



Cobourg Taxpayers Association

Making Local Government Accountable

Enhancing Quality of Life in Cobourg

**Proposal for Changes
to
Marina Policies**

Submission To

Town of Cobourg
Regular Council Meeting

February 1, 2016

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Cobourg Taxpayers Association

The Cobourg Taxpayers Association (CTA) is a non-partisan provincially incorporated not-for profit organization.

Founded in September 2015, it is governed by a volunteer Board of Directors and its mandate is carried out with the assistance of an Advisory Committee.

The CTA believes that in order for Council to deliver good governance and tax value, it needs ongoing input and help from the community.

Our vision is *Making Local Government Accountable*.

Our mission is to gather and analyze information about town governance and report this information to Cobourg citizens. We will use our group's broad base of business skills and experience to help council and staff use best practices to discharge their duties in an accountable and transparent way.

Executive Summary

The Cobourg Taxpayers Association (CTA) believes that the Marina is a valuable asset to Cobourg. After considerable study, the CTA wishes to highlight a budget item which we feel is not essential and represents a very high cost. We also offer a financial plan for the Marina.

This unwarranted expenditure is listed in the Parks and Recreation Department Budget: as "Boat Handling Equip. & Compound Expansion". Essentially, this is a Travelift, haul-out slip and trailer to handle boat launch and haul-out at an estimated cost of \$687,000. No amounts are included for operator salary and benefits, operator training and maintenance of the equipment or possible dredging of the haul-out slip.

In addition to the information on the Travelift we have included an analysis of the fees and capacities of marinas in other nearby towns. The conclusion is that fees in Cobourg are lower than most competing communities so they could easily be raised to help ensure a sustainable facility.

Everyone in Cobourg, from the Town Council, to taxpayers and boaters all want the same thing: for the Marina to be financially responsible and self-sufficient.

The CTA, in the following study, has suggested a number of ways that this can be achieved. We feel confident that with the skill and co-operation of Councillors and staff directors this can be accomplished.

Background

The Town's CAO, Stephen Peacock, has stated the Marina is fully user pay. Is that a statement or a promise? Town residents, we believe, interpret that statement as an assurance.

Up until now, the Boaters have fully paid for their lifestyle at the Marina and have also paid for some extra Town assets. They have personally enjoyed a very nice Marina and the Town has enjoyed an attractive asset. This arrangement is currently a win-win.

However, in order to pay for up-coming expenses, the Marina is underfunded by approximately \$1 million. There are various estimates of this number, but the Marina Manager in September of 2015 estimated \$1.25 million. This underfunding has been many years in the making. The Marina Manager has stated the primary reason is inadequate user fees. We suggest, this is only part of the problem.

We are asking that a professional independent Reserve Fund Study on the Marina be done to accurately determine this underfunding and to provide options for recovery. In addition to assessing the funds required for operation and maintenance, the study should include an analysis of options to ensure that the Marina is completely self-funded. If the Marina is not responsible, all residents will be paying for it for years to come. We ask that until the Reserve Fund Study and funding analysis is completed that only essential spending be undertaken.

During the past 6 years user fees have increased by 38%, but they are still quite reasonably priced. However, in the past 3 years, salary costs have increased by 41%. This year the employee costs are approximately \$263,000 which is a large amount for seasonal responsibilities and is a significant part of the Marina funding problem.

Let's remind ourselves; the Marina is a wonderful Town asset and we all want it to continue to operate well without the need for additional public funding.

Travelift

The Cobourg Marina has always rented a mobile crane for annual lift-in and lift-out operations. The Ontario Place Marina and Whitby Yacht Club also use a rental crane. Their excellent safety programs improve efficiency and eliminate the cost of purchasing expensive equipment.

The proposed Travelift budget is \$687,000 and, if approved, would be added to the existing \$1 million funding shortfall. See Appendix A for additional details of Travelift design and operation. Some of the boaters have argued that adding a Travelift would provide Cobourg with a “Full Service Marina”. This is very far from the truth; for details of what constitutes a “Full Service Marina” see Appendix C. Since Cobourg has no “boat works facilities” this Travelift, apart from the occasional convenient lift-out, would only be used twice a year. If I owned a boat, would I want a Travelift? Yes! It would be convenient to arrange launch and haul-out to my own schedule. However this convenience would require a large increase in dock rates (as much as \$500 per year per slip rental to amortize the loan required to finance the Travelift) and a much larger storage yard on our waterfront so that boats can be moved at different times.

