

CCSC Finance Report F-28-16  
LPMA presentation



## Toward a Safe Harbour

Burlington is a waterfront community.  
Burlington - one the longest waterfronts on Lake Ontario.  
Boating is part of being a vibrant waterfront community.  
LaSalle is the centre of recreational boating in Burlington.  
Every other Lake Ontario waterfront Community has a  
Safe Harbour.  
After 36 years, Burlington still has no Safe Harbour.

After 36 years, Burlington still has no Safe Harbour.  
At this rate it never will.

However, we are immediately ready to proceed to the process to answer all questions involving further consultations and Engineered Design Build cost.

Engage the Ministry of Environment & Climate Change's directions to the two Co-Proponents (City & LPMA).

Enact Clause 40 of the Joint Venture Agreement. Create Reserve Fund D – Major Capital and release the \$248,000 of boaters money (not the City's).

LPMA are member authorized to proceed and will bring the balance of funding

Together, we can begin immediately.

LaSalle - the hub of maritime activity for well over a century.  
Burlington's gateway to the Harbour and Lake Ontario

After 36 years, Burlington still has no Safe Harbour.  
At this rate it never will.

Since Vision 2012 was first tabled 8 years ago, LPMA have in good faith made every effort to work with the City

LPMA have followed every direction from three successive City Councils

LPMA have worked cooperatively with Staff

LPMA have worked tirelessly to build business cases with no City money in the Build.

LPMA have never asked for City money to Build.

We are not asking for City money.

Hypothetical Business Cases built on various potential outcomes have been developed for over 8 years.

However, they are just that – *hypothetical* without a costed Engineered Design.

## Finance Report F-28-16

### **Further to Council's May 9, 2016** directions

- LPMA met with Finance May 30, 2016
- It was a 1 hour meeting on a \$12-14M hypothetical Grant / Debt Build Business Case with a 30+% contingency scenario
- LPMA was clear, we wanted Finance's input, concerns, needed additions or deletions to the Business Case to develop a consensus document for public release.
- We requested additional meetings and email inputs on anything Finance wanted.
- Finance agreed, much could be done by email.
- and Finance agreed to follow-up should they have concerns or questions and perhaps an additional meeting might be necessary.

## Finance Report F-28-16

### LPMA Finance meeting May 30, 2016

- LPMA was optimistic, the meeting was affable and commitments were made for further dialogue.
- Again, it was a 1 hour meeting on a \$12-14M hypothetical Grant / Debt Build Business Case with a 30+% contingency scenario
- LPMA waited for Finance's follow-up, none came.
- No follow-up, no clarifications requested.
- **June 30<sup>th</sup>, 3PM**, 1 hour before the City closed for the Canada Long Weekend Report F-28-16 was published publicly.
- A Report by Ambush – the intent appears wilful.
- An ERROR filled Report.
- A minimum of 18 Material Errors in a 9 page Report.

## Finance Report F-28-16

### Finance's Report by Ambush June 30, 2016

- Whether the report's release was wilful intent or not, the effect was to publicly damage the reputations of LPMA and its Board.
- Present at the only 1 hour meeting May 30, 2016 :  
 LPMA's Treasurer, retired Auditor for the Canada Revenue Agency  
 LPMA's VP, retired RBC Regional Branch Manager for Halton  
 LPMA's President  
 Absent participants along with the Board in developing the Case  
 LPMA's Dir Eq, retired Sun Life Commercial Mortgages Division  
 LPMA's Com Dir, retired Engineer Hatch & Assoc. & Church Treasurer
- Again, it was one 1 hour meeting on a \$12-14M hypothetical Grant / Debt Build Business Case with a 30+% contingency scenario with no follow-up.
- After the Release, LPMA complained to the City. The City Manager to his credit withdrew the Report committing to LPMA, Council and the Public via the media, that he would ask Finance to meet with us further.
- No such meetings took place, no emails, no phone calls from Finance.
- The Report Remains Error Filled.

## Finance Report F-28-16

### Finance's Report

- It would seem that, at best, this Report F-28-16 is not produced with the due care and attention required of a municipality acting *in good faith* with its JV partner.
- The acts of employees are, after all, the acts of the employer.
- There were no follow-up questions or meetings, other than the original 1 hour meeting, yet Finance keeps saying this or that "raises questions" – well ask those questions.
- Present at the only 1 hour meeting May 30, 2016 :  
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- It remains an ERROR filled Report.

