



**TO THE MAYOR AND COUNCILLORS OF THE
MACKENZIE DISTRICT COUNCIL**

Membership of the Mackenzie Forestry Board:

Cr Graham Smith(Chairman)

Cr Noel Jackson

Cr Evan Williams

Cr Murray Cox

*Notice is given of the meeting of the Mackenzie Forestry Board
to be held on Tuesday March 17, 2015, at 9.00am.*

VENUE: Council Chambers, Fairlie.

BUSINESS: As per agenda attached

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER



MACKENZIE FORESTRY BOARD

Agenda for Tuesday, March 17, 2015, at 9.30am

APOLOGIES

DECLARATIONS OF INTEREST

VISITOR:

Peter Bradley, Consultant for Glenrock Wildings Trees

MINUTES:

Confirm and adopt as the correct record the minutes of the Mackenzie Forestry Board meeting held on October 16, 2014, including such parts as were held with the public excluded.

REPORTS:

1. Forestry Manager's Report: November 2014 – January 2015 (attached).
2. Finance report (attached)

GENERAL BUSINESS:

1. Wildings
2. Maps – Forestry
3. Thinning – Blocks to dry
4. Lease Grazing – Rent, Fencing

MACKENZIE DISTRICT COUNCIL

MINUTES OF A MEETING OF THE MACKENZIE FORESTRY BOARD HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON THURSDAY, OCTOBER 16, 2014, AT 9.32 AM

PRESENT:

Cr Graham Smith (Chairman)
Cr Murray Cox
Cr Noel Jackson
Cr Evan Williams

IN ATTENDANCE:

Claire Barlow (Mayor)
Wayne Barnett (Chief Executive)
Paul Morris (Manager – Finance and Administration)
Kevin O’Neil (Forestry Manager)
Terry O’Neill (Ashburton District Council)
Arlene Goss (Committee Secretary)
Jack Montgomerie (Reporter, Timaru Herald)

APOLOGIES:

There were no apologies.

DECLARATIONS OF INTEREST:

There were no declarations of interest.

MINUTES:

The chief executive noted some errors in the minutes where the name Terry O’Neill needs to be changed to Kevin O’Neil. Terry O’Neill was not present at the meeting on June 10.

Resolved that the minutes of the meeting of the Mackenzie Forestry Board held on June 10, 2014, including such parts as were taken with the public excluded, be confirmed and adopted as the correct record of the meeting subject to the corrections noted above.

Murray Cox/Noel Jackson

MATTERS ARISING:

Cr Smith has spoken to the IT manager requesting correct maps of Mackenzie forestry areas. Terry O’Neill offered to produce these maps for the chairman and will forward them to Paul Morris for distribution to Forestry Board members.

The lease for Wreford Block has not been completed and signed. The chief executive said he will action this. The chairman was disappointed this had not progressed since the last meeting.

The minutes also contained a resolution to consider the council's strategy regarding forestry operations. Paul Morris said a report will come to councillors as part of the Long Term Plan process.

The chairman asked if a response had been sent to Jackson and Steetskamp following the last meeting. Yes.

REPORTS:

FORESTRY MANAGERS REPORT TO AUGUST 2014:

The Forestry Manager's report is included with the agenda. Kevin O'Neil noted some of the work he has carried out recently in various blocks. He said he was concerned about motorbikes on tracks in the Tekapo plantation as they could damage the tracks and start fires. He wondered if notices or signs are needed. The chairman asked what responsibility council has if an accident happens. The chief executive said if a danger has been identified we need to take appropriate action. The Forestry Manager suggested signage at each end of the track. Cr Cox said this could be raised at the next community board meeting.

Resolved that the Forestry Board ask the Tekapo Community Board to look into erecting signage to prevent motorbikes entering the Tekapo plantation.

Noel Jackson/Graham Smith

Rules regarding the use of motorbikes in plantations will change soon to prevent bikes from entering these areas. The chairman also asked regarding rabbits in that area. Kevin O'Neil said they were becoming a problem.

VISITOR:

Terry O'Neill, district forester, Ashburton District Council, said the council's thinning programme has identified an area that has not been budgeted for. This will cost \$32,000 to \$33,000. He has also identified possible areas for harvesting – none are of great value. There is a block at Cave that can be harvested but it is a small area with difficulties in terms of access. The only other area for harvest is the trees behind Whitestone.

