



**Minutes of a Meeting of the
Board of Seaview Marina Ltd**

Held on Thursday 20 February 2014 at 11:30am in the Seaview Marina Office

Present: Brian Walshe (Chairman) (BW)
 Arthur Stewart (Director) (AS)
 Chris Milne (Director) (CM)

In Attendance: Alan McLellan (Marina Manager) (AM)
 Suzanne Willis (Marina Administrator) (SW)
 Paul Blacker (Chief Financial Officer HCC) (PB)
 Sharon Page (Senior Management Accountant HCC) (SP)

| Discussion | Action Points |
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| 1. Apologies None | |
| 2. REGISTRATIONS OF INTEREST No Change. | |
| 3. CONFIRMATION OF MINUTES <i>Resolved</i> <i>That the minutes of the Board meeting held on Thursday 19 December 2013 were accepted as true and correct.</i> <i>Moved: Chris Milne/Seconded: Brian Walshe</i> | |
| 4. ACTIONS FROM PREVIOUS MEETINGS Sea Centre Unit 4 AM noted this is leased on a casual basis until approximately 28/7/14. AS noted that should a long-term lease be arranged for Unit 4 that care be taken that lease terms do not conflict with existing leases for other units. Marina Valuation AM noted he had received acknowledgement from QV of the marina's objection to the current valuation received for the marina. New Initiatives Boat Show AM advised no action to date on this event. | AM to obtain a breakdown from QV as to how the marina valuation was allocated. AM to advise QV of SML address so that future valuations are mailed directly to SML rather than HCC. AM to discuss Boatshow initiative with Burnsco and |

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| <p>Landscaping AM noted that landscaping design for the area to the south of the marina office has been finalised. Resource Consent for the gatehouses has been approved.</p> <p>WiFi AM is in discussion with providers and will report findings back to the Board.</p> <p>Commercial Pier Bellingham Marine has submitted pricing for the commercial pier. The viability of the commercial pier and F and G pier proposals will be discussed further at the Strategy Meeting to be held in March.</p> <p>Maintenance The Board discussed the maintenance report prepared by Mark Cousins which was tabled at the December Board meeting. AM noted that the changes to the report recommended by the Board had been made.</p> <p>Fire Hoses AM noted that Wormald are looking into a solution for the issue of fire hose nozzles being removed and /or damaged by marina customers.</p> <p>Urban Plus Report on Maintenance of Marina Buildings AM noted that the exterior of the marina office and Sea Centre are constructed all or in part with materials that do not require painting. Therefore the painting of these has been removed from the painting maintenance schedule prepared by UPL for marina buildings.</p> <p>Customer Survey 2014 MM Research Ltd has provided a quote for undertaking the design and management of the 2014 SML Customer Survey.</p> <p>The meeting discussed how SML might distribute the survey to casual customers not currently on the SML email list i.e. casual ramp users. Issues to consider:</p> <ul style="list-style-type: none"> • The survey is designed to be completed online rather than filled in on a printed form. • Not all questions are designed for casual users. • Additional staff may be required to collate and/or input results or key in answers for customers. • How customers not on email can access and complete the survey. <p>Website AM reported that the weather station has been loaded onto the SML website.</p> | <p>Report back to the March meeting.</p> <p>AM to amend the maintenance report as discussed and distribute to the Board.</p> <p>AM to post the amended maintenance report on the SML website once it has received Board approval.</p> <p>AM to arrange for a page entitled 'Marina Development and Maintenance' to be included on the SML website.</p> <p>AM to contact MM Research and engage their services to audit only the 2014 Customer Survey.</p> <p>AM to investigate the potential for paying students to survey casual marina customers such as ramp users.</p> |

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| <p>A webcam is to be purchased and installed on the website to display live weather images from Seaview Marina.</p> <p>Reporting Ramp use statistics are now included in the Management Report as requested.</p> <p>Sharon Page is working on phasing of the Budget</p> <p>Diesel sales are looking more positive.</p> <p>The Board also asked that provision of petrol be looked into. The Health and Safety issues with petrol should also be investigated.</p> <p>Marketing Marketing strategies for the hardstand in particular were discussed. The one Day Deals will continue.</p> <p>The success of the radio campaign for trailer parks is difficult to measure. Improved signage at the ramp entrance and boat ramp is being priced.</p> <p>An upgrade to the boat wash down area is also being priced in response to customer feedback about problems with drainage and ponding there.</p> <p>C Milne tabled a report on traffic to the SML website.</p> <p>Direct Debits 69 customers are currently paying their monthly rental by direct debit. Direct debit facility is being offered to all new customers.</p> <p>C Milne suggested that we insist that bad debtors pay by direct debit.</p> | <p>AM to contact HCC re putting our weather link on the HCC website.</p> <p>AM to look into potential for setting up a fuel card system at SML.</p> <p>AM in investigate possibility of supply petrol and health and safety implications of this to customers with Farmlands and other fuel suppliers.</p> <p>SW to discuss options with Alison Watt for marketing of direct debit and also placing bad debtors on DD and report back.</p> |
| <p>5. FINANCIAL REPORT Sharon Page spoke to the Financial Report for the month ended 31 January 2014 which was included with the Board papers.</p> <p>She noted the following key points:</p> <p>Forecast Year End Results</p> <ul style="list-style-type: none"> • Income is forecast to be favourable to budget by \$21k and expenditure is forecast to be over budget by \$64k. • Overall, a YE forecast surplus of \$311k is expected, compared with a budgeted surplus of \$353k (representing a shortfall against the YE budget of \$42k) • This would result in a ROI of 6.7% (higher than the required 5%) <p>YTD Results</p> <ul style="list-style-type: none"> • Income YTD is tracking above budget by \$69k due to : <ul style="list-style-type: none"> - The settlement of the insurance claim of almost \$122k, offset by - Unfavourable YTD variances relating to rental income of almost \$40k and net diesel sales of almost \$15k (note diesel costs are also lower than planned). | <p>SP and PB to include AM in the debt repayment schedule and advise him when repayments are made.</p> |