## Finance Report F-28-16

### Finance's Current Report

- *Makes assumptions without seeking answers*
- **Compares apples to oranges – if they wanted a different Modeling, they didn't ask**
- **Uses For Profit Condominium Act** modeling to critique when LPMA is governed by the strictures of the **Not for Profit Corporations Act**.
- LPMA's Business Case Modeling is based on those **Not for Profit** requirements .  
 LPMA's Treasurer is a retired Auditor for the Canada Revenue Agency
- Writes of the need for renewals – LPMA have been hands on running the marina for which it paid, for 36 years. We know what is required to operate and maintain
- Arbitrarily Adds \$258,000 annually to LPMA's Admin & Ops Budget
- Neglects to look at the **38 Year Cashflow Proforma** which identifies all renewals
- Ignores **Shoreplan Engineering** correspondence July 9 2016 on "Rock Maintenance" :  
**"The Rock's not going anywhere.** None of their projects, some over 20 years old, have required rock replacement"  
 minor potential replacement budgeting in 20-30 years (\$70-100,000) every 2-3 decades.  
 \$80,000 for "Rock Maintenance" is excessive. \$5,000 per year prudent.
- **Cashflow Proforma Accumulated Surplus to Future Capital Replacements** uses the proper business methodology of a **Reverse Amortization**  
 LPMA's VP, retired Royal Bank of Canada Regional Branch Manager for Halton  
 LPMA's Treasurer, retired Auditor for the Canada Revenue Agency  
 LPMA's Dir Eq, retired Sun Life Commercial Mortgages Division  
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## Finance Report F-28-16

Finance's Current Report      It remains an ERROR filled Report

- LPMA's Business Case Modeling under strictures of the Not for Profit Corporations Act  
LPMA's Treasurer is a retired Auditor for the Canada Revenue Agency
- Finance Adds \$258,000 annually to LPMA's Admin & Ops Budget arbitrarily
- Neglects to look at the **38 Year Cashflow Proforma** which identifies all renewals  
**Proforma Accumulated Surplus to Future Capital Replacements**  
**Dock Replacement – Reverse Amortization**  
Finance says Marina would need \$3,200,000 in 25 Years  
**Proforma** in Yr 25 @ 80% shows Capital Available **\$4,327,848**  
**Proforma** in Yr 25 @ 95% shows Capital Available **\$8,267,575**  
**LPMA Safe Harbour Excel Proforma**  
Revenue  
**\$623,000 @ 95% Occupancy**  
**\$561,500 @ 87.5% Occupancy**  
**\$500,000 @ 80% Occupancy**

*The Business Case is based on the most conservative scenario, not the likely outcome scenario.*

- **Halton Area Marina's are at 96.5%.**  
**The likelihood of exceeding 80% forecast occupancy is extremely high.**
- **Halton Boating & Feasibility Study Report Phase 1 Final page 112**  
**Slip shortage** in Halton of **600** by 2016; **710** by 2017; **820** by 2018; **930** by 2019; and **2160** by 2031

## Finance Report F-28-16

Finance's Current Report      It remains an ERROR filled Report

**Down Payment** per previous agreement with Staff re JVFL modeling all upfront expenses and costs to arrive at the Build Process would count per City requirement for 10% up front including docks identified in Vision 2012 which have now been replaced and are being replaced. LPMA have identified, our up front and cash is greater than \$1.4M (10%) being nearer to \$1.775M. That is identified in LPMA's Business Case, but is not reported herein.

