

ATTACHMENTS

Taupō Airport Authority Committee Meeting

24 June 2019

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Taupō Airport Authority Committee Meeting Minutes

13 May 2019

**TAUPŌ DISTRICT COUNCIL
MINUTES OF THE TAUPŌ AIRPORT AUTHORITY COMMITTEE MEETING
HELD AT THE TAUPŌ AIRPORT, ANZAC MEMORIAL DRIVE, TAUPŌ
ON MONDAY, 13 MAY 2019 AT 10.30AM**

PRESENT: Mr Chris Johnston (in the Chair), Mr John Funnell, Cr Rosanne Jollands, Cr Christine Rankin

IN ATTENDANCE: Head of Economic Development & Business Transformation, General Manager - Taupō Airport, Airport Operations Manager, Airport Safety Manager, Economic Relationship Manager, Democratic Services Support Officer

MEDIA AND PUBLIC: 3 members of the public

Note:

At the conclusion of item 4.4, chairman Chris Johnston acknowledged Mr Groome who was attending his last TAA meeting before retirement. He thanked Mr Groome for his significant contribution and efforts to the airport operations, in particular his successful management of the organisation through the many changes, developments and adversities during his tenure.

Members and staff followed suit with personal tributes to Mr Groome at various points during the meeting.

In turn, Mr Groome reminisced about how there was a lot of work to be done when he started as general manager in Easter 2007 (initially for a one-year period). Twelve years later, it was pleasing to end his career on a proud note with the airport in good stead. He thanked the members for their support which was always appreciated, and made a special acknowledgment to the Airport Operations Manager Kim Gard, whom he attributed as being the mainstay of the organisation.

1 APOLOGIES

TAA201905/01 RESOLUTION

Moved: Cr Rosanne Jollands

Seconded: Cr Christine Rankin

That the apology received from Mayor David Trewavas be accepted.

CARRIED

2 CONFLICTS OF INTEREST

Nil

3 CONFIRMATION OF MINUTES

3.1 TAUPŌ AIRPORT AUTHORITY COMMITTEE MEETING - 1 APRIL 2019

In reply to a question relevant to the minutes, the General Manager – Taupō Airport advised that although the change from a Tier 2 airport to Tier 3 would not happen anytime soon, it was advisable to keep the topic, which was also a standing item of the Safety Committee, at the forefront.

TAA201905/02 RESOLUTION

Moved: Mr Chris Johnston

Seconded: Cr Rosanne Jollands

That the minutes of the Taupō Airport Authority Committee meeting held on Monday 1 April 2019 be confirmed as a true and correct record.

CARRIED

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4 REPORTS

4.1 TAUPŌ AIRPORT AUTHORITY MONTHLY FINANCIAL REPORT - MARCH 2019

It was noted that the only line items that had increased were for Airbiz consultant fees work on the Statement of Intent (SOI), which was anticipated.

In answer to a further question, the General Manager – Taupō Airport advised that Airbiz fees were within budget, with only one invoice outstanding.

TAA201905/03 RESOLUTION

Moved: Cr Rosanne Jollands

Seconded: Cr Christine Rankin

That the Taupō Airport Authority Committee receives the monthly financial report for month ending 31 March, 2019.

CARRIED

4.2 STATEMENT OF INTENT 2019-2022

The Chair advised that for clarification, line items were more detailed than previous SOIs which was preferred by the Ministry of Transport. Outcomes from a workshop undertaken a few years ago on the vision for the airport had also been integrated into the final document.

In answer to a question, the Economic Relationship Manager advised that SOI formatting by default did not include organisation visions hence the reason it was not featured in the document.

A member congratulated those people involved in putting together the SOI, which was very clear.

TAA201905/04 RESOLUTION

Moved: Mr Chris Johnston

Seconded: Cr Rosanne Jollands

That the Taupō Airport Authority Committee approves the Draft Statement of Intent for 2019/2022.

CARRIED

4.3 UPDATE ON COMMUNICATIONS WITH AIR NEW ZEALAND

The Economic Relationship Manager advised that she had recently met with Air New Zealand (Air NZ) representatives in Auckland along with chair Chris Johnston and finance manager Neil Ward, to discuss airport developments including financial modelling and quantum of investment into the terminal and apron development. Air NZ had been provided with Beca reports to review; upcoming discussions would focus on detailed design of the terminal and Air NZs requirements.