The chairman said we have no income from logging coming in this year but did more logging last year than planned and picked up some good log prices. The Forestry Manager said there are some nice post trees, Corsican Pine, at Simon's Pass that can be harvested.

A lot of plantations that were due for harvest soon were affected by wind damage last year. There are going to be a few lean years for harvest as a result of this damage. There is potential to sell carbon credits.

Discussion was held on the thinning and pruning work planned in various blocks. The chairman asked regarding insurance, what does it cover? We have got fire cover only. There is other insurance cover available but it's very expensive. Terry O'Neill said with wind damage you get your money back with the salvage of damaged trees.

The chairman thanked Terry O'Neill for attending the meeting and for his verbal report.

FINANCE MANAGERS REPORT:

The Finance Manager said no internal interest had been included in the accounts due to the finance team being busy with auditors and the annual report. The financials were impacted by unanticipated milling and movements in log prices. Money is still due to be distributed from the Forestry Board to the community boards for the use of land in their areas. The budget for sylviculture will not be enough to cover expenses, however there was some unspent money expected in other parts of the budget which would be used to pay for the extra work in sylviculture. The board can also expect an impairment of the forestry carbon units due to the change in value of these units.

THE CHAIRMAN DECLARED THE MEETING CLOSED AT 10.04am

CHAIRMAN: _____

DATE: _____

Kevin O'Neill's Time & Travel Log November 2014

November 2014	Hrs	Kms	Details
3	2.5	37	Kurt Crisp has started thinning the 30 ha block at Cabuie planted in 2000. Visited the contractors to discuss safety and the job quality.
12	3	47	Fencing at Mawaro.
13	3.5		September, October Forestry reports. Discussed details with Paul to go into Wrefords lease contract.
17	1/2		Spoke with Pauline as she is drafting up the conditions and looking at land titles for Wrefords lease contract.
18	3.5	53	Sprayed gorse and broome along drive on south side of Strathallan Plantation. Looked at thinning progress at Cabuie. Employed Don McConnochie to help do plots after thinning takes place After consulting with Graham Smith and Paul. It will be a saving on paying mileage for someone to travel from Ashburton.
20			Contacted Sam Bell re Ecan letter requiring spraying at Fox Peak.
25	3		Office work and making up equipment for accessing forestry plots that have been thinned as in the past we have used Terrys equipment.
28	4	41	Don McConnochie's first day. Did plots 1,2,3 at Cabuie. Trees are 14 years old. 10.8-11.9 metres high being thinned to about 650 stems per ha.
29	1.5	34	Visited Andrew Hurst to discuss gaining access and where the blocks are that we intend to thin at Woodburn. Spoke with Kurt Crisp about stocking rates at Cabuie.
TOTALS	21.5	212	

Kevin O'Neill's Time & Travel Log December 2014

December 2014	Hrs	Kms	Details
1	1/2		Reported to Terry on plot measurements and contractor progress at Cabuie. Contacted Sam Bell about Ecan requirements at Fox Peak.
3	2		Had a meeting with Terry O'Neill in Ashburton. 1. Thinning programme 2. Contractors 3. Health and Safety
5	2		Sent plot info to Terry plus invoices. Met with Sam Bell, discussed map and letter from Ecan about gorse and broome at Fox Peak and action to be taken.
12			Spoke to Kurt Crisp as to when he will be back to continue at Cabuie.
18	2		Spraying gorse up creek at Cabuie.
TOTALS	6.5		

