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**MINUTES OF THE FARM & AERODROME COMMITTEE MEETING  
OF THE STRATFORD DISTRICT COUNCIL HELD IN THE COUNCIL  
CHAMBERS, STRATFORD DISTRICT COUNCIL ON TUESDAY 16  
MARCH 2021 AT 12 NOON**

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**PRESENT**

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

**IN ATTENDANCE**

The Deputy Mayor – A L Jamieson, Councillor W J Sandford, the Chief Executive – S Hanne, the Director Assets – Mrs V Araba, the Director Environmental Services – Mr B Sutherland and the Executive Administration Officer – Mrs E Bishop and two members of the media (Stratford Press and the Taranaki Daily News).

**1. WELCOME**

The Chairman welcomed the District Mayor, the Chief Executive, Councillors and staff 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**

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

**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 – 15 December 2020  
D20/37137 (Pages 8-15)

**RECOMMENDATION**

THAT the minutes of the Farm and Aerodrome Committee Meeting, held on Tuesday 15 December 2020, be confirmed as a true and accurate record.

BOYDE/DALZIEL  
Carried  
F&A/21/1

7. **MATTERS OUTSTANDING**

D20/11504 (Page 16)

**RECOMMENDATION**

THAT the matters outstanding be received.

JONES/DALZIEL  
Carried  
F&A/21/2

The Chief Executive Officer noted the following points:

- The differential pricing for aerodrome users had been discussed with Council during the Fees and Charges discussions. This is included in item 10 for this Committee's endorsement.
- Contact has been made with the aerodrag organiser who has confirmed this project is now included within plans for the Stratford Park.

8. **PROGRAMME OF WORKS**

D20/28552 (Page 17)

**RECOMMENDATION**

THAT the programme of works be received.

BOYDE/JONES  
Carried  
F&A/21/3

9. **DECISION REPORT – LTP BUDGETS FOR FARM AND  
AERODROME ACTIVITIES**

D21/7539

(Page 18-28)

**RECOMMENDATIONS**

1. THAT the report be received.

BOYDE/VOLZKE

Carried

F&A/21/4

2. THAT the Committee endorses the draft budgets within the Long Term Plan 2021-31 (“LTP”) for both the Farm and Aerodrome activities for Council to release for public consultation.

DALZIEL/VOLZKE

Carried

F&A/21/5

**Recommended Reason**

Endorsing the budgets fits within the scope of the Committee’s objectives.

The Director – Corporate Services noted the following points:

- This report seeks the Committee’s endorsement for the 10 year budgets that will go into the Long Term Plan (LTP) for the Farm and Aerodrome activities.
- The Farm budget was presented to the sharemilkers at their quarterly meeting and some minor changes were made.
- This includes the establishment of the Farm Reserve Account which was requested by this Committee to give the ability to decide annually if it was to recommend more than the agreed \$50,000 of the profit to be used for rate mitigations. This can be done for the following year and agreed upon at the time of approving the Annual Plan.
- The assumptions have been made on a \$6.25 pay out with farm production and dividends remaining the same.
- The actual financials are included on page 24 and are a high level report on the operations with a detailed report on page 25 and capital expenditure on page 26. These will be reviewed on an annual basis but show the forecast for the next 10 years.

Questions/Points of Clarification:

- Councillor Jones noted previous discussions regarding the approval of the in-shed feed system noted the efficiencies that this installation would provide but noted they were not reflected in the feed or sustenance budget. Mrs Radich clarified that the budget was conservative and the efficiencies had not been included as it was unclear how far that will reach at this time. The Chief Executive noted the budgets were subject to public consultation and therefore the in-shed feed system could still be removed, leaving the feed and sustenance budgets in gave security there would still be budget available should it be needed. The Chairman noted it was expected there would be an increase to production with the installation of the in-shed feed system.

- It was clarified that the option to fix the milk price had been delegated to the Chief Executive. He noted he had spoken to the sharemilker regularly regarding this option and at this point there was no appetite to fix the price with Fonterra.
- It was clarified that the fertiliser budget was the cost of the fertiliser with cartage and spreading the responsibility of the sharemilker, the off farm grazing and sustenance budgets were the 50% share we were required to pay towards these costs.
- It was clarified that the extra budget for race improvements had been added to the R&M Major Works line.
- It was noted the assumptions showed a fixed amount for rate mitigation with the rest of any profit being put towards debt repayment. Mrs Radich clarified that the Committee's terms were that \$50,000 would go towards rate mitigation and the rest would go towards debt repayment. What amount of the profit to be put into the reserve and/or towards debt repayment would need to be a deliberate decision made by the Committee at the time of receiving the Year End financials.
- Councillor Dalziel noted his concern with the reduction of debt repayments over the 10 year budget. He felt a set amount should be allocated towards principal loan repayments along with the \$50,000 rates mitigation and operating expenses, interest costs and depreciations would be a truer reflection of the Farm's financial performance. With the figures presented in this budget he did not feel the farm was economically viable. He felt a set repayment amount would show a deficit but felt at least this would be a truer budget. Mrs Radich noted the assumptions allowed for inflation on all expenses but this was not reflected in revenue. The milk price was out of our control so an average is used to set the budget. It would be hoped there would be an increase to revenue. The Chairman noted an increase in the milk price can make a huge difference but that it was very dependent on the year.
- The District Mayor acknowledged the income figures were conservative throughout the budget and felt comfortable with the debt repayments budgeted for in the first three years.
- It was clarified that these budgets would be reviewed at each Annual Plan. Councillor Dalziel noted he was satisfied there was an annual review but was not comfortable to set a full 10 year budget and indicate the Farm would carry residual debt while reducing loan repayments.
- It was noted that this Committee did not meet again until June therefore any requests to change the budget in the LTP would need to be changed by way of an internal submission during the consultation process.
- Councillor Jones requested the total debt amount on the farm and interest rates. He felt that the budgeted repayment of \$60,000 was well above what was required. Mrs Radich noted it was approximately \$1.8 million. It was requested that this information be brought back to the committee at the next meeting.
- It was clarified that a set loan repayment amount of \$30,000 (as suggested) would affect the interest amount throughout the budget.
- It was requested that the \$50,000 rate mitigation be brought out of the general rates line to show it clearly on the budget as an individual line.
- The Deputy Mayor noted the reducing repayments but acknowledged the need for budgets to be conservative.
- Councillor Dalziel noted he would support this budget as it stood due to the LTP timeline. He felt there was a better way to present the budget as this budget shows fixed revenue and this could be adjusted. The deeper concern was that the farm was simply not making enough money which would require another discussion. He would support

