

Notes of the Port Tarakohe Advisory Group Meeting

Date: 25 August 2015, Start 12.30 pm
Venue: Pohara Boat Club

Present: Tim King (Chair) - Councillor - Tasman District Council
Martine Bouillir – Councillor – Tasman District Council
Paul Sangster – Councillor – Tasman District Council
Carolyn McLellan – Chair - Golden Bay Community Board
Gene Cooper – Commercial Manager – Tasman District Council
Bob Butts – Director – Port Tarakohe
Merv Solly – Owner - Sollys
Kris Solly - Manager – AristaCat
Allan Kilgour – Harbour Manager – Port Tarakohe
Rhonda Marshall – Commercial Services Admin – Tasman District Council
Kevin – Pohara Boat Club
Martin Potter – Tarakohe Marine Association

Apologies: Alan Russell – Pohara Boat Club
Graeme Coates – Director – Aquaculture Direct
Milan Talley - Director - Talleys

1. Previous Notes

No further comments on previous notes.

2. Port Strategy Update

GC advised a consultant was lined up for 4-5 weeks and then pulled out therefore we are 5 weeks behind on getting a consultant to work on the port strategy. The strategy scale is increasing and we are looking at timeframes for spending, this is mostly commercial but also recreational marina items.

BB suggested that Stuart Hughes is to replace Tom Hollings from Sugarloaf. Stuart is the Director of the Chatham's Port Company and is involved in the Cycleways Trust. BB noted it would be ideal to work with Stuart, as he worked for ports in the past.

GC advised Council would like input from a similar entity prior to implementing any infrastructure changes, this is why we had thought Sugarloaf would be useful.

BB noted we could take 130,000 tonne over Tarakohe without any problems. PS feels Council has been reactionary in the past and this needs to change. TK agreed that we need a good understanding of what is required and work will be planned going forward. PS is worried about a lot of money being spent on reports from "experts". GC advised we are trying to keep to specific items to get a big picture. BB noted the port has improved no end over past 20 years, it is possible to get a lot more from the port without spending a great deal. TK confirmed we won't be spending without getting good advice first.

3. Boat Club

Kevin referred to the previous minutes and freedom camping comments. The Boat Club has no formal agreement with NZMCA. Kevin noted that the Boat Club is not able to charge campers, which is keeping in line with the letter from Council. The Boat Club do get donations from the showers as they are coin operated. Kevin noted that the Boat Club made \$1,100 last year from camping activities at the port. TK advised we still want them coming

here but agreed money should be made from these activities. PS suggested ticketing to obtain payments from camping activities.

GC has had a meeting with Alan Russell to discuss the campervan situation. It is noted that under the Boat Club's lease there is a clause that prohibits subletting. Campervans have been parking all over this area and the feedback from Council is not good. Ash is having conversations with NZMCA. GC noted that if anyone is making income off the land it should be the land owner i.e. Council. No authority has been granted for the Boat Club to be making money off this. Kevin advised they are receiving donations rather than income. GC noted that any money changing hands means it is essentially functioning as a campground. The issue of subletting is still a valid one.

TK confirmed that all parties are to be involved before a decision is made. BB addressed complaints from campgrounds, this isn't a big issue as people coming to the port have dogs which are not always welcome at campgrounds. MB agreed saying these campervans only need "wheel only spots" and Brent at Pohara Top Ten doesn't want those customers so there is no conflict. Brent at Pohara Top Ten is happy with NZMCA only at Tarakohe as non-members will still go to the campgrounds.

GC advised that Council is not happy having the front waterfront area for camping activities, this area is for picnicking. MB noted a picnic area at front is a great idea. Conversations are currently underway regarding extending the Boat Club lease. GC noted that Council staff have witnessed people here asking for donations from campers – this is not acceptable. Noted that rallies have been coming in and the groups are getting larger.

Agreed that the raised grassy area is the best location for campervans and will be NZMCA members only, not just anyone with a campervan. GC advised the area will be semi-secured with bollards. Council to work on a ground lease with NZMCA and the Boat Club still get their money coming in from the coin operated showers etc. NZMCA will have to police the use of this land. Jucy vans for example are coming in using facilities and space. GC is talking with Graham Caradus on how this can be managed.