The Boat owners do not want to raise their dock rates nor do they want to have a professional Reserve Fund Study done to review their finances. (see Cobourg Marina Boat Owners Submission presented at the Parks and Recreation Committee meeting on October 21, 2015) Their 13 page report dealt with Travelift, dock security, storage yard and other issues but did not mention the essential Reserve Fund Study.

With a crane rental rather than an equipment purchase we save the maintenance and operator training costs, the storage of a large yellow structure on our waterfront and leave the waterfront shoreline unaltered by a haul-out slip that is typically 40 -feet long and at least 10 feet deep. We believe that for equipment that is used only twice a year renting when required is the obvious choice.

The CTA opposes the use of public money to support the lifestyle of yacht owners. We all enjoy the look of the Marina and it is a great Town asset. However, the vast majority of Cobourg’s taxpayers do not own a boat and would not benefit from purchasing a Travelift with public funds.

The Solution

The CTA believes that there are a number of important aspects to the solution of the problem of Marina finances. These include:

- Reduce Marina employee costs. A reduction in “labour intensive” transient activity will assist this reduction with little impact on seasonal boaters. Dealing with transient boaters requires significant time by staff for slip assignment, payment, dock set-up and other tasks. A reduction in transient slips will accomplish three things:
 1. Makes more docks available to Cobourg boaters
 2. Reduces staff requirements
 3. Increases Marina revenue since transient slips produce less revenue during the season due to vacancies
- Cancel all non-essential spending including the proposed new boat handling facility
- Eliminate the use of boater fees to fund non-Marina (Town) maintenance. For example, boater’s fees were recently used to repair the Division Street Pier sinkhole on the beach side of the pier. These repairs cost a total of \$75,000 over three years.
- Increase user fees by 3% annually for each of the next four years. Since slip demand is high the fee increase should not impact the number of slips rented. To confirm that slip rentals could be increased the CTA surveyed the costs of using other nearby marinas. The results of this survey are detailed in Appendix B.
- Increase the Marina’s profit margin on sales of gasoline, ice, drinks and other items. The current margin is low compared to other comparable marinas. In some cases the realized margins are even lower than in the Trailer Park.
- Commission an independent professional Reserve Fund Study and analysis of funding options for the Marina.
- Cancel the proposed Winter storage yard expansion (estimated cost savings of approximately \$60,000). This expansion is not warranted. The current storage yard is only about 80% utilized and the Cobourg Yacht Club (CYC) yard is only about 50% utilized.
- Spending on a Travelift for the Marina must not be considered as an option if it involves the use of public funds or Town borrowing which ultimately puts taxpayers at risk for repayment."

Appendix A: What is a Travelift?



Photograph by Riley Huntley

As seen from the above photograph, a Travelift is a mobile gantry whose sole purpose is to haul-out and launch boats from the water to their cradle, and visa-versa. Two strong slings are placed around the hull and the slings operate together to raise or lower the boat in a level position.

A Travelift is a very large, heavy and industrial looking machine that requires trained operators, periodic preventative maintenance and occasional significant repairs. These additional expenses must be added to the initial cost of a Travelift and do not appear to have been considered in the proposal.

The Travelift must have a matching haul-out slip, usually built of concrete, over which it operates. The width of this slip must be designed to the Travelift's wheel base. Large steel channels are fastened down on each side of the slip to provide a track for the wheels of the Travelift to ride along. This track is a safety feature but extreme operator care is still

