



**Minutes of a Meeting of the Board of Seaview Marina Ltd
Held on Thursday 1 May 2014 at 11:30am in the Seaview Marina Office**

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

In Attendance: Alan McLellan (Marina Manager) (AM)
Suzanne Willis (Marina Administrator) (SW)
Sharon Page (Senior Management Accountant HCC) (SP)

Discussion	Action Points
<p>1. Apologies Chris Milne (Director)</p>	
<p>2. REGISTRATIONS OF INTEREST No Change.</p>	
<p>3. CONFIRMATION OF MINUTES <i>Resolved</i> <i>That the minutes of the Board meeting held on Thursday 27 March 2014 were accepted as true and correct.</i> <i>Moved: Brian Walshe /Seconded: Arthur Stewart</i></p>	
<p>4. FINANCIAL REPORT Sharon Page noted the following key points from the financial report for the month ended April 2014:</p> <p>June 2013 Storm Insurance Claim Forecast income relating to the June Storm settlement has been decreased by \$8k from \$122k to \$114k. The adjustment is for two credit notes in which a portion of berth fees were waived for two boat owners. In addition, expenditure relating to the June storm was increased by almost \$13k from \$118k to \$131k due to settlement of the additional excess related to the Jacaranda insurance claim. As stated in the report, all transactions relating to the June storm have now been processed.</p> <p>Forecast Year End Results</p> <ul style="list-style-type: none"> • Overall, a YE forecast surplus of \$220k is expected (\$250k last month), compared with a budgeted surplus of \$353k. Representing a shortfall against the YE budget of 133k. • Income is forecast to be favourable to budget by \$31k (\$39k last month) • Expenditure is forecast to be over budget by \$164k (\$143k last month). <p>YTD Results Surplus/ (Deficit)</p> <ul style="list-style-type: none"> • A YTD surplus of almost \$157k was achieved (compared with a YTD budgeted surplus of \$280k), which is \$123k lower than the YTD budget. <p>Income</p> <ul style="list-style-type: none"> ▪ Income YTD is tracking above budget by \$38k (\$43k last month), due to: 	

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<ul style="list-style-type: none"> ▪ The settlement of the insurance claim of almost \$114k, and favourable variances relating to other income, \$3k; offset by; ▪ Unfavourable YTD variances relating to rental income of \$60k and net diesel sales of almost \$19k (note diesel costs are also lower than planned). ▪ Rental income is lower than budget mainly due to reduced hardstand income, \$40k, (with both cradles being out of operation earlier in the year). <p>Expenditure</p> <ul style="list-style-type: none"> ▪ YTD expenditure is tracking ahead of budget by almost \$160k (\$150k last month) due to: ▪ unplanned expenditure relating to the June storm, \$131k; ▪ higher employee costs, \$22k; ▪ higher operating costs, \$22k. <p>Offset by:</p> <ul style="list-style-type: none"> ▪ Lower than planned financial costs, \$8k. ▪ Depreciation charges are tracking marginally ahead of budget by just over \$2k. ▪ Depreciation is forecast to be over budget by almost \$8k. <p>Statement of Financial Position</p> <ul style="list-style-type: none"> ▪ Non-current liabilities (borrowings) have decreased by \$200k in total from \$2.75m to \$2.55m. <p>Statement of Cash Flows</p> <ul style="list-style-type: none"> ▪ Net cash from operating activities are positive due to higher income in March. ▪ Net cash from investing reflects the capital programme spend. ▪ Net cash from financing is negative and reflects repayment of borrowings. <p>Return on Expenditure The Chairman asked what can be done to bring profit closer to 5%. AM noted that expenditure is on hold and pier maintenance work on through-bolt replacement will be limited until the new financial year (1 July 2014).</p> <p>Sea Centre – Units 2 and 3 Sharon Page will stop future internal transfers between the boatyard and Sea Centre for units 2 and 3.</p> <p>Commercial Pier AM to continue work on the business case for the commercial pier.</p> <p>Resolved <i>That the Board notes and receives Sharon Page’s report for the month ended 30 April 2014.</i> <i>Moved: Brian Walshe/Seconded: Arthur Stewart</i></p>	<p>AM to undertake an exercise comparing income from Units 3 and 2 if leased on casual vs long-term basis. This report is to include figures at YE and to be submitted to the July Board meeting.</p>
<p>5. ACTIONS FROM PREVIOUS MEETINGS Marina Valuation AM has prepared an objection to the latest marina valuation received from QV and will discuss this with AS prior to submitting to QV. AS asked AM to check the following:</p>	