the inclusion of a separate budget line to show the rate mitigation if it didn't change figures for the LTP.

- The District Mayor noted there was no budget for additional software to record landing information and no budget for the additional revenue. Mrs Radich noted that the landing fees have not yet been agreed on by Council, the software costs would be offset by the revenue if landing fees are introduced.

## 10. **DECISION REPORT – AERODROME FEES AND CHARGES**

**2021/22**

D21/7596

(Page 29-34)

### **RECOMMENDATIONS**

1. **THAT** the report be received.

JONES/BOYDE  
Carried  
F&A/21/6

2. **THAT** the Committee endorses the proposal to introduce Landing Fees at the Stratford Aerodrome, in addition to the introduction of other fees and charges, on the provision that the community is consulted on the proposal, in particular the Stratford Aeroclub and other aerodrome users, and all feedback is taken into account when making the final decision.

JONES/BOYDE  
Carried  
F&A/21/7

### **Recommended Reason**

The Aerodrome activity is under the oversight of the Farm and Aerodrome Committee.

The Director – Corporate Services noted this report sought the Committee's endorsement of the introduction of new fees and charges at the Aerodrome. Most of these were around landing charges. If the committee agrees to these charges then consultation will follow with the users.

Questions/Points of Clarification:

- It was clarified that this endorsement would also support the new software required to track landings.

11. **INFORMATION REPORT – UPDATED ENVIRONMENTAL  
TAIKI REPORT**  
D21/7041 (Pages 35-87)

**RECOMMENDATION**

THAT this report be received.

JONES/BOYDE  
Carried  
F&A/21/8

**Recommended Reason**

To provide an update to the Farm and Aerodrome Committee of the newly updated Taiki Environmental report.

The Property Officer noted this was the updated Taiki Environmental Plan done by Fonterra. This has been updated to include greenhouse gas emissions. This plan ties everything together and includes optimisation of fertiliser and effluent on the farm and paddock strategies.

Questions/Points of Clarification:

- It was clarified that the indicator for feed storage would move to green now the old silage pit had been decommissioned and the new concrete pad completed.
- It was noted the farm was up to date with the environmental report and a lot of the recommendations have now been completed.
- The District Mayor noted how impressive the clinical and scientific analysis was and that it provided strong measures with goals and targets for environmental outcomes. He noted how well Council was featuring alongside these goals.
- It was clarified that riparian planting had all been completed which meant all streams and rivers are fenced off. This will be signed off within this report when the next site visit is undertaken.
- It was noted there was currently no charge for this plan.

12. **INFORMATION REPORT – RISK REVIEW**

D21/6686 (Pages 88-96)

**RECOMMENDATION**

THAT this report be received.

DALZIEL/JONES  
Carried  
F&A/21/9

**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 Property Officer noted as this was a working document amendments can be made at any time.

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

D21/6694 (Pages 97-106)

**RECOMMENDATION**

THAT the report be received.

BOYDE/DALZIEL  
Carried  
F&A/21/10

**Recommended Reason**

This report provides the third 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 the following points:

- This report provides current information on the financial position of the farm and aerodrome.
- The works programmes for both activities is attached.
- Milk production is down 2.3% but this is as a result of a drop in grass growth due to the rain at the beginning of the last quarter.
- The last quarterly sharemilkers meeting included a look over the farm which was a really positive experience. The farm race and concrete pad are now both complete. The contractor had to be brought back to install a drain along the race as this hadn't been completed. It was clarified there was no further expense for this as it had been a part of the initial scope for the job.

Questions/Points of Clarification:

- It was noted there was an error in milk revenue in the financial report on page 105. The Director – Corporate Services would amend this and resend it to the Committee.
- It was clarified that the capital expenditure was at January 2021 and not 2020.
- It was clarified the drop in aircraft movements between July and October were due to a significant drop in use over the winter months and the inaccuracy of the recording device.
- Councillor Jones thanked Mrs Hinton for sharing the minutes but requested that the attachments to the sharemilkers quarterly meeting be circulated.
- The Chairman noted the cooperative difference initiative which would result in an extra 10cents being added to the milk price. He confirmed the farm was well set up to comply with all requirements for this.

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

D21/6703 (Pages 107-108)

**RECOMMENDATION**

THAT the report be received.

BOYDE/JONES  
Carried  
F&A/21/11

The Property Officer noted there was one recorded incident on the farm and none at the aerodrome. The sharemilker is continuing to work with Council's Health and Safety Advisor regarding the chemicals held onsite and the fuel tank. The reported incident was a staff member driving a side by side into a water trough. This has been addressed with staff being reminded farm vehicles are to be treated like road vehicles.

15. **QUESTIONS**

*The meeting closed at 1.01pm*

G W Boyde  
**CHAIRMAN**

Confirmed this 15<sup>th</sup> day of June 2021.

N Volzke  
**DISTRICT MAYOR**