The Head of Economic Development & Business Transformation advised that there were some accounting complexities regarding government funding, and a potential joint application to the Provincial Growth Fund (PGF) between TAA and the Ministry of Transport (MoT) was being tested with the PDU. Ensuing discussions included members commending those people involved with advancing the relationship with MoT to the current point whereby MoT saw merit in entering into a joint venture with TAA, which was a significant achievement.

The Economic Relationship Manager also advised that:

- Conversations with Ministry of Business, Innovation and Employment (MBIE) continued to be positive.
- Meeting with Under Secretary for regional development Fletcher Tabuteau (tomorrow).
- Planned visit from Hon. Kelvin Davis on May 16 – interested in looking at Taupō Airport operations.

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- AirBiz were very experienced in design and modelling efficiencies.

TAA201905/05 RESOLUTION

Moved: Cr Rosanne Jollands

Seconded: Cr Christine Rankin

That the Taupō Airport Authority Committee receives the Economic Relationship Manager's update.

CARRIED**4.4 GENERAL MANAGER'S OPERATIONS REPORT**

The General Manager – Taupō Airport presented his (final) operations report, and highlighted key points as follows:

- Continual high load factors were ahead by a decent margin, which contradicted current trends for Air New Zealand.
- Aircraft and skydiver movements had slowed up with changing weather conditions.
- Taupō was one of the first small regional airports to receive full SMS certification from CAA. Recertification would need to be applied for again in July 2019.
- The concrete pad for the generator had been installed. However, due to installation costs being substantially under-estimated, the installation was put on hold whilst Council sought the required \$41k funding through its annual plan. The generator would have a switching system that separated the terminal and fuel pump.
- Wild pigs were an ongoing problem.
- Airways had re-surveyed the runway, and advised of rubber removal that needed to be done. That work had been pushed out due to budget constraints, but would be attended to in the near future.

The Airport Safety Manager advised that a meeting had been held with Sounds Air earlier today to discuss the current MOU and that the clause relating to the intent of the MOU was currently being reworded. There was also discussion around commencing regular six-monthly catch-ups between both parties.

TAA201905/06 RESOLUTION

Moved: Cr Rosanne Jollands

Seconded: Cr Christine Rankin

That the Taupō Airport Authority Committee receives the General Manager's Operations report as presented on May 13, 2019.

CARRIED**4.5 SAFETY MANAGEMENT SYSTEM (SMS) UPDATE**

Noted that letter of SMS approval (A2471868) from the Civil Aviation Authority had been pre-circulated to members via email.

TAA201905/07 RESOLUTION

Moved: Cr Rosanne Jollands

Seconded: Cr Christine Rankin

That the Taupō Airport Authority Committee receives the update on the Safety Management System.

CARRIED

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4.6 HEALTH AND SAFETY UPDATE

There were no new incidents to report.

TAA201905/08 RESOLUTION

Moved: Cr Rosanne Jollands

Seconded: Mr Chris Johnston

That the Taupō Airport Authority Committee receives the information relating to health and safety.

CARRIED**5 CONFIDENTIAL BUSINESS****TAA201905/09 RESOLUTION**

Moved: Mr Chris Johnston

Seconded: Cr Rosanne Jollands

RESOLUTION TO EXCLUDE THE PUBLIC

I move that the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered 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 the passing of this resolution are as follows:

| 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 |
|--|---|---|
| Agenda Item No: 5.1 Confirmation of Confidential Portion of Taupō Airport Authority Committee Minutes - 1 April 2019 | Section 7(2)(d) - the withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public | Section 48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7 |
| Agenda Item No: 5.2 Receipt of Unconfirmed Minutes: Taupō Airport & Operational Safety Committee - March 12, 2019 | Section 7(2)(d) - the withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public | Section 48(1)(a)(i)- the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7 |

I also move that *[name of person or persons]* be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of *[specify]*. This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because *[specify]*.

CARRIED

The Meeting closed at 11.26.

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Taupō Airport Authority Committee Meeting Minutes

13 May 2019

The minutes of this meeting were confirmed at the Taupō Airport Authority Committee Meeting held on 24 June 2019.