Discussion	Action Points
<ul style="list-style-type: none"> ▪ Obtain valuation for the separate arms of the business. ▪ Ensure areas not belonging to SML are excluded from the valuation, i.e. the breakwater. ▪ Ensure future valuations are mailed directly to SML. <p>2014-15 Budget The 2014-15 Budget is to be submitted to the Shareholder on 30 July 2014.</p> <p>Commercial Pier A marketing programme will be instigated to gauge support for the commercial pier proposal once work on F and G Pier business has been completed.</p> <p>LBYC The club has held a meeting of members to discuss the café proposal and reported response was generally positive. We are awaiting the outcome of a special general meeting. AM has obtained an estimate from Brittans House Movers to move the clubhouse forward on site of \$32,000-\$42,000.</p> <p>F and G Pier Proposal AM has advised all customers on these piers and on the affected pole moorings about the proposed development and potential effects on them. The proposal will be discussed later in the meeting.</p> <p>Asset Management Plan Mark Cousins is still working on the in-water plan and his report is pending.</p> <p>Fire Hoses SML is still awaiting pricing for anti-tamper device for pier fire hose nozzles.</p> <p>Trailer Park Gate Access Seedigital have quoted \$3,500 for moving gate swipe access points to the driver's side at each entrance. Customers to be advised of the decision to move the access points in the next newsletter.</p> <p>Compliance AM noted that M Cousins is currently spending 40%-50% of his time on compliance issues.</p> <p>Boatyard AM noted that his report on potential for separating the boatyard off as a separate business unit is pending.</p> <p>KPI Graph tabled. Will continue month by month.</p> <p>Maintenance Webpage Jonny Udy is working on this and it is under action.</p> <p>Diesel AM has contacted three companies re supply of diesel and/or petrol at SML. Petroleum Logistics is interested in installing a diesel pump our customers can</p>	<p>AM to look at supplying standard hoses on piers for customer use in an effort to stop use of fire hoses in non-emergency situations.</p> <p>SP and AM to look at the six KPIs and develop a one page report. Add to other business.</p>

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<p>The Operating Certificate is expected in May.</p> <p>Unit 6 – Kevin Ryan is vacating this unit in September 2014 and a new tenant will be required. Chris from Atomix Boats has expressed interest in this unit. AS suggested that SML engage the services of an agent to lease this unit.</p> <p>Pier Refurbishment AM reported this work is progressing well.</p> <p>Health and Safety AM reported one issue was reported – the pier bridges tend to be slippery when wet. To remedy this mesh will be put on pier bridges prior to winter by Old Man Mac contractors to reduce risk of customers falling.</p> <p>Specified Limits Permit The annual cost of operating the marina punt and rib is currently approximately \$1500. The new Specified Limits Permit which will be adopted by SML will considerably reduce the cost of surveys for vessels used within marinas.</p> <p>Work Safe Regulations Work Safe Regulations are being introduced next year. It is expected that these will put more responsibility onto the Board and CEO.</p> <p>Statement of Intent 2015 The Finance and Audit Committee meeting held on 16 April 2014 approved the 2015 Statement of Intent.</p> <p>June 2013 Storm Damage costs Storm damage costs have taken \$59,000 off the bottom line in the 2013-14 financial years. This is to be pointed out to the Finance and Audit Committee when SML reports on the year end result.</p> <p>Marina Walkway Work has begun on the walkway running between the marina office and the E Pier ablution block. AS suggested that the small slipway to the south of the marina office be filled in to improve continuity of the pathway. AM will include this in the work being undertaken.</p>	<p>AM to have a look at the market to gauge leasing opportunities for Unit 6.</p>
<p>8. F and G Pier Proposal A report outlining the business case for the completion of F and G Pier was included with the Board Papers AM noted that part of the development will be inclusion of power pedestals with the ability to measure power usage. AM is currently pricing similar power pedestals to replace those on E Pier and would like to retro-fit them. SML will continue to monitor power usage on a pier by pier basis.</p> <p>Resolved <i>That the Board approves the price to construct F and G piers (minus the gate structure) submitted by Total Marine Services amounting to \$689,850 plus cost of power and water connection (estimated at \$10,000 plus GST).</i></p>	

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<p>9. LOWRY BAY YACHT CLUB PROPOSAL AM tabled estimates of the cost of refurbishment and relocation of the LBYC clubhouse. AS asked that AM check who is liable for the costs of internal maintenance of the clubhouse under the terms of the proposal. He suggested that it is standard practice for the landlord to look after the shell and tenant the interior maintenance. It was agreed that AM do no further work on this proposal until LBYC has met and approved the project.</p>	<p>AM to check who is liable for costs of internal maintenance of LBYC under the terms of the proposal.</p> <p>AM to establish the net cost of providing a café area on site.</p>
<p>10. NEW INITIATIVES AM has been contacted by a party interested in leasing land to set up a dry stack facility in Wellington. AM is awaiting further contact from him.</p>	
<p>11. 2014-2015 BUDGET This item was postponed for discussion at the June 2014 meeting. Slight changes to the capital expenditure will be made.</p>	<p>AM/SP to finalise 2014-15 Capital Expenditure.</p>
<p>10. MARINA BREAKWATER SML needs to undertake due diligence on the breakwater. AS recommended that SML contact QV and noted his availability to assist if required. QV have treated the breakwater as part of the SML infrastructure with relatively nominal value.</p>	<p>AM contact QV to discuss the valuation of the breakwater</p>
<p>11. MARINA USERS ASSOCIATION The next meeting between the MUA and marina management will be held on Thursday 15 May AT 9:30am in the marina office.</p>	<p>SW to email all parties to advise date and time of the meeting between MUA and SML</p>
<p>10. GENERAL BUSINESS There were no items of General Business.</p>	

With No Further Business the meeting closed at 1:19pm

Next Meeting Date.

FRIDAY 30 MAY 2014 at 11:30am in the marina office

Signed:

**Brian Walshe
Chairman**

Dated: