

MINUTES

Farm and Aerodrome Committee



F19/13/05- D22/36048

Date: Tuesday 20 September 2022 at 12noon
Venue: Council Chambers, 63 Miranda Street, Stratford

Present

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

In attendance

Councillors W J Sandford, and G M Webby.

The Chief Executive – Mr S Hanne, the Director – Assets – Mrs V Araba, the Director – Environmental Services – Mr B Sutherland and the Committee Advisor and Executive Assistant – Mrs E Bishop, one member of the public and one member of the media (Stratford Press).

1. Welcome

The Chairman welcomed the Acting Chief Executive, Councillors, staff, the public and the media.

1.1 Opening Karakia D21/40748 Page 6

The opening karakia was read.

1.2 Health and Safety Message D21/26210 Page 7

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

2. Apologies

An apology was noted from the Director – Community Services – Ms K Whareaitu

3. Announcements

There were no announcements.

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.

NEW Pub.

6. Confirmation of Minutes

6.1 Farm and Aerodrome Committee Meeting – 21 June 2022 D22/21720 Page 9

Recommendation

THAT the minutes of the Farm and Aerodrome Committee Meeting held on Tuesday 21 June 2022 be confirmed as a true and accurate record.

VOLZKE/BOYDE
Carried
F&A/22/18

The Committee Advisor and Executive Assistant undertook to make the following amendments:

- Page 12, item 11, second bullet point amend "*there were only one or two hangers every ten years*" to "*there were only one or two hangars built every ten years*".

Questions/Points of Clarification:

- It was clarified that the instruction had been to retain the status quo for the new sharemilking agreement. However if a new contract was created with a new sharemilker then the dividend payout would be the standard agreement with 100% being returned to the land owners (council).

7. Matters Outstanding D20/11504 Page 15

Recommendation

THAT the matters outstanding be received.

BOYDE/DALZIEL
Carried
F&A/22/19

8. Programme of Works D20/28552 Page 16

Recommendation

THAT the Programme of Works be received.

BOYDE/JONES
Carried
F&A/22/20

The Director – Corporate Services noted that the non-financial performance measures from the Fonterra Farm Insights report would be brought to the December meeting.

Handwritten initials: NW and PWA

Recommendations

1. THAT the report and draft Farm Business Report 2022 be received.

DALZIEL/JONES
Carried
F&A/22/21

2. THAT the Committee makes a decision on the allocation of the remaining profit made in the 2021/22 financial year and allocates \$175,000 to loan repayment with the remaining profit balance being transferred to the farm reserve after the rates mitigation portion.

VOLZKE/DALZIEL
Carried
F&A/22/22

Recommended Reason

To uphold the Committee's responsibilities in relation to the Council farm.

The Director – Corporate Services noted the following points:

- This report asks the committee to decide the allocation of the funds from the profit for the year. This can be allocated to repaying some of the loan and/or allocating funds to the farm reserve. Last year \$96,000 was allocated to the farm reserve which was used for rate mitigation this year. This is excluding the \$50,000 already committed to rate mitigation.
- It was clarified that note 4.6 stated that the farm achieved the full 10 cents of the new Co-Operative Difference Payment, however this has not been confirmed and may be closer to 8.5 cents.

Questions/Points of Clarification:

- The District Mayor noted the observation that this has been an outstanding year financially and also as a result of outstanding production and an increased pay-out. The cost of capital investment has been significant but there is still a profit.
- The District Mayor suggested that \$175,000 be allocated for loan repayments with the remaining balance being allocated to the farm reserve. This will ensure that debt has not increased and will help with establishing funds in the reserve which is currently at a zero balance.
- The Chairman noted that the balance of the reserve had been used for rate mitigation this year which resulted in just over 1.5% off the rates increase.
- Councillor Dalziel supported clearing the debt incurred from last year as a result of the capital works with the balance being put into the reserve.
- Councillor Jones supported these figures. He noted that the sharemilking contract needed to be amended to be the Federated Farmers agreement as it was incorrectly referred to in the draft budget as the Fonterra agreement.
- It was clarified the lease for the aerodrome was not split with the sharemilkers. It was requested that this be added to matters outstanding.
- Councillor Jones queried the fact that the lease for the aerodrome has not increased for the 2023 budget and felt this was an opportunity to gain more income. Mrs Radich clarified that this was an internal journal from the aerodrome to the farm. Councillor Jones felt it was the right time to review the lease.
- The Chairman noted the increase to the sustenance figure but he noted that the right decision had been made regarding the feed as the consultant had noted at the previous meeting that modelling indicated the farm had been about 1.5 tonnes down in pasture which would have equated to around 25,000 kgs/ms (about \$32,000). He reminded the committee that it was important to keep an eye on these costs.
- The Chairman noted that average farm working expenses have risen by 32% over the past couple of seasons and that the budget had not been increased by this, however the farm was doing a good job of keeping control of the return from the supplements. He noted that the fertiliser budget had doubled, however this year would just be a maintenance spread following council's decision to lift the low performing paddocks to a higher level. Future dressings will still be required.

