

Additional Recommendations for the Harbour Business Plan Report

From the Oakville Harbours Advisory Committee

October 12, 2010

MASTER PLAN

The Harbours Advisory Committee believes the existing Master Plans for both Oakville and Bronte harbours are out of date and need to update in alignment with the current Town and Regional Master Plans. This committee is struggling to support the proposed operating plan because the harbours lack a long range strategy for managing the business in a manner that identifies and addresses both current and future needs for these services. How can we endorse a 10 year plan when we do not know if it supports the long term needs of community?

We support the staff recommendation to conduct a feasibility and capacity planning study. We recommend the scope of this study be aligned with the Master Planning exercises within the Town and Region to evaluate the impact of population growth and demographic shifts on the harbours with a minimum 25 year outlook.

The scope and direction of this planning exercise should be developed in partnership with all harbours stakeholders. This comprehensive long range plan should identify future capacity requirements, review options for expansion with consideration along the entire waterfront, study the cost/benefit of transient moorings and the spin off opportunities for attracting tourism through our harbours, identify alternative revenue generation opportunities, survey tenant needs and compare services with other marinas, review the current governance model and determine best method of stakeholder oversight of the operations, review alternate operating models and test the business case for each option.

SILTATION

We applaud Staff recommendations to fund a Siltation Management Study and to implement Erosion and Sediment Control Measures recommended by the Golden Horseshoe Conservation Authorities. In addition our committee would like to see the following points included in the report and staff recommendations:

- 1) It must be recognized that while the siltation issue is localized to the harbour mouth, the source of the problem originates throughout the watershed. Therefore this is not just a local issue. We need to bring awareness of this issue to all offending jurisdictions and work with them to develop a method of accountability.
 - a. We recommend this issue be tabled at the Halton Regional Council to apprise other municipalities of the siltation/dredging issues experienced in Oakville.
 - b. We recommend that other municipalities be requested to have their Development departments report on the steps necessary to implement the Conservation Authorities' recommendations
 - c. We recommend the Halton Conservation Authority be included as a stakeholder in the Siltation Management Study.
- 2) Action on these issues must begin immediately as the level of siltation in the harbours increases each day and the cost of removal continues to escalate at a rate that far out paces inflation. It is imperative that we move quickly to implement recommended practices of siltation prevention. We cannot afford to take a "wait and see approach" until the study is complete.

DREDGE FUNDING

We support the staff decision to maintain the status quo for dredge fee contributions from boaters until the Siltation Management Study is complete. The study should identify all contributors to siltation and all beneficiaries of dredging to develop an equitable cost sharing model for this expenditure. Dredging work that is required to maintain adequate river flows for flood management, and dredging that is required to remove sediment that was not probably captured at the source should be considered as infrastructure costs and removed from the Harbours operating budget.

Town staff should investigate Provincial and Federal funding opportunities and lobby for grant money to help defray the cost of dredging.

Town staff should consider adjusting the debenture amortization period to match the anticipated dredge cycle so that cash flow can be better managed.

Once a fair cost sharing agreement has been reached, we will need to determine how best to apportion this fee to all boaters. The following items will need to be considered:

- 1) Collect fees from day use boaters by assigning a portion of the launch ramp fee to the dredge reserve funds.
- 2) Revisit the allocation of a fixed fee per boat in favour of a more equitable fee based on the space occupied by the boat and dock.
- 3) Ensure transparency in the collection of dredge fees from both Club dock tenants and Town dock tenants. A dredge reserve fund should be maintained with contributions from all sources.

CLUB LEASES

The Harbours Advisory Committee supports our Boating Clubs and recognizes the rich history of these organizations and value they bring to our communities. We believe the Clubs are an essential element in our Harbours and should be supported to ensure their long term viability. In this regard we are concerned with the notion of charging a Lease Rate that is based on Market Value for the property. This approach is very risky and may lead to the financial demise of our Clubs because of a perceived development value of this land. In reality the Town may not want to allow development on this land and should not use this “market value” as the bench mark for pricing the use of this land. It should be noted that all Club Leased land is in the flood plain’s of the 12 or 16 mile creek, therefore controlled by a by-law of the Halton Region Conservation Authority. It is not likely that the Conservation Authority would allow any redevelopment of these lands.

We support the staff recommendation to assign Club Lease revenues to the Harbour Operations.

We support the staff recommendation to allow Clubs to manage their own mooring slips.

We do not support the proposed Market Valuation of Club Leases. Leases should be negotiated based on the cost of services provided by the Town to maintain the Club facilities and a fair share of the revenue collected by the Clubs for mooring fees and storage fees. The goal should be to ensure Clubs are financially sustainable and Club members are not unfairly subsidizing Harbours Operations.

PSAB

We recommend that Town Staff review the proposed replacement schedule for assets to ensure it accurately reflects the lower utilization of Harbours equipment due to the seasonal nature of the business and the fact that many of the assets are used most extensively during the short launch and haul-out periods. The PSAB contribution requirements should be reduced to reflect the extended life cycle of many of the assets.

There is no need to fully fund PSAB in the first year, or even the first 10 years, as most assets do not require replacing for many years. We recommend the reduced contribution plan be implemented with a much longer phase in period that extends well beyond the proposed 10 year model.

MARINA BUILDING

Business plan identifies this property will cost more to maintain than it can generate in revenue or expenses. WE recommend that Staff review the costs of renovating and maintaining the Marina building in Bronte to ensure there is a long term net benefit to the harbours operations.

FINANCIAL MODELS

We recommend Town Staff update the financial models based on the dredge cost sharing decision, correction to the Club lease predictions, and recognition of the additional revenue generation options proposed in the long range planning study.

The financial model should include a development reserve fund that can be used for future expansion or improvements based on the needs identified in the Long Range planning study. Surplus revenue generated in the Harbours should be allocated to this reserve fund.