Toward a Safe Harbour

Burlington is a waterfront community.
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.
Together, let’s get on with the job.

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 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 – the City Manager confirms this fact.

LPMA have followed every direction from three successive 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.

*We are not asking for a refund, we are asking to get on with the job.*

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City Manager’s Report CM-13-16

**Veracity of F-28-16**

- Despite the Manager’s commitment, Finance did not meet further with LPMA
- The Manager’s Report is based on the error filled information from Finance’s F-28-16
- Without good information, it is hard to make good recommendations.
- LPMA respectfully suggest, the Manager too has been let down by Finance Staff’s failure to meet with LPMA.
- Finance’s errors and arbitrary assumptions were not corrected.
- In short, we believe, the Manager has been provided with very bad advice
Assumptions & myths

- **Myth:** LaSalle Park Marina Burlington Residents use 44%.
  **Fact:** Burlington Residents 2016 use 62%
  That number bounces around, a couple of years ago 72-75%
- **Myth:** LaSalle Park Marina Member : Renter Ratio must be 70:30.
  **Fact:** Charter / Senior members use 57%
  That number bounces around annually
  Staff indicated clearly, as long as we pay our bills, not a problem.
  We take who comes to the door – it’s the customer’s choice
- **Myth:** LaSalle Park Marina Charter Members 117
  **Fact:** LaSalle Park Marina Charter Members 84
  That number is dropping per the New Business Model of 2005
  significantly faster than forecast.
  Senior Members Active 46
  Total Charter & Senior Members of LPMA 130
- **All the above information** has been provided to Finance – they have not apparently updated their records.
- CM-13-16 uses Finance’s errors in the Manager’s Report
- Examples of some of the 18 Material Errors in the 9 page Report F28-16.

Definitions & the 80% Policy

- **A Resident Marina is not a Marina for Residents of a City**
  A Resident Marina is a Marina that is mostly occupied by full season users
- **LaSalle Park Marina is operated as an Open Public Marina without discrimination.**
  Staff knew that and were fine with it for years.
  Now suddenly, they are not.
- **A rule that bans, or limits, non City residents access:** The 80% policy message is that Burlington wants to close the door to boating Canadians living in inland communities, being that they should not have access (or only limited access), to the great waters of Lake Ontario via Burlington.
- **The right to access the great waters of this country, owned by Her Majesty The Queen In Right of Canada, is a right of all Canadians which no municipality can deny.**
- **No other waterfront community we can find has such an exclusion practice.**
- **The 80% message also being, that Burlington does not want the attendant new spending in the City that boating people from Milton; Waterdown; Cambridge; Guelph; Brantford; Kitchener; etcetera bring.**
- Again, we take who comes to the door.
CM-13-16

Memberships & Ratios

• We take who comes to the door if their boat will fit.
• We have no control how people wish to spend their money: Rent, Associate or Senior Member.
• Staff previously identified when asked about the ratio that this real world methodology LPMA is using was not problematic. Now suddenly it is problematic.
• The slow progress of the Safe Harbour proposal; sudden reversals on longstanding agreements; and repeated wave damages deter people from becoming Senior Members - there is a linear relationship sapping confidence.
• There is a world of difference from nice theories and the real world economic realities of running a volunteer not for profit marina.

Operating without costing the City has been our prime directive, we have done so and will so continue behind a Safe Harbour.

Finance Report F-28-16

Finance’s Current Report

• Makes assumptions without seeking answers
• Compares apples to oranges
• 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 condescending baffle gab 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.
• Adds $258,000 annually to LPMA’s Admin & Ops Budget arbitrarily.
• 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
  LPMA’s Com Dir, retired Engineer Hatch & Assoc. & Church Treasurer
• It remains an ERROR filled Report.
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 – reports the case doesn’t work because of the addition – then says it doesn’t know the marina business
- 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
  \[ \text{Proforma Yr 25 @ 80% $4,327,848} \]
  \[ \text{Proforma Yr 25 @ 95% $8,267,575} \]
  LPMA Safe Harbour Excel Proforma
  \[ \begin{align*}
  \text{Revenue} & \text{ $623,000 @ 95\% Occupancy} \\
  \text{ $561,500 @ 87.5\% Occupancy} \\
  \text{ $500,000 @ 80\% Occupancy}
  \end{align*} \]

