

MINUTES OF FINANCE AND GENERAL PURPOSES COMMITTEE

MEETING HELD ON 27 AUGUST 2009 AT 10.00AM IN THE DOWNPATRICK OFFICE

Present:- Margaret Andrews (Chairman)
Terry Jarvis (TJ)
Morris Walters (MW)
David Lindsay (DL – Projects Manager)
Belinda McCaughey (BMcC – Accounts Administrator)
Chris Warnock (CEO - Chief Executive)

Apologies:- Roy Teggarty (RT)

1. Minutes of Previous Meeting

The minutes of the meeting of 09 June 2009 were signed by the Chairman and the Chief Executive having been approved by the Board at its meeting on 26 June 2009.

2. Matters Arising

All Matters Arising are either on the agenda or have been dealt with at a previous meeting.

3. 2009 / 2010 Accounts and Cash Position - 3 months to 30 June 2009

The CEO summarised and explained the key points and variances from the management accounts and associated schedules which had been issued prior to the meeting.

Landing revenues were down on both budget and last year due to lower prices and MW explained that the outlook for the next 6 months was not good due to possible cuts in prawn quotas and increasing fuel prices.

The CEO advised that repair costs had increased above budget in the second quarter and were forecast to be about £9.0k greater than budget for the full year. With regard to water charges BMcC reported that progress was finally being made with NI Water on the issue of sewerage charges in Portavogie and that any reductions which were negotiated would apply retrospectively to 01 April 2008.

The debtor position was reviewed in detail with particular reference to Navital in Portavogie. Following discussion it was agreed that supplies of water to the factory should be terminated after a reasonable period of notice and that initial steps should be taken to determine the lease. During the meeting the Harbour Master confirmed that there was no sign of a writ on Navital's vessel 'Ohms Law'.

The year end forecast assumptions were reviewed and agreed. In this respect it was noted that it was very difficult to forecast future landing revenues and that it was reasonable at this stage to base these on the budget for the balance of the year.

Following discussion the Management Accounts for the 3 months to 30 June 2009 were approved and recommended for adoption by the Board at its next meeting on 15 September 2009.

4. 3 Year Forecast – Key Assumptions

These had been circulated with the meeting papers and were taken as read.

Following discussion it was agreed that Navital should be excluded from future rental income and that the debt provision should be increased to £5.0k per annum.

With regard to grant funding for the Project Managers DL advised that a draft application and appraisal had been submitted to DARD at the level of 100% and that eligible expenditure could be claimed retrospectively from 01 January 2009.

Subject to the above amendments the key assumptions were approved.

5. Capital Works and Management Projects

DL reviewed the schedule of works and management projects which had been circulated with the meeting papers. Key points were as follows:-

EFF Funding Scheme for Ports and Harbours

Officially this had been opened on 20 August but it was not possible as yet to submit applications electronically. At a meeting at the end of July DARD had requested that initial applications should be submitted by 18 September in order to be considered by a selection panel in October. However, the continuous delays with the scheme were making it very difficult to meet these deadlines and it is now evident that approximately £1.8m of EU and National funding will be de-committed in the current year.

Portavogie Sediment Remediation

A technical assessment is required which could cost around £50k. Funding may be available from Axis 5 of the EFF Scheme.

Ardglass Rock Armour Upgrade and Sawpit Quay Upgrade

This is now being progressed as a priority project with a view to starting site work in Spring 2010.

Lighting Upgrades

This project will now include the installation of pre-pay quayside meters for electricity in Ardglass.

Kilkeel Net Stores Refurbishment

Specification work is well advanced and the timescale is to proceed as soon as the EFF Scheme is open.

Kilkeel Quay Wall Repairs – Phase 3

A select list tender process for this £1.5m project has been completed as has preliminary site investigation work. However a third party economic appraisal will be required which means that it is unlikely that the project can be fully tendered before Easter 2010.

Ardglass Fishmarket Refurbishment

Due to the structural problem with the concrete portal frames there is now an argument for replacing the building rather than repairing it. Port User consultation is required to determine the type of building which would be needed.

Minor Works – Kilkeel Winch and Cradle Maintenance

This had been successfully completed. However, two areas of concern with regard to the cradle hydraulics had been noted. Costs are being assessed.

