

Meeting Notes

Port Tarakohe Advisory Group

Date and Time: Wednesday 23 November 2016, start 12.30 pm

Venue: Pohara Boat Club

Present: Cr Tim King (Chair), - Councillor – Tasman District Council
Matt Blythe – Harbour Manager, Port Tarakohe
Gene Cooper – Commercial Manager – Tasman District Council
Bob Butts – Director – Port Tarakohe
Mike Holland – Clearwater Mussels
Martin Potter – Tarakohe Marine Association
Paul Sangster – Councillor – Tasman District Council
Rhonda Marshall (meeting notes)

Apologies:

Mike Steven - Pohara Boat Club
Milan Talley – Talleys
Jason Mackay – Sanford

1. Tim King welcomed everyone to the meeting.

2. Minutes of last meeting

The minutes of the meeting held on 23 August 2016 were confirmed as true and correct.

Milan asked for it to be noted that he doesn't agree with previous meeting minutes that the fishing industry is "dying", rather that it is unlikely to grow in the short term. Discussion noted the comment is relevant to Tarakohe and wetfish volumes at the Port are unlikely to increase.

MOVED – Paul Sangster/Mike Holland - **Carried**

3. Health & Safety

Wharf ladders

Concerns were raised from skippers about access on and off boats from the wharf. Tarakohe 5.3m tides create a fall from the wharf, making access very difficult. Matt Blythe is in the process of getting pricing for ladders on the wharf. Lance Robinson of Specialised Structures has been engaged to suggest a design. The fuel berth access is likely to be steps inside the wharf.

The fuelling at the Port is now more user friendly than previously, as the EFTPOS doesn't time out and the nozzle is more manageable. Note NPD couldn't accommodate the 5m drop and fuelling was only an option at high tide. The longer term solution is for the fuel bowsers to be located at the end of the new marina.

Recreational Boat Ramp

Matt was informed last night that the boat ramp is very slippery at low tide and is arranging for it to be water blasted at next low tide.

4. Commerce Commission Decision

Gene advised the Commerce Commission are not taking any further action. Their letter was tabled, which confirms costs are greater than any benefits and reinforces where Council are at. The costs incurred by Council to defend this action will be passed on to Port users. These costs were not planned or budgeted for and need to be recovered to get the Port back on track with the financial model. These costs will be incorporated into 2017/2018 fees and charges.

Tim noted this outcome was expected. Paul reinforced Councillor's views that costs should be passed to commercial users as they have incurred the costs.

5. Fees and charges 2017/18 planned and consultation process

Gene advised that Council is looking at a five year model for cost recovery. There will be a \$2 increase (approximately) on wharfage for crop and a \$1 increase for general freight. A letter has been drafted and will go out to all Port users explaining the situation, background and future charges.

Note the only change to the marina charging is to charge by the size of the berth not the length of the vessel (as currently). This will result in cost changes for some marina users. The right boats need to be in the right berths for access and health and safety reasons. There will be no other changes to how much we charge the marina users. It was suggested the letter will come from Lindsay McKenzie (Chief Executive) within the next 10 days.

Martin queried how costs were split for assets that are not obviously recreational or commercial? Gene advised a building blocks methodology was established and effectively pro rata's an equal share of key infrastructure assets. A PwC report will be shared with users to explain further. Tim suggested the letter and report should be sent together for better understanding.

6. Port Strategy

The Port strategy can't be completed due to a lack of resource within the Commercial team. Tim reinforced the view was not to outsource work due to the extra costs involved and in-house expertise available.

Some work has been done on what the model looks like, with long term plans and the possible pressure from growth. Feedback will be sought from users.

Tim clarified that the Commercial team within Council is currently lacking resource and one staff member will shortly go on maternity leave. A request for further resource has been presented to Full Council. These resourcing issues mean the ability to complete the Strategic Plan within the next 12 months is unlikely.

Bob queried if there was a handover from Allan Kilgour to Matt Blythe. Matt confirmed there was handover from Allan to Andy Swanson, and then on to him, and that he contacts Allan by phone when something arises. There is also an operational manual in draft currently being reviewed including a maintenance schedule.

7. Port Activity Update

As requested at the last meeting, a YTD graph of activity was presented showing a clearer picture of the yearly trends since the weighbridge was implemented. The month of November is not complete in the YTD 2016 results. The results also show how wet weather in November has affected the crop levels.

Mike commented that Clearwater have been shut out for the best part of a week due to the bad weather. Figures normally show 2-3 loads a day, so there has been significant loss of business just this month. This should reappear in future months.

Matt noted that three of Sanford's boats are out of the water for repairs at present.

The Anatoki is due to come back in the next few days.

8. Operational Issues over next 3-4 months

Matt has had several enquiries for long term commercial and recreational berthage over the coming months. The berths are currently 83% full, and Matt is putting smaller boats in to fill the narrower berths.

Gene noted that some more swing moorings out from the boat club may need to be added for the overflow. Options will be considered if three or four parties appear on a waiting list.

Matt advised a diver checked all the moorings. After his checks he gave Matt a verbal report which was good, but his later written report was not so positive. Matt has planned the required work and Gene has requested photos of everything in future.

Paul queried how we can make better use of the space we have. Matt mentioned a system where bungies with little swing are used. These are quite a good option as we could fit more in as they retract. There are maintenance advantages against a higher capital cost.

Tim advised this option is being looked at for Kaiteriteri as well. Dan Cairney, the Harbour Master, is researching this and we should be able to gather some information from him.

Matt advised the Port is close to capacity and regattas are planned for next year – approx. 54 boats. Unsure how we will accommodate at this point recognising casual mooring around Tarakohe will be the only option.