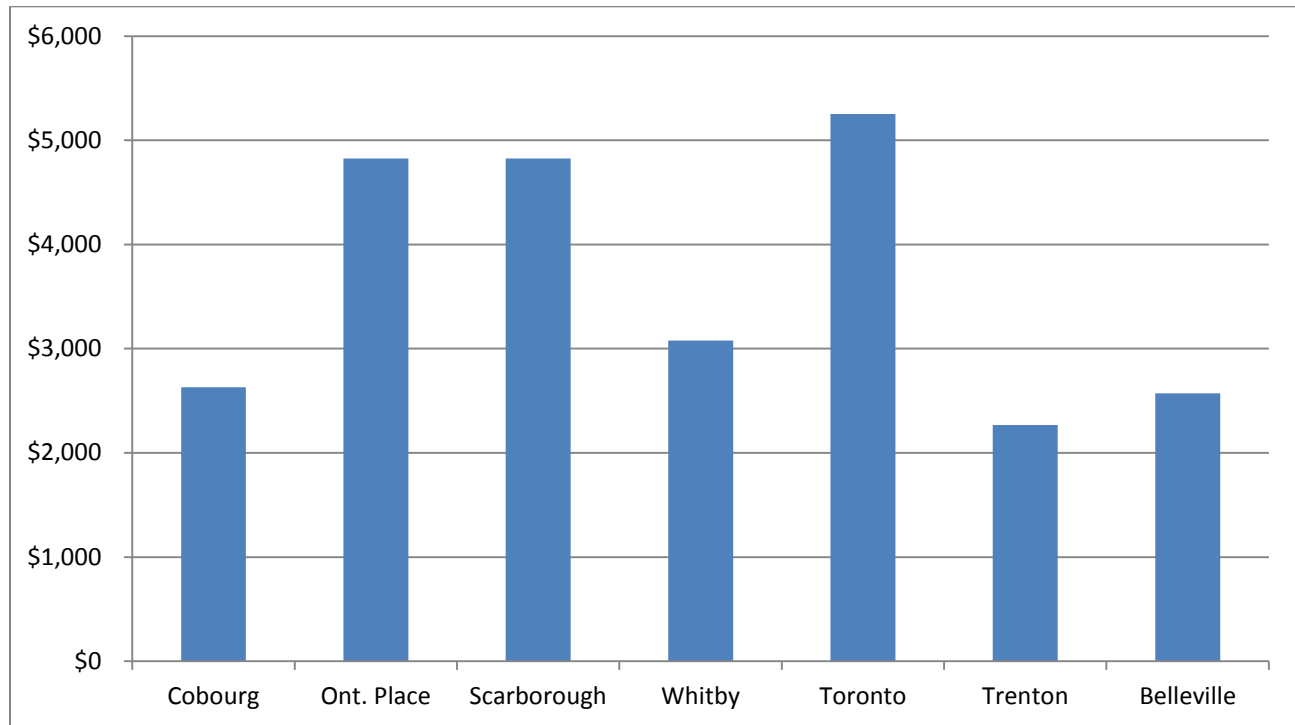
necessary. Haul-out slips are usually a minimum of 40 feet long and have a water depth of preferably 8-10 feet.

Travelifts have significant limitations when used to haul-out catamaran sailboats. For example, a 35-ton Travelift has insufficient width to handle more than a 30 ft. sailing catamaran; a crane would have to be used.