.....
CHAIRPERSON

Statement of Financial Performance
for the period ending 30 April

Taupo Airport Authority

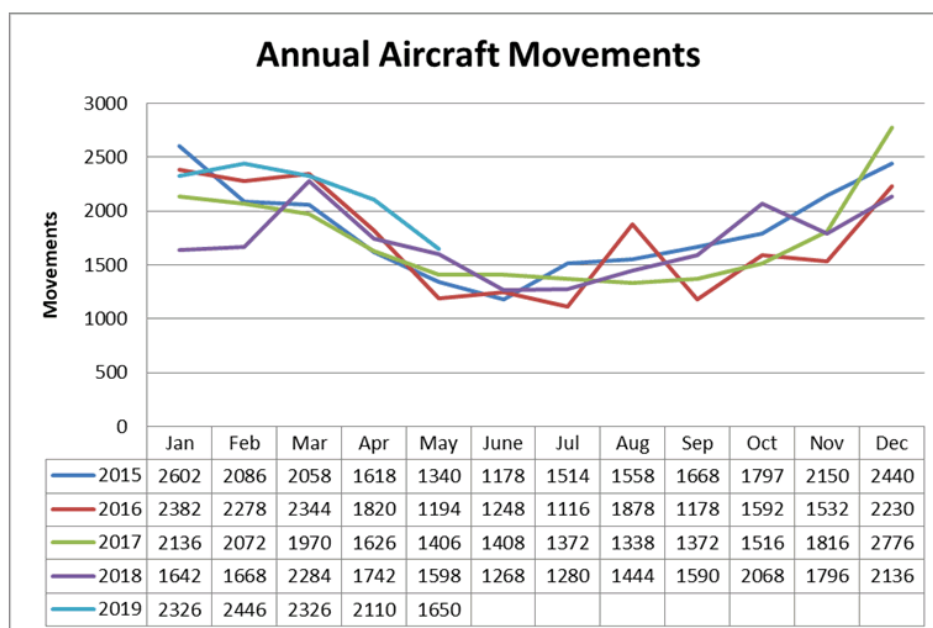
| | YTD Actual 30/04/19 \$ | YTD Budget 30/04/19 \$ | YTD Variance \$ | Full Year Budget (as per SOI) 30/06/19 \$ |
|---|------------------------------|------------------------------|--------------------|---|
| Income | | | | |
| Landing charges - Bulk | 4,177 | 3,945 | 232 | 4,730 |
| Landing charges - General Aviation | 243,632 | 239,064 | 4,568 | 286,878 |
| Landing charges - Charters | 167 | 500 | (333) | 500 |
| Aircraft Parking | 1,330 | 1,500 | (170) | 1,500 |
| Leases | 156,891 | 161,658 | (4,767) | 193,990 |
| Terminal Rent | 21,962 | 22,547 | (585) | 27,057 |
| Advertising | 972 | 375 | 597 | 511 |
| Fuel Commission | 2,739 | 3,063 | (324) | 4,084 |
| Hay Sales | 2,210 | 2,042 | 168 | 2,042 |
| Other income | 1,600 | 1,566 | 34 | 2,000 |
| Interest | 209 | 340 | (131) | 408 |
| Total operating revenue | 435,888 | 436,600 | (711) | 523,700 |
| Expenditure | | | | |
| Employee Expenses | | | | |
| Employee expenses | 136,997 | 140,000 | 3,003 | 168,000 |
| ACC levies | - | 300 | 300 | 360 |
| Training & associated costs | 1,424 | 3,000 | 1,576 | 3,000 |
| | 138,421 | 143,300 | 4,879 | 171,360 |
| Management and Administration Expenses | | | | |
| Accountancy & Business Services - Taupo District Council | 10,417 | 10,420 | 3 | 12,504 |
| Audit fees - Audit NZ | 11,674 | 11,583 | (91) | 13,900 |
| CAA Audit fees | 3,828 | - | (3,828) | - |
| Taxation / Revaluation Fees | 6,725 | 8,000 | 1,275 | 8,000 |
| Directors fees and expenses | - | 1,667 | 1,667 | 2,000 |
| Bad and doubtful debts | - | - | - | - |
| Administration | 1,359 | 3,143 | 1,784 | 3,978 |
| | 34,003 | 34,813 | 810 | 40,382 |
| Other Operating Expenditure | | | | |
| Cleaning | 15,623 | 14,190 | (1,433) | 17,428 |
| Advertising | - | - | - | - |
| Catering | 187 | 300 | 113 | 400 |
| Grants/Donations | 500 | - | (500) | - |
| Entertainment | - | - | - | - |
| Telecommunications | 1,995 | 1,630 | (365) | 1,956 |
| WIFI costs | 1,757 | 1,700 | (57) | 2,040 |
| Travel | 3,093 | 5,000 | 1,907 | 6,000 |
| Contractors | 17,803 | 28,750 | 10,947 | 34,500 |
| Consultants fees | 103,479 | 1,500 | (101,979) | 3,000 |
| Electricity | 10,778 | 9,642 | (1,136) | 12,468 |
| Equipment hire | 17,113 | 14,180 | (2,933) | 17,017 |
| Ground maintenance - Airside | 3,976 | 3,400 | (576) | 4,000 |
| Ground maintenance - Other | 11,787 | 8,800 | (2,987) | 10,000 |
| Runway maintenance | 1,436 | 4,166 | 2,730 | 5,000 |
| Building maintenance | 3,504 | 4,166 | 662 | 5,000 |
| Software maintenance | 1,185 | 417 | (768) | 500 |
| Vehicle Maintenance | 1,206 | 1,666 | 460 | 2,000 |
| Roading maintenance | 939 | 3,332 | 2,393 | 4,000 |
| Other maintenance | 13,419 | 1,132 | (12,287) | 1,600 |
| Software Licences | 9,939 | 10,510 | 571 | 12,612 |
| Aerodrome Inspections & Bird Control | 11,879 | 8,483 | (3,396) | 10,180 |
| Rates | 15,600 | 12,910 | (2,690) | 12,910 |
| Stationery and supplies | 8,159 | 7,132 | (1,027) | 8,400 |
| Subscriptions | 9,389 | 2,500 | (6,889) | 3,000 |
| Insurance | 6,860 | 6,350 | (510) | 7,620 |
| Rubbish Disposal | 2,599 | 1,900 | (699) | 2,280 |
| Security | 3,108 | - | (3,108) | - |
| Vehicle running costs | 1,659 | 1,205 | (454) | 1,415 |
| Loss on disposal of intangible assets | 16 | - | (16) | - |
| Total operating expenditure | 278,988 | 154,961 | (124,027) | 185,326 |
| Operating surplus/(deficit) before depreciation & taxation | (15,524) | 103,526 | (119,049) | 126,632 |
| Depreciation & Amortisation | | | | |
| Depreciation | 194,156 | 190,880 | (3,276) | 226,764 |
| | 194,156 | 190,880 | (3,276) | 226,764 |
| Operating surplus/(deficit) before taxation | (209,680) | (87,354) | (122,325) | (100,132) |