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| <ul style="list-style-type: none"> • Rental income is lower than budget mainly due to reduced hardstand income \$32k, with both cradles being out of operation earlier in the year. • Focusing on rental income (the largest category of income): <ul style="list-style-type: none"> - Mooring income is consistently tracking above budget. - Sea Centre rental, marina berths and trailer park income are tracking close to budget. - Boatyard income is tracking significantly below budget. - Travelift, liveaboard, and ramp sales are tracking under budget. However, income from ramp sales has picked up over the last month. <p>Expenditure</p> <ul style="list-style-type: none"> • YTD expenditure is tracking ahead of budget by \$139k due to: <ul style="list-style-type: none"> - Unplanned expenditure relating to the June 2013 storm, \$118k - Higher employee costs, \$15k (\$9k of the variance relates to the storm clean-up) - Lower than planned financial costs, \$12k. <p>Statement of Financial Position</p> <ul style="list-style-type: none"> • Borrowings have reduced by \$100k, due to repayment of the loan. The loan is now \$2,650,000 <p>Statement of Cash Flows</p> <ul style="list-style-type: none"> • Net cash from operating activities is positive and higher than last month due to solid income growth in January. • Net cash from investing is negative and reflects the capital programmes spend. • Net cash form financing is negative and reflects repayment of borrowings. <p>The Cost Centre breakdown, which had not been included with the Board papers was copied and circulated.</p> <p>SP noted that SML would have to monitor future expenditure and keep tight control on this area.</p> <p>June 2013 Storm Insurance Claim AM noted that some claimed items had not been covered such as cradle chains and turnbuckles which had been upgraded post the storm.</p> <p>Resolved <i>That the Financial Report for the month ended 31 January 2014 be approved.</i> <i>Moved: Brian Walshe/Seconded: Chris Milne</i></p> | <p>AS requested that a report looking at expenditure against total revenue over time be prepared and will come back to the March meeting with the information he would like to have included in this report.</p> |
| <p>6. DRAFT BUDGET 2014-2015 The draft 2014-2015 Budget was included with the Board papers. The following variations were noted to:</p> <p>Engineering Services – this relates to pier maintenance costs Other Specialist Services – includes consultancy work commissioned by Bogacki Associates. Wages and Salaries - see action point</p> <p>Sea Centre H2O lease is due for renewal in March 2014.</p> <p>Corrections to the budget were noted as follows:</p> | <p>AM to look at variations in wages and salaries and report back to the meeting.</p> <p>AM to keep an eye on market rents in relation to SC lease renewals and rental rates.</p> |

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| <ul style="list-style-type: none"> • Make sure it is clearly stated that rental for SC stated is for a six month period. • Change description of 'Cannister Sales' to 'Ramp Cash Sales' <p>Capital Expenditure Pier Gatehouses AM recommended to the Board that new gatehouses be installed on F and G Piers. He added that the gatehouses will include storage for pier trolleys and rubbish/recycling bins.</p> <p>Automatic Gate Closes on Pier Gates AM to trial an automatic gate closer on E Pier and if successful install similar on all piers.</p> | <p>AM to look at gatehouse structures and designs used at other marinas and report back to the Board.</p> |
| <p>7. 2014/2015 STATEMENT OF INTENT The Board stated an aim to have debt drop by \$200k prior to 30 June 2014.</p> | <p>AM to prepare information to present to HCC, especially CAPEX plans.</p> |
| <p>8. LETTER FROM TONY STALLINGER Included with the Board papers. The Board considered and discussed the email from Tony Stallinger.</p> <p>Response:</p> <ul style="list-style-type: none"> • Capital return could commence now but would severely impact on continued development. • Sale of berths option cannot be done without ownership of the seawall and without extension of the seabed licence. • The marina could possibly lease rather than purchase the seawall • The value of the seawall is incorporated into the assessment of the asset. <p>The Board noted that the SML vision is to grow the value of the asset.</p> <p>Sharon Page and Paul Blacker left the meeting.</p> | <p>AM to highlight the SML vision for future development which will create the greatest long-term value of the asset.</p> <p>AM to put a reply to Tony Stallinger together. Keep the response simple.</p> |
| <p>9. CLIENT SERVICE REPORT Tabled. AM has spoken with all catamaran owners about their haul out requirements.</p> | <p>AM to organise a meeting with the liveboards.</p> |
| <p>10. OSH REPORT One incident occurred during the period: A vessel was hit by the travelift cross beam resulting in damage to the mast.</p> <p>AM noted that SML Health and Safety policies and processes are up to date and ongoing.</p> | |
| <p>11. MANAGEMENT REPORT Executive Summary</p> <ul style="list-style-type: none"> • The hardstand performance has pulled YTD income down to 96% of budget but the improvement in the boat storage income is heartening. • Diesel sales are also well below budget but it appears we have regained a couple of our large users. • Overall we are forecasting a \$311k profit at YE, \$42k below budget. • The storm insurance claim has been paid out, apart from the cost of a pile on E Pier. • The refurbishment programme of the in-water assets is underway. | |