It was brought to Council's attention that the Boat Club were at risk of breaching their liquor licence, the signage has now been changed.

TK confirmed that moving forward meetings will be held to discuss lease terms and the use of land at front. MB would like the community to be involved in these discussions.

Kevin noted that during peak summer time the grassy area on waterfront is full of cars and trailers as overflow. Noted there are 35 carparks at rear of boat club, these need to be used first.

AK – met with forests and birds and Greg Napp recorded 38 penguins were seen in one night. AK suggested opening up to the community, tour bus etc?

4. Health and Safety Review

GC advised the Cosman Parkes (top of their field in H&S) reports are finalised, Council has fallen short around standard operating procedures and therefore our focus here is increasing. Still would like to get SOP's from Sollys and Talley's to make sure Tarakohe's will be in line with what is existing, we don't want to reinvent the wheel. MS has been through their SOP's and needs clarification on the Health & Safety representative. GC noted that a crane needs SOP of its own, qualified people to be doing these sections of the overall SOP. GC noted for example divers doing work need Health & Safety documentation to cover the actual work not just the port related.

Some items of concern are: no assembly point, no emergency alarms, condemned wharf etc these were raised in the report. TK confirmed there is money in LTP budget for Health & Safety upgrade, maintenance is ongoing to keep on top of Health & Safety. The floater at the boat club side is a Health & Safety issue and emergency equipment hasn't been sufficient.

Health & Safety costs were split between the different areas they looked at – not just the port (in response to CM's question). GC has a timeline for Health & Safety to include options, this will be circulated with the meeting notes. TK advised this is not a "no money" situation, the decisions are between closing areas vs repairs/maintenance.

The Hemenstral left port on Saturday morning. The owner is up to date with bills however a small deal was made for him to vacate the port, it was noted that he had some thefts off his boat while it was in port. Nothing is to be tied up to condemned wharf. Mr Choi will be up in court shortly; this is the only solution available. He was put back to full rates a few months ago.

CM raised security and queried who is removing stuff from boats. GC advised cameras haven't been that advanced to date however much better systems in place now and there was a person caught person cutting the lock to get fuel a number of times who will be billed. Checking of cameras will continue for any future thefts, cameras are very useful for this. Stuart had asked AK to look at cameras although nothing was captured on the cameras to show who stole from the Hemenstral. Note we are holding 5 months worth of footage on the cameras. We upgraded from 4 cameras to 10 cameras.

AK noted Stuart owner of the Hemenstral had no boating experience and this was a Health and Safety concern. TK advised this is not our responsibility and lack of insurance while at the port is more of an issue.

5. Capital Development

MS will be doing some work where the fuel berth comes out, NPD are moving their tank and bowzers so that people don't need to use the condemned wharf. Further work in this area is in the capital development plan. PS queried what is happening with the fuel. GC advised fuel lines will be run underground and a rock causeway will be formed. AK confirmed there will be card reader right beside the hose and will be easy to access. Boats refuelling will be able to tie up to the concrete wharf.

MS advised the best solution would be to cut out the old wharf and then back fill to create a wall. BB suggested a full rock-facing behind the wharf then back fill behind that. Discussed sheet piling in which case a walkway would be required. GC advised we will look at all options provided we could still sheet pile down the track. GC noted the wharf is still there due to the consent on it, if the wharf was removed big consenting issues may arise. GC is to look into this. TK suggested getting indicative pricing and answers to the consent questions. BB queried whether it would be classed as remedial work on the existing wharf. TK advised we need to consider the repercussions in the future and if we'd want to reinstate the wharf at a later date. AK confirmed the wharf timber can be removed free of charge. Further discussions to be had on the sheet piling option, this is a large spend and isn't currently in the budget.

Spalling on the concrete wharf is an issue that will be addressed, this is in the plan. MWH have reported that spalling hasn't worsened much since their last report which was done in

2009 however the spalling will continue to worsen as time goes on. We need to decide on a strategy for the pile berths.

GC advised security fencing is an issue that is currently being dealt with, options are being looked at.

6. Weighbridge

GC advised the weighbridge is working well, we haven't had any problems apart from some minor issues with TNL, GC is hoping to meet with them to discuss further. These issues seem to be to do with lack of driver training from TNL. No big issues have arisen recently and all seems to be going smoothly. KS advised he has had some small issues come up such as small technical problems which stem from carriers having multiple clients.

