

STAFF REPORT: Recreation Department



REPORT TO: Council
MEETING DATE: August 28, 2008
REPORT NO.: DOR 08 45
SUBJECT: F Dock Preapproval
PREPARED BY: Ryan Gibbons, Harbour Manager

A. Recommendations

THAT Council receive Staff Report DOR 08 45 " F Dock Preapproval" and does hereby grant pre-approval in the 2009 municipal budget process for the replacement of "F" Dock in Thornbury Harbour, as per approved report number HAR.07.38, Harbour Financing Strategy. Cost not to exceed \$140,044.00.

B. Background

In 2003 the Harbour began a dock "re-floating" program. The purpose of this program was to extend the life of the docks. This extension would only last 5 - 10 yrs at most. The harbour is now completely replacing the docks with steel framed – 25 year plus docks.

This is a capital project which is phased out over a nine year period. H dock was replaced in 2007 and E dock was replaced in 2008. F dock is proposed to be replaced in 2009 as per the "Harbour Financing Strategy", report number: HAR.07.38.

Staff are investigating the option of a multi year contract in order to receive monetary savings in future dock replacements. A multi year contract will not be awarded in this process for this year.

C. The Blue Mountains' Strategic Plan

Goal 2. Addressing the Town's municipal infrastructure needs.

2.1 Identifying existing deficiencies in the current municipal infrastructure.

Goal 4. Supporting the development of social and recreational programs to meet the broad range of needs in the community.

Goal 5. Ensuring long-term financial sustainability.

5.2 Create a solid long term capital budget (3-5 years with a 6-15 year vision)

5.4 Develop a capital asset management plan.

D. Budget Impact

User fees \$100,044.00

Grants (DFO) \$40,000.00

Approximately \$7000.00 for engineering fees

Approximately \$133,044.00 for construction and installation

E. Environmental Impacts

None at this time.

F. Attached

1. HAR 07 38

Respectfully submitted,

Ryan Gibbons, Harbour Manager

STAFF REPORT: Recreation Department



REPORT TO: Recreation Committee
MEETING DATE: August 23, 2007
REPORT NO.: HAR.07.38
SUBJECT: Harbour Financing Strategy
PREPARED BY: Ryan Gibbons, Harbour
Supervisor
Darcy Chapman, Capital
Accountant

A. Recommendations

THAT This Committee recommends Council approval of this report "HAR.07.38", Option #3, which is an increase in the seasonal dockage from \$37 per foot to \$45 per foot with an annual increase of \$2 per foot and a transient weekly rate increase from \$4.80 per foot to \$7 per foot and daily transient rate increase from \$1.20 per foot to \$1.50 per foot. Also that Council review the policy of the Harbour being a self sustaining entity.

B. Background

The Thornbury Municipal Harbour has historically been one hundred percent funded by user fees. Due to the Capital upgrades that the facility requires, specifically docks, the Harbour will need to increase its user fees substantially to complete the necessary upgrades. Although a large rate increase may not be popular, we do have a significant waiting list for seasonal berths in excess of 80 ending August 2007. With an average 10% turnover on slips per year, we would have to have a turnover exceeding 35% due to a rate increase to have vacant slips in 2008.

2007 was the first year of our dock replacement program. Previously the docks were re-floated. This added five to ten years of life to each dock. But unfortunately the old lumber frames used in the docks have absorbed so much moisture that they began to twist when they were raised out of the water by the new floatation. Until 2007 the harbour was paying back a loan to the Department of Fisheries and Oceans from the harbour expansion. This yearly payment was approximately one hundred thousand dollars per year, with the exception being 2006 as it was the final payment.

The dock replacement project is using all available capital funds that the harbour is producing, not allowing for any other capital projects or purchases. The Harbour Masters office and upstairs lounge is in disrepair as well the harbour truck is getting to the point where it needs to be replaced. Although these are not big expenditures the

current financial plan will not allow for purchases and upgrades such as these, and will ultimately, if not tended to soon, become significantly more expensive and unattainable.

Over the past few weeks Darcy Chapman, Capital Accountant, and I have been working out a financial plan to allow us to replace the docks on the year scheduled for replacement. During this process I have polled five surrounding harbours for their rates with the average rate being in excess of \$54.00 per foot. This identifies that we are charging significantly less than other comparable harbours. We are currently charging \$37.00 per foot with an annual scheduled increase in our rates of \$1.00 per foot. If we stay with this plan our dock replacement project will not be completed.

C. The Blue Mountains' Strategic Plan (Statement(s) identifying how actions further the goals of the Strategic Plan)

Goal 2. Addressing the Town's municipal infrastructure needs.

2.1 Identifying existing deficiencies in the current municipal infrastructure.

Goal 4. Supporting the development of social and recreational programs to meet the broad range of needs in the community.

Goal 5. Ensuring long-term financial sustainability.

5.2 Create a solid long term capital budget (3-5 years with a 6-15 year vision)

5.4 Develop a capital asset management plan.

D. Budget Impact (cc: Treasury if required)

The attached financial plans show an estimated annual operating budget with extrapolated increases for different expenses and revenues based on historical figures. The preferred staff option is #3 which would see an increase in the seasonal dockage from \$37 to \$45 per foot and a transient weekly rate increase from \$4.80 to \$7 per foot and daily from \$1.20 to \$1.50. This increase would allow the harbour to become sustainable over a 20 year period. The plan would include the replacement and repayment of all docks and a yearly \$10,000 capital budget for other projects such as vehicle replacement and building renovations. The plan is based on dock replacement from 2008 to 2015 with 2016 and 2017 being utilized to repay un-financed capital from the previous years. The plan would also include long term reserve contributions from 2018 to 2026 to establish a fund for replacement of the docks starting once again in 2027. The plan has also pulled hydro expenses and revenues out of the overall budget to allow for a capital contribution specific to hydro upgrades as are planned and found within the attached hydro capital schedule.

E. Attached (Previously circulated)

1. Harbour Dockage Revenue Stream Options
2. Annual Dock Replacement Schedule
3. Operating Budget – 2007 Rate
4. Capital Sheet - Dock Reconstruction Schedule – 2007 Rate
5. Operating Budget – Option #1 \$40/foot
6. Capital Sheet - Dock Reconstruction Schedule – Option #1
7. Operating Budget – Option #2 \$42/foot
8. Capital Sheet - Dock Reconstruction Schedule – Option #2
9. Operating Budget – Option #3 \$45/foot
10. Capital Sheet - Dock Reconstruction Schedule – Option #3
11. Operating Budget – Hydro Funding
12. Capital Sheet – Hydro Replacement

Respectfully submitted,

Ryan Gibbons, Harbour Supervisor

Signature

Darcy Chapman, Capital Accountant

Signature