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| <ul style="list-style-type: none"> • One minor health and safety issue occurred in January 2014. • An acrimonious meeting was held with the Chairman and Secretary of the SMUA. <p>AM added:</p> <ul style="list-style-type: none"> • 21 berths and 21 trailer parks are currently vacant. • There has been no change on the boatyard and it continues to be quiet. • SML boatyard maintains stricter Health and Safety controls than other Wellington marinas – this could be negatively affecting perception and use of the SML boatyard. • One Day Deals on the boatyard will continue. • Phil Whardale (MMS Consultant) will be asked to create reports which will enable us to remind boatyard customers when they are due for a haulout. • Signage on the boatyard has been reviewed. The number of signs will be consolidated and changed so they have a more welcoming approach. • SML to consider banning of stepladders on the boatyard – a policy common in other marinas/workplaces. <p>Debtors Debtor report prepared by Alison Watt was included with the Board papers. [REDACTED] is of concern and Alison will be asked to follow up with this debtor. [REDACTED] will be moved to a pole mooring to assist with getting his debt under control.</p> <p>Resolved: <i>That the Board approves the writing off of the following debts:</i> [REDACTED] <i>Moved; Brian Walshe/Seconded Arthur Stewart</i></p> <p>Ramp Activity Ramp activity has been down for the month. A reason for this could include the bad weather experienced this summer.</p> <p>Sea Centre Strait Marine and George Saunders have a contract to refurbish 6 lifeboats off the Arahura and are leasing Unit 4 until July 2014 for this purpose.</p> <p>Marina Development Programme Refer to action point (right).</p> <p>Lowry Bay Yacht Club AM tabled a report on the LBYC clubhouse proposal. AS suggested that SML put numbers into the report and come up for a compelling reason to do the development of LBYC. Factors to consider include: loss of ground rent, costs over the period, the type of lease renewals and rental (preference is for a terminating lease), what savings SML will make with this proposal, whether the building will have to be moved and who will operate the café.</p> <p>Resolved:</p> | <p>AM to do work on comparing the commercial pier proposal with development of F and G piers.</p> <p>AM to do more work on this proposal and with a view to seeing if it is worth proceeding.</p> <p>AM to run figures on cash-flow for possible rental and create parameters.</p> <p>AM to obtain a current cost of moving the</p> |

| Discussion | Action Points |
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| <p><i>That the Board notes and approves the Management report. Moved: Brian Walshe/Seconded: Chris Milne</i></p> | <p>building and pass information on to AS for review.</p> |
| <p>12. STRATEGY MEETING 2014 Commercial Pier vs the redevelopment of F and G Piers to be discussed at the 2014 strategy meeting. The meeting to be facilitated by Craig O’Connell.</p> <p>2014 Strategy Meeting to be held: Tuesday 11 March 2014 Urban Plus Board Room From 8:30am – 12 noon Morning tea will be provided.</p> | <p>AM to update information on pier proposals for the Strategy Meeting.</p> |
| <p>13. SIX MONTHLY REPORT TO THE SHAREHOLDER AM included his draft report with the Board papers for discussion. Amendments were noted including the following:</p> <ul style="list-style-type: none"> • Add a section on Health and Safety under ‘Monitoring’ • Public Access - add ‘to encourage the <i>safe</i> use of the marina’. • Stress that the rental income figure for the Sea Centre is <i>six</i> monthly as opposed to annual. <p>AM noted his gratitude to Sharon Page for the great work done by her on the 2014-15 Budget.</p> <p><i>Resolved That the Six Monthly Report be accepted subject to the minor changes noted. Moved: Brian Walshe/Seconded: Chris Milne</i></p> | |
| <p>14. NEW INITIATIVES Access to Trailer Parks Some Trailer Park A customers have noted dissatisfaction with the location of the swipe entry point to the park – which is on the passenger side of the vehicle.</p> | <p>AM to contact seedigital re changing the location of the swipe access point for Trailer Park A.</p> |
| <p>15. GENERAL BUSINESS</p> <p>There were no items of General Business.</p> | |

Chris Milne tendered an apology for the April 2014 meeting.

With No Further Business the meeting closed at 2:15pm

**Next Meeting Date.
Thursday 27 March 2014 at 11:30am in the marina office**

Signed:

Brian Walshe
Chairman

Dated: