Opportunities for the ownership, operation, and management of Port Dover Harbour Marina and Port Rowan Harbour Marina

Norfolk County Marinas

Business Case Options

September 2024

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1. Introduction

1.1 Background

Norfolk County is a single-tier municipality located on the north shore of Lake Erie in Southwestern Ontario, with a population of approximately 70,000 that increases proportionally with seasonal tourism. Our municipality spans nearly 1,600 square kilometers and is comprised of six urban centres: Simcoe, Port Dover, Delhi, Courtland, Port Rowan, and Waterford, as well as forty-two smaller rural hamlets and neighbourhoods, two resort areas, and large agricultural areas. Norfolk County's population is forecasted to grow to approximately 100,000 over the next 20 to 30 years.

Norfolk County has a large facility portfolio across a wide geographic area, including two municipally owned and operated marinas – Port Dover Harbour Marina (PDHM) and Port Rowan Harbour Marina (PRHM). Over the last 15 years, Council has considered various options for the ownership and governance of the marinas, and has retained the assets after each consideration. However, the future of the marinas has remained uncertain, and capital improvements were often deferred pending a decision on marina ownership. Consequently, the County will need to invest $21.15 million in marina infrastructure over the next decade to maintain successful operations. The current annual revenue generated by the marinas is not sufficient to offset the required capital investment. On 13 February 2024, Council directed staff to undertake an analysis and business case rationalization for the future ownership, operation, and management of the marinas.

The objective of this report is to provide a balanced account that will allow Council to consider the future of the marinas from a broad perspective, within the context of Norfolk's current financial position. The report identifies opportunities to reduce or eliminate the capital expenditures needed to maintain marinas through alternative governance and operating models or divestment. In making this decision, Council will need to determine:

- The level of capital and operating investment they are willing to make in the marinas;
- The level of oversight and involvement the County should have in the operation of the marinas;
- The terms Council would accept under a public-private operating model;
- The level of resourcing the County would commit to managing an operating contract;
- The price and terms under which the County would sell these assets to a private operator.

Norfolk County's current position requires all decisions to be considered through a financial lens. The marinas are one of many difficult decisions Council will consider. While decisions may be unpopular, the alternative is unsustainable debt levels, continuous large property tax increases, declining service levels, and large rate and user fee increases. In making this decision, Council should consider the broader needs of the community and whether the value of these assets outweighs the extent of the $21.15 million in capital expenditures required over the next decade. Allocating capital financing to the marinas will divert resources away from other services, which is difficult to justify when weighed against the broader interests and needs of our community, particularly given that the marinas are not considered to be "core" municipal services, compete with the private sector, restrict full access to members, and are often utilized by 50% non-residents. To help address this, staff have drafted the following marina ownership and governance business case options for Council's consideration.

1.2 Methodology

The content of this report is based on:

- Consultation with Norfolk County staff;
- Research and review of previous Norfolk County marina reports and Council considerations;
- Research and review of previous consultant reports and recommendations on Norfolk County's marina operations;
- Review of current and previous Norfolk County marina agreements;
- Review of previous research and consultation undertaken by summer Administrative Students;
- Norfolk County budgets, including our 10-year capital forecast and Asset Management Plan
- Through best practice research, including interviews with other municipal marina managers, review of marina reports, budgets, third party reviews, Expressions of Interest, and lease agreements from other municipalities;
- Review of relevant legislation.

1.3 Assumptions

- Improved efficiency and sustainable capital investment is the primary reason for considering alternative governance and ownership options for Norfolk County marinas;
- Expanding marina operations under the current ownership and operating model is not feasible due to municipal resourcing constraints;
- If Council decides to retain one or both marinas, a "Status Quo" approach is not a viable option – resourcing, user fees, and capital investment would need to be increased;
- The marinas are a non-core municipal service that primarily benefits marina users, many of whom are not Norfolk County residents. Therefore, if Council decides to retain the marinas, marina costs should be borne by marina users;
- If Council decides to retain public ownership of the marinas and contract a third party to operate them, the operator would assume responsibility for most capital and all operating expenditures, including staffing and customer service;
- If Council decides to divest one or both marinas, they would be sold in "as is" condition; any remediation would be the responsibility of the new owner;
- If Council decides to divest Port Rowan Harbour Marina, the County would sever and retain any adjoining parkland and would retain public access to the waterfront;
- If Council wishes to pursue any of the options outlined in this report, Council would direct staff to investigate the option further as necessary to determine feasibility;
- Any public consultation that may follow this report at Council's direction would be County-wide and allow all Norfolk County residents to provide feedback, including community stakeholders and marina users.

2. Executive Summary

This report outlines nine options for the ownership and governance of Norfolk County's marinas, summarized as follows:

OPTION 1: PUBLIC OWNERSHIP AND OPERATION

- **Option 1.A – Municipally Owned and Operated**
    - Norfolk's current ownership and governance model;
    - Would require additional operating resources and $21.15M in capital investment over the next decade;
    - Could explore opportunities to increase revenue and tourism and/or create an advisory working group.

- **Option 1.B – Municipal Services Board**
    - Norfolk would retain ownership and operation of the marinas, but operations would be governed by a Municipal Services Board;
    - Would require the same capital investment of $21.15M, and staff and Council resources to manage;
    - Could help improve operations with community insight and increase operational flexibility.

- **Option 1.C – Municipal Development Corporation**
    - Norfolk would retain ownership of the marinas and allow a municipally-owned Development Corporation to manage them;
    - Would require the establishment of a Municipal Development Corporation that would be owned and primarily resourced by the County;
    - Could enhance marina operations with increased operational flexibility and allow pursuit of Public-Private Partnerships to offset capital investment costs and improve amenities and area tourism.

OPTION 2: PUBLIC OWNERSHIP AND PRIVATE OPERATION

- **Option 2.A – Operating Contract**
    - Norfolk would retain ownership of the marinas and contract a private company to operate them;
    - Would require a robust contract with clear customer service standards that staff would have to administer;
    - Could alleviate the County's operational burden and open new opportunities to improve marina amenities without substantial County investment.

- **Option 2.B – Public-Private Partnership**
    - Norfolk would retain ownership of the marinas and pursue collaborative Public-Private Partnerships to operate the marinas and secure private investment;
    - Would require extensive legal review, a comprehensive partnership framework, and substantial staff time to establish and administer;

    - Could alleviate operating and some capital expenses, expand marina operations, and give the County the opportunity to share revenue.

- **Option 2.C – Cooperative**
    - Norfolk would retain ownership of the marinas and allow marina users to operate it collectively as a cooperative;
    - Would require a substantial ongoing volunteer commitment from marina users, and a robust framework administered by staff;
    - Could alleviate County operating and some capital expenditures, and allow marina users to run the marina for their collective benefit while assuming all operational risk.

OPTION 3: PRIVATE OWNERSHIP AND OPERATION

- **Option 3.A – Sale of Both Marinas**
    - Norfolk would market and sell both marinas to a private interest;
    - Would require the sale of two municipally-owned waterfront assets, and the County would forfeit all control over marina operations;
    - Could eliminate a substantial source of capital and operating expenditures and provide an influx of sale revenue, an ongoing source of property tax revenue, and could provide an opportunity for the private sector to improve marina amenities, expand operations, and increase local tourism at no cost to the municipality.

- **Option 3.B – Sale of One Marina**
    - Norfolk would retain one marina and sell the other;
    - Would require the County to divest either its most profitable marina (PDHM), or its unserviced marina (PRHM);
    - Could eliminate a source of operating and capital expenditures and provide sale and property tax revenue that could be used to improve the operation of the other marina asset.

- **Option 3.C – Sale of Marinas, Retention of Waterfront**
    - Norfolk would sell the marina business to a private interest, but retain ownership of the waterfront lands;
    - Would require the execution of a leasehold agreement with the new business owner, and staff and legal resources to execute and administer. As the property owner, the County may be responsible for managing and maintaining some elements of the waterfront to ensure the marinas can operate;
    - Could allow the County to eliminate marina capital and operating expenditures and generate revenue from the sale of the business and lease of the land while retaining municipally owned waterfront property.

3. Strategic Context

3.1 Previous Considerations

Port Rowan Harbour Marina was acquired by the County (prior to incorporation) in the 1970s. The County acquired Port Dover Harbour Marina from the Federal Government in 2007. Since that time, Council has considered several staff and consultant reports outlining governance and operating models for the marinas. Reports have consistently recommended asset retention, improving revenue generation, prioritizing public access, and increasing opportunities for regional tourism. Please note that previous reports are heavily focused on PDHM and consistently noted that PRHM is not profitable.

In 2009, Norfolk retained Leeman & Associates to review PDHM operations and recommend options to make the marina sustainable through improved revenue generation and continued public access to the waterfront. In June 2009 staff presented an analysis of potential marina governance models. The report noted that municipally-owned marinas are intended to generate revenue and thus compete with the private sector. An advisory committee was established to improve operations, however, it was later disbanded because it was difficult to manage and produced limited results. Similarly, a later advisory committee was appointed in 2019 but stopped meeting due to the COVID-19 pandemic.

Council reconsidered marina governance options again in 2012. Staff recommended retention of PDHM to support tourism and ensure continued public access to the waterfront, with the qualification that the marina be self-supporting and generate revenue for the municipality (e.g. through increased user fees and capital surcharges). The report suggested investigating public-private partnership opportunities to help mitigate capital improvement costs. Council deferred a decision pending a presentation on board management options.

In 2014, Norfolk retained Marina Management Services to create a business plan for each of the marinas, with the objective of achieving full economic potential and satisfying community needs. The studies identified opportunities to attract boaters and non-boaters to the waterfront, enhance user experience, and encourage tourists to stay longer. The study recommended that PDHM increase public access to the waterfront with improved amenities, such as a park pavilion for public and private events, on site food services, public washrooms, improved access to the downtown core, and the creation of a destination friendly experience for transient boaters. While PRHM was not considered a viable business operation, it was recommended that the asset be marketed as a community focal point with unique charm and historic boat houses to draw tourists to the community, creating an opportunity for entrepreneurs to develop new businesses in the area. However, the majority of these recommendations were not implemented due to resourcing constraints and uncertainty regarding the future of the marinas.

In 2015, Council again considered PDHM ownership and governance options, including the establishment of a Municipal Service Board to govern marina operations. Staff recommended retaining ownership and management of PDHM, and confirmed this again in 2017. Staff resources were increased to better support marina operations.

3.2 Current Financial Position

3.2.1 Corporate Outlook

Internal and external factors will continue to require Council to make difficult decisions regarding Norfolk County's assets, service levels, and service delivery models. Recent Levy, Capital and Rate budget cycles have been characterized by ongoing challenges related to aging infrastructure and asset management implications, which have been exacerbated by inflationary pressures, rising operating and construction costs and higher interest rates. Norfolk County Council has committed to a set of Strategic Priorities intended to help ensure long-term financial sustainability for the County, therefore the strategic direction that is set for the marinas should be aligned with these priorities. The following sections provide additional context and detail regarding current marina operations and future capital and asset management requirements.

3.2.2 Levy Supported Operations – Marinas

The approved 2024 Levy Supported Operating Budget includes allocations for the Port Dover and Port Rowan Harbour Marinas, which are summarized in the Table below:

Table 3.2.2.1: 2024 Levy Supported Operating Budget – Marinas

Budget Line	Port Dover Harbour Marina	Port Rowan Harbour Marina	Combined
Salaries & Benefits	$353,800	$26,200	$380,000
Materials, Supplies & Services	$521,000	$39,100	$560,100
Interdepartmental Charges	$91,600	$39,900	$131,500
Financial (Bank Service Charges)	$39,000	$0	$39,000
Infrastructure Funding	$147,000	$112,900	$259,900
Total Expenditures	$1,152,400	$218,100	$1,370,500
Total Revenues	($1,586,400)	($87,300)	($1,673,700)
Net Levy Requirement	($434,000)	$130,800	($303,200)

The operating budget information in **Table 3.2.1.1** has been provided as a reference point for current operations. Budget levels are established based on historical performance, as well as current economic factors and known events. User fees are presented to Council annually for approval and are the primary revenue driver for the marinas. **Exhibits 1.1-1.3** contain 5-year budget to actuals comparisons for the period of 2019-2023 for the PDHM, PRHM and combined statements for the department.

3.2.2.2 Port Dover Harbour Marina Operations

Operating performance has historically been at or near budget for PDHM, with revenue, expenditures and Net Levy operating results averaging approximately 95% of budget between 2019-2023 which includes years impacted by COVID restrictions. This is primarily due to consistent contract-based seasonal dockage revenue, and strong demand in the area, as evidenced by an annual waitlist for vacancies.

Operating expenditure budgets for staffing, and materials, supplies, and services are considered lean given the number of active slips at the marina. Approximately 54% of the $521,000 budgeted amount in this category represents fuel purchases for resale at the marina. Historical overages in Materials and Supplies per **Exhibit 1.2**, generally all relate to higher fuel purchases, but are offset by higher fuel sales in the same year. Gas dock operations have historically generated minimal net profit, maintaining a markup of approximately 15%-20% based on relative prices in the surrounding area. As a Municipality, management is reluctant to actively compete with local private businesses on price.

Maintenance programs for docks, equipment and facilities are managed effectively and rarely exceed budget. This includes contract driven services such as portable toilet rentals, pest and weed control, and waste disposal. Interdepartmental charges are allocations from various County support departments, including insurance administration, IT support, finance, and human resources support services. These are determined based on various methodologies and allocated to departments based on the chosen activity driver. The financial category consists of payment processing service charges and is generally around 2.5% of revenue.

Overall, PDHM incurs operating expenditures of approximately $1,800 per slip (including transient slips) on average. This excludes financing costs such as debt servicing and reserve contributions.

Primary revenue sources at the PDHM include seasonal dockage which constitutes 63% of budgeted revenues. Storage and handling services as well as summer dry dockage services represent approximately 8% of total revenues. Fuel sales comprise 21% of overall revenue, however, as noted, when netted against fuel purchases represent only 3% of total revenue. 4% of revenue is derived from daily rampage fees and pump out services.

Overall, PDHM generated revenue of approximately $2,900 per slip on average over the period analyzed, which produces a net operating contribution of $1,100 per slip and contributes a net $800 per slip to offset the tax Levy. Therefore, roughly $300 per slip is currently allocated to infrastructure funding needs. The budgeted surplus for PDHM in 2024 is $424,000.

3.2.2.3 Port Rowan Harbour Marina Operations

PRHM has historically operated at a deficit, which is driven by limited revenue generating capability, as the site is limited to a minimal number of slips and is not a full-service operation. Additionally, significant investments would be required to increase service levels. During 2020 budget deliberations, Norfolk County Council approved a recommendation to convert the PRHM to a passive operation with no full-time staff on site to reduce overhead. This achieved modest budgetary savings; however, the current budget still reflects some of the Marina Manager's time to monitor and manage the operation, which is a realistic expectation.

Similar to PDHM, the PRHM budget contains allocations for contracted services and repair/maintenance requirements. Notably, the 2024 operating budget contains debt servicing costs of $77,900 related to a 2019 issuance for a retaining wall and roadway resurfacing project. This debt will mature in 2029 but will continue to drive operating deficits using the current model for the next 5 years (see **Exhibit 3.3**).

Overall, PRHM incurs operating expenditures of approximately $1,100 per slip (including transient slips and boathouses) on average.

Revenue streams at PRHM are limited and consist of seasonal dockage, boathouse water lot rentals and rampage fees. Due to the limited slip capacity, boathouse rentals comprise 56% of total revenue, with seasonal dockage and rampage fees comprising 31% and 4% respectively.

Overall, PRHM generates revenue of only $1,000 per slip on average over the period analyzed, which produces a net operating deficit of $100 per slip and a deficit of $900 per slip against the levy. This represents approximately $1,000 per slip currently being allocated to infrastructure needs, which is higher than PDHM. This demonstrates that current operations are constrained by limited revenue generating opportunities and unable to support its capital needs. Taxpayers are effectively subsidizing PRHM, with a budgeted 2024 Net Levy requirement of $130,800, however, the main reason for this is existing debt.

3.2.3 Capital Budgeting Considerations

3.2.3.1 Capital Budgeting

The Approved 2024-2033 Capital Plan as presented in autumn 2023, contained gross capital expenditures totaling $1.02 billion. As noted previously, drivers included skyrocketing construction costs, aging infrastructure and high inflationary environment, among other factors. Infrastructure funding requirements will continue to drive Levy and Rate budget increases in the foreseeable future to accommodate these significant capital pressures. Additionally, due to insufficient current reserve balances approximately 58% of the 2024 Capital Budget is recommended to be funded through debt.

Staff anticipate that Norfolk County will reach and slightly exceed our internal debt repayment limit of 15% by 2029, which leaves limited capacity to take on additional debt (see **Exhibit 5.4**). While the legislated guideline is 25% of own-source revenues (OSR), our internal limit reflects a more fiscally responsible approach to capital budgeting. The current measure in 2024 is approximately 6.2% but is expected to rise dramatically between 2025-2029, reaching 15.1%. Possible implications include a downgrade of the County's credit rating, which would mean higher borrowing costs. This means Council will need to make difficult decisions regarding deferrals, scope changes, service levels, etc. to stay within the prescribed debt limit. Therefore, it is imperative that financial policy prioritize reduced reliance on debt financing for non-core activities.

Included in these projections are $21.15 million in capital requirements identified within the 2024-2033 Capital Plan for the marinas (See **Exhibit 2**). $19.5 million relates to PDHM, of which $17.5

million is recommended to be funded through debt, and $1.6 million to PRHM. New/incremental capital represents $9.6 million of total marinas capital and includes $4 million for an office building expansion, $3.2 million for a wastewater system at the PDHM, and $1 million for a reconstruction of the commercial area at PDHM. Also included is $500,000 in 2029 to purchase a travel lift. PDHM is currently contracted to use a local business to move boats around the marina. The remaining $11.5 million in asset management capital consists mainly of PDHM dock replacements, facility and roadway refurbishments and vehicle and equipment replacements. Notable projects at the PRHM include $410,000 for dredging and $830,000 for general upgrades and renovations to the marina.

The Marinas Reserve has an audited balance of $2,759,563 as of 2023 year-end. The current annual contribution to the Marina Reserve is a combined $182,000 and has historically been lower. Due to the significant capital requirements scheduled in 2029 ($12 million) and beyond, there is an insufficient time horizon to fund these projects from the reserve and therefore debt funding becomes the only option which reduces financial flexibility due to fixed payments and puts pressure on the County's debt limit. If the County continues to own and operate the marinas, the proposed business model should include a more sustainable infrastructure funding plan.

3.2.3.2 Asset Management

As highlighted within the recent Asset Management Plan (AMP) – Phase 2 report to Council in July 2024, staff estimate that Norfolk County has a funding shortfall of approximately $78 million related to sustainable renewal needs for County assets. Staff are working towards a financing strategy to prioritize and bridge this gap, but this highlights the challenges and difficult decisions that will need to be made in the coming years. Any model that includes continued ownership and operation of the marinas should include an allocation for sustainable renewal needs, as the current approach to infrastructure funding is insufficient. This is evidenced by the significant portion of current capital needs being financed through debt as discussed previously.

Included in the AMP are marina assets with a current replacement value totaling approximately $19.25 million, and are deemed non-core assets from an asset management perspective. This total consists of $2.1 million in marina buildings and facilities and $17.2 million in waterfront assets, such as docks and equipment. This does not include new/incremental capital budgeted within the 10-year capital plan. Many of the assets identified are either approaching or have exceeded their estimated service life (ESL), and the average annual investment required to properly support these assets is estimated at between $750,000 to $1,000,000. This estimate recognizes that the AMP data is continuing to be refined, and estimates may change as more information becomes available.

The current annual contribution to the Marinas Reserve is a combined $182,000, which constitutes a funding gap of approximately $568,000 annually which equates to an additional $1,035 per slip (combined marinas). While it may not be feasible to close this gap in the near term through operational changes, a sustainable model should move toward this goal.

Exhibits 3.1-3.3 contain pro forma operating statements for the period of 2024-2033 for each marina based on the stated assumptions. This period was chosen to coincide with the current approved 10-year Capital Plan to illustrate the impact of continuing with the same operating model currently employed without adjustments to service levels, user fees (assumed annual 3.5% inflationary increases) or additional revenue sources. This forecast does include allocations for additional asset management contributions phased in over the next 4 years until the recommended $750,000 per year level is achieved to highlight the constraint on operations.

The status quo approach would produce significant combined budgetary deficits between 2027-2033 based on these projections ranging from $50,000-$1.47 million. This timeline coincides with debt financing and reserve contributions reaching more optimal levels by 2029.

3.3 Community Need

Through substantial capital investment and staff resourcing, the County is providing the marinas as a municipal service. However, there are 13 privately-owned marinas operating in Norfolk County:

Table 3.3.1: Norfolk County Marinas

Location	Marina	Slips
Port Dover	Port Dover Harbour Marina	458
Port Dover	Dovercraft Marine Ltd	40*
Port Dover	Port Dover's Premier Yacht Club	25*
Turkey Point	MacDonald Turkey Point Marina Inc	750
Booth's Harbour	Fin & Feather Marina	150
St. Williams	Harmony Resorts	280
St. Williams	Hilltop Lodge Cottages and Marina	35*
St. Williams	Inner Bay Marina & Trailer Park	140
Port Rowan	Port Rowan Harbour Marina	40
Port Rowan	Collins Harbour Marina Resort	102
Port Rowan	Funny Farm Marina & Trailer Park	100
Port Rowan	Bayview Harbour Marina	175
Long Point	Sandboy Marina	160
Long Point	Marina Shores Ltd	45*
Long Point	Old Cut Boat Livery Marina Ltd	140

*Estimated from GIS satellite photo

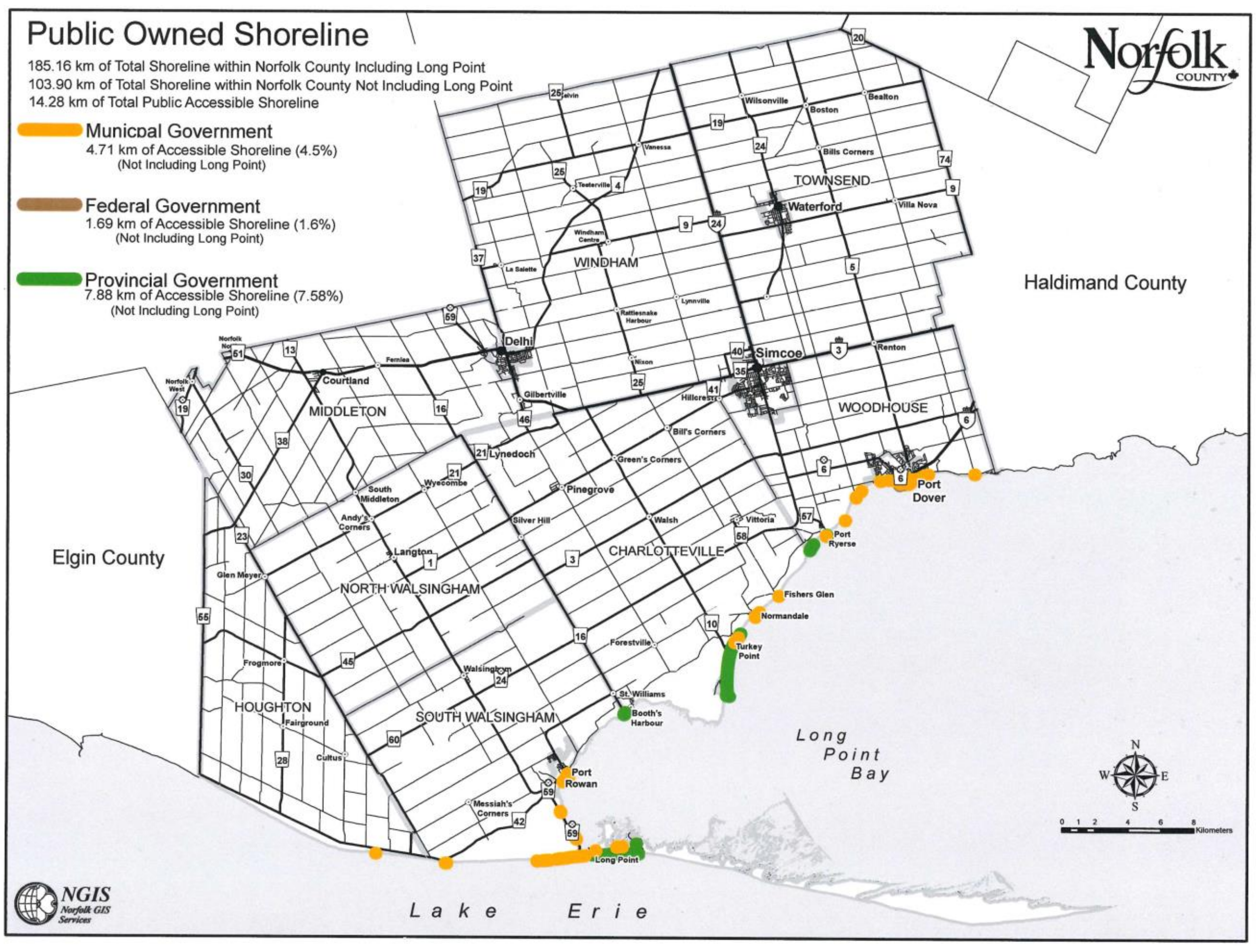
As illustrated in **Table 3.3.1**, marina services are being provided by the private sector and are widely available in our community. Generally, Norfolk County tries to keep our marina slip rental prices slightly higher than the private sector marinas to limit competing with local businesses. However, it is important to note that each marina offers its own unique experience and amenities, which act as key determinates of price. For example, while PRHM offers lower price points than the private sector, the marina is not serviced and has limited amenities for patrons. Furthermore, the accommodation a marina offers can also depend on location and geography. For example, PDHM can more easily accommodate sail boats than marinas located in the bay areas; sail boats account for approximately 40% of PDHM dockage. If PDHM were to cease operations, sailors may have to consider accommodation in other municipalities. However, the unique ability to accommodate sail boats in our community could increase the marketability of this asset.

3.4 Key Considerations

3.4.1 Public Waterfront

It is important to note that the marinas comprise a portion of the municipally-owned waterfront in Norfolk County. There are over 185 km of Lake Erie shoreline in Norfolk County, however, only 14.28 km are publicly accessible. 4.71 km are owned by the County; the marinas represent approximately 1.6 km of Norfolk's municipally-owned shoreline. If both marinas were sold, Norfolk would retain 3.11 km of municipally owned Lake Erie shoreline.[1]

Figure 3.4.1.1: Norfolk County Public Shoreline – Lake Erie



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[1] Norfolk would sever and retain PRHM's connected park lands, approximately 544m of shoreline.

3.4.2 Core Municipal Services

Municipal services are typically public services, provided at a net cost to the community. However, marina services are provided under contract to specific users and are intended to operate as for-profit business in competition with other private sector providers, with high levels of customer service and the ability to respond and adapt to environmental changes. Municipalities are generally not set up to operate and govern for profit businesses – we do not have the flexibility to operate businesses efficiently, or the resources to invest in keeping our business competitive.

Furthermore, while our marinas are municipally-owned, they do not necessarily secure full public access to the waterfront. While the public at large can visit the marinas and walk the piers and docks, most amenities are restricted to customers who pay a fee in exchange for dockage at the marinas. For example, at PDHM, there are few amenities on site, no stores, restaurants, or other businesses. PRHM offers public access to the pier, but boat houses are privately owned, and the dock area is gated. This service model could be justified if the marinas were generating sufficient revenue or were at least self-sustaining. However, the substantial capital investment required to maintain the marinas and PRHM's annual operational deficit means that in a few years, Norfolk County will be operating two marinas at taxpayer expense in competition with the private sector. Therefore, under the current operating model, it is difficult to consider the marinas to be a core service of a municipality, or a service to the community at large.

3.4.3 Tourism and Economic Development

The marinas accommodate a seasonal boating population equivalent to a large hotel. Marina clients support local businesses and restaurants in our communities for six months each year, and some visit in the off-season. Staff have noted that while most PDHM patrons spend the majority of their time at the marina, many will have take-out and groceries delivered from our local businesses. However, it is difficult to quantify the tourism revenue generated by the marinas. While PDHM is often cited as a tourist attraction, the location of PDHM limits opportunities to draw patrons into the downtown core. The marina is separated from Port Dover's main street with no direct access from the central business area. Furthermore, opportunities to increase tourism and economic development have been under resourced. For example, there are few open spaces on site (e.g. few gardens, no playgrounds, no event spaces). There are no on-site businesses operating at PDHM (e.g. restaurants, chandlery, shops, etc),[2] as businesses are difficult to support in the off-season. More opportunities to host temporary food trucks could be explored, however, this has the potential to draw patronage away from other local businesses. While our 11 PDHM transient slips are well utilized – particularly during boat show events[3] – there are limited transient slips available to accommodate tourism, as seasonal dockage is prioritized to guarantee revenue streams. Finally, Norfolk County's Economic Development division has a clear mandate to focus on Industrial, Commercial and Agricultural enterprises. Though Economic Development staff do support tourism initiatives, there is no internal capacity to increase service levels specifically for tourism.

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[2] In past there have been food trucks, a bait shop, and a cheese shop.
[3] Transient dockage revenue for 2024 to date is $15,000. In 2023, transient dockage generated $12,000.

3.4.4 Asset Retention Driver

If Council decides to continue to own and operate the marinas, staff recommend that Norfolk identify the key drivers for retention to help guide the future operation of the marinas. There are over 50 municipally-owned marinas operating in Ontario. All municipally owned marinas consulted through staff best practice research have identified their primary reasons for municipal marina ownership and operation.[4] For example:

- **Port Colborne**'s municipally owned **Sugarloaf Marina** is a central feature of the community's signature municipal park, where Council is committed to retaining public access to the waterfront. Retention of the asset allows the municipality to market themselves as a waterfront community, promote their "open for business" philosophy, and enables the municipality to explore future waterfront development opportunities. Sugarloaf is also a central feature of annual community events and concert series.
- **Peterborough**'s municipal marina is a significant downtown tourism feature that is part of a large public park where summer activities and festivals are held. Council is committed to maintaining public access to the marina as a service to the community. The marina is also a heritage asset, and closure would limit access to other waterways.
- **Quinte West** built their new **Trent Port Marina** in 2016 to support regional tourism and economic development. The venue features rental options for weddings and special events. Council remains committed to municipal ownership to enable municipal control over the reputation and success of this business, and to use the marina to support municipal projects and events.
- **Leamington**'s Council is supportive of offering their marina as a municipal service to ensure public access to the community waterfront. Furthermore, there are few other marinas in the area, thus the service is not being provided elsewhere.
- **Cobourg** retains municipal ownership and operation of their marina to ensure public access to the waterfront, with a harbour that allows full public access.
- **Barrie** and **Mississauga** identified revenue generation as their key retention driver.

If Council decides to retain the marinas, identifying a key asset retention driver may help guide marina operations, priorities, and resourcing. Council could consider undertaking a strategy or business plan to improve marina operations, expand revenue streams, and improve public access.

3.4.5 Resourcing

As outlined in the business cases that follow, there is no option for asset retention that will allow the County to eliminate all involvement and expenditures associated with the marinas. To be effective, any option resulting in asset retention must be adequately resourced. The only option that will absolve Norfolk County of all expenditures associated with the marinas is the sale of these assets (Option 3.A).

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[4] Municipalities consulted include Barrie, Burlington, Cobourg, Kingston, Lakeshore, Lambton Shores, Leamington, Mississauga, Peterborough, Port Colborne, Prince Edward County, and Quinte West.

4. Asset Profiles

4.1 Port Dover Harbour Marina

Figure 4.1.1: Port Dover Harbour Marina Property

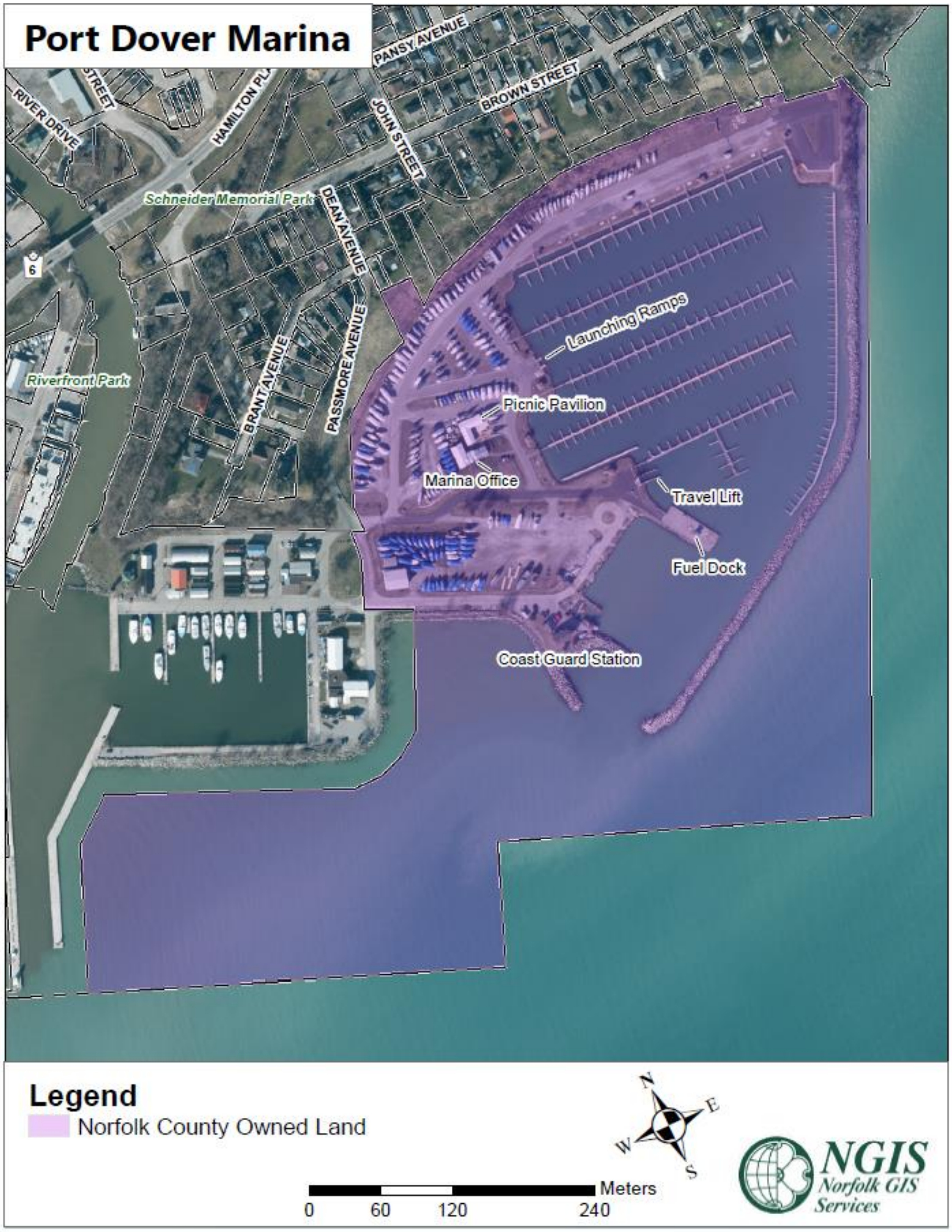


Table 4.1.2: Port Dover Harbour Marina Asset Profile

Port Dover Harbour Marina Asset Profile		
Total Area	69.7 acres	
Total Waterfront	1,085m	

Capacity	• 458 seasonal dockage slips:
	  ○ 373 full-service slips
	  ○ 74 no-service slips
	• 11 transient slips	

	2023	**2024**
% of Seasonal Slips Sold	100	100
Waitlist	24[5]	14
Seasonal Slip Patrons	41% Norfolk County residents 59% Visitors	44% Norfolk County Residents 57% Visitors
Available On-Site Services		
✓ Daily Ramps ✓ Winter Storage ✓ Washrooms ✓ BBQ Areas ✓ Hydro ✓ Pump-out Services ✓ Showers ✓ Parking ✓ Water Slips ✓ Fuel Dock ✓ Laundromat ✓ Pavilion		
Unique Features		
• The adjacent location of the Coast Guard operation is a significant asset. • The gas dock is strategically located in the region. It is well utilized and generates a good volume of sales (estimated 220-235,000 liters annually). • The ability to accommodate sail boats in our community.		
Staffing Levels		
• 1 Permanent Full Time Marina Manager • 2 Temporary Full Time Marina Operations Coordinators • 1 Temporary Full Time Marina Maintenance Technician • 1 Permanent Full Time Operations Staff • 10 Temporary Part Time Summer Students[6]		
Financial (2024)		
Annual Operating Cost	$1.15 million	
Annual Revenue	$1.58 million	
Budgetary Surplus	$434,000	
10-Year Capital Forecast	$19.546 million investment needed	
Capital Reserve	$2.75 million[7]	
Forecast for Debt Financing	$17.5-$18.1 million[8]	
Charge Per Slip	$77-$91 per foot	

[5] $200 deposit required.
[6] 6-hour shifts to accommodate 7 days a week operation.
[7] For both PDHM and PRHM.
[8] For both PDHM and PRHM. $18.1 million includes engineering costs which could be supported by the reserve.

4.1.3 Existing Agreements

4.1.3.1 Land Lease: Canadian Coast Guard

- The County has leased part of Port Dover Harbour to the Canadian Coast Guard for a 99-year term that will conclude on 29 March 2106;
- The lease was a condition of sale when Norfolk acquired PDHM;
- Under the terms of the agreement, Norfolk may assign the lease to another party, subject to compliance with the provisions of the lease agreement as follows:
    - The County must provide notice of assignment to the Crown;
    - An agreement between the Crown and the proposed assignee must be executed subject to the same terms and conditions of the original lease;
    - The County will remain jointly and severally liable for all obligations to His Majesty notwithstanding any assignment.

4.1.3.2 Lease Agreement: Giles Marine Ltd.

- Giles Marine Ltd. leases marine repair premises from the County;
- The original 5-year term expired on 31 August 2012. The lease was never renewed; however, Giles Marine Ltd continues to lease the space under the terms of the "overholding" clause in the original lease, which states that if rent continues to be accepted by Norfolk, the agreement will remain in place on a month-to-month tenancy at a rate established by the last annual rental payable under the lease;
- The lessee pays for utilities and annual property taxes.

4.1.3.3 Contractor Services: Bridge Yachts

- The County contracts Bridge Yachts to operate the travel lift;
- The current contract expires on 31 December 2027.

4.1.3.4 Sailing School Agreement: Port Dover Yacht Club

- Norfolk licenses Port Dover Yacht Club to provide sailing instruction classes. Norfolk may terminate the License Agreement if:
    - The Licensee defaults on any obligations specified in the Agreement for 5 consecutive days after receiving written notice from the County to remediate; or
    - The County provides 4 weeks written notice to the Licensee.
- Please note that:
    - If the License is revoked between April 15th and October 15th in any year of the License Agreement, the Licensee shall be refunded a pro rata share of the License Fee;
    - The terms of the License Agreement extend to any successors of the Licensor and the Licensee.

4.1.4 Site Profile and Land Use

The marina site is designated in the Norfolk Official Plan primarily as Urban Waterfront, which are locations within Urban Areas along the lakeshore intended to provide commercial facilities and services to support marine industries along with surrounding residents and tourists. Marinas, marine commercial and marine industrial uses are allowed along with restaurant, hotel, convention centre, small-scale retail and commercial uses, residential as part of a mixed-use building above ground floor and subject to certain provisions.

The property is split zoned Marine Commercial (CM), Marine Industrial Zone (MM) and the outer water area as Hazard Land (HL). The Marine Commercial Zone allows a limited range of commercial uses such as convenience stores, restaurants, museum and tourist information building, in addition to marine-related uses. Marine Industrial Zone is fairly limited, in terms of permitted uses focused on marine-related only.

The lands are also within the Lakeshore Special Policy Area which contains directions and policies related to waterfront uses, tourism nodes, natural environment, etc.

The Port Dover Secondary Plan process was considering expanding upon the uses currently permitted in the Urban Waterfront, including the consideration of whether additional residential uses could be appropriate.

The majority of the marina site is within the flood hazard limit and 100-year flood line.

Based on the site and characteristics of the site, subject to Long Point Regional Conservation Authority (LPRCA) study requirements, there may be potential for additional land uses for this site.

4.2 Port Rowan Harbour Marina

Figure 4.2.1: Port Rowan Harbour Marina Property

Table 4.2.2: Port Rowan Harbour Marina Asset Profile

Port Rowan Harbour Marina Asset Profile		
Total Area	19.8 Acres[9]	
Total Waterfront	1104m[10]	
Capacity	• 40 seasonal dockage slips • 38 water-lot leases for privately-owned boathouses • 2 transient slips	
	2023	**2024**
% of Seasonal Slips Sold	100	100
Waitlist	0	0
Seasonal Slip Patrons	50% Norfolk County residents 50% Visitors	71% Norfolk County Residents 29% Visitors
Available On-Site Services: None. The Marina is not serviced, the cost per slip reflects this.		
Unique Features		
• PRHM is a popular tourist destination with unique boathouses on the pier. • The site is ideal as a lookout point and offers fishing, birdwatching, and is an ideal place to launch kayaks. • There is a privately-owned restaurant located beside the Marina.		
Staffing Levels: None on site – the marina is managed by PDHM staff		
Financial (2024)		
Annual Operating Cost	$218,100	
Annual Revenue	$87,300	
Budgetary Deficit	$130,800	
10-Year Capital Forecast	$1.605 million investment needed	
Capital Reserve	$2.75 million[11]	
Forecast for Debt Financing	$0[12]	
Charge Per Slip	$793-$881 per slip	

4.2.3 Site Profile and Land Use

The marina site is designated in the Norfolk Official Plan primarily as Urban Waterfront, which are locations within Urban Areas along the lakeshore intended to provide commercial facilities and services to support marine industries, along with surrounding residents and tourists. Marinas, marine commercial and marine industrial uses are allowed along with restaurant, hotel, convention centre, small-scale retail and commercial uses, residential as part of a mixed-use building above ground floor and subject to certain provisions.

[9] This includes the 12.4 acres of connected park lands, which would be severed and retained if PRHM were sold.
[10] This includes the 544m of shoreline located in the connected park lands, which would be severed and retained if PRHM were sold.
[11] For both PDHM and PRHM.
[12] No PRHM projects are currently recommended to be funded by debt.

The main property is primarily zoned Marine Commercial (CM), with a holding provision and the outer water area as Provincially Significant Wetland (PSW). The Marine Commercial Zone allows a limited range of commercial uses, such as convenience stores, restaurants, museum and tourist information building in addition to marine-related uses.

The lands are also within the Lakeshore Special Policy Area which contains directions and policies related to waterfront uses, tourism nodes, natural environment, etc.

All of the marina site is within the flood hazard limit and 100 year flood line.

Based on the small site size and characteristics, there is somewhat limited opportunity for additional uses (other than perhaps complementary commercial or tourism-based uses) subject to LPRCA study requirements.

5. Ownership and Governance Options

5.1 OPTION 1: Public Ownership and Operation

Option 1 outlines three opportunities for asset retention, wherein Norfolk County would continue to own the marinas, and be responsible for all operational and capital costs, and all asset and equipment replacement costs. Each governance option offers varying degrees of Council control, public accountability and transparency, and flexibility for increasing revenue and economic development opportunities.

5.1.1 Option 1.A – Municipally Owned and Operated

5.1.1.1 Opportunity

Norfolk County would continue to own and operate both marinas. However, staff analysis as detailed in previous sections and best practices consultation have demonstrated that our current operating model is not sustainable due to insufficient resources being directed toward infrastructure funding requirements and management succession. Opportunities to increase tourism and economic activity and increase public access to the waterfront could also be explored. Council could also consider appointing an advisory working group to help guide marina governance. Finally, Council could also consider operating the marinas under a full cost-recovery model; however, this may be difficult given the level of capital investment required.

5.1.1.2 Advantages

Revenue Retention: The primary advantages of maintaining the current ownership and operating structure include receipt of 100% of marina revenues and the ability to set user fee rates. There is potential to investigate additional revenue streams and adjust rates to move toward long-term sustainability, as evidenced by steady business volumes and annual wait lists at PDHM.

Accountability: This governance option provides the highest level of accountability and transparency to taxpayers. When managed as a business unit of the Operations Division, Norfolk has the ability to control marina operations, including annual marina budgets, rates and fees, customer service standards, service levels, and staffing levels. The marinas are able to operate with access to internal County staff resources, including administration, finance, purchasing, human resources, information technology, etc., and can coordinate operations with municipality. Council can ensure that the marinas operate in accordance with Council's Strategic Plan in ways that will best serve the community.

Public Waterfront: Retention of municipally-owned waterfront is a key advantage. Under municipal ownership, the marinas could be developed to provide better public access to the waterfront and water recreation. Retaining ownership would allow the County full control over additional revenue generation opportunities through expansion, business development, residential site development, and opportunities to support the County's tourism initiatives with public waterfront access. Some opportunities to consider could include:

- The addition of boat rental services (i.e. motorized, and non-motorized watercrafts), to increase public recreation opportunities and County revenue streams.
- Opportunities to expand connecting pathways to the marinas and improved park areas.
- Integration of bicycle rentals to encourage boaters to explore the downtown areas and promote local business patronage
- Development of recreational venues and/or special event rental space through investment
- The integration of public programming

Development Opportunities: Asset retention gives Norfolk the ability to determine the future operation and governance of the marinas and the ability to pursue opportunities as they arise. Council could consider real estate and business development opportunities along the waterfront.

Governance Options: Council would have various governance options for asset retention, including the appointment of an advisory working group to help govern the marinas. A working group would require terms of reference to be approved by Council to define the working group's role, objective, composition, meeting frequency, and term, which would typically be concurrent with the term of Council. A working group would not have the authority to provide direction to staff or assign work to staff without Council approval. A working group could help facilitate public input to Council, contribute to the development of policies, programs, and initiatives related to marina operations, and organize events. They could act as a sounding board for the user community and inform recommendations on capital planning, customer service, and future development. An advisory working group could also help to ensure good marina governance, accountability, and transparency with emphasis on performance outcomes and fiscal responsibility.

5.1.1.3 Disadvantages

Financial Constraints: The primary disadvantage of asset retention is sole responsibility for the management and operation of the marinas, including asset replacement costs, maintenance, liability, and risk. As discussed, the current operating model is not sustainable long-term due to significant capital financing requirements and limited revenue sources. Additional investment in infrastructure funding and operating resources will be required to achieve sustainability, however, as a non-core service with limited public benefit, Council will need to determine what level of Municipal support can be offered to the marinas. These decisions will need to be balanced with overall corporate needs for core services such as transportation infrastructure, drinking water and wastewater systems given the constraints identified.

Staff anticipate that implementing a full cost recovery fee structure for users of the marinas to help bridge the infrastructure funding gap will have diminishing returns at the level required. While private sector operators expect the marina's user fees to be higher than their own, the County's marina patrons expect user fees to be competitive and in line with private operators. Therefore, if Norfolk continues to own and operate the marinas, expectations for high service standards, affordable dockage, and public access will continue to be provided at municipal expense. Finally, any initiatives that would improve the marina facilities, add new revenue streams, and help market the area as a major recreational and/or tourist attraction would require substantial municipal investment to achieve.

Staffing: Operating the marinas would remain solely the County's responsibility and would require staff resourcing beyond the level of service currently provided. Operations staff note that increased staffing levels are required to continue operating the marinas and recommend hiring a second Permanent Full-Time (PFT) Marina Manager. This could be an Assistant Manager that would help provide marina management for the 7-days-a-week operations and would help fulfill succession planning requirements. Operations also recommends hiring one additional Temporary Part Time (TPT) Marina Coordinator that would assist with marina operations for six months each year. Unfortunately, allocating additional staffing resources to the marinas would further exacerbate the financial constraints outlined above.

The proposed staffing levels are consistent with best practices:

- The most comparable marina to PDHM is **Port Colborne**'s **Sugarloaf** Marina. It has 706 slips; however, their Marina Manager reports that they typically fill approximately 450-500 seasonal slips per year and designate the rest as transient. The services provided are similar, including fuel docks. Their staffing levels include 5 full time employees (FTEs) and 8 seasonal full-time staff (2 FTE recreation staff and 6 students);
- **Kingston** operates 2 large marinas, one with 400 slips and the other with 300 slips. Staffing levels include 6 FTEs and 20 students;
- **Leamington** employs 1 full time manager, 1 full time assistant, 2 full time ramp attendants and 9 dock hands for their 300-slip marina;
- **Quinte West** operates a 375 slip marina with an event space with 3 FTEs (1 manager, 2 supervisors), 4 seasonal FTE staff, and 7 students;
- **Mississauga** operates 2 smaller marinas, one with 175 slips and the other with 56 slips, most of which are transient with 2 FTE marina managers (one for each marina) and 5 students;
- **Cobourg** operates a 220 slip marina, half of which are transient with 1 FTE marina manager, 1 FTE dredge operator, 1 FTE off-site manager, and 20 seasonal staff (students and casual).

Governance: Marina governance would continue to be resourced exclusively by the County. If Council chooses to appoint an advisory working group to help improve marina operations and facilitate input from community user groups, it is unlikely to produce cost-saving efficiencies and would not eliminate the capital expenditures needed to maintain the marinas. Conversely, the voice of an advisory working group could result in advocacy for increased resourcing for the marinas. Any recommendations made by a working group would need to be resourced at the County's expense. Furthermore, staff resources would need to be expanded to administer a working group. Finally, as mentioned in **Section 3.1**, Norfolk has had limited success with this governance model. Therefore, staff do not recommend appointing a working group if Council elects to retain the marinas.

Public Access: As noted in **Section 3.4.2**, it is important to note that retaining public ownership of the Marinas does not necessarily provide full public access to the waterfront. Under the current operating model, members of the community can come to the marinas and walk around the area, however, they have limited ability to enjoy marina amenities without slip rental. After-hours access to the docking areas is restricted to paying members with gated entry, and the majority of PDHM users are not Norfolk County residents. There are no on-site businesses, boat rentals, or public programming with the exception of the sailing school provided by the Yacht Club.

Private Sector: As illustrated in **Section 3.3**, marina services are widely available elsewhere in our community. Marinas are not a core municipal service that must be provided with public funding to fill a community need – they are being offered by the municipality in competition with the private sector. By providing marina services, Norfolk County is subsidizing boater access to a publicly owned waterfront at taxpayer expense while potentially taking business away from our privately owned local marina businesses.

Risk: There continues to be risk in operating seasonal marinas, particularly during economic downturns. As the cost of living increases, there is less disposable income for recreation. Fewer seasonal slip sales would impact marina revenue, and the County will be responsible for any shortfalls. This will be compounded by any fee increases the County may implement to make the marinas self-sustaining.

Flexibility: Asset retention, without sustainability, will also limit Norfolk's ability to invest in the assets and expand operations/improve economic development by relying solely on public investment. We also have less flexibility to operate efficiently due to the lack of separation from direct political oversight and municipal processes.

5.1.1.4 Financial Impact

As identified within this report, if Council chooses to continue operating both the Port Dover and Port Rowan marinas as a department of Norfolk County, adjustments will need to be made to the current Levy Operating Budget to achieve sustainability and move toward a full cost recovery operating model. An assumption is that as a non-core service that mainly benefits marina patrons, many of whom are not Norfolk County residents, that costs should be borne by marina users, therefore any proposal should not negatively impact the current levy budget to the extent possible.

Projected operating results for the marinas for the period of 2025-2033 using a full cost recovery approach to user fee rates are shown in **Exhibits 4.1-4.3** based on the stated assumptions. This model assumes annual inflationary increases of 3.5% unless otherwise stated. The forecast period of 2025-2033 was chosen to coincide with the current approved 10-year capital plan to enable comparisons with the current unadjusted operating model referenced previously under **Exhibit 3**.

Notably, staffing costs of $170,900 have been included in year 1 (2025) for PDHM based on the positions identified by staff in the best practices analysis. Current staffing levels are deemed to be unrealistic and unsustainable in the long-term.

Forecasted debt servicing costs are included in the year the project is budgeted within the 2024-2033 Capital Plan. The calculations assume an interest rate of 4.5% and a 20-year repayment period (via Infrastructure Ontario). Projections include additional asset management contributions phased in until the recommended $750K is achieved in 2028. These costs have been attributed solely to PDHM as there is no additional capacity in the PRHM budget.

The projected Net Levy Surplus is also projected to increase with inflation to be considered sustainable and maintain the same Levy impact relative to costs. User fee rates have been adjusted to offset the increases in expenditure each year and achieve the target surplus growth. This model would produce a projected Net Levy surplus of $710,000 by 2033, while using a more comprehensive approach to infrastructure funding. This equates to an average net operating contribution over the period for PDHM of $3,100 per slip versus $1,100 currently, but only an $1,100 per slip net Levy contribution versus $800 currently. This outcome is consistent with the known financing constraint on operations.

For PRHM, the proposed model would produce modest improvements and returning operations to a positive Net Levy position by 2030, but mainly attributable to maturing debt in 2029. The average operating contribution per slip is projected to increase from a deficit of $200 per slip to a positive contribution of $700. Average Net Levy contribution would increase from a deficit of $900 to a deficit of $400. Beyond 2030, projected results are positive, however, even with significant rate increases, the amount of revenue being generated is not sufficient to make a material impact on the budget.

Due to the significant infrastructure funding gap identified, this approach would require substantial, and possibly unrealistic user fee increases, or alternatively, additional revenue streams that do not require significant Municipal investment. This approach assumes slips will continue to operate near 100% capacity consistent with current activity levels, however, there is a significant risk of reduced patronage at a certain threshold which is unknown without further analysis and access to market data.

There are different paths to achieving the desired user fee impacts over the 10-year period, however, for illustrative purposes, the option presented would produce the most linear impact to the Net Levy Requirement each year. This includes an average annual increase of 14.5%, with year 1 (2025) requiring a 29% increase, and year 5 (2029) requiring a 52% increase due to the $1M in additional debt servicing costs scheduled to take place that year. 2026 to 2028 would average 10.3%, while 2030 to 2033 would require an average increase of only 4.6%. These increases could be spread out more evenly over the period, however, the expected budgetary impact would be more volatile and could result in a Net Levy deficit in some years. Alternatively, larger capital projects scheduled for 2029 could be spread more evenly over the period, however, this would require more immediate financing and higher debt servicing costs over the same period with limited benefit.

Exhibit 4.4 shows the resulting user fee rates for marina services under each alternative. The required increases could be allocated proportionately to all marina fees as in this example, or framed as a capital surcharge, applied only to seasonal dockage customers. Given the higher proportion of non-resident users, staff could investigate a fee structure that shifts more costs to non-resident users, thereby reducing the burden borne on taxpayers.

Reduced patronage would obviously impact these projections considerably. Any additional revenue streams would alleviate the pressure on user fee increases. Possible avenues to explore may include seeking additional commercial opportunities on the property, with the commercial area expansion currently scheduled for 2030, or in-house lift and launch services, with the travel lift purchase currently budgeted in 2029. These opportunities would require further research to determine their viability and to be able to quantify the benefit to the County, however, as a Municipality, it will always be necessary to consider the impact of competition with local businesses.

The proposed sustainability model would contribute an additional $3.9 million to the Marinas Reserve from 2025-2033, which would be sufficient to begin to reduce reliance on debt which would alleviate Levy pressures significantly. $3.9 million equates to approximately $370,000 in annual debt servicing costs and would represent a reduction of approximately 0.23% to the County's debt limit and a Levy reduction of 0.28%.

5.1.1.5 Requirements

User Fees: To operate the marinas as revenue neutral, fees would need to increase by approximately 12%-15% annually on average over the next 10 years to cover projected capital and infrastructure funding requirements. This assumes that marina slips would sell 100% capacity, which is highly uncertain given this level of fee increase.

Without further research and market data, it is difficult to estimate a threshold beyond which would likely result in reduced patronage and thus produce revenue shortfalls. Council should be prepared to accept Levy shortfalls, should it not be prepared to increase rates sufficiently or introduce additional revenue streams. An alternative fee structure could include resident and non-resident rates, which could help reduce the burden on taxpayers.

Staffing: The addition of one Permanent Full Time Assistant Marina Manager and one seasonal full time marina coordinator is equivalent to 1.6 FTE's and is estimated to increase staffing costs by approximately $170,900.

Capital Requirements: Asset retention will require additional resourcing into Marina infrastructure to ensure Marina operations are successful and competitive:

- $21.15 million in marinas capital budgeted over the next 10 years - See **Exhibit 2** for Approved 2024-2033 Capital Plan for the marinas
- $4 million for PDHM office building expansion
- $3 million for PDHM wastewater system
- $1.5 million for PDHM commercial area reconstruction
- $9.4 million for PDHM dock reconstructions

If Council decides to keep the marinas as municipally owned and operated, staff recommend that members pay for capital upgrades via user fees or alternative revenue streams that require minimal Municipal support.

Budget:

- $21.5 million capital investment over 10 years (2024-2033)

- $750,000 ($568,000 increase) annual contribution to Marina reserve
- Equivalent to a 0.4% annual tax increase that will need to be borne by marina users.

5.1.1.6 Best Practices

As detailed in **Section 3.4.4**, there are several examples of municipally owned and operated marinas throughout Ontario. Close comparators for Norfolk's PDHM include **Sugarloaf Marina** in **Port Colbourne** (706 slips), and **Leamington Marina** (300 slips). Both are located on Lake Erie and are municipally owned and operated. Each municipal Council is committed to investing in marina operations to maintain public access to the waterfront and has identified key drivers for asset retention as identified in **Section 3.4.4**).

Kingston's **Wellington Marina** is a small, 12-slip unserviced, unprofitable marina comparable to PRHM, which operates at a minimal cost and no staff on site. Kingston's Council is committed to retaining ownership of their marinas to retain public access to the waterfront (see **Section 3.4.4**).

5.1.1.7 Conclusion

If Council decides to maintain the same ownership and operating model that is currently in place, staff resourcing would need to be increased, and significant capital upgrades would be required as detailed in the 10-year capital plan and outlined in the 2024 budget. Consideration should be given to implementing a sustainable cost recovery model, identifying the primary reason for asset retention, prioritizing public assess, and investing in these assets to make them a key economic development and tourism driver for the community. This would require substantial resourcing commitments from Council.

5.1.2 Option 1.B – Municipal Services Board

5.1.2.1 Opportunity

Under the Section 194-202 of the *Municipal Act, 2001*, municipalities are authorized to establish Municipal Service Boards (MSBs) to delegate the management and delivery of municipal services (e.g. Parking Authorities, Boards of Park Management). Norfolk County could consider establishing a MSB to manage and operate the marinas. Under this model, Norfolk County would continue to own the assets and be the employer of marina staff. Council would establish the board's composition and approve marina fees, budgets, and policies. The board would be accountable to the public through Council.

5.1.2.2 Advantages

Accountability: With an MSB, Council would set parameters for the board's operation, including:

- Board governance, including composition, quorum, rules, policies, procedures, and budgetary process

- Board member eligibility, selection criteria, and term of office
- Relationship to the municipality, including financial and reporting relationship:
    - Council would determine the degree of financial and operating authority it delegates to the Board and which Municipal policies and procedures would be adopted by the MSB
    - Council would retain the authority to approve marina operating and capital budgets, as well as to approve marina rates and fees

Flexibility: An MSB could enjoy reduced political inference in operational decisions and could be less encumbered by municipal processes.

Advocacy: MSB members could become advocates for the marinas in the community. Similarly, volunteer or private boards can be comprised of community members to ensure public interest and insight is considered in marina operations. An MSB could investigate opportunities to increase marina use, public access, revenue, and expand economic development.

5.1.2.3 Disadvantages

Resourcing: Local boards are still subject to the same or similar rules as municipal councils (e.g. local boards must hold open meetings, adopt and maintain policies with respect to the sale and other disposition of land, hiring of employees and procurement of goods and services). Thus, establishing a local board to manage and govern the marinas would require significant investment in establishing systems of:

- Accounting and internal control;
- Performance planning and reporting;
- Monitoring and oversight; and
- Ethics standards and compliance monitoring, including proper disclosure and conduct for conflicts of interest that exist and arise

Furthermore, this model would require substantial staff time to administer, and Councilors may be required to participate as board members. The board would also be required to bring all policy decisions to Council's attention.

Financial: Local boards are subject to Provincial law and follow the same rules as municipalities regarding hiring and remuneration of employees, procurement of goods and services, open meetings, and fees and charges. A MSB is still a municipal enterprise – the County would still be required to consolidate their finances within its financial statement and reporting. Finally, and most significantly, adopting this model is unlikely to reduce the cost of marina ownership and operation, as the County would still retain the assets and be responsible for all resourcing requirements.

Authority: This model could create conflicts between Council and the Board over determining marina operations.

5.1.2.4 Financial Impact

The financial impact of this option would be similar to the impacts presented under Option 1A, with additional costs at the beginning to work through the legal process of setting up a MSB, as well as the additional staff time requirement to establishing the MSB. In addition, the increased financial reporting will come with additional costs as well. As the County has not set up an MSB, the overall cost of this option cannot be estimated with accuracy. Further investigation would be required.

Similar to Option 1A, which recommended following best practices with respect to staffing levels, it is assumed that the additional staffing costs would be included in the projections for Option 1B as well. As mentioned, the same financial challenges and constraints would still exist with this alternative, however, the specialized expertise of the board may produce operating efficiencies or additional revenue opportunities. The impact of these possibilities are not quantifiable at this stage, therefore it is assumed that the outcome would be materially the same as Option 1A (**Exhibit 4**), with a possible year 1 (2025) impact for startup costs and ongoing remuneration for non-Council board members which would depend on composition.

Capital avoidance and debt reduction would be unlikely, unless the board advises to remove or reduce the scope of projects currently scheduled within the 10-year Capital Plan.

Staff would recommend terms that allow Council to retain the ability to approve budgetary requests and key policy decisions, including user fee rates and service level changes.

5.1.2.5 Requirements

To establish an MSB, Norfolk County staff would present a proposal to Council for consideration that includes:

- The purpose and scope of the board;
- The name, composition, quorum and budgetary process of the board;
- The eligibility of persons to hold office as board members;
- The manner of selecting board members, the resignation of members, the determination of when a member's seat becomes vacant and the filling of vacancies;
- The term of office and remuneration of board members;
- The number of votes of the board members;
- The requirement that the board follow rules, procedures and policies established by the County;
- The relationship between the County and the board, including their financial and reporting relationship;
- Operational policies and procedures.