- It was noted that capital expenditure for this current season only included riparian planting and water lines and troughs. Councillor Jones queried if there were any further items the sharemilkers may require this year, with the committee having to change the budget part way through the year last year. The Chairman noted that the races, in-shed feed system, yard replacement and new loading ramp had all saved a massive amount of time and money in the long run. He noted there was a culvert to be replaced and some other repair work required.
- The Chairman noted that the achievement summary showing milk quality was at 45% was outside of council's control, however this may need to be discussed in the future as this is potential revenue and suggested this could be incentivised.
- Mrs Radich clarified that the figures from last year may still change following the final report being received.

10. Information Report – Risk Review

D22/33938 Page 40

Recommendation

THAT the report be received.

BOYDE/DALZIEL
Carried
F&A/22/23

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 there had been no new risks or amendments made to the risk register.

- There has been no new risks or amendments made to the risk register.

Questions/Points of Clarification:

- The Chairman noted that inflationary increases would be considered along with risk 3, low pay-out. This could impact the farm working expenses and cause a farm to run on a maintenance only programme.
- It was clarified that the item number did not reflect the priority level of the risk as this was reflected by the risk score.

11. Quarterly Report – Farm and Aerodrome Financial Report

D22/32383 Page 47

Recommendation

THAT the report be received.

JONES/BOYDE
Carried
F&A/22/24

Recommended Reason

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

The Property Officer noted the following points:

- As a result of the cows maintaining their condition over winter and earlier calving the farm has produced over 7,000 kgs/ms in August which is a 9% increase on last year.
- The installation of the jet fuel is programmed to begin in October and to be completed by December in time for the next open day at the aerodrome.

Questions/Points of Clarification:

- It was clarified that note 4.1.6 should read that the painting was pushed out to November/December this year, and that calving started early.
- It was requested that the budget line for repairs and maintenance be clarified better as it currently suggests that \$24,600 has been allocated for house repairs.
- It was noted that the Property Officer would be holding a workshop/meeting with aerodrome users as a result of the poor response rate for the satisfaction survey. Attendees will complete the survey while they are in attendance at this meeting.

12. Quarterly Report – Health and Safety

D22/32382 Page 61

Recommendation

THAT the report be received.

BOYDE/DALZIEL
Carried
F&A/22/25

The Property Officer noted there have been no incidents or accidents at the farm or aerodrome since the last meeting.

Questions/Points of Clarification:

- It was requested that the council's Health and Safety Advisor have a meeting with the sharemilkers to ensure they are following best practice. It was noted that the sharemilkers do take health and safety very seriously.

13. Questions

- Councillor Jones asked if there was any clarification on what capital works or maintenance is occurring at the aerodrome, or if any was required. The Property Officer clarified that the only work being undertaken was ground work such as mowing. The Chief Executive noted that the vast majority of infrastructure at the aerodrome was privately owned therefore there was not much maintenance required by council. It was noted there is an annual maintenance programme that includes drainage and if there was something additional required then it would need to be looked at to be included in the budget.
- The Chairman noted this was the last meeting prior to the local government elections and thanked retiring Councillor Peter Dalziel for his passion for the council farm and the way he has challenged and questioned decisions. He wished Councillor Jones all the best for the upcoming election and thanked staff and managers for the work that they do. The thanked the Committee Advisor and Executive Assistant for her help during his time as Chairman.

14. Closing Karakia

D21/40748 Page 64

The closing karakia was read.

MCW *JWB*

The meeting closed at 12.36pm

G W Boyde
Chairman



Confirmed this 20th day of September 2022.

N C Volzke
District Mayor