- LPMA's Business Case Modeling under strictures of the Not for Profit Corporations Act**  
LPMA's Treasurer is a retired Auditor for the Canada Revenue Agency
- Finance arbitrarily Adds \$258,000 annually to LPMA's Admin & Ops Budget
  - Report adds \$50,000 a year for dock maintenance of new docks – we'd never spend that much
  - Neglects to look at the **38 Year Cashflow Proforma** which identifies all renewals ramping as things age  
**Proforma Accumulated Surplus to Future Capital Replacements**  
**Dock Replacement – Reverse Amortization**  
Finance say Marina would need \$3,200,000 for new docks in 25 Years  
**Proforma** Yr 25 @ 80% Capital Available **\$4,327,848**  
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*The Business Case is based on the most conservative scenario, not the likely outcome scenario.*  
*Halton Area Marina's are at 96.5%*

*The likelihood of exceeding 80% forecast occupancy is extremely high.*

## Finance Report F-28-16

### Finance's Addendum Report

- Makes assumptions without seeking answers
- Compares apples to oranges – compares Area 2016 Rates to LPMA modeled 2019 Rates
- States the need for renewals – LPMA have been hands on running the marina, for which it paid, for 36 years. We know what is required to operate and it is clear in the Proforma
- **Raises 50 year** “major” replacements in Rock Maintenance – pure conjecture
- Did not want the **100 Year Cashflow Proforma** when offered which identifies all renewals
- Then claims we couldn't replace rock for which they had no idea the need or cost
- **Ignores Shoreplan Engineering** correspondence July 9 2016 on “Rock Maintenance” :  
“The Rock's not going anywhere. None of their projects, some over 20 years old have required rock replacement”  
minor potential replacement budgeting in 20-30 years (\$70-100,000) every 2-3 decades. \$80,000 a year for “Rock Maintenance” is excessive. \$5,000 per year prudent.
- Saving \$80,000 a year = \$1.6M over 20 years to possibly replace \$100,000 of Rock if the need arose would be a NPO violation and CRA tax matter, or worse.
- **100 Year Cashflow Proforma Accumulated Surplus to Future Capital Replacements** uses the proper business methodology of a **Reverse Amortization**  
LPMA's VP, retired Royal Bank of Canada Regional Branch Manager for Halton  
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## F-28-16 Toward a Safe Harbour

### Effects of Climate Change Public Safety – no mention of Safety at all

The increasing frequency of wave intrusions create a significant safety issue at the City's facility to members of the public using LaSalle Park Marina and the adjacent City Free Public Trailer Boat Launch Ramp (which has also had repeated damages itself).

Without the Marina, even greater wave intrusion events would make the City's Free Public Launch Ramp unviable.

F-28-16

## Toward a Safe Harbour

### Boating Study – Demographics – Participation Levels

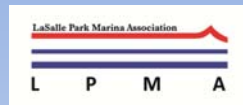
#### **Halton Boating Harbour Study Phase 1 Final Report**

- ✓ Findings confirm boating slips shortage over 600 by 2016, 930 by 2019
- ✓ 14.5% of Burlington (27,000) & Halton (72,000) Population boats  
Halton & Trenton's (2011) Studies both confirm 14.5% and rising to 19%
- ✓ Largest demographic participating group's household income between \$40-75,000

#### **Economic Impacts of the Safe Harbour Construction – TOURISTICS**

- ✓ The project brings with it ongoing & lasting tangible community benefits
- ✓ Ministry of Tourism Regional Economic Impact Model (TREIM) tabled

**All the above ignored in F-28-16**



## Toward a Safe Harbour

### Here for the Long Term

Hamilton Port Authority lease commitments, inclusive of renewals, in effect to the year 2049

LaSalle Park Marina, Burlington's Open Public Marina, resides in the Port's Waterlots

Business Case and Proformas updated to 2016 costing with a 30% contingency, conservative 80% occupancy  
Reverse Amortization Proforma demonstrates all future Renewals



Docks no longer on shore in winter



HMCS Haida inside the Wavebreak at  
Parks Canada  
De-icing system in place & effective  
Examples: severe winters 2013-14; 14-15

## Toward a Safe Harbour

Mitigates Harsh Winter of a Frozen Hamilton Harbour

De-icing inside the Rock Harbour protects docks

Rock is ideal because of its slope to handle harbour ice  
– Shoreplan Engineering

LaSalle Park Marina, Burlington's Open Public Marina  
resides in the Port's Waterlots

## Toward a Safe Harbour

There are nearly 1000 Safe Harbours across Canada.

Time for Burlington's.

We thank Council and Staff for their hard work on this file.

We, together with Staff, will work to ensure the Ministry's directions are followed.

We urge Committee & Council to reject the Staff Reports.

Design Quantifies Cost with Hard Numbers.

Thank you.