Pending approvals, County staff would be required to recruit qualified Board members.

5.1.2.6 Best Practices

While some Ontario marinas operate under the direction of a Board of Directors (e.g. **LaSalle Park Marina** in **Burlington**), none that responded to staff inquiries are currently governed by a Municipal Services Board.

5.1.2.7 Conclusion

There is no clear benefit to establishing a board to manage the marinas and no sufficient justification for delegating this administration to a Municipal Services Board. Marina staff would still be County staff, and the County would still be responsible for all capital and operating expenditures.

5.1.3 Option 1.C – Municipal Development Corporation

5.1.3.1 Opportunity

Under section 203 of the *Municipal Act, 2001*, and Ontario Regulation 599/06, municipalities are authorized to establish Municipal Development Corporations (MDCs). MDCs are legally incorporated entities that are fully owned by a municipality, led by an independent Board of Directors to enhance municipal development. An MDC works at 'arm's length' from the municipality to manage the development of public assets.

Council recently directed staff to explore the creation of a Municipal Development Corporation. If Council decides to proceed with the MDC, Marina operations could be transferred to the MDC to explore new revenue generation and development opportunities to make the Marinas self-sustaining.

5.1.3.2 Advantages

Flexibility: An MDC would have increased legal and operational flexibility, operating outside the parameters of municipal policies, bylaws, and regulations. This could give an MDC the flexibility and responsiveness necessary to expand marina operations and development opportunities and could make the marinas a key economic and tourism driver. For example, the region could be promoted as a major boating destination through partnerships with the private sector, such as the Yacht Club.

Financial: The MDC could operate on a full-cost recovery basis with costs borne by service users. An MDC would have increased debt financing flexibility and could allow the County to separate capital investments from other infrastructure investments. An MDC could also be exempt from income taxation so long as the County maintains a minimum 90% share of the MDC and at least 90% of income earned by the MDC comes from property within the geographical boundaries of the County.

Expertise: An MDC could provide an opportunity to access professional governance and management through skills-based boards of directors and could access specialized private sector expertise that may not be available with in-house operation.

5.1.3.3 Disadvantages

Accountability: Council oversight would be reduced and the County's ability to directly influence marina operations would be limited. It will also be more difficult to ensure alignment with municipal initiatives and priorities.

Resourcing: While a Municipal Development Corporation could explore opportunities to make the Marinas self-sustaining, pursuing these opportunities would require sufficient resourcing. An MDC would still be funded primarily by Norfolk County, thus the County would still be responsible for marina capital and operating expenses that are not covered by revenues. It is unlikely a newly established Municipal Development Corporation would have the resources to take on marina operations immediately. Similarly, the County would have limited access to Marina revenues.

5.1.3.4 Financial Impact

The MDC would operate as a separate entity, which would limit Council's influence over operational budgets, capital expenses and user fees. The impact of this option would fully depend on the policies and operational model of the MDC. If a self-sustaining model is implemented, then the financial impact would be reliant on marina users to pay the increased fees. The MDC would need to include the financial policies in regard to any surplus/(deficits). The County would be the sole shareholder, and ultimately responsible for any deficits. Additionally, there could be substantial costs associated with the establishment of a MDC that would need to be funded by the County, including legal and finance costs. Further details are noted below, in the Requirements section.

5.1.3.5 Requirements

In order to proceed with this option, Council would first have to agree to the establishment of a MDC, and it would take time to set up. Transferring marina operations to an MDC would require careful planning, coordination, consultation, and substantial resourcing that would include:

- **Feasibility Study** to determine whether transferring the marinas to an MDC is viable and beneficial. This study should analyze financial implications, legal considerations, operational efficiencies, and potential benefits to the municipality.

- **Legal Review**: Norfolk would need to determine the legal framework under which the MDC will operate (e.g. non-profit corporation or an economic development corporation) and seek legal advice regarding the operational set up.

- **Establishment of the MDC**: Articles of incorporation or similar foundational documents will be required and the MDC's mission, governance structure, board of directors, and operational procedures will need to be established, as well as a funding model and reporting structure.

- **Transfer of Assets and Operations**: Marina operations and responsibilities would be transferred from the municipality to the MDC. This could include physical assets, staff, contracts, and operational budgets. Agreements will need to be negotiated, and agreements executed, and a transition plan will be needed to ensure the process runs smoothly and is properly communicated.

5.1.3.6 Best Practices

While there are no specific examples of MDCs operating marinas in Ontario, there are examples of municipal corporations that have been established to revitalize waterfront communities. For example:

Waterfront Toronto is a collaborative public organization established by the Government of Canada, the Province of Ontario, and the City of Toronto with mandate to revitalize and develop Toronto's waterfront areas. Since its inception in 2001, Waterfront Toronto has played a pivotal role in transforming formerly industrial and underutilized lands into vibrant, sustainable communities. The organization oversees the planning, design, and implementation of major infrastructure projects, parks, public spaces, and residential developments on Lake Ontario. Through private sector partnerships, Waterfront Toronto aims to create a world-class waterfront that enhances quality of life for residents, supports economic growth, and attracts visitors.

Hamilton Waterfront Trust (HWT) was established to manage and enhance Hamilton's waterfront areas. HWT collaborates with the City of Hamilton and other stakeholders to fulfill its mission of revitalizing and maintaining the waterfront. It operates as a separate entity with its own board of directors and administrative structure, focusing on initiatives that benefit the public and contribute to the cultural, recreational, and economic development of Hamilton's waterfront.

Burlington Economic Development Corporation (BEDC) works with the City of Burlington to promote economic growth and development, including initiatives along the waterfront. While not exclusively focused on waterfront revitalization, it supports projects that enhance Burlington's waterfront as a destination for residents and visitors.

5.1.3.7 Conclusion

Establishing a Municipal Development Corporation offers significant opportunities for enhancing the development and sustainability of marina operations. The flexibility, financial benefits, and access to specialized expertise are compelling advantages. However, the reduced accountability and substantial resourcing requirements pose significant challenges. A careful, balanced approach, with thorough planning and alignment with municipal priorities, is essential for the successful implementation of an MDC. Finally, while an MDC can often more easily seek public-private partnerships and funding opportunities, it is likely that the MDC would still be primarily municipally funded, where user fees and other revenues fall short. Significant resources will be required to establish an MDC and transfer marina operations to the new corporation.

5.2 OPTION 2: Public Ownership and Private Operation

Option 2 outlines three opportunities for asset retention, wherein Norfolk County would continue to own the marinas, but would contract a third party to take on marina operations – including staffing, management, and varying degrees of capital investment. An operating contract could allow the County to retain our waterfront assets while eliminating some or most marina expenditures. This model can leverage the strengths of both public and private sectors, potentially addressing some of the concerns raised with the MDC. However, each contract partnership option will require substantial County involvement and have varying levels of complexity and resourcing requirements, particularly for capital projects. The County's financial and staffing commitment would need to be fully determined should Council decide to proceed with any of these options. Finally, each option will require further investigation to determine feasibility.

5.2.1 Option 2.A – Operating Contract

5.2.1.1 Opportunity

Through an operating contract, the County would continue to own the marinas, however, it would contract all operations and staffing to a private operator. The County would have the opportunity to determine the terms of the contract – for example:

- The County could lease marina operations to a private operator for a short, medium, or long term, for an agreed upon annual payment, with renewal is based on good revenues and performance. The County could include early termination clauses and include the flexibility to modify or terminate the contract.
- The County and the operator could agree to share a percentage of marina revenues.
- The County could waive an annual payment and forgo revenue sharing; in exchange, the operator would be responsible for 100% of marina operating costs, would assume all operational risk, and could take on all or a portion of capital asset and replacement costs.
- The County could require the lessee to pay all capital asset and equipment costs and assume all operational expenditures and risk for operational loss.

5.2.1.2 Advantages

Financial: The municipality can retain ownership of the marinas while transferring the operational financial burden to the private operator. This can mitigate the initial resourcing issues faced by an MDC. Structured agreements can ensure that the municipality benefits financially from the marina's success through revenue-sharing models.

Efficiency: Private operators often bring specialized expertise and operational efficiencies that can enhance the quality and profitability of marina operations. Contracts can include performance-based incentives, ensuring that the private operator meets specific service quality and financial targets.

Flexibility: The County would have the ability to structure the operating contract to suit its needs and preferences. Furthermore, private operators may be more agile and innovative in responding to market demands and opportunities, similar to the flexibility offered by an MDC. Private entities might be more willing to invest in improvements and expansions, potentially under revenue-sharing agreements.

Accountability: Clear contractual terms can maintain municipal oversight and ensure alignment with public interests and strategic objectives. The municipality can implement rigorous monitoring and evaluation mechanisms to ensure compliance with the contract and performance standards.

5.2.1.3 Disadvantages

Control: Similar to an MDC, the municipality would have limited direct control over day-to-day operations, which could lead to potential misalignment with municipal priorities. For example, the County would have limited ability to influence the private operator's customer service standards. As the marina owner, customers may still look to the County to address customer service issues we have limited ability to control. Similarly, if the contractor is responsible for capital infrastructure, the County could save money but lose quality control over any asset repairs and upgrades. If the operating contract is not renewed, the County may need to upgrade or re-do capital improvements.

Resourcing: Effective management and enforcement of the contract require robust municipal capacity and expertise. Furthermore, complexities can arise that will require staff time to manage and address. For example, if the County continues to own the assets, the contracted operator may be subject to the County's public procurement processes and policies. Clear and detailed agreements would be necessary that establish which party is responsible for various capital repairs, sets clear standards for capital projects, and clearly identifies procurement processes. If the County continues to own the marinas, the County would ultimately be responsible for capital repairs and operations. County staff would recommend that capital projects be led by the County, and the operator would fund a portion (or all) of the project.

Risk: Private operators are driven by profit motives, which may conflict with broader community interests or lead to cost-cutting measures that affect service quality. Over-reliance on a private operator might pose risks if the operator fails to meet contractual obligations or decides not to renew the contract.

Market Response: Attracting qualified and interested private operators could be challenging, depending on market conditions and the perceived attractiveness of the marina operations.

Transition: Transitioning to a private operator might involve initial disruptions and require significant effort to establish a robust contract and oversight framework.

5.2.1.4 Financial Impact

This option would need to be further investigated to understand the potential financial impact. Completing the requirements identified below would provide the information needed to assess the potential financial impact. However, it is important to note that this option would not eliminate the

County's responsibility or funding the marinas entirely. There would be a substantial cost, including consultants, legal work and financial, to complete the requirements identified below, were this option to be selected for further investigation.

5.2.1.5 Requirements

The public ownership and private operating contract model could be a strategic and effective approach to enhancing marina operations while ensuring alignment with municipal goals and community interests. To ensure the success of this model, the following steps should be taken:

- **Feasibility Study**: Conduct a comprehensive feasibility study to assess the potential benefits, costs, and risks associated with a private operating contract.
- **Market Engagement**: Issue a Request for Expressions of Interest to engage with potential private operators, gauge interest, and ensure competitive bidding for the contract.
- **Robust Contract Framework**: Develop a detailed contract that includes clear performance metrics, accountability measures, customer service standards, and provisions for municipal oversight and public interest protection.
- **Stakeholder Involvement**: Involve key stakeholders, including community members and Marina users, in the decision-making process to ensure transparency and buy-in.

5.2.1.6 Best Practices

Picton Marina in **Prince Edward County** is municipally owned but operated and managed by a third party via 5-year sublease. Prince Edward County began reviewing marina operations in 2019 due to poor performance and a $60,000 annual operating deficit. Council was not in favour of divesting their waterfront assets, but directed staff to investigate leasing marina operations to a third party. The objective was not revenue generation, but the elimination of municipal operating costs. In 2020, an EOI was issued, which received one response. Under the current agreement, the tenant leases the marina at no cost, takes on all operating expenditures and risk, and takes on some capital costs for marina infrastructure upgrades. The municipality is still the property owner and is responsible for some large capital costs. The tenant has invested in significant capital upgrades to improve operations, including a boardwalk. Municipal staff still support seasonal openings and closings, and put the operator in touch with service contractors. The municipality still receives customer inquiries and complaints about customer service levels, and often have to reach out to the tenant for response. The lease is very time-consuming for staff to manage; they plan to include clear customer service standards and key performance indicators in any lease renewal contract or future EOI.

5.2.1.7 Conclusion

Considering the potential benefits and challenges, a public ownership and private operating contract for marina operations could be a viable alternative to establishing an MDC. This model offers a balance between leveraging private sector efficiencies and maintaining public ownership, which can address some of the key concerns related to accountability, resourcing, and financial impact. However, a contract is expected to take significant staff time to set up and administer, and the County could still have to assume some responsibility for capital investments in marina infrastructure and would have limited ability to influence marina operations.

5.2.2 Option 2.B – Public-Private Partnership

5.2.2.1 Opportunity

Norfolk could explore opportunities to improve and deliver marina services through Public-Private Partnerships (PPPs). PPPs are long-term agreements between government entities and private sector organizations in which private companies provide funding for government projects in exchange for a share of the revenue generated by the project. PPPs are collaborative frameworks where both parties share management responsibilities, with the private sector heavily involved in project development and operations. PPPs are often used to help municipalities deliver services that fall outside core service areas to improve operations, revitalize underutilized assets, and improve tourism and economic development (e.g. hotels, restaurants, event spaces). A PPP can combine the strengths of both the public and private sectors, potentially addressing some of the concerns associated with the other models. This option would be appropriate if Council were interested in pursuing opportunities to expand marina amenities with business development.

5.2.2.2 Advantages

Investment: Opportunities for private sector partners to expand marina operations and open business and development opportunities could be explored through private investment (e.g. restaurants, shopping, event spaces, residential development). This could serve as a catalyst for increased tourism and economic growth in the area.

Financial: A key advantage of a PPP is reduced financial burden on the municipality. Financial risks, including capital investments and operational costs, can be shared between the public and private partners. External partners could take on core marina responsibilities and share capital expenses for marina improvements. Because PPPs rely on outside investment, private sector partners often bear more financial risk compared to simple operating contracts, particularly in terms of project cost overruns or revenue shortfalls. Structured revenue-sharing agreements can ensure that both parties benefit financially, aligning incentives for mutual success. The County would have the opportunity to eliminate marina operational and staffing costs while retaining a source of municipal revenue generation that could be expanded through private investment.

Flexibility: Similar to an MDC, a PPP can provide operational flexibility, enabling more responsive and innovative management for marina operations. Private sector resources can complement the public sector's capabilities, potentially leading to better outcomes. PPPs can be structured to adapt to changing market conditions and community needs, ensuring sustained relevance and effectiveness. The County could also consider a PPP for all or part of marina operations. For example, some municipally owned marinas lease separate components of their operation to private partners, such as marina operations, a restaurant operation, repair component, marine services or chandlery store, event spaces and/or vending machine contracts.

Accountability: PPPs can be governed by joint boards or committees, ensuring that both public and private interests are represented and that accountability mechanisms are in place. PPPs allow municipalities to leverage private sector expertise, innovation, and efficiency while maintaining public ownership and oversight.

5.2.2.3 Disadvantages

Risk: It may be difficult to attract a private investor given the high cost of forecasted capital improvements and the need for private sector profit margins. The County may also incur increased legal and operational costs. The County would receive a smaller share of any marina revenues, and the private partner could walk away if the losses grew too large. The County would still be responsible for funding marina capital expenditures not covered by operational revenues.

Complexity: PPPs require complex agreements and extensive negotiation to balance interests and define roles, responsibilities, and performance metrics. PPPs often involve a more complex risk-sharing arrangement where risks related to financing, designing, constructing, and sometimes owning infrastructure or providing services are shared. PPP contracts also tend to be more rigid and less easily terminated or renegotiated compared to standard operating contracts due to the complexity of financial arrangements and long-term financial commitments.

Capacity: Establishing a PPP would be time-consuming and require significant effort in planning, negotiation, and stakeholder engagement. Furthermore, effective management of a PPP requires robust municipal capacity and expertise to oversee the partnership and enforce contractual terms. Finally, the transition to a PPP model may involve initial disruptions and require careful management to ensure continuity of operations.

Control: While PPPs provide a level of control and oversight, the County will still have reduced direct control over marina operations and staffing levels. Ensuring ongoing alignment of public and private interests will be challenging, especially if profit motives conflict with broader community goals. Similarly, as with option 2.A, the County would still own the assets and would therefore need to maintain oversight over capital upgrades; and there may be purchasing policy implications.

5.2.2.4 Financial Impact

This option would need to be further investigated to understand the potential financial impact. Completing the requirements below would provide the information required to assess the potential financial impact. However, pursuing this option would not eliminate the County's responsibility or funding the marinas entirely. There would be a substantial cost, including consultants, legal work and financial, to complete the requirements identified below, were this option to be selected for further investigation.

There is high financial risk associated with this alternative due to the high startup costs and uncertainty of outcomes. The success of this alternative would depend on the level of capital avoidance or transfer of risks. Operational impacts would be similar to those outlined in Option 3A regarding the sale of both marinas. The impacts would be reduced by the terms of the revenue share agreement.

5.2.2.5 Requirements

To ensure the success of a PPP for Marina operations, the following steps are recommended:

- **Conduct a Comprehensive Feasibility Study**: Assess the potential benefits, costs, and risks associated with a PPP model for Marina operations.
- **Develop a Robust PPP Framework**: Create detailed agreements that define roles, responsibilities, performance metrics, and accountability mechanisms to ensure alignment of interests and effective governance.
- **Engage Potential Partners**: Conduct market engagement through an EOI to identify and attract qualified private partners with the necessary expertise and resources.
- **Stakeholder Involvement**: Involve key stakeholders, including community members, marina users, and potential private partners, in the planning and decision-making process to ensure transparency and buy-in.
- **Establish Strong Oversight Mechanisms**: Implement rigorous monitoring and evaluation processes to ensure that the PPP meets its objectives and delivers the desired outcomes. Clear performance metrics and regular monitoring can ensure that the private partner meets the agreed-upon standards and aligns with municipal priorities.
- **Identify Capital Investment Requirements**: The County would need to clearly identify the terms for required capital investment within a specified period (e.g. $5,000,000 over a 20 year period with $1,000,000 invested in Year 1 to 5, an additional $2,500,000 by the end of Year 15 and remaining $1,500,000 by end of Year 20).

If these steps indicate a favorable outcome, pursuing a Public-Private Partnership could be a strategic and effective approach to achieving sustainable and enhanced marina operations while aligning with municipal goals and community interests.

5.2.2.6 Best Practices

The Municipality of **Lakeshore** is pursuing Public-Private Partnerships for **Belle River Marina** and surrounding amenities. The marina and on-site restaurant are underutilized and are in disrepair. Lakeshore is seeking Expressions of Interest for the development, redevelopment, or adaptive reuse of their mixed-use facility that will serve as a catalyst for the revitalization of the waterfront. Project objectives include the creation of a destination for visitors and residents, facility modernization, additional on-site uses, businesses, increased development, 4-season operations, and alignment with municipal objectives. Proposals must demonstrate that they will result in substantial public benefit, increased land value and municipal assessment, and will stimulate investment in the surrounding areas.

5.2.2.7 Conclusion

Norfolk could consider pursuing a PPP for the marinas if the objective is to retain ownership while increasing investment, area development, and tourism opportunities. However, PPPs are collaborative and would have to be adequately resourced to be successful. They are also complex in nature and would require substantial legal review and staff time to administer. Council may also wish to consider undertaking a waterfront revitalization strategy before seeking PPPs that would establish clear objectives and priorities for potential partners to consider.

5.2.3 Option 2.C – Cooperative

5.2.3.1 Opportunity

Council could consider a cooperative (co-op) to operate the marinas. Under a cooperative model, the County would retain ownership of the waterfront lands, and the marinas would be operated collectively by its members for their mutual benefit. The cooperative model allows members to have a stake in the management and operation of the marinas. Members of a co-op typically elect a board of directors to oversee the management and day-to-day operations. Members share decision-making responsibilities, profits, and losses. Given the community-focused nature of cooperatives, it's important to analyze whether a co-op could be an effective model for managing marina operations.

5.2.3.2 Advantages

Engagement: A co-op fosters a high level of community involvement, which can lead to greater engagement and commitment to the success of the marinas.

Democratic Governance: Each member of the co-op typically has an equal say in decision-making processes, promoting democratic governance and ensuring that diverse perspectives are considered. Co-ops often operate with high levels of transparency, as members are involved in governance and management decisions.

Financial: The co-op would be responsible for some or most marina capital costs and all operating costs, and would have the opportunity to share marina profits among their members or reinvest them into the co-op to improve marina operations and facilities. Furthermore, co-ops may have access to unique funding sources, such as grants and low-interest loans specifically available to cooperatives.