Kevin O'Neill's Time & Travel Log

January 2015

January 2015	Hrs	Kms	Details
5	1/2		Kurt Crisp finished thinning 30 ha block behind house at Cabuie. Half the block now thinned. Rang Ian MacDonald about spraying gorse and broome on Plantation edges which boundary Glenrock Station. Rang Sam Bell re spraying at Fox Peak.
12	4	38	Meet with Ray Gardner to identify water sources for firefighting, particularly at Cabuie where thinning is just complete and there is an excess of fuel in the form of dry trees on the ground. Also Woodburn, where the grass is still green but where the contractors will be working if it is safe. I.e; the fire risk is low. To Woodburn to meet Kurt Crisp and Bruce Holden who start thinning there today. <ol style="list-style-type: none"> 1. Collected physical hazard identification form. 2. Signed off safety inspection checklist. 3. They agreed to knock off early if conditions became too dry on any particular day. It was very dry when I left home but drizzle at Woodburn made the thinning area very wet, so a different climate. Met Graeme Page and David Giddings at Page Plantation where they wish to divert the creek before it comes from our Plantation into farmland so as to give two more paddocks creek water. It would then return to the Creek like it does now. We would still have water through 2/3 of our Plantation.
13	1/2		Had a discussion with Graham Smith . <ol style="list-style-type: none"> 1. Water reserves for plantation fire fighting. 2. Diversion of water race at Page Plantation. 3. Thinning at Cabuie and Woodburn. 4. Land Sale options. 5. Lease at Wrefords.
15	3	37	Spoke with David Giddings, Graeme Page and Graham Smith about progress on being able to get permission to realign the stock water creek. David Giddings to consult with all other consumers on the water race first. Graeme Smith to consult with Bernie Haar. Visited Kurt Crisp at Woodburn. Obtained maps containing GPS co-ordinates from Terry for Woodburn.
19	5	38	Did a further three plots to check numbers per hectare size of trees height and diameter at Cabuie. Work now completed. Six plots done in total , collate information and send to Terry. <ol style="list-style-type: none"> 1. Contacted contractors to report on our findings. 2. Contacted Graeme Willetts to cut and bale roadside at

			Woodburn to lower fire risk.
21	1/2		Spoke with Graham Smith and Suzy Ratahi about track at Simons Pass.
22	3.5	33	Met with contractors and did first two plots, 4 and 5 at Woodburn. Trees 15 yrs old. 13.5 -16 metres high. Great growth rates.
23	1/2		Contacted Jeffery Sincock who would like to shoot rabbits at Tekapo Plantation. Spoke to Don McConnochie who would check his gun licence and show him a safe area to shoot after assessment.
27	3		Write November and December forestry reports. Had a visit from Ian Robertson who would like to take firewood from thinnings at Woodburn. He is to get permission from Andrew Hurst and get back in touch with me.
TOTALS	20.5	146	

MACKENZIE DISTRICT COUNCIL

REPORT TO: FORESTRY BOAD

SUBJECT: FINANCIAL REPORT – JANUARY 2015

MEETING DATE: 17 MARCH 2015

REF: FIN 1/2/3

FROM: MANAGER – FINANCE AND ADMINISTRATION

PURPOSE OF REPORT:

Attached is the financial report for the Forestry Board for the period to January 2015, the purpose of which is to update Board members on the financial performance of the Forestry Board as a whole for that period.

Commentary will be provided for any significant variances.

STAFF RECOMMENDATIONS:

1. That the report be received.

PAUL MORRIS
MANAGER – FINANCE & ADMINISTRATION

Mackenzie District Council
Finance Report
For The Period Ended January 2014

LYTD Actual January 2014		YTD Actual January 2015	YTD Budget January 2015	Variance		Full year Budget 30/06/15
0	Income	0	0	0	✓	0
183,314	Other Income	16,760	574	16,186	✓	34,988
8,910	Internal Interest Income	6,334	13,608	(7,274)	✗	23,105
192,224	Total Income	23,094	14,182	8,912		58,093
0	Expenses	0	0	0	✓	0
12,005	Consultancy Expenses	11,386	19,250	7,864	✓	33,000
14,435	Administration Expenses	12,203	20,231	8,028	✓	29,400
50,640	Operational and Maintenance	26,695	29,856	3,161	✓	52,400
0	Asset Impairment	0	0	0	✓	30,000
77,079	Total Expenses	50,283	69,337	19,054		144,800
115,144	Operating Surplus/(Deficit)	(27,190)	(55,155)	27,966		(86,707)
Operating and Capital Reserves						
0	0	0	0			0
115,144	Operating Surplus/(Deficit)	(27,190)	(55,155)			(86,707)
115,144	Total Operating Reserves	(27,190)	(55,155)			(86,707)
571,205	Opening Balance	493,980	711,000			711,000
571,205	Total Capital Reserves	493,980	711,000			711,000