

STAFF REPORT: Recreation Department



**REPORT TO: Infrastructure and Recreation
Committee**

MEETING DATE: March 24, 2009

REPORT NO.: DOR 09 05

**SUBJECT: Thornbury Harbour Cost
Sharing**

**PREPARED BY: Shawn Everitt
Director of Recreation**

A. Recommendation

That Council approves Report DOR.09 05 "Thornbury Harbour Cost Sharing" for information purposes

B. Background

The Thornbury Yacht Club submitted correspondence dated February 23, 2009 outlining concerns with respect to the budgeting process as it applies to the Thornbury Harbour.

The Yacht Club noted concerns with User Fees paying for the operations and maintenance of common public facilities within the boundaries of the harbor. The areas noted by the club in their correspondence are;

- a). pier;
- b). walkways;
- c). parking areas;
- d). harbor office;
- e). public washrooms

The Club also notes that it is their belief that the cost of leasing the harbour from the Federal Government and the costs of upgrading and maintaining these amenities should be shared by all.

Staff has developed a 20 year financial plan outlined in the attached HAR.07.38, that would allow for the replacement of all existing docks, completion of harbor security lighting, installation and upgrading of dock anchoring systems, installation and replacement of dock hydro, and upgrades to the fuel delivery and storage system. The plan is based on User Fees paying for all projects with the exception of the 2008 Harbour office upgrades. The Harbour office upgrades were funded using a 70% user fee and 30% taxation split.

Staff proposes that in 2009 staff track time and materials spent on Public use amenities within the Harbour Boundaries. This tracking would include the separation of Yacht Club specific areas from the following;

- Cleaning and repair of all non user fee only washrooms
- Cleaning and repair of Fish Cleaning Station
- Maintenance and repair to pier and its equipment
- Parking lot area identifying all 4 seasons
- Determine split between user and public use of the Harbour office and lounge
- Non boat slip related Trails

A future report will be submitted outlining the findings of the 2009 tracking along with a description of the budget implications of those findings.

C. The Blue Mountains' Strategic Plan

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

Preserving and enhancing natural and environmental features, and cultural heritage of the community

Providing a strong, well managed municipal government

D. Environmental Impacts

To be determined in future report

E. Budget Impacts

To be determined in future report.

F. Attached

- 1) Thornbury Yacht Club Letter, February 23, 2009
- 2) 2009 Thornbury Harbour Capital summary sheet
- 3) HAR.07.38 Financial Strategy

Respectfully submitted;

Shawn Everitt, Director of Recreation

Signature

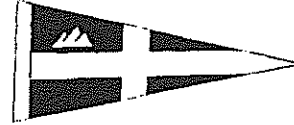
For more information, please contact:

Shawn Everitt, Director of Recreation

severitt@thebluemountains.ca

519-599-3131 X281

Thornbury Yacht Club



Town of The Blue Mountains
26 Bridge Street,
PO Box 310,
Thornbury, Ontario
N0H 2P0

23rd February 2009

Attn: Ms Ellen Anderson, Mayor

Dear Ms Anderson,

On behalf of the members of the Thornbury Yacht Club, I wish to register a concern with respect to the budgeting process as it applies to the operation of the harbour in Thornbury.

The harbour is a major asset to the Town of The Blue Mountains, prominently featured in the Town's and region's promotions. More importantly, it is an asset enjoyed by the whole community and by visitors to our area.

The Club supports the user pay principle as it applies directly to the operation of the harbour, however, in fairness to all, the costs associated with the operation and maintenance of the common public facilities within the boundaries of the harbour should be shared and supported from the general tax base. The pier, walkways, parking areas, harbour office and public washrooms are used and enjoyed by all. The cost of leasing the harbour from the Federal Government and the costs of upgrading and maintaining these amenities should be shared by all.

Thornbury Yacht Club and its members very much appreciate the support we receive from the Town, its staff and Council. We believe that we all have the same objective, to make Thornbury Harbour the best harbour on Georgian Bay.

Yours truly,

Steve Fisher
Commodore
519-941-2653

cc. Alan G. Chesworth
Past- Commodore
519-599-7865

Shawn Everitt
~~Ryan Gibbons~~
Town of The Blue Mountains

P.O. Box 22, Thornbury, ON N0H 2P0

Town Priority:
Department Priority:

TOWN OF THE BLUE MOUNTAINS
LONG TERM FINANCIAL PLAN
CAPITAL PROJECT INFORMATION SHEET

SECTION: Recreation & Cultural Services

DEPT: RECREATION DEPARTMENT

SUB-DEPT: Thornbury Harbour

PROJECT: Thornbury Harbour Summary

PURPOSE:

PERFORMANCE & ACTIVITY MEASURES

INCREASE (DECREASE)

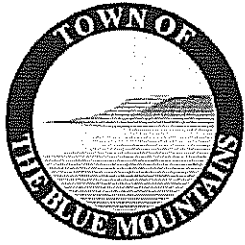
PROJECT FINANCIAL DETAILS

	2008	2009	2010	2011	2012	2013	
Expenditures							
Dock Reconstruction (Refloating)	175,800	142,194	142,675	183,000	202,000	207,950	
Install/Replace Dock Hydro	0	18,000	6,000	6,500	7,000	7,500	
Lighting Poles & Fixtures, Additions & Rep	0	0	0	11,550	12,400	0	
Fuel Delivery & Storage System Upgrades	0	20,000	0	0	0	0	
Install & Repair Dock Anchoring System	0	0	10,000	0	0	0	
Building Renovations & Improvements	12,650	0	0	0	0	0	
Computer Equipment	1,117	654	818	791	829	868	
0	0	0	0	0	0	0	
0	0	0	0	0	0	0	
Thornbury Harbour Cont'd Summary	0	0	0	0	0	0	
Total Expenditures	189,567	180,848	159,493	201,841	222,229	216,318	0
Sources of Financing							
External Sources:							
Grants, Subsidies	40,000	40,000	40,000	40,000	40,000	40,000	
Developer Contributions	0	0	0	0	0	0	
Donations, Other Revenue	0	0	0	0	0	0	
Revenue Fund:							
from Operations (Tax Base)	3,795	0	0	0	0	0	
from Operations (User Fees)	97,085	143,357	153,650	165,544	149,329	153,818	
Municipal Act, 326, 391	0	0	0	0	0	0	
Other Sources, specify	0	0	0	0	0	0	
Reserves and Reserve Funds:							
from Capital Res	9,800	0	0	0	0	0	
from Equipment Repl Res	0	0	0	0	0	0	
from Sewer Res	0	0	0	0	0	0	
from Water Res	0	0	0	0	0	0	
from Other Res	0	0	0	0	0	0	
from Development Charges	0	0	0	0	0	0	
from Parkland Res Fund	0	0	0	0	0	0	
from Other Res Fund	0	0	0	0	0	0	
Debtenture Financing:							
Debt	0	0	0	0	0	0	
Capital Lease	0	0	0	0	0	0	
Total Financing	150,680	183,357	193,650	205,544	189,329	193,818	0
Unfinanced Outlay (Net)	38,887	36,378	2,221	-1,482	31,418	53,918	

EXPLANATION & HIGHLIGHTS:

General Ledger Account(s):
General Ledger Account(s):

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

Attachment 1