Reports are now being sent weekly and this seems to be capturing any issues as they occur.

7. Finances

GC tabled figures for the past 12 months please note these figures are confidential. YTD 14/15 shows an increase from last year.

The budget is falling down in the marina area which is not full; this is a variance to the budget. Note: the budget is set 2 years prior, in this case November 2013, the reality is different to the forecast. Further increases are not on the table but neither are decreases.

BB suggested the figures could be presented better, before interest and tax vs before interest and depreciation. MS noted more spending than income. GC advised that bad debts were written off, these bad debts dated back to 7 or 8 years ago. All debtors are up to date apart from Mr Choi and Talleys. TK noted \$82,000 is outstanding from Mr Choi.

GC noted that depreciation needs to be funded. Staging of income should be noted when looking at the figures e.g. the marina income is recorded from day one then spreads throughout the year however maintenance and spending continues throughout the year.

GC noted that February and March were very slow then picked up again, this is seasonal. MS queried the impact of the potential of loss due to marina being empty. MS feels this is wasting an asset. PS noted that looking at it from a commercial perspective the goal is to get boats in regardless, rather have the higher numbers in at a lower price.

GC advised there is an ongoing price review process. The recreational side might need to be reviewed more closely. Feedback is welcome from all parties.

It has been noted that a number of parties have left due to costs. GC pointed out that losses were greater than they are now with fewer numbers in. TK noted Council is trying to drive a return, the requirement is for the port to be cash positive, taking depreciation into account.

MS is not happy with the un-commercial approach from previous council management. Noted that MS is not keen for the pile berths to be taken down as this sucks money with no return. TK confirmed we need to keep revenue up, no other source of income.

MS noted the valuation was used incorrectly. TK stressed the need to be in the best place i.e. have a good balance of maximum number of port users and maximum charges.

KS noted the port is a service to the community and is not privately owned. People are being driven away to other areas and therefore facilities are being taken away from locals.

GC noted the valuation was so high due to the 80 year life cycle. TK advised that even if we halved the depreciation we would still be making nothing. We must run this as a commercial operation that is the Council directive. There is a big chunk that isn't commercial however the commercial side must be managed as if it was a private business at the optimal level to make money. Need to be cash positive on an annual basis, the position is a lot better than it was 10 years ago.

GC advised that 70% occupancy is about right. The depreciation issue needs more work including changing the life cycles. All points being taken into account. GC noted the marina income was massive chunk of revenue. Council is not intending to take things away but is thinking about where to spend the money right now.

CM suggested targets should be 85% full in the marina, we could charge slightly less for community value. Don't want boats mooring places where they shouldn't be. GC suggested a meeting with the Boat Club and Council, if we can get more numbers coming in then we can put this in the business case if significant.

GC noted that repair and maintenance are ongoing costs regardless. TK noted initial outputs are required to raise the standard of the asset however why raise the standard if no one will come here.

CM noted that marina users said rates were too high and then left as a result of charges rising. GC confirmed income is still better than it was. TK advised the process is for a business case to be submitted to Council for approval. MS is not happy with Council's approach to raising the charges and driving occupancy down. TK reiterated that we need to get the balance right.

Berth charges around the country were raised however are not really relevant as all ports are different and marina users aren't all going to other ports they are going elsewhere. TK noted that Port Nelson have so many more people so can keep charges down, this is a remote area and products and services do cost more this far out of town.

KS noted that the life cycle and valuation are the fundamental issues. If the valuation came down, the charges would come down and Council is happy. BB noted there is only \$200k in depreciation. GC confirmed the valuation is only relevant in relation to the depreciation.

PS noted users who have gone to Waitapu etc probably won't come back even if charges are lowered. Movement of boats going from swing moorings to berths creates opportunity for new people to come in.

8. General Business

BB – Challenger's judicial review regarding allocation of the marine farming area goes in front of Head Judge, this process can take 2 years. After that period they could still be turned down for a judicial review.

Draft notes will be sent to all before being finalised.

The meeting concluded at 2.30 pm

Next meeting: 17th November 12.30pm – meeting request