Community: Co-ops are inherently focused on serving the needs and interests of their members, which can help to ensure that marina operations align closely with community priorities. Co-ops can prioritize sustainable practices and community well-being over profit maximization, aligning with broader municipal and community values. The co-op model can build resilience by fostering a strong sense of community ownership and mutual support among members and can offer opportunities to expand programming.

5.2.3.3 Disadvantages

Complexity: Effective management of a co-op requires members to possess or develop significant expertise in governance, operations, and financial management. Democratic decision-making can be time-consuming and may lead to slower responses to market opportunities or operational challenges. Balancing the diverse interests and priorities of co-op members may complicate decision-making and strategic planning. Finally, Co-ops must navigate regulatory and legal requirements, which can be complex and may require specialized knowledge and resources.

Member Recruitment and Retention: Successfully recruiting and retaining active members who are willing to invest time, money, and effort into the co-op would be challenging, particularly because many of Norfolk's marina users are non-residents. The local community would need to have sufficient interest in forming a cooperative that would be willing to dedicate significant time and resources to owning and operating the marinas.

Sustainability: Ongoing operational costs must be covered by member contributions, revenue from marina operations, or other funding sources. Marina members would be responsible for all operations, including staffing and customer service. If the co-op could not sustain operations, the marinas would likely become the County's responsibility again.

Accountability: As the property owner, the County would need to determine its level of involvement and resourcing in a cooperative marina model.

Control: The same control and capital infrastructure oversight implications would apply as noted in Options 2.A. and 2.B. Furthermore, the County could potentially be transferring the operations of a local asset to a group of people who are largely from outside of our community (as shown by the breakdown of residents vs. non-residents of patrons – particularly at PDHM).

5.2.3.4 Financial Impact

This option would need to be further investigated to understand the potential financial impact. Completing the requirements below would provide the information required to assess the potential financial impact. This option would not eliminate the County's responsibility or funding the marinas entirely. There would be a substantial cost, including consultants, legal work and financial, to complete the requirements identified below, were this option to be selected for further investigation. Furthermore, establishing a co-op may require substantial initial funding and resources, which could be challenging to secure.

Similar to Option 2B, there is considerable uncertainty of outcomes with this alternative and potentially high initial costs to establish the cooperative. The success of this alternative would also depend on the level of cost and revenue sharing. Operational impacts would be similar to those outlined in Option 3A regarding the sale of both marinas with adjustments based on the terms of the cooperative agreement.

5.2.3.5 Requirements

To determine if a co-op model is suitable for Marina operations, the following steps should be taken:

- **Conduct a Feasibility Study**: Assess the potential benefits, costs, and risks associated with the co-op model, including member interest and capacity.
- **Engage the Community**: Hold community meetings and surveys to gauge interest in forming a co-op and to identify potential founding members.
- **Develop a Business Plan**: Create a comprehensive business plan that outlines the co-op's governance structure, financial projections, and operational strategy.
- **Seek Funding and Resources**: Explore funding opportunities, including grants and loans, and identify resources needed to support the co-op's establishment and operations.

If a cooperative is deemed feasible and desirable, the cooperative would need to be incorporated, and governance bylaws would need to be established. The County would need to determine its level of involvement and financial commitment to marina operations and capital expenditures. Thereafter, the County and the cooperative would need to execute a licensing agreement. The County could also consider offering training and support to co-op members to build the necessary skills and knowledge for effective governance and management.

5.2.3.6 Best Practices

LaSalle Park Marina in **Burlington** operates as a cooperative with a volunteer Board of Directors. The LaSalle Park Marina Association (LPMA) was established in 1981 to operate and manage the marina through a joint venture licensing agreement signed by the City of Burlington and the LPMA:

- **Structure**: LPMA is a not-for-profit organization consisting of an 8-member volunteer Board of Directors comprised of internal marina members. The LPMA is responsible for all membership transactions, marina operations, dockage of boats, staffing, and the marina's infrastructure. LPMA relies heavily on volunteers to operate the marina.
- **Municipal Involvement**: The City of Burlington is responsible for the on-shore facilities – e.g. internal roads leading to the marina, the pier, the parking lot, and the public boat ramp.[13] The City has a dedicated staff marina contact and completes annual on-site marina inspections. The City is <u>not</u> responsible for any operational shortfalls. Similarly, while the City will finance infrastructure costs (e.g. $4 million in 2020 for a new floating wave break), the LPMA repays the infrastructure cost over time through payment of the annual licensing fee. LPMA submits annual documents to the City of Burlington, including audited financials, certificates of insurance, and Annual General Meeting minutes.

[13] Hamilton Oshawa Port Authority owns the pier and leases the waterlots to the City.

- **Partnerships**: Burlington has also entered into a separate joint venture agreement with the Burlington Sailing and Boating Club (BS&BC), a not-for-profit organization with an elected board of directors responsible for operating a boating and sailing facility and maintaining the physical assets that are exclusive to the operation of the sailing club premises, and off-season dry-docking. The BS&BC is responsible for social aspects of the Club, special events, dinghy storage, racing, cruising, sailing school, winter storage of its club member's boats in the compound at LaSalle Pier.

- **Programming**: This operating model allows LaSalle Park to offer opportunities for non-boat owners to enjoy the marina through associate club memberships and boat rentals. In the summer months, an active sailing program is offered to the community with no membership requirement. Other programming includes the Burlington Able Sail (BAS) program for sailors with disabilities (ages 7 and up). This program is offered without LPMA access/user charge. Marina boaters and club members volunteer to assist with the program.

5.2.3.7 Conclusion

A cooperative model is a community-centered approach that can foster high levels of engagement, transparency, and alignment with local values. However, the complexity of management, financial viability, and member recruitment and retention present significant challenges. While this model could provide significant benefits to marina members, it relies heavily on volunteers and requires a substantial commitment from membership that they would need to be willing to take on. Staff anticipate that this model would take a substantial amount of time and resources to establish and maintain, and the County would forfeit control over the marinas.

5.3 OPTION 3: Private Ownership and Operation

Option 3 outlines three opportunities for divesting one or both Marina assets. Under a private operational model, a private individual or corporation would own and operate the marina(s). The County would have no involvement or responsibility for the marina(s).

5.3.1 Option 3.A – Sale of Both Marinas

5.3.1.1 Opportunity

Council could consider the sale of both assets to a private operator. The marinas would still be present on the County waterfront at no cost to the County. The private owner would assume 100 percent of the risk and capital and operating expenditures for both marinas.

5.3.1.2 Advantages

Financial: If both marinas are sold, Norfolk will receive a substantial one-time cash injection, which could be reinvested in other community priorities or to bolster reserves for core services and be used for debt avoidance. Norfolk would also receive annual property tax revenue. Divesting the marinas would eliminate substantial capital and operational expenditures for their maintenance and development.

Priority Resourcing: Sale of both assets would allow resources to be reallocated to other critical priority projects and services. Divestment would allow the County to concentrate on its core functions and services, enhancing the overall efficiency and effectiveness of municipal governance. The County could expect improved service delivery by reallocating staff resources. Finally, removing the administrative burden of managing the marinas can streamline municipal operations and reduce bureaucratic complexities.

Risk Transfer: Full divestment transfers the financial, legal and liability risks associated with marina operations, including fluctuating operational costs, capital investment needs, and potential liabilities, to the private sector.

Private Sector Opportunities: As outlined in previous sections, private entities often operate with greater efficiency and innovation due to competitive pressures and profit motives. Private operators may invest in superior amenities and services, which could enhance the overall experience for marina users, improve customer satisfaction, and could attract more visitors. Private operators typically have specialized knowledge and experience in marina management, which can result in better operational outcomes and strategic development. Divesting the marinas can allow the new operator to attract private investment, stimulating local economic growth and potentially leading to further development and improvements in the marina facilities. Private operators might engage in community partnerships and sponsorships, contributing to local events and initiatives that benefit the broader community. Private entities are typically more adaptable and responsive to changing market conditions and customer preferences, ensuring that the marinas remain competitive and appealing to a broad user base. The private sector is often more adept at implementing innovative solutions and technologies that can enhance operational efficiency and user experience.

5.3.1.3 Disadvantages

Revenue Loss: Norfolk would no longer receive the annual net revenue generated by marinas. Marina revenue is used to offset the tax levy. The combined Net Levy contribution of the marinas is $303,200 in 2024, which amounts to approximately a 0.2% of the Levy. Without the revenue offset, this re-allocation of financial resources would increase the tax levy. Certain staff may be retained if the marinas were to be sold, which would further increase the impact on the Levy.

Control: The County would forgo all control over marina operations, economic development opportunities, and public access to any property sold.

Development Impact: The sale of the Marinas could lead to future development that may not align with community values or long-term planning goals, impacting the aesthetic and environmental quality of the area.

Tourism: While tourism spinoff could be generated through any asset investments/expansions undertaken by a new owner, a private operator would be invested in ensuring that visitor expenditures remained within the marina properties and not in the downtown areas.

Waterfront Access: The County would have to divest publicly owned waterfront property, forgoing public access and any future development opportunities that could generate revenue for the municipality.

Community Backlash: Selling the marinas would be a contentious issue within the community, particularly among boaters and residents who value public access to waterfront amenities.

5.3.1.4 Financial Impact

The primary benefits derived from an outright sale of the marinas are the trickledown effects of capital avoidance. The primary concern is the infrastructure funding gap for the marinas which requires significant Municipal investment over the next 10 years for non-core assets utilized more than 50% by non-residents unless operations can become self-sustaining.

Per **Exhibit 5.1**, divestment would have an estimated one-time negative Levy impact of approximately $380,000. It should be noted that this is 125% of the current combined Net Levy contribution in 2024. This estimate includes an allocation for retained staffing costs of $50,000, as well as interdepartmental allocations as these are not true savings for the County, these costs would just be reallocated to other departments. The combined estimated annual tax revenue generated from the sale is $109,300 based on the change in use, as most Municipally owned marina property is currently exempt from taxation. Although it is not advisable to utilize a one-time funding source to offset ongoing operating impacts, Council could choose to allocate a portion of sale proceeds or interest earned on the proceeds to phase in the Levy impact over a few years.

This alternative would avoid $21.15 million in gross capital expenditures over the next 10 years and reduce projected debt servicing costs which would provide significant Levy relief in future years. **Exhibit 5.4** shows the projected impact of capital avoidance on the County's annual repayment limit. The internal limit would decrease by 0.7% to 14.4% in 2029 and by 0.91% to 13.5% in 2033 which would provide additional capacity for core capital requirements or just increase the margin of safety from our internal debt limit. Additionally, the current $2.7 million reserve balance could be used to bolster reserves and avoid additional debt or allocated to other initiatives at Council's discretion. This could further decrease the current measure by 0.16%.

Council would have the opportunity to allocate the one-time sale proceeds based on strategic priorities, which may include additional reserve contributions which would further reduce reliance on debt and increase financial flexibility.

5.3.1.5 Requirements

Section 270 of the *Municipal Act, 2001* specifies that municipalities must adopt policies for the sale and disposition of land. Norfolk County Policy CS-60: Land Purchase and Sale Policy and By-Law 2011-116, specifies that Council would need to declare the land surplus at an open meeting, obtain a valuation of land, authorize a sale price, and direct staff to create an agreement of purchase and sale.

5.3.1.6 Best Practices

Municipalities often divest property to reduce municipal debt and operational costs, focus on core municipal services, encourage growth and development, and allow the private sector to manage and invest in municipal assets. Recent examples include **Wasaga Beach**'s 2022 sale of 8.4 acres of municipally owned beachfront commercial properties for redevelopment into ground-floor retail and upper-level residential units.

There are countless examples of successful privately owned marinas operating throughout Ontario, many of which are in our own community. Some private marinas have been developed into waterfront resort communities. For example, **Friday Harbour** is resort community in **Innisfil** that offers all-season waterside accommodation, a marina, restaurants, retail, outdoor recreation, community spaces, and multi-million dollar luxury lakefront condos. While the resort community and marina at Friday Harbour have always been privately owned, the municipality receives a substantial influx of annual property tax revenue and economic development/tourism spinoff from this development since it opened in 2018. Norfolk could open similar development opportunities through the sale of our marinas.

5.3.1.7 Conclusion

Selling the marinas is the most straightforward and cost-effective option available to Council. Through divestment, Council can generate substantial one-time revenue through the sales and annual property taxes revenue while eliminating operational and significant capital expenditures. However, the County will forfeit control over the future of the marinas, annual marina revenues, and ownership of these waterfront properties.

5.3.2 Option 3.B – Sale of One Marina

5.3.2.1 Opportunity

Council could consider the sale of one of our two marinas and retention of the other. PDHM is the larger and more profitable operation with the highest potential to generate development and tourism opportunities; but is also the largest source of capital and operating expenditures. PRHM is operating at an annual deficit, but has fewer capital and operating investment requirements.

5.3.2.2 Advantages

Financial: Through the sale of PDHM, Norfolk would divest the primary source of marina capital expenditures, receive a significant one-time cash injection and annual property tax revenue. The revenue could be allocated to bolster the County reserves, for core services and be used for debt avoidance. Norfolk could allocate additional resources to PRHM and consider further investment to make the remaining marina asset profitable.

Alternatively, the sale of PRHM would divest the asset that is currently operating with a substantial deficit, would eliminate the forecasted capital expenditures, and provide a one-time cash injection and annual property tax revenue. The sale of PRHM would allow some additional resources to be invested in PDHM.

Waterfront Access: Retaining and operating one marina would maintain a higher proportion of publicly owned waterfront in our community.

5.3.2.3 Disadvantages

Revenue: The sale of PDHM would mean divesting our profitable public marina and the primary source of marina revenue and economic development opportunities.

Control: Once sold, the County would lose control over the management and operation of the marina. This could impact waterfront development and community access. Municipal ownership allows for flexibility in managing public assets according to community needs and priorities. Once sold, this flexibility would be restricted by private ownership interests.

Community Backlash: Selling a marina would be contentious, particularly in Port Rowan and/or Port Dover.

Future Development Impact: The sale of a marina could lead to future development that may not align with community values or long-term planning goals, impacting the aesthetic and environmental quality of the area.

Value: PRHM is currently not profitable and is significantly smaller than PDHM. The potential sale price of PRHM would not be sufficient to cover the planned capital expenditures at PDHM.

5.3.2.4 Financial Impact

Sale of PDHM: As noted throughout this report, PDHM currently provides a reliable revenue source for the County and represents a positive Levy contribution based on current budgeting practices; however, the marina is also a significant source of future capital obligations. Due to competing corporate financial needs, the primary benefit of divestment of PDHM would be long-term capital avoidance which would require short term tolerance for the resulting Levy increase due to the removal of PDHM operations.

Per **Exhibit 6.2**, divestment would have an estimated one-time Levy impact of approximately $531,000 for PDHM. This is a 123% increase compared to the combined 2024 Net Levy requirement for PDHM. This estimate includes an allocation for retained staffing costs of $100,300, as well as interdepartmental allocations as these are not true savings to the County, these costs would just be reallocated to other departments. The combined estimated annual tax revenue generated from the sale is $98,100 based on the change in use. Ongoing PRHM operations would struggle to break even, even with the extreme user fee increases proposed under Option 1A due to limited revenue generating ability. Additionally, the increases would not be justified as PRHM operates as a passive marina offering no value-added services. It should be stressed that retaining PRHM in the absence of PDHM would seem to serve little financial or strategic benefit without further investment.

This alternative would avoid $19.54 million in gross capital expenditures over the next 10 years and reduce projected debt servicing costs which would provide significant Levy relief in future years. As shown with Option 3A regarding the sale of both marinas, **Exhibit 5.4** shows the projected impact of capital avoidance on the County's annual repayment limit. The impact would be essentially the same given that all future debt is related to PDHM. Similarly, this would provide additional capacity for core capital requirements or just a higher margin of safety from our internal debt limit. The current $2.7 million marinas reserve balance is recommended to be utilized to support ongoing PRHM operations. Additional transfers would not be warranted based on the current 10-year capital plan after the removal of PDHM commitments.

Council would have the opportunity to allocate the one-time sale proceeds based on strategic priorities, which may include additional reserve contributions which would further reduce reliance on debt.

Sale of PRHM: PRHM operations produce an annual Net Levy burden of approximately $60,000 on average over the last 5 years. The currently budgeted Levy deficit is $103,800. As has been identified on numerous occasions by various consultants and internal analysis, there is limited potential with this asset without significant further investment. Therefore, the primary benefit of a sale would be divestment of an underperforming asset, with marginal capital avoidance.

Per **Exhibit 7**, divestment would produce an immediate benefit to the Levy of approximately $74,000 which is a 56% decrease over 2024 PRHM operations. This estimate would not result in a reduction of staff given that PRHM is not fully staffed. Continuing PRHM operations would still require the additional positions estimated at $170,900 to properly resource the marina as outlined under Option 1A. Interdepartmental allocations are not true savings to the County and therefore have not been removed. The combined estimated annual tax revenue generated from the sale is $11,200 based on current assessment values of the marina which help offset the remaining expenditures.

This alternative would avoid $1.6 million in gross capital expenditures over the next 10 years, however, none of the current PRHM projects are recommended to be debt funded and therefore would not affect the County's debt limit directly. Keeping more funds in the reserve may enable debt funded projects for PDHM to be converted to reserve funding. Notably, however, this alternative would not alleviate the infrastructure funding constraint related to PDHM and therefore the asset management contributions would still be required, and a similar sustainability model would be recommended as in Option 1A. The pro forma operating statement would mirror this option as well in all material respects given the minimal impact of PRHM operations.

5.3.2.5 Requirements

As with Option 3A,-the sale and disposition process is outlined in Norfolk County Policy CS-60. Potential impacts on Marina patrons and the long-term implications for the municipality's financial and strategic objectives should be fully considered.

5.3.2.6 Best Practices

While several municipalities are reconsidering their marina ownership and governance structures, there are no recent examples of a municipality selling their publicly-owned marina. However, marina ownership does change frequently in Ontario. For example, **Muskoka**'s **Sandfield Marina** was sold to Maple Leaf Marinas in June 2024. Maple Leaf Marinas now owns 20 marinas in Ontario. Similarly, **Bayview Harbour Marina** in **Port Rowan** was sold to new owners in 2019.

5.3.2.7 Conclusion

The sale of PDHM or PRHM would allow Norfolk to eliminate a source of capital expenditures required to maintain the marinas. Selling to a private operator can potentially improve operational efficiency and service quality, benefiting both boaters and the municipality. Retention of one of these assets would allow Norfolk to maintain one publicly owned and operated marina.

5.3.3 Option 3.C – Sale of Marinas, Retention of Waterfront

5.3.3.1 Opportunity

Council could consider selling the marina businesses but retaining the publicly owned waterfront properties. The waterfront property would be leased to the new marina owner.

5.3.3.2 Advantages

Retention of Waterfront: Norfolk would have the opportunity to sell the marina businesses but retain the waterfront property, ensuring public ownership of the land should the business cease operations.

Financial: As with Options 3A and 3B, the County would eliminate all marina operating and most capital costs.

Revenue: The County would enjoy a guaranteed source of revenue through the land lease.

Precedent: The PRHM boat houses are privately owned, the County leases the water lots to the private owners.

5.3.3.3 Disadvantages

Complexity: The sale of the marina assets and inclusion of a leasehold agreement would be more difficult to execute and administer than the outright sale of the properties. Substantial legal review would be necessary.

Interest: It would be difficult for a bank to finance a land lease, therefore the County could expect less interest in the properties.

Resourcing: The relationship between the business owner and the County as the landowner will need to be resourced, and a clear division of responsibility would be required. As the landowner, the County could still be required to maintain the beachfront and conduct dredging (at significant cost) to ensure the onsite marina business can still operate. Staff time would be required to maintain the land and to administer the lease agreement.

Term: These are typically long-term lease agreements (20 to 30 years), limiting the municipality's ability to regain control of the waterfront for long periods of time. Shorter-term leases could impact Norfolk's ability to sell the assets.

5.3.3.4 Financial Impact

Retaining ownership of the waterfront would provide a strategic benefit for the County, however, it would impact the selling price of the business and increase administrative costs for the County to administer the lease. As noted, significant capital costs would also be retained by the County, including dredging. For reference, the current dredging project scheduled for PRHM in 2025 has a budget of $410,000.

The financial impacts of this alternative would be similar to Option 3A or 3B regarding the sale of both or just one marina. Secondary benefits with respect to sale proceeds and the reallocation of reserve balances would be reduced due to ongoing waterfront capital funding requirements. The Levy impact would be offset partially by revenue driven by the terms of the land lease.

5.3.3.5 Requirements

Sale of the marinas and retention of the waterfront properties could be achieved through leasehold agreements or land leases with the private business owner. The County would separate the assets (i.e. the marina business, buildings, equipment, etc.) from the land itself. The sale of the assets would proceed per the sale and disposition process outlined in Norfolk County Policy CS-60, accompanied by a leaseback agreement with the new owner. This would allow the new owner to operate the marina business on municipally owned land. The terms of the leaseback agreement would include rental payments, duration of the lease, permitted uses, maintenance responsibilities, and any other relevant conditions. Extensive legal review would be required to ensure compliance with relevant legislation and to protect the best interests of the County.

