



Port Owen Marina Authority (npc)

Reg # 1999/010199/08

PO Box 506 Velddrif 7365 · Tel 022 783 0943 · Fax

0865462112

e-mail poma@telkomsa.net

POMA Newsletter: July 2018

1) Governance

- 1.1) With reference to the July Interim Newsletter and minutes of the public meeting, you will find a document attached to this newsletter detailing excerpts from the POMA Board minutes. This shows the history of Board deliberations regarding the hospitality jetty.
- 1.2) Members and Clients are reminded that Board Directors are required by law to always place the Company first when making decisions. Therefore, whilst having to recognise stakeholder interest in the process, no decision to the detriment of the Company may be taken.

2) Dredging

- 2.1) We have received confirmation of receipt of our amendment request from DEADP. Their deadline for a response is 23 August 2018.
- 2.2) Our programme now looks as follows:
 - 2.2.1) We are going to re-advertise our request for tender to dredge. This is necessary because of the expected changes in the operational parameters as well as the emergence of two additional interested contractors (local). The award of a tender should be possible by end September 2018.
 - 2.2.2) We shall complete the work on our own dredger and start clearing the Western entrance.
 - 2.2.3) The clearing of the spoils from the settling ponds will be completed by mid-August 2018.
- 2.3) Berg River Municipality has promised that the annual grant funds will be paid over by 31 July 2018, which means that we have adequate funding for the

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dredging operation for the next 12 months. We estimate that the whole dredging operation, as envisaged, will take 15 months to complete.

3) Berthing and Jetty Fee Payments

A big “Thank You” to all the clients who have made annual payments as well as those of you who are up to date with your monthly payments. Your support is much appreciated.

4) Walkway and Embankment Repairs

We have completed all the planned embankment and walkway repairs for 2018. The schedule below shows the planned work for 2019 and 2020.

Order	Property	Year
1	1861	2019
2	1862	2019
3	1866	2019
4	1857	2019
5	3418	2019
6	3423	2019
7	3427	2019
8	1849	2019
9	1848	2019
10	1847	2019
11	1846	2019
12	1845	2019
13	Public space	2019
14	1843	2019
15	1842	2020
16	1841	2020
17	1840	2020
18	1839	2020
19	1838	2020
20	Public space	2020

Please note that the above does not include emergency work. If you are concerned about the state of the infrastructure at your property, please contact the Marina Manager.

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5) Yacht Basin Development.

Please refer to the July Interim Newsletter.

You will be kept informed as we progress with this project.

6) Funding

We can only complete our full year forecast once we have determined the requirement for dredging funds for the rest of the year and the subsequent 12 months. With all the grant payments for this year included, we have a maintenance fund of R 3,0 million to fund the operation. Cash flow projections will be done based on the latest forecast and possible interim external funding will then be arranged, if at all necessary.

7) General

To those clients who have taken the time to write letters of encouragement and appreciation to us – you are motivating us to try harder every day.

POMA can only work when there is TEAMWORK, and I am proud to be able to report that the team is really working. Thank you to the Member Organisations for their support.

Let's hope for rain, enjoy the beautiful weather and be safe out there!