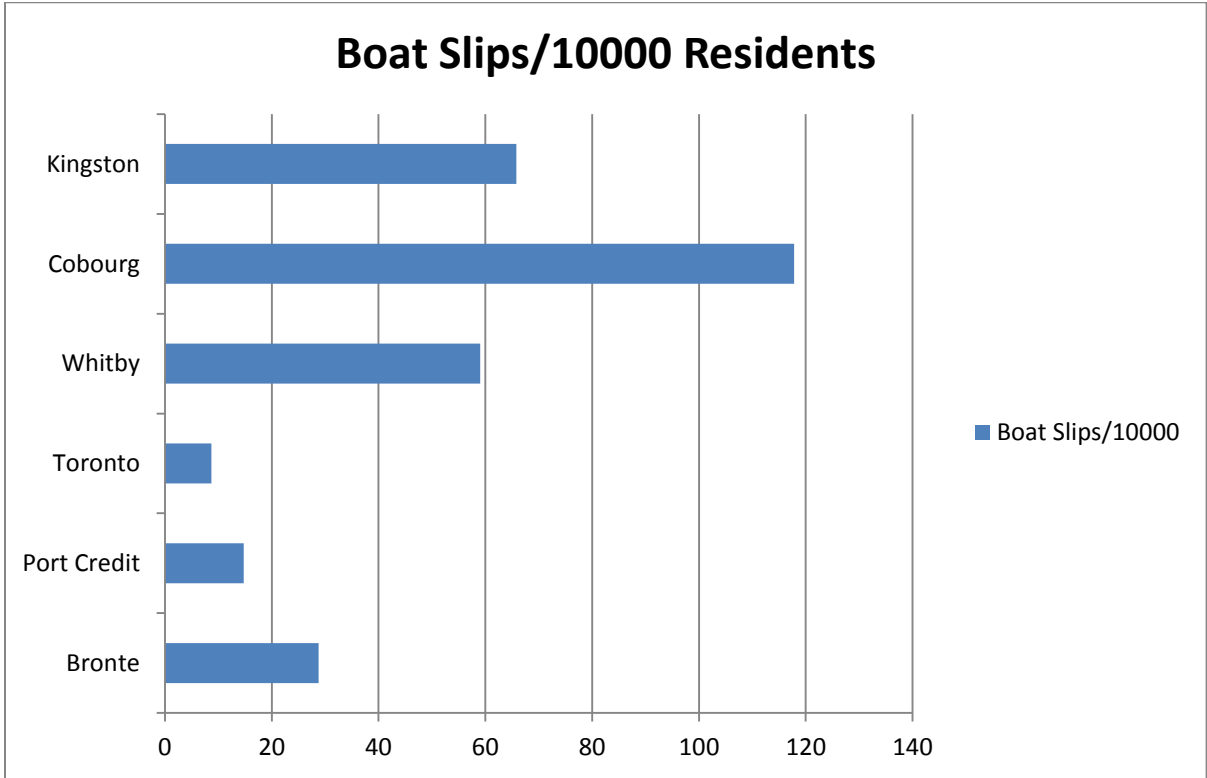
Since a Travelift cannot be disassembled for storage between uses, it will be a significant eyesore for all visitors to the Marina and for nearby property owners.

Appendix B: Marina Comparisons

Marina Cost Comparison (Slip rental cost for 35 foot boat)							
Marinas	Cobourg Marina	Ont. Place Marina	Scarborough Bluffers Marina	Whitby Marina	Toronto Outer Harbour	Trenton Trenton & Bay Marine	Belleville Meyer's & Crates
Winter Storage	\$530	\$1,674	\$1,674	\$873	\$1,674	\$700	\$840
Seasonal	\$2,100	\$3,150	\$3,150	\$2,205	\$3,577	\$1,568	\$1,731
TOTAL	\$2,630	\$4,824	\$4,824	\$3,078	\$5,251	\$2,268	\$2,570



Boat Slips per 10,000 Residents						
	Bronte	Port Credit	Toronto	Whitby	Cobourg	Kingston
Total Slips	525	1,050	2,280	720	218	770
Population	182,500	713,000	2,615,000	122,000	18,500	117,000
Boat Slips/10000	29	15	9	59	118	66



Appendix C: Explanation of Terms

There are two terms that are used when describing Marina's. The terms are "Full Service Marina" and "Working Marina".

A Full Service Marina is usually described as having all services that the average boater would expect and is willing to pay for. Visitors to a marina consider questions such as: Does the slip have enough electrical power for air conditioning or clothes dryers? Does each slip have water or is one water tap shared? If the Marina is ocean based, as opposed to inland waters, the demands are higher. A better definition should come from the boaters themselves. Some small boat owners only want a dock, that is, just a place to "park" their boat. Others may want internet access, water, dock-boxes, cable TV and 100 amps of power.

The second type of marina is a "Working Marina". That usually refers to the presence of boat building / refitting in the immediate area. These services can include woodworking, stainless and aluminium shops, painting, fibreglass works, canvas, marine electronics. Many of these shops use toxic chemicals such as strong solvents and epoxies. When a boat builder or boat refit shop locates in an area, other support services follow and you have a serious industrial boating centre. Examples of working marinas include Bronte Harbour, Port Credit and Whitby. Cobourg has none of these facilities, except a ship's store or chandlery.