5.3.3.6 Best Practices

Municipalities often lease waterfront and other prime real estate to private operators to manage and operate various businesses and services to encourage economic development and recreational opportunities. The City of **Toronto** has several privately-owned businesses operating along its municipally-owned waterfront. For example, **Bluffers Park Marina** is privately owned and operated, and leases the waterfront property from the City of Toronto. Similarly, **Sunnyside Pavilion** is a beachfront cafe that operates under a lease agreement with the City of Toronto.

5.3.3.7 Conclusion

The opportunity to sell the marina businesses while retaining the waterfront lands could allow the County to generate revenue from the sale of the business, and continue to exercise control over the use of its land in accordance with its long-term strategic goals. Waterfront properties are significant assets that are not easily repurchased once sold. However, this option will require substantial legal review and will require adequate resourcing.

6. Conclusion

6.1 Option Comparison Summary

There are several options open to Council with respect to the future ownership and governance of the marinas. As demonstrated, all options for asset retention will require continued municipal involvement and varying degrees of operating and capital investment. Norfolk County would be required to work collaboratively with the required shareholders, partners, or individuals to ensure the appropriate governance structure is following good business practices, supporting good planning decisions, good risk management practices, and transparent business activities that align with Norfolk County's policies and procedures.

Table 6.1.1: Marina Ownership and Governance Options Comparison

OPTION	Retention of Waterfront	Control	Receipt of Marina Revenue	Reduced Expenses	Risk Transfer	Increased Marina Flexibility	Reduced Staff Resourcing
1.A. Municipally Owned and Operated	✓	✓	✓	X	X	X	X
1.B. Municipal Services Board	✓	✓	✓	X	X	✓	X
1.C. Municipal Development Corporation	✓	X	✓	X	X	✓	✓
2.A. Operating Contract	✓	X	✓	✓	✓	✓	X
2.B. Public-Private Partnership	✓	X	✓	✓	✓	✓	X
2.C. Cooperative	✓	X	X	✓	✓	✓	✓
3.A. Sale of Both Marinas	X	X	X	✓	✓	✓	✓
3.B Sale of One Marina	✓	✓	✓	✓	✓	✓	✓
3.C. Sale of Marinas, Retention of Waterfront	✓	X	X	✓	✓	✓	✓

6.2 Recommendation

Based on a comprehensive analysis of nine ownership and governance models, it is recommended that Council direct staff to proceed with **Option 3A – Sale of Both Marinas**. As outlined in this report, the sale of these assets is the most straightforward and cost-effective option available to Council, and the only option that does not require continued municipal resourcing. It is recommended that the County initiates the process with the expectation that the marinas would change ownership after the 2025 season to ensure the transition is managed effectively.

Alternatively, if Council wishes to retain ownership of the marinas, it is recommended that Council direct staff to proceed with **Option 2A – Operating Contract**. This option would allow the County to retain ownership of the waterfront assets while sharing revenue and expenses with a private operator, and could enhance marina operations through private sector involvement. Staff would further investigate feasibility and report to Council with further information per the requirements outlined under Option 2A.

6.3 Rationale

Opportunities for continued municipal ownership and operation identified under Option 1A and 1B all require substantial resourcing commitments and carry risk; and Option 1C has additional complexities. Implementing a full cost recovery fee structure will require average annual user fee increases of 12-15% over the next decade, which is likely to impact slip sales. The County would be responsible for any revenue shortfalls. Alternatively, the County would be responsible for financing $21.15 million in capital improvements, including $17.5-18.1 million financed through debt.

Opportunities for continued municipal ownership and private operation identified under Option 2 could alleviate some financial burdens and risk. However, all require further investigation to determine feasibility (particularly Option 2C), have varying degrees of complexity, and will require substantial staff resourcing to manage and administer. Similarly, alternative options for asset sale identified under Option 3B and 3C require continued municipal resourcing.

Full divestment of the marinas as identified under Option 3A presents a strategic opportunity for the County to achieve financial relief, mitigate risks, and receive sale revenue and annual property tax payments. Sale could also bring the potential for improved marina services through private sector investment. The marinas would continue to operate and encourage area tourism at no cost to the municipality. Divestment would also eliminate a non-core service from the County's portfolio that is being provided by the private sector in our community. Divestment would better enable the County to deliver core services and foster sustainable development in alignment with Council's Strategic Plan.

As stated in the introduction, Norfolk County service decisions should be considered with appropriate consideration given to the needs of our community, the value of the service to the community, and their financial impact. The marinas are one of many difficult decisions Council will consider, as we have limited capacity to take on additional debt and are proceeding with other priority projects and services with rising costs. It is imperative that we prioritize core municipal services and infrastructure in accordance with Council's Strategic Plan to ensure the long-term financial health and sustainability of our community.

7. Exhibits

(See subsequent pages)

Exhibit 1 - 5-Year Budget-Actuals Comparison (PSAB)

Exhibit 1.1 - 5-Year Budget to Actuals Comparison - Combined Marinas

Norfolk County

PSAB FORMAT

5-YEAR BUDGET-ACTUALS COMPARISON

Marinas

	2019 APPROVED BUDGET	2019 TOTAL ACTUALS	2020 APPROVED BUDGET	2020 TOTAL ACTUALS	2021 APPROVED BUDGET	2021 TOTAL ACTUALS	2022 APPROVED BUDGET	2022 TOTAL ACTUALS	2023 APPROVED BUDGET	2023 TOTAL ACTUALS
OPERATING BUDGET										
Expenditures										
Salaries & Benefits	365,800	385,837.88	341,400	313,766.17	331,200	324,536.68	344,200	333,802.09	365,900	342,696.90
Materials & Supplies	356,100	323,617.09	351,200	269,548.33	322,800	380,451.87	344,800	386,346.32	424,900	389,714.09
Services	95,300	97,554.75	100,500	94,466.15	93,000	70,791.07	98,300	68,025.17	98,100	90,610.54
Interdepartmental Charges	74,300	87,382.08	98,400	96,499.85	116,100	109,465.47	127,300	124,728.40	137,100	112,344.27
Operating Capital Expenditures	27,400	19,426.90	14,900	2,051.05	4,900	4,374.97	3,000	1,725.78	0	0.00
Financial	19,000	21,562.07	20,000	15,419.23	20,200	38,861.09	30,000	39,524.10	38,000	36,722.30
Long Term Debt Interest	12,100	0.00	39,500	16,947.02	15,400	15,393.61	13,800	13,800.66	12,200	12,167.16
Total Expenditures	950,000	935,380.77	965,900	808,697.80	903,600	943,874.76	961,400	967,952.52	1,076,200	984,255.26
Revenues										
Federal/Provincial Grants	0	(1,949.50)	0	0.00	0	(23,946.00)	0	0.00	0	0.00
Financial Charges/Investment Income	(11,400)	(9,317.58)	(10,700)	(7,562.46)	(10,500)	(10,597.30)	(10,700)	(10,471.95)	(10,700)	(8,497.20)
Fees & Service Charges	(1,378,400)	(1,323,706.05)	(1,377,800)	(1,162,143.92)	(1,424,200)	(1,522,301.04)	(1,459,000)	(1,537,476.48)	(1,604,300)	(1,509,351.57)
Total Revenues	(1,389,800)	(1,334,973.13)	(1,388,500)	(1,169,706.38)	(1,434,700)	(1,556,844.34)	(1,469,700)	(1,547,948.43)	(1,615,000)	(1,517,848.77)
OPERATING RATE	(439,800)	(399,592.36)	(422,600)	(361,008.58)	(531,100)	(612,969.58)	(508,300)	(579,995.91)	(538,800)	(533,593.51)
FINANCING BUDGET										
Long Term Debt Principal	31,600	0.00	88,600	61,013.30	62,600	62,566.71	64,200	64,159.66	65,800	65,793.16
Transfer To Reserves & Reserve Funds	147,000	147,000.00	147,000	197,100.00	147,000	147,000.00	147,000	147,000.00	147,000	147,000.00
Interfund Transfers	0	0.00	25,000	25,000.00	0	0.00	0	0.00	0	0.00
FINANCE RATE	178,600	147,000.00	260,600	283,113.30	209,600	209,566.71	211,200	211,159.66	212,800	212,793.16
NET LEVY REQUIREMENT	(261,200)	(252,592.36)	(162,000)	(77,895.28)	(321,500)	(403,402.87)	(297,100)	(368,836.25)	(326,000)	(320,800.35)
STAFFING COMPLEMENT	5.61	0.00	5.28	0.00	4.89	0.00	4.89	0.00	4.97	0.00

Exhibit 1.2 - 5-Year Budget to Actuals Comparison - Port Dover Harbour Marina

PSAB FORMAT

5-YEAR BUDGET-ACTUALS COMPARISON

Port Dover Harbour Marina

	2019 APPROVED BUDGET	2019 TOTAL ACTUALS	2020 APPROVED BUDGET	2020 TOTAL ACTUALS	2021 APPROVED BUDGET	2021 TOTAL ACTUALS	2022 APPROVED BUDGET	2022 TOTAL ACTUALS	2023 APPROVED BUDGET	2023 TOTAL ACTUALS
OPERATING BUDGET										
Expenditures										
Salaries & Benefits	**313,900**	355,925.96	**303,900**	312,007.14	**307,900**	301,328.96	**320,300**	309,872.59	**341,100**	317,911.99
Materials & Supplies	**337,100**	308,162.15	**336,200**	264,657.30	**312,700**	375,836.32	**334,700**	382,217.71	**408,900**	380,343.38
Services	**71,800**	79,205.26	**74,000**	65,975.03	**68,400**	49,935.45	**72,000**	50,103.55	**73,700**	57,013.90
Interdepartmental Charges	**50,300**	64,399.00	**66,500**	69,081.95	**80,400**	79,173.60	**89,200**	86,628.40	**96,400**	77,244.27
Operating Capital Expenditures	**20,000**	13,379.90	**14,900**	2,051.05	**4,900**	4,374.97	**3,000**	1,725.78	**0**	0.00
Financial	**19,000**	21,559.33	**20,000**	15,322.70	**20,200**	38,811.31	**30,000**	39,523.92	**38,000**	36,722.35
Long Term Debt Interest	**0**	0.00	**22,500**	0.00	**0**	0.00	**0**	0.00	**0**	0.00
Total Expenditures	**812,100**	**842,631.60**	**838,000**	**729,095.17**	**794,500**	**849,460.61**	**849,200**	**870,071.95**	**958,100**	**869,235.89**
Revenues										
Federal/Provincial Grants	**0**	0.00	**0**	0.00	**0**	(23,946.00)	**0**	0.00	**0**	0.00
Financial Charges/Investment Income	**(3,700)**	(3,070.00)	**(3,700)**	(1,036.50)	**(3,700)**	(4,200.00)	**(3,700)**	(3,800.00)	**(3,700)**	(2,200.00)
Fees & Service Charges	**(1,302,900)**	(1,254,399.31)	**(1,304,400)**	(1,093,723.71)	**(1,346,900)**	(1,446,184.25)	**(1,383,200)**	(1,465,335.27)	**(1,528,200)**	(1,433,835.03)
Total Revenues	**(1,306,600)**	**(1,257,469.31)**	**(1,308,100)**	**(1,094,760.21)**	**(1,350,600)**	**(1,474,330.25)**	**(1,386,900)**	**(1,469,135.27)**	**(1,531,900)**	**(1,436,035.03)**
OPERATING RATE	**(494,500)**	**(414,837.71)**	**(470,100)**	**(365,665.04)**	**(556,100)**	**(624,869.64)**	**(537,700)**	**(599,063.32)**	**(573,800)**	**(566,799.14)**
FINANCING BUDGET										
Long Term Debt Principal	**0**	0.00	**27,600**	0.00	**0**	0.00	**0**	0.00	**0**	0.00
Transfer To Reserves & Reserve Funds	**147,000**	147,000.00	**147,000**	197,100.00	**147,000**	147,000.00	**147,000**	147,000.00	**147,000**	147,000.00
FINANCE RATE	**147,000**	**147,000.00**	**174,600**	**197,100.00**	**147,000**	**147,000.00**	**147,000**	**147,000.00**	**147,000**	**147,000.00**
NET LEVY REQUIREMENT	**(347,500)**	**(267,837.71)**	**(295,500)**	**(168,565.04)**	**(409,100)**	**(477,869.64)**	**(390,700)**	**(452,063.32)**	**(426,800)**	**(419,799.14)**
STAFFING COMPLEMENT	**4.70**	**0.00**	**4.69**	**0.00**	**4.69**	**0.00**	**4.69**	**0.00**	**4.77**	**0.00**

Exhibit 1.3 - 5-Year Budget to Actuals Comparison - Port Rowan Harbour Marina

Norfolk COUNTY

PSAB FORMAT

5-YEAR BUDGET-ACTUALS COMPARISON

Port Rowan Harbour Marina

	2019 APPROVED BUDGET	2019 TOTAL ACTUALS	2020 APPROVED BUDGET	2020 TOTAL ACTUALS	2021 APPROVED BUDGET	2021 TOTAL ACTUALS	2022 APPROVED BUDGET	2022 TOTAL ACTUALS	2023 APPROVED BUDGET	2023 TOTAL ACTUALS
OPERATING BUDGET										
Expenditures										
Salaries & Benefits	**51,900**	29,911.92	**37,500**	1,759.03	**23,300**	23,207.72	**23,900**	23,929.50	**24,800**	24,784.91
Materials & Supplies	**19,000**	15,454.94	**15,000**	4,891.03	**10,100**	4,615.55	**10,100**	4,128.61	**16,000**	9,370.71
Services	**23,500**	18,349.49	**26,500**	28,491.12	**24,600**	20,855.62	**26,300**	17,921.62	**24,400**	33,596.64
Interdepartmental Charges	**24,000**	22,983.08	**31,900**	27,417.90	**35,700**	30,291.87	**38,100**	38,100.00	**40,700**	35,100.00
Operating Capital Expenditures	**7,400**	6,047.00	**0**	0.00	**0**	0.00	**0**	0.00	**0**	0.00
Financial	**0**	2.74	**0**	96.53	**0**	49.78	**0**	0.18	**0**	(0.05)
Long Term Debt Interest	**12,100**	0.00	**17,000**	16,947.02	**15,400**	15,393.61	**13,800**	13,800.66	**12,200**	12,167.16
Total Expenditures	**137,900**	**92,749.17**	**127,900**	**79,602.63**	**109,100**	**94,414.15**	**112,200**	**97,880.57**	**118,100**	**115,019.37**
Revenues										
Federal/Provincial Grants	**0**	(1,949.50)	**0**	0.00	**0**	0.00	**0**	0.00	**0**	0.00
Financial Charges/Investment Income	**(7,700)**	(6,247.58)	**(7,000)**	(6,525.96)	**(6,800)**	(6,397.30)	**(7,000)**	(6,671.95)	**(7,000)**	(6,297.20)
Fees & Service Charges	**(75,500)**	(69,306.74)	**(73,400)**	(68,420.21)	**(77,300)**	(76,116.79)	**(75,800)**	(72,141.21)	**(76,100)**	(75,516.54)
Total Revenues	**(83,200)**	**(77,503.82)**	**(80,400)**	**(74,946.17)**	**(84,100)**	**(82,514.09)**	**(82,800)**	**(78,813.16)**	**(83,100)**	**(81,813.74)**
OPERATING RATE	**54,700**	**15,245.35**	**47,500**	**4,656.46**	**25,000**	**11,900.06**	**29,400**	**19,067.41**	**35,000**	**33,205.63**
FINANCING BUDGET										
Long Term Debt Principal	**31,600**	0.00	**61,000**	61,013.30	**62,600**	62,566.71	**64,200**	64,159.66	**65,800**	65,793.16
Interfund Transfers	**0**	0.00	**25,000**	25,000.00	**0**	0.00	**0**	0.00	**0**	0.00
FINANCE RATE	**31,600**	**0.00**	**86,000**	**86,013.30**	**62,600**	**62,566.71**	**64,200**	**64,159.66**	**65,800**	**65,793.16**
NET LEVY REQUIREMENT	**86,300**	**15,245.35**	**133,500**	**90,669.76**	**87,600**	**74,466.77**	**93,600**	**83,227.07**	**100,800**	**98,998.79**
STAFFING COMPLEMENT	**0.91**	**0.00**	**0.59**	**0.00**	**0.20**	**0.00**	**0.20**	**0.00**	**0.20**	**0.00**

Exhibit 2 - Final 2024-2033 Capital Plan – Marinas

Norfolk COUNTY

FINAL 2024-2033 CAPITAL PLAN

	LTD BUDGET	CAPITAL BUDGET	CAPITAL FORECAST										FUNDING SOURCES				
Project	2023 & Prior	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	**TOTAL BUDGET (2024 to 2033)**	Grants, Subsidies & Donations	Debt Financing	Reserves & Reserve Funds	Development Charges	**TOTAL FUNDING (2024 to 2033)**
Marinas																	
Other New / Initiatives																	
7632202 PRHM Electrical and Bumpers for the Pier				40,000								**40,000**			(40,000)		**(40,000)**
7632303 PRHM Lighting for the Pier					40,000							**40,000**			(40,000)		**(40,000)**
7631706 PDHM Wastewater System						194,000	3,000,000					**3,194,000**		(3,194,000)			**(3,194,000)**
7632001 PRHM Municipal Water - East Slips						50,000						**50,000**			(50,000)		**(50,000)**
7631601 PDHM Main Office Building Expansion							4,000,000					**4,000,000**		(4,000,000)			**(4,000,000)**
7632901 PDHM Purchase Travel Lift							500,000					**500,000**			(500,000)		**(500,000)**
7632902 PDHM Connecting Link							50,000					**50,000**			(50,000)		**(50,000)**
7632302 PDHM Resurface South Parking Lot								230,000				**230,000**			(230,000)		**(230,000)**
7632503 PDHM Reconstruction of Commercial Area								1,500,000				**1,500,000**		(1,500,000)			**(1,500,000)**
Total Other New / Initiatives				40,000	40,000	244,000	7,550,000	1,730,000				**9,604,000**		(8,694,000)	(910,000)		**(9,604,000)**
Major Dock Rebuilds Program																	
7632401 PDHM Board Replacements Dock 2			75,000									**75,000**			(75,000)		**(75,000)**
7632402 PRHM East Side Dock Replacement		20,000	200,000									**220,000**			(220,000)		**(220,000)**
7633101 PDHM Dock 1 & Dock 2 Full Replacement						200,000	4,500,000					**4,700,000**		(4,700,000)			**(4,700,000)**
7633102 PDHM Dock 3 & Dock 4 Full Replacement									200,000	4,500,000		**4,700,000**		(4,700,000)			**(4,700,000)**
Total Major Dock Rebuilds Program		20,000	275,000			200,000	4,500,000		200,000	4,500,000		**9,695,000**		(9,400,000)	(295,000)		**(9,695,000)**
Marina Equipment & Vehicle Replacement Program																	
7632601 PDHM Utility Task Vehicle (UTV)					20,000							**20,000**			(20,000)		**(20,000)**
7632602 PDHM Riding Lawn Mower					25,000							**25,000**			(25,000)		**(25,000)**
7632603 PDHM Compact Utility Tractor & Attachments					50,000							**50,000**			(50,000)		**(50,000)**
Total Marina Equipment & Vehicle Replacement Program					95,000							**95,000**			(95,000)		**(95,000)**
Other Replacements																	
7632304 PRHM Dredging			410,000									**410,000**			(410,000)		**(410,000)**
7632403 PDHM Washroom/Shower Floor Replacements			102,000									**102,000**			(102,000)		**(102,000)**
7632502 PDHM Pavilion Refurbishment				100,000								**100,000**			(100,000)		**(100,000)**
7632605 PRHM Resurface Parking Area & Roadway					15,000							**15,000**			(15,000)		**(15,000)**
7632702 PDHM Resurface Roadways/Parking - North, West and E								300,000				**300,000**			(300,000)		**(300,000)**
7631604 PRHM Upgrades & Renovations									830,000			**830,000**			(830,000)		**(830,000)**
Total Other Replacements			512,000	100,000	15,000			300,000	830,000			**1,757,000**			(1,757,000)		**(1,757,000)**
Total Marinas		**20,000**	**787,000**	**140,000**	**150,000**	**444,000**	**12,050,000**	**2,030,000**	**1,030,000**	**4,500,000**		**21,151,000**		**(18,094,000)**	**(3,057,000)**		**(21,151,000)**

Exhibit 3 - 2024-2033 Pro Forma Operating Statements - Current Operating Model

Exhibit 3.1 - 2024-2033 Pro Forma Operating Statement - Combined Marinas - *Current Operating Model*

Norfolk County Marinas
Pro Forma Operating Statement
For the Years Ended Dec 31st 2024-2033