Abe Uys

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EXCERPTS FROM POMA MINUTES – RE HOSPITALITY JETTY

15 November 2016	11.1	RF tables drawings for his proposal for a new dock opposite POYC and the creation of a car park. RF is excused from the meeting because of the conflict of interest. SC is elected as temporary chairperson. DECIDED: RF to provide a proposal in writing to the directors, in order for them to take it to their member bodies for information before a final decision is taken.
18 January 2017	12.5	PO tables a report from an engineering firm with a quote to Russell Foster explaining the scope of work that needs to be done in order to finalise the jetty proposal. It is understood that Russell Foster would pay for the costs to obtain authorisations, the engineering and construction, and that he would pay the normal monthly rental towards POMA for the new berths. There are several issues that need to be resolved, include problems with property boundaries, planning permission from the Municipality, Environmental Authorisation and parking issues. Everyone agrees that they support the proposal in principal, as it will enhance the esthetics of the Marina. DECISION: PO will draught a letter to Russell Foster, indicating that POMA supports the proposal of the development dock/jetty in principal, that Russell will have to make sure that all necessary authorisations are obtained and issues resolved and that the final proposal will have to be approved by POMA.
28 February 2017	10.3.1	Following 12.5 PO wrote an email to Russel, copied to all directors saying that POMA would not object to his plans provided it was approved by BRM. There is a problem with property boundaries. In the email we asked for Russel to pave the sidewalk, since the grass is now destroyed from cars parking thereon. Russel has not responded. DECISION: PO to follow up.
22 March 2017	9.7	Paving and private dock by Russel Foster. Russel has acted on our request and has made application to BRM.
23 August 2017	10.5	<u>Russel Foster</u> Russel Foster wants a private jetty to use as parking for his customers at his hotel. Russel has in principle agreed that if we allow him to build a new jetty and not charge him jetty fees he will finance a new India jetty for POMA. He will then maintain his own jetty, and POMA will get a new Candock jetty to replace the old wooden India jetty which is in dire need of repair. The estimated investment required to do this is R2 million. This can, however only happen after major dredging has been done and the Board decided to further apply its mind to the matter before reaching a decision. JS mentions that he is looking into buying a new jetty as his boat requires enough space to move around. He may have a personal interest in the above matter.
4 October 2017	10.4	PO and AU must do a draft agreement for Russel Foster’s proposed new jetty, in order for the full Board to evaluate and decide on approval or not. The basis for the agreement is that it will be a private jetty, maintained by himself, he may only use it for his customers and may not receive any income from it.
18 October 2017	7.22	Draft agreement R Foster project

		<p>PO to ask RF to submit written request for interim arrangements.</p> <p>AU sent his comments on draft agreement to PO, after receiving the draft. To be finalised and submitted to the Board.</p>
22 November 2017	7.19	<p>Draft agreement R Foster project</p> <p>JS says that we must anticipate the problems, before we experience these problems with a hospitality jetty in place at the end of the yacht basin. We must consider the impact of this on the marina; other boats can be at risk and we must look at POMA's liability. AU confirms that no decision has been taken. The draft agreement is an indication of what we would expect from the proposal.</p>
24 January 2018	7.14	<p>Layout proposal – yacht basin and hospitality jetty</p> <p>On the hospitality jetty, it is confirmed that no decision has been taken yet, there is no agreement in place, only the concept to discuss. There is no rush as we need to dredge first, before we can build the jetty. Russel Foster's request still stands. We need to give consideration to his request, whether we think we can accommodate his request.</p> <p>BVR is not in agreement that any special deals are to be done, as we need one standard set of rules for everyone. His objections are: it is a special deal, there must be a time line to the deal, proper financial calculation to be done, who will pay for the maintenance. He will get free parking for his guests as long as the restaurant exist, he must pay for water space like everyone else.</p> <p>AU reminds the board that the concept is as follows: Russel Foster is willing to pay R2m for a 12-berth hospitality jetty in front of his restaurant. This jetty will belong to POMA, and Russel Foster will be responsible for the maintenance. However, he does not want to pay a monthly berthing fee for this jetty. This deal will be coupled with his ownership of the business; his successor will have to pay berthing fees.</p> <p>As this jetty will cost about R1m, we can use the other R1m to replace our old jetties, or use it as we feel. This is a strategy issue, as the jetty needs to be in front of his restaurant, and we have to make a plan with India jetty. AU asks the board to read the draft concept again.</p>
20 February 2018 (Strategy meeting)	4	<p>Development of Yacht Basin</p> <p>4.1) "Development" refers to how we deal with (a) financing the replacement of remaining wooden jetties and (b) the layout of the jetties on the north-eastern side.</p> <p>4.2) Consensus that a hospitality jetty for the restaurant/hotel should be allowed, after due consideration of financials and business plan. All legal requirements must be met.</p> <p>4.3) Public participation of owners in yacht basin should be enabled with a public meeting to be held for this specific reason.</p> <p>4.4) Ownership of replacement jetties to be cleared with Bergrivier Municipality.</p>