Balance Sheet
as at 30 April 2019

| | 30/04/2019 | Full Yr 30/06/2018 |
|---|-------------------|-------------------------------|
| Equity | \$ | \$ |
| Equity Interest of Joint Venture Partners | 4,071,587 | 4,071,585 |
| Appropriation Accounts | 1,847,958 | 2,057,635 |
| Asset Revaluation Reserves | 4,432,170 | 4,432,167 |
| Total Equity | 10,351,715 | 10,561,387 |
| Assets | | |
| Current Assets | | |
| Cash & Cash Equivalents | 250,538 | 266,432 |
| Other Financial Assets | - | - |
| Trade Debtors | 34,196 | 64,441 |
| Other Receivables | 7,318 | 4,974 |
| Provision for income tax | - | - |
| Total current assets | 292,052 | 335,847 |
| Non-Current Assets | | |
| Intangible Assets | 2,076 | 2,946 |
| Property, Plant and Equipment | 11,210,340 | 11,394,500 |
| Total non-current assets | 11,212,416 | 11,397,446 |
| Total Assets | 11,504,468 | 11,733,293 |
| Liabilities | | |
| Current Liabilities | | |
| Trade Payables | 34,996 | 33,981 |
| Other Payables | 18,719 | 23,912 |
| Income in Advance | 33,228 | 46,591 |
| Employee Entitlements | 40,245 | 41,857 |
| Total current liabilities | 127,188 | 146,341 |
| Non-Current Liabilities | | |
| Borrowings | - | - |
| Employee Entitlements | 1,484 | 1,484 |
| Deferred Tax Liability | 1,024,081 | 1,024,081 |
| Total non-current liabilities | 1,025,565 | 1,025,565 |
| Total Liabilities | 1,152,753 | 1,171,906 |
| Net Assets | 10,351,715 | 10,561,387 |