Minor Works – Dredger Modifications

MacDuffs have indicated that costs will be higher than the £25k budget agreed by the Board. However, tenders will be issued to local contractors to obtain firm prices and if necessary the matter will be referred back to the Board.

NI Water – Kilkeel Pumping Station Upgrade

The scope of these works is much greater than originally indicated and will cause considerable traffic disruption on the South Quay roadway. Liability issues also have to be addressed with regard to the quay wall repair works recently completed by McLaughlin & Harvey.

Management Projects – Environmental Management System

It is planned to carry out a baseline survey at each harbour within the next 3 months to inform the terms of reference for preparing a practical EMS for the Authority.

This project has been included in the work list in the application for funding for the Project Manager.

6. Estate Management and Development

Ardglass Harbour - Mulhall Wall

Mr Mulhall is not progressing the lease agreement which will enable structural works to be carried out to repair the dangerous wall. Invoices for site rental are now being issued for the area of foreshore which is fenced off for safety reasons.

Kilkeel Harbour – Lease sale to NI Water

Negotiations are proceeding but at a very slow pace.

Kilkeel Harbour – McGreevy Lease

There is still no resolution to the boundary dispute which has been running for several years. A meeting between both parties and their respective solicitors has been proposed.

Portavogie Harbour – Lease Agreement with Mr and Mrs Adair (the Quays Restaurant)

Land and Property Services have been asked to value the site for sale on a 100 and 200 year lease arrangement. The current lease is for 40 years.

7. Any Other Business

2008-09 Report and Accounts

It is planned to finalise these at the Board Meeting on 15 September 2009. (Action CEO)

IFRS Accounting Standards

The CEO explained the details of a quotation from PricewaterhouseCoopers for assisting the Authority with compliance work on the introduction of IFRS accounts including the preparation and auditing of IFRS accounts for 2008-09, a reconciliation analysis and staff training.

Following discussion it was agreed that in view of the timescales involved the Authority had little option other than to accept the quotation and proceed with the exercise as quickly as possible.

(Action CEO / AA)

Quayside Water Charges

The CEO circulated a draft letter to all vessel owners on a system for recovering ‘additional’ water charges. This had been based on an extensive consultation process. Following brief discussion this letter was approved.

Sale of Ice Plants

The CEO advised that a further meeting had been held in Portavogie on 12 August 2009 to explain the position on the sale of the ice plants. At this meeting DARD confirmed that up to 40% grant funding could be made available for new ice making plant.

The A-NIFPO have requested a meeting on 11 September 2009 to discuss the sale of the Kilkeel ice plant. Another previously interested party has asked for updated costings for the Kilkeel plant.

TJ was pleased that some limited progress was being made and it was agreed that it was looking increasingly likely that the sale of the plants would take place on a phased basis.

It was agreed that the CEO would keep the Chairman advised of any developments.

(Action CEO)

Dredging at Portavogie Harbour in July 2009

The CEO reported that Wyre and Marine appeared to work well and that a reconciliation of vessel tonnage to survey tonnage / volume was currently being carried out to determine the overall effectiveness of the exercise. However, the exercise was marred by the amount of vessel rubbish (tyres, wires, oil filters etc) that was dredged up. This was extremely disappointing given the appeals that have been made to port users over the last 10 years to improve their waste management. If the situation is not dramatically improved there will be no further dumping licences and Portavogie Harbour will eventually close. Following lengthy discussion the following was agreed:-

- the CEO is to seek a meeting with Dick James of NIFPO to discuss the way forward.
- the Harbour Master is to increase his enforcement role.
- no gear is to be stored, and no 'tailing' is to be permitted, on the Outer Pier.

The Chairman acknowledged that this was a major problem which emphasised the need to progress work on an Environmental Management System as quickly as possible.

8. Date of Next Meeting

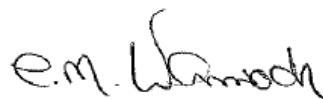
10 November 2009 at 2.00pm in the Downpatrick office.

There being no further business the meeting closed at 1.00pm.

Signed



MARGARET ANDREWS - CHAIRMAN



C M WARNOCK - CHIEF EXECUTIVE