22 February 2018	7.10	<p>Layout proposal – yacht basin and hospitality jetty</p> <p>Still outstanding. DDR will have a public meeting of affected clients to discuss this. This must be arranged as soon as possible.</p>
20 March 2018	7.8	<p>Layout proposal – yacht basin and hospitality jetty – Public meeting</p> <p>This will be discussed after finalisation of the risk assessment. We won't be able to do proposal at client's meeting in April as this won't be ready by then. There will be a public meeting for every member organisation.</p>
AGM 18 April 2018 Chairman's Report – Strategy	3	<p>Developing the Yacht Basin</p> <p>The urgent need to replace the remaining wooden jetties, the request for a private "hospitality" jetty at the Restaurant and suggestions that POMA reconsider ownership of the jetties on the north-eastern side of the basin has resulted in the initiation of a public participation process with property owners and boat owners to determine the needs and expectations of our clients and residents.</p> <p>The following is currently being done:</p> <p>3.1) We have approached the Berg River Municipality to determine what its expectation is regarding ownership.</p> <p>3.2) A thorough risk analysis of the relevant issues is being conducted to determine all factors we need to keep in mind before making any decisions.</p> <p>3.3) Once the above has been completed, a formal proposal will be formulated for consideration by the POMA membership and clients.</p>
18 April 2018	7.17	<p>Strategy issues to be completed</p> <ul style="list-style-type: none"> - Hospitality jetty financial calculation <ul style="list-style-type: none"> o AU lists guidelines and basic rules, with calculation (cost of berthing) o By next meeting all Directors to submit comments. - "What if's" on standardised waterfront property fees <ul style="list-style-type: none"> o To try to get special rating area a 51% vote is needed o Double taxation as people are already paying through BRM grant o Formal POMA policy must be to get the BRM grant to increase, not for other people/non jetty owners to pay more. - Agree on long-term trends and elements to be used in fee calculation model - Proposed wording on policy re the number of boats allowed on private jetty <ul style="list-style-type: none"> o New Marina Fees 2018/2019 - Update private jetty agreement clause re subletting <ul style="list-style-type: none"> o AU to do (received comments from FJ) - Market research re clients needs <ul style="list-style-type: none"> o Must include all people (jetty owners, boat owners, slipway users, non-jetty owners, Port Owen property owners without waterfront property, etc) o Budgeted for R30,000 to outsource

	7.17A	<p style="text-align: center;">Hospitality jetty guidelines.(Draft)</p> <p>Basic rules</p> <ol style="list-style-type: none"> 1) Structure to remain POMA property 2) Berthing rights to be paid by client = Cost of infrastructure + jetty 3) Full service infrastructure. 4) Agreement not transferable on sale of business. 5) Full berthing fees to be paid – In advance, in lieu of location fee. 6) Location fee refers to specific site for hospitality jetty. 7) Maintenance cost for client’s account. 8) Only genuine customers to berth – not client and family <p style="text-align: right;">Russel’s on the Port application: (Example only, escalation 7% pa.)</p> <ol style="list-style-type: none"> 1) Candoc fees applicable. R 86.62/month 2) 10 x 10 meter berths 3) R 1,0 million location fee to be paid (equivalent of replacement cost of 10 berth Candoc) 4) Location fee = equal to berthing fee in advance for 10 years. <ol style="list-style-type: none"> 4.1) Cost of berthing = 10 x 10 x R 86,62 x 12 = R 103 994.00 year 1 = 10 x 10 x R 92,68 x 12 = R 111 220.00 year 2 = 10 x 10 x R 99,17 x 12 = R 119 001.00 year 3 = 10 x 10 x R 106,12 x 12 = R 127 344.00 year 4 = 10 x 10 x R 113,55 x 12 = R 136 260.00 year 5 = 10 x 10 x R 121,50 x 12 = R 145 800.00 year 6 = 10 x 10 x R 130,00 x 12 = R 156 000.00 year 7 = 10 x 10 x R 139,10 x 12 = R 166 920.00 year 8 = Total = R1 066 539. = 10 x 10 x R 148,84 x 12 = R 178 608.00 year 9 = 10 x 10 x R 159,26 x 12 = R 191 112.00 year 10=Total = R1 436 249. 4.2) Cost of 10 berth Candoc? 4.3) Cost of alternate structure for India jetty? 4.4) Replacement cost of India Jetty – in wood? 4.5) Cost of doing nothing?
23 May 2018	7.12	<p>Strategy issues to be completed</p> <ul style="list-style-type: none"> - Directors to comment on Hospitality Jetty guidelines <ul style="list-style-type: none"> o Principles of hospitality jetty: <ul style="list-style-type: none"> ▪ Must be treated exactly the same as other clients.

