



Port Owen Marina Authority (NPC)

Reg # 1999/010199/08

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POMA Newsletter: April 2020

1.0) FEES FOR 2020/21

I want to thank all clients that gave feedback on our notices sent out on 22 April 2020.

With due regard to the comments received, your Directors have, under difficult anti – socialising rules, and taking the latest developments regarding the coronavirus regulations into account, managed to reach consensus on the following:

- 1.1) The implementation of the 7% increase in all fees will be deferred to 1 January 2021.
- 1.2) A discount on all fees will be implemented, effective 1 April 2020.
- 1.3) The ban on leisure boating activities as per the current regulations is likely to continue until the first quarter of 2021.
- 1.4) A re-budget for the rest of the 2020 financial year will be done, based on the following assumptions:
 - 1.4.1) No further expenses on major maintenance items such as dredging, embankment-, walkway- and jetty repairs.
 - 1.4.2) EXCO will engage with the staff and agree on appropriate remuneration packages for the duration of the lockdown on leisure boating.
 - 1.4.3) EXCO will engage with all suppliers to agree on reduced fees for the duration of the lockdown.
 - 1.4.4) The maintenance fund must stay intact and may not be used to finance operational costs. Any possible expenses on consultants utilised in our dealings with the authorities regarding our dredging permit, may be funded from the maintenance fund.
 - 1.4.5) The Municipal Grant to be reduced 50%.
- 1.5) The outcome of the re-budget and the resultant cash flow requirement will be used to calculate the discount on fees as mentioned in 1.2 above and will be communicated to clients in due course.
- 1.6) The Board will remain flexible and will react to changing circumstances, affecting the above assumptions, as deemed appropriate.

DIRECTORS

A J Uys (Chairman); D Robinson; S Crafford; J Scudder; S Joubert
B Van Rensburg (Alt); G Breeze (Alt); J de Meillon (Alt); A G Fordyce (Alt)

2.0) CONSOLIDATED RESPONSE TO REACTION FROM CLIENTS FOLLOWING THE PUBLICATION OF THE FEE INCREASE ON 22 APRIL 2020.

2.1) **Timing of the notice insensitive to the Coronavirus pandemic crisis. People are emotionally stressed. Did the Board apply its mind?**

The budget for the 2020 financial year was completed in December 2019 for final Board approval by March 2020. This is necessary to be able to present to the membership and clients at the AGM and General Clients Meeting in April. These timelines will give you an idea why the budget currently looks as it does. Remember, before 23 March 2020, everybody was still cracking jokes about the coronavirus.

With the dramatic changes to our world, your Board is now working under very constrained circumstances to redo a budget that allows us to give relief to our clients, retains key members of our staff and at the same time retains goodwill with the same staff and other business partners.

To that end, the Board has decided on the actions as depicted in (1) above, with the specific purpose of maintaining a balance between our expenditure and income whilst preserving our integrity and dredging fund.

2.2) **POMA does not supply an essential service, all boating activity was stopped as a result of the emergency regulations – surely this is a situation where Force majeure would apply?**

POMA agrees that it does not supply an essential service. We can probably go through a process of Force Majeure with our suppliers, but it is lengthy, expensive and right now the Board has better things to consider. Force Majeure does nothing for one's reputation.

2.3) **POMA must consider the ability of clients to pay during lockdown, due to lack of earning capability, as well as the fact that, taking the Municipal Grant into account, clients are being double taxed in the Marina.**

2.3.1) No organisation considers the price of its service as a function of its client's income and therefore charges differentiated fees. We have 254 clients, there is no way we can do this fairly. Even well – off clients with businesses have no or severely reduced incomes right now?

2.3.2) The double tax issue has been debated since 2012, at least. Now is not the time to waste our energy on its merits. You are free to take this up with Bergrivier

Municipality, however, we are certain that they also have more important things on their plate at this time.

- 2.3.3) Any client whom has a specific problem with regard to payment due to the negative affect the lockdown has on their earning capability, may approach the Board for relief in the form of a proposed extended payment plan. The Board will always be sympathetic in its approach.

2.4) POMA should suspend jetty/berthing fees to allow clients donate the money to charities for the needy.

The POMA Board has no mandate to do this.

2.5) POMA must defer the increase until after the lockdown.

See the actions in (1) above.

2.6) POMA must supply financial information to support its decisions.

- 2.6.1) The budget and business plan for the period 2020/21/22, including the assumptions used as well as historical, audited actuals for 2018 and 2019 is available on the POMA website as well as the complete PowerPoint presentation on the budget, which would have been screened at the General Meeting.

- 2.6.2) If clients want to see the actual AFS and auditors report, please request it from Blommie Koen at the POMA office.

2.7) POMA is not giving the service it is contracted to do.

- 2.7.1) The lack of, or inability to dredge, is the biggest gripe. The POMA Board finds it inexplicable that clients still raise this as an issue, given the extensive communication given on the subject by means of the official Newsletter and the Dredging News which is published regularly. We are fighting the National Department of Environmental Affairs for a “dumping” permit, which would allow us to put the dredge water back into the river, from whence it came. The Provincial Authorisation is valid and fully up to date, having been audited by an external auditor. Until the dumping permit is secured, or we win the right to dredge through litigation, we cannot dredge. We are therefore budgeting for and building up a cash reserve for this purpose. For this we need your full contribution.

2.7.2) The fight with the department is not an easy one. The following message was recently received from a current POMA client: *“The Minister of ---- and ---- put me on the Board of ---- (a State-owned Enterprise). Also put me on a panel who will produce director shortlists for two other State-Owned Entity Boards. Through working inside the system since October last year I am absolutely convinced that POMA will only get the permit you want/need to dredge by full-on fighting for it (meaning litigate), or by forcing them to fight POMA.”* If this does not give you a good idea about what we are busy with, we do not know what will.

2.7.3) Other insinuations that POMA is not doing its work or that the directors are only interested in the “Status”, is simply malicious and therefore treated with the contempt it deserves.

2.8) POMA should cut costs to the bone for the duration.

We agree and refer you to (1) above. The length of the lockdown will, obviously, guide us in our deliberations and action.

2.9) Summary

The Board will continue to communicate on a regular basis and ask that you keep a close watch on the POMA website (www.poma.co.za).

3.0) GENERAL

Please be careful, observe social distancing and stay at home. We need healthy clients in these difficult times!

Abe Uys