	Budget 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030	Projected 2031	Projected 2032	Projected 2033
EXPENDITURES:										
Salaries & Benefits[1]	380,000	393,300	407,000	421,300	436,000	451,300	467,100	483,400	500,400	517,900
Materials & Supplies	447,600	463,300	479,500	496,200	513,600	531,600	550,200	569,400	589,400	610,100
Services	112,500	116,500	120,600	124,800	129,100	133,600	138,300	143,200	148,200	153,400
Long-Term Debt - Interest[5]	10,500	8,800	7,000	5,200	3,300	492,900	529,200	499,900	650,400	611,100
Capital[2]	-	-	-	-	-	-	-	-	-	-
Interdepartmental Charges[3]	131,500	136,100	140,800	145,700	150,800	156,100	161,600	167,200	173,100	179,100
Financial	39,000	40,400	41,800	43,300	44,800	46,400	48,000	49,700	51,400	53,200
TOTAL EXPENDITURES	**1,121,100**	**1,158,400**	**1,196,700**	**1,236,500**	**1,277,600**	**1,811,900**	**1,894,400**	**1,912,800**	**2,112,900**	**2,124,800**
REVENUES:										
Federal/Provincial Grants	-	-	-	-	-	-	-	-	-	-
Financial Charges/Investment Income	(11,200)	(11,600)	(12,000)	(12,400)	(12,800)	(13,200)	(13,600)	(14,100)	(14,600)	(15,100)
Fees & Service Charges[4]	(1,662,500)	(1,725,700)	(1,790,200)	(1,856,000)	(1,932,600)	(2,009,700)	(2,087,900)	(2,168,200)	(2,250,400)	(2,333,200)
Rentals/Leases										
Land &/or Building Rental	(20,200)	(20,900)	(21,600)	(22,400)	(23,200)	(24,000)	(24,800)	(25,700)	(26,600)	(27,500)
Dockage(Seasonal)	(1,029,900)	(1,070,200)	(1,110,800)	(1,151,700)	(1,202,500)	(1,253,200)	(1,304,100)	(1,357,000)	(1,410,300)	(1,463,600)
Dockage(Transient)	(13,500)	(14,100)	(14,600)	(15,200)	(15,800)	(16,400)	(17,000)	(17,500)	(18,300)	(18,900)
Dockage(Dry)	(30,300)	(31,400)	(32,600)	(33,800)	(35,400)	(37,000)	(38,600)	(40,200)	(41,800)	(43,600)
Dock Box Rental	(3,000)	(3,100)	(3,300)	(3,400)	(3,500)	(3,600)	(3,800)	(3,900)	(4,100)	(4,200)
Dockage/Tenders (Small items)	(4,300)	(4,500)	(4,700)	(4,900)	(5,000)	(5,200)	(5,400)	(5,600)	(5,800)	(6,100)
Winter Storage	(88,900)	(93,000)	(97,000)	(101,100)	(105,200)	(109,300)	(113,400)	(117,600)	(121,700)	(125,800)
Cradle Storage	(8,600)	(9,000)	(9,300)	(9,700)	(10,100)	(10,500)	(10,900)	(11,200)	(11,700)	(12,200)
Boathouse Water Lot Rental	(46,900)	(48,700)	(50,700)	(53,000)	(55,000)	(57,500)	(60,100)	(62,500)	(65,100)	(67,600)
Other User Fees & Service Charges										
Lifts & Launches	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
Rampage Fees	(51,600)	(53,200)	(55,300)	(57,300)	(59,500)	(61,500)	(63,600)	(65,700)	(67,900)	(70,500)
Waste Disposal	(18,500)	(19,100)	(19,700)	(20,300)	(21,200)	(21,900)	(22,700)	(23,400)	(24,300)	(25,000)
Sales of Goods										
Concession Sales	*(6,000)*	*(6,000)*	*(6,000)*	*(6,000)*	*(6,000)*	*(6,000)*	*(6,000)*	*(6,000)*	*(6,000)*	*(6,000)*
Fuel & Oil Sales	*(334,800)*	*(346,500)*	*(358,600)*	*(371,200)*	*(384,200)*	*(397,600)*	*(411,500)*	*(425,900)*	*(440,800)*	*(456,200)*
Total Fees & Service Charges										
Transfer From Reserve & Reserve Funds										
TOTAL REVENUES	**(1,673,700)**	**(1,737,300)**	**(1,802,200)**	**(1,868,400)**	**(1,945,400)**	**(2,022,900)**	**(2,101,500)**	**(2,182,300)**	**(2,265,000)**	**(2,348,300)**
PROJECTED NET OPERATING REQUIREMENT	**(552,600)**	**(578,900)**	**(605,500)**	**(631,900)**	**(667,800)**	**(211,000)**	**(207,100)**	**(269,500)**	**(152,100)**	**(223,500)**
Long-Term Debt - Principal[5]	67,400	69,100	70,900	72,700	74,600	651,400	650,000	650,000	875,000	875,000
Transfer To Reserves & Reserve Funds[6]	182,000	328,700	472,500	612,900	750,000	750,000	750,000	750,000	750,000	750,000
TOTAL FINANCING	**249,400**	**397,800**	**543,400**	**685,600**	**824,600**	**1,401,400**	**1,400,000**	**1,400,000**	**1,625,000**	**1,625,000**
PROJECTED NET LEVY REQUIREMENT	**(303,200)**	**(181,100)**	**(62,100)**	**53,700**	**156,800**	**1,190,400**	**1,192,900**	**1,130,500**	**1,472,900**	**1,401,500**
$ CHANGE		**122,100**	**119,000**	**115,800**	**103,100**	**1,033,600**	**2,500**	**(62,400)**	**342,400**	**(71,400)**
% CHANGE		**-40.3%**	**-65.7%**	**-186.5%**	**192.0%**	**659.2%**	**0.2%**	**-5.2%**	**30.3%**	**-4.8%**

NOTES AND ASSUMPTIONS:

Forecast period – Although it is unlikely that any decision would be effective January 1, 2025, the forecast period of 2025-2033 was chosen to coincide with the current approved 10-year capital plan for illustrative purposes.

Inflation – Unless otherwise noted, it is assumed that all expense categories, including salaries and benefits will increase at a rate of 3.5% annually which is the underlying inflationary assumption.

1 - Salaries & benefits – No service level changes.

2 - Capital – Minor capital items are discretionary and therefore have been ignored.

3 - Interdepartmental charges - As a County department, the marinas would continue to to receive allocations for internal support services.

4 - Fees & service charges – Inflationary increases only.

5 - Long-term debt – includes forecasted debt servicing costs in the year the project is budgeted within the 2024-2033 Capital Plan (see **Exhibit 2**).

6 - Reserve transfers – Projections include additional asset management contributions that have been phased in until the recommended $750K is achieved in 2028.

Exhibit 3.2 - 2024-2033 Pro Forma Operating Statement - Port Dover Harbour Marina - *Current Operating Model*

Port Dover Harbour Marina
Pro Forma Operating Statement
For the Years Ended Dec 31st 2024-2033

	Budget 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030	Projected 2031	Projected 2032	Projected 2033
EXPENDITURES:										
Salaries & Benefits[1]	353,800	366,200	379,000	392,300	406,000	420,200	434,900	450,100	465,900	482,200
Materials & Supplies	432,900	448,100	463,800	480,000	496,800	514,200	532,200	550,800	570,100	590,100
Services	88,100	91,200	94,400	97,700	101,100	104,600	108,300	112,100	116,000	120,100
Long-Term Debt - Interest[5]	-	-	-	-	-	491,400	529,200	499,900	650,400	611,100
Capital[2]	-	-	-	-	-	-	-	-	-	-
Interdepartmental Charges[3]	91,600	94,800	98,100	101,500	105,100	108,800	112,600	116,500	120,600	124,800
Financial	39,000	40,400	41,800	43,300	44,800	46,400	48,000	49,700	51,400	53,200
TOTAL EXPENDITURES	**1,005,400**	**1,040,700**	**1,077,100**	**1,114,800**	**1,153,800**	**1,685,600**	**1,765,200**	**1,779,100**	**1,974,400**	**1,981,500**
REVENUES:										
Federal/Provincial Grants	-									
Financial Charges/Investment Income	(3,700)	(3,800)	(3,900)	(4,000)	(4,100)	(4,200)	(4,300)	(4,500)	(4,700)	(4,900)
Fees & Service Charges[4]	(1,582,700)	(1,643,100)	(1,704,200)	(1,766,400)	(1,839,700)	(1,913,000)	(1,987,300)	(2,063,900)	(2,141,700)	(2,220,500)
Rentals/Leases										
Land &/or Building Rental	(20,200)	(20,900)	(21,600)	(22,400)	(23,200)	(24,000)	(24,800)	(25,700)	(26,600)	(27,500)
Dockage(Seasonal)	(1,003,300)	(1,042,800)	(1,082,300)	(1,122,100)	(1,171,900)	(1,221,500)	(1,271,400)	(1,323,200)	(1,375,000)	(1,427,200)
Dockage(Transient)	(13,500)	(14,100)	(14,600)	(15,200)	(15,800)	(16,400)	(17,000)	(17,500)	(18,300)	(18,900)
Dockage(Dry)	(30,300)	(31,400)	(32,600)	(33,800)	(35,400)	(37,000)	(38,600)	(40,200)	(41,800)	(43,600)
Dock Box Rental	(3,000)	(3,100)	(3,300)	(3,400)	(3,500)	(3,600)	(3,800)	(3,900)	(4,100)	(4,200)
Dockage/Tenders (Small items)	(4,000)	(4,200)	(4,300)	(4,500)	(4,600)	(4,800)	(5,000)	(5,200)	(5,400)	(5,600)
Winter Storage	(88,900)	(93,000)	(97,000)	(101,100)	(105,200)	(109,300)	(113,400)	(117,600)	(121,700)	(125,800)
Cradle Storage	(8,600)	(9,000)	(9,300)	(9,700)	(10,100)	(10,500)	(10,900)	(11,200)	(11,700)	(12,200)
Boathouse Water Lot Rental	-	-	-	-	-	-	-	-	-	-
Other User Fees & Service Charges										
Lifts & Launches	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
Rampage Fees	(45,600)	(47,000)	(48,900)	(50,700)	(52,600)	(54,400)	(56,200)	(58,100)	(60,000)	(62,300)
Waste Disposal	(18,500)	(19,100)	(19,700)	(20,300)	(21,200)	(21,900)	(22,700)	(23,400)	(24,300)	(25,000)
Sales of Goods										
Concession Sales	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
Fuel & Oil Sales	(334,800)	(346,500)	(358,600)	(371,200)	(384,200)	(397,600)	(411,500)	(425,900)	(440,800)	(456,200)
Total Fees & Service Charges										
Transfer From Reserve & Reserve Funds										
TOTAL REVENUES	**(1,586,400)**	**(1,646,900)**	**(1,708,100)**	**(1,770,400)**	**(1,843,800)**	**(1,917,200)**	**(1,991,600)**	**(2,068,400)**	**(2,146,400)**	**(2,225,400)**
PROJECTED NET OPERATING REQUIREMENT	**(581,000)**	**(606,200)**	**(631,000)**	**(655,600)**	**(690,000)**	**(231,600)**	**(226,400)**	**(289,300)**	**(172,000)**	**(243,900)**
Long-Term Debt - Principal[5]	-	-	-	-	-	575,000	650,000	650,000	875,000	875,000
Transfer To Reserves & Reserve Funds[6]	147,000	292,500	435,000	574,100	709,800	708,400	706,900	705,400	703,800	702,200
TOTAL FINANCING	**147,000**	**292,500**	**435,000**	**574,100**	**709,800**	**1,283,400**	**1,356,900**	**1,355,400**	**1,578,800**	**1,577,200**
PROJECTED NET LEVY REQUIREMENT	**(434,000)**	**(313,700)**	**(196,000)**	**(81,500)**	**19,800**	**1,051,800**	**1,130,500**	**1,066,100**	**1,406,800**	**1,333,300**
$ CHANGE		**120,300**	**117,700**	**114,500**	**101,300**	**1,032,000**	**78,700**	**(64,400)**	**340,700**	**(73,500)**
% CHANGE		**-27.7%**	**-37.5%**	**-58.4%**	**-124.3%**	**5212.1%**	**7.5%**	**-5.7%**	**32.0%**	**-5.2%**

NOTES AND ASSUMPTIONS:

Forecast period – Although it is unlikely that any decision would be effective January 1, 2025, the forecast period of 2025-2033 was chosen to coincide with the current approved 10-year capital plan for illustrative purposes.

Inflation – Unless otherwise noted, it is assumed that all expense categories, including salaries and benefits will increase at a rate of 3.5% annually which is the underlying inflationary assumption.

1 - Salaries & benefits – No service level changes.

2 - Capital – Minor capital items are discretionary and therefore have been ignored.

3 - Interdepartmental charges - As a County department, the marinas would continue to to receive allocations for internal support services.

4 - Fees & service charges – Inflationary increases only.

5 - Long-term debt – includes forecasted debt servicing costs in the year the project is budgeted within the 2024-2033 Capital Plan (see **Exhibit 2**).

6 - Reserve transfers – Projections include additional asset management contributions that have been phased in until the recommended $750K is achieved in 2028.

Exhibit 3.3 - 2024-2033 Pro Forma Operating Statement - Port Rowan Harbour Marina - *Current Operating Model*

Port Rowan Harbour Marina
Pro Forma Operating Statement
For the Years Ended Dec 31st 2024-2033

	Budget 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030	Projected 2031	Projected 2032	Projected 2033
EXPENDITURES:										
Salaries & Benefits[1]	26,200	27,100	28,000	29,000	30,000	31,100	32,200	33,300	34,500	35,700
Materials & Supplies	14,700	15,200	15,700	16,200	16,800	17,400	18,000	18,600	19,300	20,000
Services	24,400	25,300	26,200	27,100	28,000	29,000	30,000	31,100	32,200	33,300
Long-Term Debt - Interest[5]	10,500	8,800	7,000	5,200	3,300	1,500	-	-	-	-
Capital[2]	-	-	-	-	-	-	-	-	-	-
Interdepartmental Charges[3]	39,900	41,300	42,700	44,200	45,700	47,300	49,000	50,700	52,500	54,300
Financial	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**115,700**	**117,700**	**119,600**	**121,700**	**123,800**	**126,300**	**129,200**	**133,700**	**138,500**	**143,300**
REVENUES:										
Federal/Provincial Grants	-									
Financial Charges/Investment Income	(7,500)	(7,800)	(8,100)	(8,400)	(8,700)	(9,000)	(9,300)	(9,600)	(9,900)	(10,200)
Fees & Service Charges[4]	(79,800)	(82,600)	(86,000)	(89,600)	(92,900)	(96,700)	(100,600)	(104,300)	(108,700)	(112,700)
Rentals/Leases										
Land &/or Building Rental	-	-	-	-	-	-	-	-	-	-
Dockage(Seasonal)	(26,600)	(27,400)	(28,500)	(29,600)	(30,600)	(31,700)	(32,700)	(33,800)	(35,300)	(36,400)
Dockage(Transient)	-	-	-	-	-	-	-	-	-	-
Dockage(Dry)	-	-	-	-	-	-	-	-	-	-
Dock Box Rental	-	-	-	-	-	-	-	-	-	-
Dockage/Tenders (Small items)	(300)	(300)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(500)
Winter Storage	-	-	-	-	-	-	-	-	-	-
Cradle Storage	-	-	-	-	-	-	-	-	-	-
Boathouse Water Lot Rental	(46,900)	(48,700)	(50,700)	(53,000)	(55,000)	(57,500)	(60,100)	(62,500)	(65,100)	(67,600)
Other User Fees & Service Charges										
Lifts & Launches	-	-	-	-	-	-	-	-	-	-
Rampage Fees	(6,000)	(6,200)	(6,400)	(6,600)	(6,900)	(7,100)	(7,400)	(7,600)	(7,900)	(8,200)
Waste Disposal	-	-	-	-	-	-	-	-	-	-
Sales of Goods										
Concession Sales	-	-	-	-	-	-	-	-	-	-
Fuel & Oil Sales	-	-	-	-	-	-	-	-	-	-
Total Fees & Service Charges										
Transfer From Reserve & Reserve Funds										
TOTAL REVENUES	**(87,300)**	**(90,400)**	**(94,100)**	**(98,000)**	**(101,600)**	**(105,700)**	**(109,900)**	**(113,900)**	**(118,600)**	**(122,900)**
PROJECTED NET OPERATING REQUIREMENT	**28,400**	**27,300**	**25,500**	**23,700**	**22,200**	**20,600**	**19,300**	**19,800**	**19,900**	**20,400**
Long-Term Debt - Principal[5]	67,400	69,100	70,900	72,700	74,600	76,400	-	-	-	-
Transfer To Reserves & Reserve Funds[6]	35,000	36,200	37,500	38,800	40,200	41,600	43,100	44,600	46,200	47,800
TOTAL FINANCING	**102,400**	**105,300**	**108,400**	**111,500**	**114,800**	**118,000**	**43,100**	**44,600**	**46,200**	**47,800**
PROJECTED NET LEVY REQUIREMENT	**130,800**	**132,600**	**133,900**	**135,200**	**137,000**	**138,600**	**62,400**	**64,400**	**66,100**	**68,200**
$ CHANGE		**1,800**	**1,300**	**1,300**	**1,800**	**1,600**	**(76,200)**	**2,000**	**1,700**	**2,100**
% CHANGE		**1.4%**	**1.0%**	**1.0%**	**1.3%**	**1.2%**	**-55.0%**	**3.2%**	**2.6%**	**3.2%**

NOTES AND ASSUMPTIONS:

Forecast period – Although it is unlikely that any decision would be effective January 1, 2025, the forecast period of 2025-2033 was chosen to coincide with the current approved 10-year capital plan for illustrative purposes.

Inflation – Unless otherwise noted, it is assumed that all expense categories, including salaries and benefits will increase at a rate of 3.5% annually which is the underlying inflationary assumption.

1 - Salaries & benefits – No service level changes.

2 - Capital – Minor capital items are discretionary and therefore have been ignored.

3 - Interdepartmental charges - As a County department, the marinas would continue to to receive allocations for internal support services.

4 - Fees & service charges – Inflationary increases only.

5 - Long-term debt – includes forecasted debt servicing costs in the year the project is budgeted within the 2024-2033 Capital Plan (see **Exhibit 2**).

6 - Reserve transfers – Projections include additional asset management contributions that have been phased in until the recommended $750K is achieved in 2028.