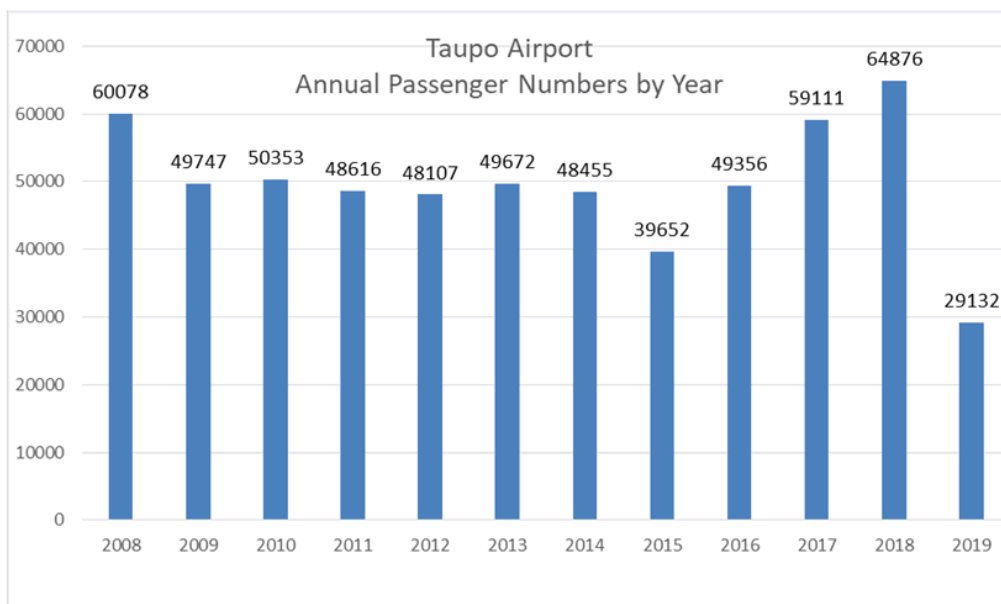
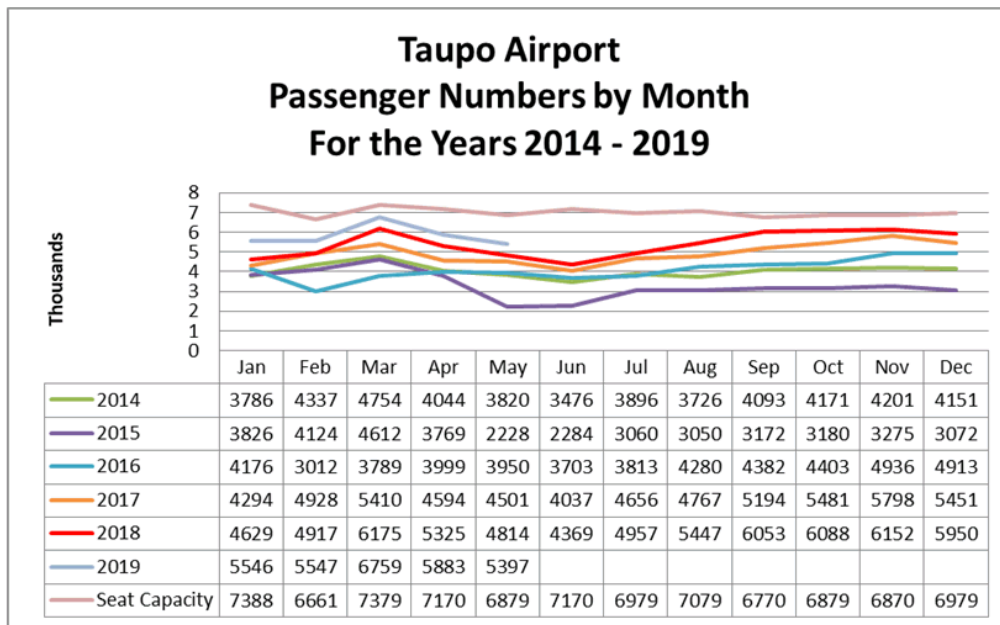
Cashflow Statement
for the period ended 30 April 2019