9. Port User Updates

We have an in-house legal advisor reviewing the Port user agreements. This documentation will be updated and all users signed onto the new agreements with a target date of 1 July 2017. Biosecurity needs to be addressed and requirements included in the standard agreements. Our

agreement,/policy and processes will be similar to those at Port Nelson and the three Marlborough marinas.

MPI and three Top of the South Councils are working on a policy to address biosecurity issues and how these are managed. Everyone is to comply with the policy.

10. Capital development programme planned for Pile Berths and plastic marina berths

The Marina development plan was tabled to all at the meeting. This plan has the support of the Commercial Committee and will be presented at the next Full Council meeting for consideration.

The development addresses three key issues – health and safety, Commercial users' changing berth accommodations needs and fuel.

The financials were discussed but are confidential and not recorded in the minutes. A payback period of around eight years from increased berthage and fuel revenue is forecast.

Gene has had high level confidential conversations with Ngai Tahu, Sanfords and Clearwater who have acknowledged the extra cost and the need to house larger boats.

The emerging volumes of commercial activity will result in future Port development and the ultimate redesign of Port Tarakohe. What that looks like needs to be developed by Council with key stakeholder input. There are proposals floating around for rock export across the Port and this will require further changes if the proposal stacks up.

The plastic marinas are unlikely to last their remaining 12-13 year lifespan. It is likely the current marina's will be commercial only and the recreational marina will move. At that point we need to consider a 40 to 50-year asset span when considering how the Port operates.

In response to a query about this work being commercially driven and the need to consult with recreational users, Gene confirmed that they will be consulted as part of the process. The impacts of the commercial activity are inevitable and driven from Council decisions in the 1990's to approve AMA area's.

Bob asked that it is noted he feels the pile berth removal is short sighted, and not the best way to spend capital. He felt this solution had a maximum of five years before it would need to be removed. He also raised the possible rock contract, and asked how does this fit in with the planned work? He suggested that sheet piling (at the condemned wharf and along the northern wall of the marina) will have a better long term gain. Gene advised that if a big rock contract goes ahead then sheet piling will go to Council for consideration. The economics suggest a one to two year payback. Bob advised enquiries for rock are increasing.

In response Gene advised this work is driven by health and safety concerns and immediate housing needs. Neither will be met by completing sheet piling options first and boats will be excluded from Port Tarakohe. This would not be a good outcome.

Bob noted big boats would be in three days a week loading the rock and he will utilise his Port agreements priority. Gene queried if Clearwater could survive without wharf use of 3-4 days a week? Mike advised this is not an option, they need to be able to be out there every day.

Martin can't see the benefit of moving recreational to the boat club side. Mike noted that Clearwater wants to be out of the weather and doesn't want to park up against any sheet pile wharf, or raft against other boats.

Tim noted that dependent on what contracts eventuate, we may need to do additional work. Can we move quickly if we have to, provided we have the resources and the money? Gene confirmed that consents could be in place quickly as an engineer has already been engaged to look at sheet piling options, in conjunction with marina work.

Martin referred to the resource consent to sheet pile and noted this would result in the recreational marina moving from its current location. Why not apply for resource consent to relocate the recreational marina at the same time? Gene advised we want to look at the bigger Port picture, and also all future work will need to go through public consultation before any decisions are made.

Discussion about previous resource consents costing circa \$320k. No desire to return there without contracts being held. We need to balance the risk of applying for consents that may not be required.

Tim queried whether we can do rock and mussels together if we can sheet pile and move the ice tower. Parties agreed this could be operative in six months for both.

We will know about the rock contract within two months, and we need to get this in front of Council as soon as possible as that is what could potentially hold up the process. Noted that we need to keep these in separate stages rather than lumping them together.

Gene mentioned that a discussion with Milan has occurred around the ice tower. There is a further conversation to be had over coming weeks.

The Group agreed that Gene will put the pile berth replacement proposal in front of Council to get the approval to go ahead. Pay back in eight years to be price neutral.

The fuel work will go ahead on completion of the pile berth work. The Heads of Agreement has been drawn up but not yet signed. There is a preferred party. 1 July is the deadline date.

Gene was asked by Milan to advise the group that he is not in favour of the pile berth development for commercial users. This is noted.

11. Port and Marina Security - Cameras

SAS will be moving the cameras around for security reasons.

12. Financial Update

The Financial report was tabled showing the first three months of the financial year to 30 September 2016.

Discussion around barrier arm, maintenance and misuse issues. Possible parking fee arrangement maybe in place next year as used in Marlborough. There are too many issues with the barrier arm and it would be easier to issue fines on the vehicles.

Overall we are \$18k under. July to September is the quietest quarter historically.

Note the cranes were budgeted for and some pile berth works planned. These will not occur and will be used for funding on the replacement marina project.

Land and improvements have been revalued by JLL at \$6m, which is half of the previous valuation. In response to a query regarding depreciation if the rates were based on a \$12m valuation, Tim advised this doesn't make any difference and depreciation should be disregarded as we have not made a cash profit at Tarakohe.

Gene noted dredging has not been included and it is still being decided whether this should be reflected in the valuation.

It was also noted that debtors of Ngai Tahu and Sanford haven't been paying wharfage for the past couple of months due to administration errors at their end.

Gene remains confident based on volume increases, anecdotal evidence, changes to fees and charges and rock contracts, that the first breakeven year could be as early as next year.

13. Other General Items

In response to a question about the marina payment options, Gene advised this will go out in Lindsay's letter.

Bob queried Tim's opinion of the development in light of his involvement with Port Nelson. Tim responded that he is relying on advice and professional input given and feels this is the best option for the immediate needs of the Port. Bob explained he needs to ask these questions to be sure the best options are selected.

The meeting was concluded at 2.45pm