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 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 & CM-13-16

JVFA 10% Up Front

- **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 studies; docks identified in Vision 2012 which have now been replaced; design; Safe Harbour LPMA held account; City Held LPMA Account (boater’s money, not City’s).
  - 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.
  - Does not explore Infrastructure Ontario loan as an LPMA Sports Loan

LPMA’s Business Case Modeling is under strictures of the Not for Profit Corporations Act

- 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
- LPMA’s Com Dir, retired Engineer Hatch & Assoc. & Church Treasurer

Halton Area Marina’s are at 96.5%.
The likelihood of exceeding 80% forecast occupancy is extremely high.
Relevant Joint Venture Clauses

11. The City will:

(d) work towards and support such policies and actions so as to foster the long term viability and sustainability of the Marina;
(e) investigate a forty (40) year lease with the IPA for the use of the Waterlot by the Association;
(f) provide guidance and advice to the Association to support its goal of building a permanent full rock wave break system for the Marina;
(g) review the Reserve Fund status with the LPMA at the (5 year) renewal of this agreement recognizing the Association’s objective of establishing a Major Capital Replacement allocation within the Reserve Fund;

Schedule C

Reserve Fund

The Reserve Fund is managed by the City, as prescribed under By-Law 17-2005, enacted and dated March 21st, 2005. The purpose of the reserve fund is threefold:

(a) $100,000 for the potential dismantlement of the Marina infrastructure and subject to joint review every 3 years;
(b) The refundable amount for Senior Members
(c) Balance for the transitioning of current model to new operating model

Please Note: Per the signed, Council ratified, and executed JVA
Fund A is for the potential, not eventual, dismantlement of the marina
Relevant Joint Venture Clauses

40. A more detailed explanation of how funds will be applied to the Reserve Fund is found in Schedule C. The Parties agree that the purpose of the Reserve Fund is to ensure the long-term viability of the Marina, including the renewal of infrastructure. The City acknowledges the objective of the LPMA to undertake future Major Capital Improvements and agrees to the joint review of the status of the Reserve Fund and the Financial Operating Model at the renewal of this Agreement, with the objective of establishing a fourth reserve fund allocation being Fund D – Major Capital Improvements.1

It's been 11 years, and 5 JVA extensions since the New Business Model was created. The New Business Model has exceeded all expectations and projections. We all know what the solution is; Enact Clause 40 of the JVA – its boater’s money, not the City’s. LPMA have already obtained LPMA members’ unanimous ratification to draw the $248,000 surplus from the City Held LPMA Marina Account.

Risk & Default

We believe the risk is overstated
Default is being all modeled as worse case total default
Cannot determine actual risk or cost without:
  Consultations & Detailed Design determining actual cost
  A good faith Business Case Review and addressing the Proformas
  More information from Infrastructure Ontario

More Studies

Two Coastal Engineering Companies have studied LaSalle
They looked at and costed alternatives
Both firm’s recommendations are Rock, providing the best protection and lowest downstream costs
A third study will not negate the previous findings.
Toward a Safe Harbour

Conclusion

The Ministry of the Environment & Climate Change, after a two (2) year review signed off on the Environmental Study July 2015, and gave directions to the two proponents (City & LPMA). Since then nothing has been done. If the City does not follow the Ministry’s direction, the Ministry’s decision is likely invalidated without LPMA remaining a co-proponent.

If the City wants to be lead proponent and LPMA secondary proponent, LPMA have no objection, but further delays are respectfully, inappropriate and unwarranted.

The correct comparator project is not something built recently out on Lake Ontario off Burlington, but rather the LaSalle West Rock Spit and East Environmental Rock Islands off LaSalle completed over 21 years ago.

We need to get back to where we were and move forward together.

Together we can begin the Consultation & Design now and get on with the job.

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.

Thank you.