| | YTD Actual 30/04/19 \$ | Actual 30/06/18 \$ |
|---|---------------------------------------|-----------------------------------|
| Cashflows from operating activities | | |
| Cash was provided from: | | |
| Receipts from customers | 465,924 | 503,203 |
| Interest received | 209 | 289 |
| Other income | | |
| Payments to suppliers | (333,036) | (276,928) |
| Interest paid | - | - |
| Payments to employees | (140,033) | (166,634) |
| Net GST refunded / (paid) | 176 | 12,721 |
| Net Cashflows from Operating Activities | (6,760) | 72,651 |
| Cashflows from Investing Activities | | |
| Proceeds from sale of property, plant & equipment | - | - |
| Purchase of property, plant & equipment | (9,142) | (255,700) |
| Net Cashflows from Investing Activities | (9,142) | (121,318) |
| Net Increase (decrease) in cash held | (15,902) | (183,049) |
| Add Cash at start of year | 266,429 | 449,478 |
| Cash & cash equivalents at end of period | 250,527 | 266,429 |
| Consisting of: | | |
| Cash and bank | 1,111 | 3,620 |
| Call deposits | 249,416 | 262,809 |
| Cash at end of period | 250,527 | 266,429 |
| Reconciliation of Net Surplus to Net cash Inflow from Operating Activities | | |
| Net surplus(deficit) | (209,680) | (139,605) |
| <i>Adjustments for non-cash items</i> | | |
| Bad/Doubtful Debts | - | - |
| Gain on sale of fixed assets | - | - |
| Loss on sale of fixed assets | 16 | 4 |
| Depreciation | 194,156 | 248,404 |
| <i>Changes in Working Capital</i> | | |
| (Increase) decrease in accounts receivable & other receival | 27,901 | 3,106 |
| Increase (decrease) in accounts payable & accruals | (4,178) | (41,689) |
| Increase (decrease) in income in advance | (13,363) | (2,530) |
| Increase (decrease) in employee entitlements | (1,612) | 4,961 |
| | 202,920 | 212,256 |
| <i>Non-operating changes in working capital</i> | | |
| Increase (decrease) in Capital Creditors | - | - |
| Per statement of cashflows | (6,760) | 72,651 |

General Manager's Report (as at June 24, 2019)**Operational**

| Landing Activity | May-19 | Cumulative year 2019 | May-18 | Cumulative year 2018 |
|-------------------|--------|-------------------------|--------|-------------------------|
| | | | | |
| Scheduled flights | 248 | 1226 | 252 | 1206 |
| Charters | 8 | 32 | 0 | 36 |
| General Aviation | | | | |
| Helicopters | -460 | -2586 | -472 | -2252 |
| Parachute | 414 | 3848 | 410 | 2926 |
| Private | 974 | 5740 | 930 | 4748 |
| Military | 6 | 12 | 6 | 18 |
| Total Movements | 1650 | 10858 | 1598 | 8934 |

Note helicopter movements are included in private movements



General Manager's Update**Civil Aviation Part 100 Safety Management System Certification**

System for Safety Management accepted by CAA – approval shared with airport community.

Civil Aviation Part 139 Recertification Audit

This audit is scheduled for 17 June 2019 including senior person's interview.

Memorandum of Understanding

This document is still work in progress

Landing Charges Review

The landing charge review is required this year as the last rate was set in 2014. It is timely to progress the proposed SLA's as they form part of the overall leases. Landing charges also can be a function of leases.

Air BP AVGAS underground Tank

As ongoing maintenance Air BP will be removing their underground AVGAS tank and replacing it with a new tank. This is planned for the last quarter of this year.

Runway Paint Markings

Airways have scheduled the repainting of the runway markings for mid-June. There was some discussion regarding rubber removal however as there is minimal rubber build up, TAA will build this into their summer maintenance programme.

Apron Crack Bandaging

To increase the longevity of the apron TAA have engaged with a contractor who has completed crack bandaging. This will help to alleviate asphalt join splits and water retention.

Aircraft Movement and Passenger Numbers

Both movement and passenger numbers are showing an increase from the same period last year.

Kim Gard

Acting Airport Manager – Taupō Airport Authority