

### **Amortisation of the Marina Management Fee**

The scope and percentage of the Marina Management Fee is set in the Club's Marina Rules section 2.5 (a-k). This has been calculated each year after all the costs have been collated and added up and then incorporated into the various budgets. This leads to a roller coaster of funding for the Club and a roller coaster of costs for the Berth License Holders. It also creates focus points for dispute when there is a spike or a dip in the costs, these are often caused by the timing of associated invoices falling together in one season or abnormally large singular projects.

We have chosen to amortise the management fee over 3 years and fix it at \$50,000 or approximately \$250 per license. We took 5 years of projected costs and removed the highest and lowest, we looked at the previous 5 years of spending and projected those forwards with the proposed works and after much discussion that led us to this figure of \$50,000. We will keep a close eye on it and make sure it doesn't rise above the 10% cap, but we are optimistic that it will be a better, less contentious way forwards that allows us to budget more clearly and with more confidence whilst operating within the rules of the Club.

### **Replacement of the 2012 Cost Sharing Agreement with a Reclamation Refurbishment Fund**

The 2012 Cost Sharing Agreement, describing Club/Marina cost contributions for shared facilities, will also be replaced. That document was written 14 years ago following a period of intense disputes over the marina and was intended to allocate a division of costs between the "Marina" and "Club". That agreement has not really been tested, as the only asset that was purchased with it was the fuel jetty floating dock quite some years ago. Apart from the terms of the agreement heavily weighting the costs onto the Berth License Holders, there was no provision for saving funds to refurbish the following facility assets, the car park, driveway, boat ramps, fuel jetty and the administration building. The cost sharing agreement was established to account for the costs of the marina development necessary to gain the resource consent, public access, car parking etc.

We have also chosen to exchange that agreement for an annual contribution of \$100 from each Berth License Holder which will be placed in an account specifically for those areas of the Club described in the original cost sharing agreement. The Club undoubtedly benefits from the assets the construction of the marina has brought to the Club and must budget for refurbishment accordingly. We want to save for these inevitable maintenance projects rather than having to find the money with little time to prepare. The Club will be allocating a proportion of its budgeted refurbishment allowance in the subscription income to these future costs. Like the amortisation of the management fee, the intention of this Reclamation Refurbishment Fund is to reduce the level of conflict within the Club, initiate a fund for future major maintenance projects and to again smooth out and improve the budgeting process and it's forecast.

If successful and after a reasonable period of trial and review then, with the support of the members, we will look at formalising these arrangements in the Club's constitution and Rules.