of feed may be an issue going forward with the export of grain out of Ukraine being stopped.
- The Chairman noted that the cows were in excellent condition which had flowed through to their production. Mr Buckley noted the key was to go into winter with the right amount of feed and condition, the impacts of poor condition going into winter could be felt by the farm for a further 18 months in as cutting feed out can impact mating. He noted feed contracts would be reviewed regularly and only taken for short periods.

The Director – Corporate Services noted the following points regarding the financials and overheads sections in this report:

- There still one month of expenditure to come through but the revenue won't change from what was presented. There is another months worth of grazing, feed and overheads.
- It is looking like a profit of just under \$300,000 for this year.
- The budget for next year is in the Annual Plan with a milk price of \$6.25, 12% has been set at an average of \$9.80 per kg/ms. Mrs Radich noted that this committee will discuss and decide on the use of the profit from this year remaining after the \$50,000 is allocated for rate mitigation. The remaining could be used on debt repayment or put into the reserve.
- Appendix 5 was included as a result of a question of the overheads for the farm activity and whether the farm could be better off if it did not have these 'head office' allocations. The alternative option presented would have the farm completely separate from council similar to the Percy Thomson Trust as a Council Controlled Organisation which would incur a 28% tax rate if the intention was to make profit as well as all the administration expenses which would be required under local government legislation.

Questions/Points of clarification:

- The District Mayor noted that it was really pleasing to note that even though there had been new debt incurred council had still managed to pay back more than that so the net debt has gone down. He also suggested the Stratford Park may have land available for grazing.
- It was noted that it was beneficial to fix the milk prices in terms of having the ability to do that with the sharemilkers, but that in the past the outcome has not been beneficial with the milk price continuing to rise. This season it had been fixed at \$8.35 p/kg ms but this will be well under the final milk price, however it was noted the budget had been \$6.25 kg ms.
- It was noted that the interest rate for debt was the council's weighted average. The next fixed rate was not maturing until next April.
- Councillor Dalziel noted the Appendix 5 gave a good view of the overheads and the actual costs. He questioned if anything could be streamlined but felt it would be immaterial overall. The Director – Corporate Services noted that the overheads needed to be viewed in terms of the wider council and so reduction in costs would impact another activity.
- Mrs Radich also noted that a Council Controlled Organisation would not be able to access the LGFA interest rates.

## 12. Quarterly Report – Health and Safety

D22/20022 Page 44

### Recommendation

THAT the report be received.

BOYDE/JONES  
Carried  
F&A/22/18

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

## 13. Questions

There were no questions.

## 14. Closing Karakia

D21/40748 Page 47

The closing karakia was read.

The meeting closed at 12.55pm

G W Boyde  
Chairman



Confirmed this 20<sup>th</sup> day of September 2022.

N C Volzke  
District Mayor