		<ul style="list-style-type: none"> ▪ Must be property of POMA, but different to candocks as the maintenance will be for the client’s account. ▪ Must pay POMA something for privilege to have jetty in front of his restaurant. ○ JS is concerned that we are making a concession for one individual. The current board has criticized the previous administration for decisions that they took, and JS doesn’t want to think that the current board could make similar decisions/mistakes that can be criticized later on. ○ AU and DDR had meeting with Russell Foster. He was told that no exceptions will be made in terms of paying berthing fees and maintenance. Russell told them that he is planning a restaurant on the water (party boat), similar to Tollie’s. Russell was also informed that this won’t happen within the next year due to the dredging issue. ○ JS asks to be included in such meetings where the Marina is concerned as he is POYC’s (Marina) representative. ○ Directors must give written feedback about principles of hospitality jetty as discussed in the previous board meeting of 18 April 2018. ○ There will be a POWA meeting on 7th June 2018 where this will be finalised and passed on to POYC. ○ AU asks DDR and JS to find out exactly what the people’s expectations are. <ul style="list-style-type: none"> - Agree on long-term trends and elements to be used in fee calculation model <ul style="list-style-type: none"> ○ AU will discuss this with JDM for his input. - Update private jetty agreement clause re subletting <ul style="list-style-type: none"> ○ AU did this and send amended agreement to Christie Viviers (Faure & Faure) for his comment from a legal point. <p>BVR joins the meeting during this discussion.</p>
19 June 2018	7.4	<p>Layout proposal – yacht basin and hospitality jetty – Public meeting</p> <p>Scheduled date for this meeting is 30 June 2018.</p>
	7.7	<p>Strategy issues to be completed</p> <ul style="list-style-type: none"> - Directors to comment on Hospitality Jetty guidelines <ul style="list-style-type: none"> ○ No feedback was received from directors ○ The scheduled meeting of 30 June is for POWA and POYC members. AU suggests that this meeting must be advertised on POPOA’s board and all interested parties must be invited as this is a public meeting. ○ AU will give guidelines to DDR to send out before the meeting. People can then come to the meeting informed. DDR confirms that 3-minutes will be given to anyone with concerns/presentations. ○ Everyone must understand the meaning of “development of the yacht basin” and what the hospitality jetty entails. <ul style="list-style-type: none"> ▪ They must understand that Russell Foster indicated that he will be happy to pay for the privilege of having a jetty in front of his restaurant, ▪ He will pay purely for the position of the jetty, and must pay berthing fees just like other customers ▪ They must also understand the effect of a hospitality jetty, which will be classed a commercial jetty. ○ Principle of moving other people down the marina must be discussed. ○ There is a risk of someone wanting to buy a certain spot that is already allocated to someone else (setting a precedent). ○ Member organisations and directors must give feedback.

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| | | <ul style="list-style-type: none">- Long-term trends and elements to be used in fee calculation model<ul style="list-style-type: none">o Another year-or-two of history is needed to be able to do this properly.- Update private jetty agreement clause re subletting<ul style="list-style-type: none">o Done- Market research re clients needs<ul style="list-style-type: none">o The quote AU got was for almost R [REDACTED] (Work-in-progress).o AU suggests that we must rather hand out a questionnaire to the members.o POPOA must try to circulate to all their members as many home owners are not POMA customers. |
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