Exhibit 4 - Option 1A - 2024-2033 Pro Forma Operating Statements - Full Cost Recovery Model

Exhibit 4.1 - 2024-2033 Pro Forma Operating Statement - Combined Marinas - *Full Cost Recovery Model*

Norfolk County Marinas
Pro Forma Operating Statement
For the Years Ended Dec 31st 2024-2033

	Budget 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030	Projected 2031	Projected 2032	Projected 2033
EXPENDITURES:										
Salaries & Benefits[1]	380,000	564,200	583,900	604,400	625,500	647,400	670,100	693,500	717,800	742,900
Materials & Supplies	447,600	463,300	479,500	496,200	513,600	531,600	550,200	569,400	589,400	610,100
Services	112,500	116,500	120,600	124,800	129,100	133,600	138,300	143,200	148,200	153,400
Long-Term Debt - Interest[5]	10,500	8,800	7,000	5,200	3,300	492,900	529,200	499,900	650,400	611,100
Capital[2]	-	-	-	-	-	-	-	-	-	-
Interdepartmental Charges[3]	131,500	136,100	140,800	145,700	150,800	156,100	161,600	167,200	173,100	179,100
Financial	39,000	40,400	41,800	43,300	44,800	46,400	48,000	49,700	51,400	53,200
TOTAL EXPENDITURES	**1,121,100**	**1,329,300**	**1,373,600**	**1,419,600**	**1,467,100**	**2,008,000**	**2,097,400**	**2,122,900**	**2,330,300**	**2,349,800**
REVENUES:										
Federal/Provincial Grants	-	-	-	-	-	-	-	-	-	-
Financial Charges/Investment Income	(11,200)	(11,600)	(12,000)	(12,400)	(12,800)	(13,200)	(13,600)	(14,100)	(14,600)	(15,100)
Fees & Service Charges[4]	(1,662,500)	(2,057,900)	(2,274,700)	(2,485,500)	(2,696,200)	(3,897,400)	(4,078,500)	(4,139,900)	(4,606,000)	(4,669,200)
Rentals/Leases										
Land &/or Building Rental	(20,200)	(20,900)	(21,600)	(22,400)	(23,200)	(24,000)	(24,800)	(25,700)	(26,600)	(27,500)
Dockage(Seasonal)	(1,029,900)	(1,335,900)	(1,497,800)	(1,656,700)	(1,815,200)	(2,762,500)	(2,895,400)	(2,933,100)	(3,292,500)	(3,330,800)
Dockage(Transient)	(13,500)	(17,300)	(19,300)	(21,200)	(23,100)	(34,800)	(36,600)	(36,800)	(41,200)	(41,600)
Dockage(Dry)	(30,300)	(39,500)	(44,400)	(48,900)	(53,600)	(81,500)	(85,400)	(86,500)	(97,300)	(98,400)
Dock Box Rental	(3,000)	(3,900)	(4,400)	(4,800)	(5,300)	(8,000)	(8,400)	(8,500)	(9,500)	(9,600)
Dockage/Tenders (Small items)	(4,300)	(5,600)	(6,300)	(6,900)	(7,600)	(11,500)	(12,000)	(12,100)	(13,600)	(13,700)
Winter Storage	(88,900)	(113,800)	(128,200)	(140,700)	(153,100)	(231,800)	(242,200)	(244,300)	(273,300)	(275,500)
Cradle Storage	(8,600)	(11,200)	(12,500)	(13,800)	(15,100)	(23,100)	(24,100)	(24,400)	(27,300)	(27,600)
Boathouse Water Lot Rental	(46,900)	(60,800)	(68,300)	(75,500)	(82,500)	(125,700)	(131,600)	(133,500)	(149,900)	(151,700)
Other User Fees & Service Charges										
Lifts & Launches	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
Rampage Fees	(51,600)	(66,600)	(74,500)	(81,900)	(89,300)	(135,600)	(142,800)	(144,700)	(162,900)	(164,900)
Waste Disposal	(18,500)	(23,900)	(26,800)	(29,500)	(32,000)	(49,300)	(51,700)	(52,400)	(59,100)	(59,700)
Sales of Goods										
Concession Sales	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
Fuel & Oil Sales	(334,800)	(346,500)	(358,600)	(371,200)	(384,200)	(397,600)	(411,500)	(425,900)	(440,800)	(456,200)
Total Fees & Service Charges										
Transfer From Reserve & Reserve Funds										
TOTAL REVENUES	**(1,673,700)**	**(2,069,500)**	**(2,286,700)**	**(2,497,900)**	**(2,709,000)**	**(3,910,600)**	**(4,092,100)**	**(4,154,000)**	**(4,620,600)**	**(4,684,300)**
PROJECTED NET OPERATING REQUIREMENT	**(552,600)**	**(740,200)**	**(913,100)**	**(1,078,300)**	**(1,241,900)**	**(1,902,600)**	**(1,994,700)**	**(2,031,100)**	**(2,290,300)**	**(2,334,500)**
Long-Term Debt - Principal[5]	67,400	69,100	70,900	72,700	74,600	651,400	650,000	650,000	875,000	875,000
Transfer To Reserves & Reserve Funds[6]	182,000	328,700	472,500	612,900	750,000	750,000	750,000	750,000	750,000	750,000
TOTAL FINANCING	**249,400**	**397,800**	**543,400**	**685,600**	**824,600**	**1,401,400**	**1,400,000**	**1,400,000**	**1,625,000**	**1,625,000**
PROJECTED NET LEVY REQUIREMENT	**(303,200)**	**(342,400)**	**(369,700)**	**(392,700)**	**(417,300)**	**(501,200)**	**(594,700)**	**(631,100)**	**(665,300)**	**(709,500)**
$ CHANGE		**(39,200)**	**(27,300)**	**(23,000)**	**(24,600)**	**(83,900)**	**(93,500)**	**(36,400)**	**(34,200)**	**(44,200)**
% CHANGE		**12.9%**	**8.0%**	**6.2%**	**6.3%**	**20.1%**	**18.7%**	**6.1%**	**5.4%**	**6.6%**

NOTES AND ASSUMPTIONS:

Forecast period – Although it is unlikely that any decision would be effective January 1, 2025, the forecast period of 2025-2033 was chosen to coincide with the current approved 10-year capital plan for illustrative purposes.

Inflation – Unless otherwise noted, it is assumed that all expense categories, including salaries and benefits will increase at a rate of 3.5% annually which is the underlying inflationary assumption. The projected Net Levy Surplus is also projected to increase with inflation to be considered sustainable and maintain the same Levy impact relative to costs.

1 - Salaries & benefits – Staff have indicated that current staffing levels are not realistic or optimal for long-term sustainability. Based on the required positions identified by staff, retaining both the PDHM and PRHM would increase salaries and benefits costs by $170,900 in year 1. This change has been incorporated into 2025 projections.

2 - Capital – Minor capital items are discretionary and therefore have been ignored.

3 - Interdepartmental charges - As a County department, the marinas would continue to to receive allocations for internal support services.

4 - Fees & service charges – Adjusted user fee rates to offset the increases in expenditures each year and achieve the target surplus growth focused on PDHM.

5 - Long-term debt – includes forecasted debt servicing costs in the year the project is budgeted within the 2024-2033 Capital Plan (see **Exhibit 2**).

6 - Reserve transfers – Projections include additional asset management contributions that have been phased in until the recommended $750K is achieved in 2028.

Exhibit 4.2 - 2024-2033 Pro Forma Operating Statement - Port Dover Harbour Marina - *Full Cost Recovery Model*

Port Dover Harbour Marina
Pro Forma Operating Statement
For the Years Ended Dec 31st 2024-2033

	Budget 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030	Projected 2031	Projected 2032	Projected 2033
EXPENDITURES:										
Salaries & Benefits[1]	353,800	537,100	555,900	575,400	595,500	616,300	637,900	660,200	683,300	707,200
Materials & Supplies	432,900	448,100	463,800	480,000	496,800	514,200	532,200	550,800	570,100	590,100
Services	88,100	91,200	94,400	97,700	101,100	104,600	108,300	112,100	116,000	120,100
Long-Term Debt - Interest[5]	-	-	-	-	-	491,400	529,200	499,900	650,400	611,100
Capital[2]	-	-	-	-	-	-	-	-	-	-
Interdepartmental Charges[3]	91,600	94,800	98,100	101,500	105,100	108,800	112,600	116,500	120,600	124,800
Financial	39,000	40,400	41,800	43,300	44,800	46,400	48,000	49,700	51,400	53,200
TOTAL EXPENDITURES	**1,005,400**	**1,211,600**	**1,254,000**	**1,297,900**	**1,343,300**	**1,881,700**	**1,968,200**	**1,989,200**	**2,191,800**	**2,206,500**
REVENUES:										
Federal/Provincial Grants	-									
Financial Charges/Investment Income	(3,700)	(3,800)	(3,900)	(4,000)	(4,100)	(4,200)	(4,300)	(4,500)	(4,700)	(4,900)
Fees & Service Charges[4]	(1,582,700)	(1,954,800)	(2,158,800)	(2,357,700)	(2,556,600)	(3,684,700)	(3,855,900)	(3,914,300)	(4,352,800)	(4,413,100)
Rentals/Leases										
Land &/or Building Rental	(20,200)	(20,900)	(21,600)	(22,400)	(23,200)	(24,000)	(24,800)	(25,700)	(26,600)	(27,500)
Dockage(Seasonal)	(1,003,300)	(1,301,700)	(1,459,400)	(1,614,500)	(1,769,200)	(2,692,400)	(2,822,100)	(2,859,000)	(3,209,400)	(3,246,900)
Dockage(Transient)	(13,500)	(17,300)	(19,300)	(21,200)	(23,100)	(34,800)	(36,600)	(36,800)	(41,200)	(41,600)
Dockage(Dry)	(30,300)	(39,500)	(44,400)	(48,900)	(53,600)	(81,500)	(85,400)	(86,500)	(97,300)	(98,400)
Dock Box Rental	(3,000)	(3,900)	(4,400)	(4,800)	(5,300)	(8,000)	(8,400)	(8,500)	(9,500)	(9,600)
Dockage/Tenders (Small items)	(4,000)	(5,200)	(5,800)	(6,400)	(7,000)	(10,600)	(11,100)	(11,200)	(12,600)	(12,700)
Winter Storage	(88,900)	(113,800)	(128,200)	(140,700)	(153,100)	(231,800)	(242,200)	(244,300)	(273,300)	(275,500)
Cradle Storage	(8,600)	(11,200)	(12,500)	(13,800)	(15,100)	(23,100)	(24,100)	(24,400)	(27,300)	(27,600)
Boathouse Water Lot Rental	-	-	-	-	-	-	-	-	-	-
Other User Fees & Service Charges										
Lifts & Launches	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
Rampage Fees	(45,600)	(58,900)	(65,800)	(72,300)	(78,800)	(119,600)	(126,000)	(127,600)	(143,700)	(145,400)
Waste Disposal	(18,500)	(23,900)	(26,800)	(29,500)	(32,000)	(49,300)	(51,700)	(52,400)	(59,100)	(59,700)
Sales of Goods										
Concession Sales	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
Fuel & Oil Sales	(334,800)	(346,500)	(358,600)	(371,200)	(384,200)	(397,600)	(411,500)	(425,900)	(440,800)	(456,200)
Total Fees & Service Charges										
Transfer From Reserve & Reserve Funds										
TOTAL REVENUES	**(1,586,400)**	**(1,958,600)**	**(2,162,700)**	**(2,361,700)**	**(2,560,700)**	**(3,688,900)**	**(3,860,200)**	**(3,918,800)**	**(4,357,500)**	**(4,418,000)**
PROJECTED NET OPERATING REQUIREMENT	**(581,000)**	**(747,000)**	**(908,700)**	**(1,063,800)**	**(1,217,400)**	**(1,807,200)**	**(1,892,000)**	**(1,929,600)**	**(2,165,700)**	**(2,211,500)**
Long-Term Debt - Principal[5]	-	-	-	-	-	575,000	650,000	650,000	875,000	875,000
Transfer To Reserves & Reserve Funds[6]	147,000	292,500	435,000	574,100	709,800	708,400	706,900	705,400	703,800	702,200
TOTAL FINANCING	**147,000**	**292,500**	**435,000**	**574,100**	**709,800**	**1,283,400**	**1,356,900**	**1,355,400**	**1,578,800**	**1,577,200**
PROJECTED NET LEVY REQUIREMENT	**(434,000)**	**(454,500)**	**(473,700)**	**(489,700)**	**(507,600)**	**(523,800)**	**(535,100)**	**(574,200)**	**(586,900)**	**(634,300)**
$ CHANGE		**(20,500)**	**(19,200)**	**(16,000)**	**(17,900)**	**(16,200)**	**(11,300)**	**(39,100)**	**(12,700)**	**(47,400)**
% CHANGE		**4.7%**	**4.2%**	**3.4%**	**3.7%**	**3.2%**	**2.2%**	**7.3%**	**2.2%**	**8.1%**

NOTES AND ASSUMPTIONS:

Forecast period – Although it is unlikely that any decision would be effective January 1, 2025, the forecast period of 2025-2033 was chosen to coincide with the current approved 10-year capital plan for illustrative purposes.

Inflation – Unless otherwise noted, it is assumed that all expense categories, including salaries and benefits will increase at a rate of 3.5% annually which is the underlying inflationary assumption. The projected Net Levy Surplus is also projected to increase with inflation to be considered sustainable and maintain the same Levy impact relative to costs.

1 - Salaries & benefits – Staff have indicated that current staffing levels are not realistic or optimal for long-term sustainability. Based on the required positions identified by staff, retaining both the PDHM and PRHM would increase salaries and benefits costs by $170,900 in year 1. This change has been incorporated into 2025 projections.

2 - Capital – Minor capital items are discretionary and therefore have been ignored.

3 - Interdepartmental charges - As a County department, the marinas would continue to to receive allocations for internal support services.

4 - Fees & service charges – Adjusted user fee rates to offset the increases in expenditures each year and achieve the target surplus growth focused on PDHM.

5 - Long-term debt – includes forecasted debt servicing costs in the year the project is budgeted within the 2024-2033 Capital Plan (see **Exhibit 2**).

6 - Reserve transfers – Projections include additional asset management contributions that have been phased in until the recommended $750K is achieved in 2028.

Exhibit 4.3 - 2024-2033 Pro Forma Operating Statement - Port Rowan Harbour Marina - *Full Cost Recovery Model*

Port Rowan Harbour Marina
Pro Forma Operating Statement
For the Years Ended Dec 31st 2024-2033

	Budget 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030	Projected 2031	Projected 2032	Projected 2033
EXPENDITURES:										
Salaries & Benefits	26,200	27,100	28,000	29,000	30,000	31,100	32,200	33,300	34,500	35,700
Materials & Supplies	14,700	15,200	15,700	16,200	16,800	17,400	18,000	18,600	19,300	20,000
Services	24,400	25,300	26,200	27,100	28,000	29,000	30,000	31,100	32,200	33,300
Long-Term Debt - Interest[4]	10,500	8,800	7,000	5,200	3,300	1,500	-	-	-	-
Capital[1]	-	-	-	-	-	-	-	-	-	-
Interdepartmental Charges[2]	39,900	41,300	42,700	44,200	45,700	47,300	49,000	50,700	52,500	54,300
Financial	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**115,700**	**117,700**	**119,600**	**121,700**	**123,800**	**126,300**	**129,200**	**133,700**	**138,500**	**143,300**
REVENUES:										
Federal/Provincial Grants	-									
Financial Charges/Investment Income	(7,500)	(7,800)	(8,100)	(8,400)	(8,700)	(9,000)	(9,300)	(9,600)	(9,900)	(10,200)
Fees & Service Charges[3]	(79,800)	(103,100)	(115,900)	(127,800)	(139,600)	(212,700)	(222,600)	(225,600)	(253,200)	(256,100)
Rentals/Leases										
Land &/or Building Rental	-	-	-	-	-	-	-	-	-	-
Dockage(Seasonal)	(26,600)	(34,200)	(38,400)	(42,200)	(46,000)	(70,100)	(73,300)	(74,100)	(83,100)	(83,900)
Dockage(Transient)	-	-	-	-	-	-	-	-	-	-
Dockage(Dry)	-	-	-	-	-	-	-	-	-	-
Dock Box Rental	-	-	-	-	-	-	-	-	-	-
Dockage/Tenders (Small items)	(300)	(400)	(500)	(500)	(600)	(900)	(900)	(900)	(1,000)	(1,000)
Winter Storage	-	-	-	-	-	-	-	-	-	-
Cradle Storage	-	-	-	-	-	-	-	-	-	-
Boathouse Water Lot Rental	(46,900)	(60,800)	(68,300)	(75,500)	(82,500)	(125,700)	(131,600)	(133,500)	(149,900)	(151,700)
Other User Fees & Service Charges										
Lifts & Launches	-	-	-	-	-	-	-	-	-	-
Rampage Fees	(6,000)	(7,700)	(8,700)	(9,600)	(10,500)	(16,000)	(16,800)	(17,100)	(19,200)	(19,500)
Waste Disposal	-	-	-	-	-	-	-	-	-	-
Sales of Goods										
Concession Sales	-	-	-	-	-	-	-	-	-	-
Fuel & Oil Sales	-	-	-	-	-	-	-	-	-	-
Total Fees & Service Charges										
Transfer From Reserve & Reserve Funds										
TOTAL REVENUES	**(87,300)**	**(110,900)**	**(124,000)**	**(136,200)**	**(148,300)**	**(221,700)**	**(231,900)**	**(235,200)**	**(263,100)**	**(266,300)**
PROJECTED NET OPERATING REQUIREMENT	**28,400**	**6,800**	**(4,400)**	**(14,500)**	**(24,500)**	**(95,400)**	**(102,700)**	**(101,500)**	**(124,600)**	**(123,000)**
Long-Term Debt - Principal[4]	67,400	69,100	70,900	72,700	74,600	76,400	-	-	-	-
Transfer To Reserves & Reserve Funds	35,000	36,200	37,500	38,800	40,200	41,600	43,100	44,600	46,200	47,800
TOTAL FINANCING	**102,400**	**105,300**	**108,400**	**111,500**	**114,800**	**118,000**	**43,100**	**44,600**	**46,200**	**47,800**
PROJECTED NET LEVY REQUIREMENT	**130,800**	**112,100**	**104,000**	**97,000**	**90,300**	**22,600**	**(59,600)**	**(56,900)**	**(78,400)**	**(75,200)**
$ CHANGE		**(18,700)**	**(8,100)**	**(7,000)**	**(6,700)**	**(67,700)**	**(82,200)**	**2,700**	**(21,500)**	**3,200**
% CHANGE		**-14.3%**	**-7.2%**	**-6.7%**	**-6.9%**	**-75.0%**	**-363.7%**	**-4.5%**	**37.8%**	**-4.1%**

NOTES AND ASSUMPTIONS:

Forecast period – Although it is unlikely that any decision would be effective January 1, 2025, the forecast period of 2025-2033 was chosen to coincide with the current approved 10-year capital plan for illustrative purposes.

Inflation – Unless otherwise noted, it is assumed that all expense categories, including salaries and benefits will increase at a rate of 3.5% annually which is the underlying inflationary assumption. The projected Net Levy Surplus is also projected to increase with inflation to be considered sustainable and maintain the same Levy impact relative to costs.

1 - Capital – Minor capital items are discretionary and therefore have been ignored.

2 - Interdepartmental charges - As a County department, the marinas would continue to to receive allocations for internal support services.

3 - Fees & service charges – Adjusted user fee rates to offset the increases in expenditures each year and achieve the target surplus growth focused on PDHM.

4 - Long-term debt – includes forecasted debt servicing costs in the year the project is budgeted within the 2024-2033 Capital Plan (see **Exhibit 2**).

Exhibit 4.4 - Option 1A - Projected 2025-2033 User Fee Rates - Full Cost Recovery Model

Norfolk County

MARINAS	Approved 2024 Rates		Projected 2025 Rates			Projected 2026 Rates			Projected 2027 Rates			Projected 2028 Rates			Projected 2029 Rates			Projected 2030 Rates			Projected 2031 Rates			Projected 2032 Rates			Projected 2033 Rates		
Description	Cost per ft.	Minimum Fee	User Fee Rate Increase 2025	Cost per ft.	Minimum Fee	User Fee Rate Increase 2026	Cost per ft.	Minimum Fee	User Fee Rate Increase 2027	Cost per ft.	Minimum Fee	User Fee Rate Increase 2028	Cost per ft.	Minimum Fee	User Fee Rate Increase 2029	Cost per ft.	Minimum Fee	User Fee Rate Increase 2030	Cost per ft.	Minimum Fee	User Fee Rate Increase 2031	Cost per ft.	Minimum Fee	User Fee Rate Increase 2032	Cost per ft.	Minimum Fee	User Fee Rate Increase 2033	Cost per ft.	Minimum Fee
Port Dover Harbour Marina																													
Seasonal Berthage (with hydro & water) - 23 Foot Finger - (min. 27 ft. - cost per ft.)	77.00	2,079.00	29.00%	100.00	2,700.00	12.00%	112.00	3,024.00	10.00%	124.00	3,348.00	9.00%	136.00	3,672.00	52.00%	207.00	5,589.00	4.50%	217.00	5,859.00	1.00%	220.00	5,940.00	12.00%	247.00	6,669.00	1.00%	250.00	6,750.00
Seasonal Berthage (with hydro & water) - 26 Foot Finger - (min. 30 ft. - cost per ft.)	77.00	2,310.00	29.00%	100.00	3,000.00	12.00%	112.00	3,360.00	10.00%	124.00	3,720.00	9.00%	136.00	4,080.00	52.00%	207.00	6,210.00	4.50%	217.00	6,510.00	1.00%	220.00	6,600.00	12.00%	247.00	7,410.00	1.00%	250.00	7,500.00
Seasonal Berthage (with hydro & water) - 30 Foot Finger - (min. 35 ft. - cost per ft.)	77.00	2,695.00	29.00%	100.00	3,500.00	12.00%	112.00	3,920.00	10.00%	124.00	4,340.00	9.00%	136.00	4,760.00	52.00%	207.00	7,245.00	4.50%	217.00	7,595.00	1.00%	220.00	7,700.00	12.00%	247.00	8,645.00	1.00%	250.00	8,750.00
Seasonal Berthage (No hydro & water) - Boats up to 23 Feet (flat fee)		1,367.00	29.00%		1764.00	12.00%		1976.00	10.00%		2174.00	9.00%		2370.00	52.00%		3603.00	4.50%		3766.00	1.00%		3804.00	12.00%		4261.00	1.00%		4304.00
Seasonal Berthage - Dock #5 - 35 Foot Finger - (min. 42 ft. - cost per ft.)	91.00	3,822.00	29.00%	118.00	4,956.00	12.00%	133.00	5,586.00	10.00%	147.00	6,174.00	9.00%	161.00	6,762.00	52.00%	245.00	10,290.00	4.50%	257.00	10,794.00	1.00%	260.00	10,920.00	12.00%	292.00	12,264.00	1.00%	295.00	12,390.00
Seasonal Hydro Surcharge - per outlet (utilized only for boats with air conditioning)		86.00	29.00%		111.00	12.00%		125.00	10.00%		138.00	9.00%		151.00	52.00%		230.00	4.50%		241.00	1.00%		244.00	12.00%		274.00	1.00%		277.00
Daily Transient Dockage - per foot (unserviced)		1.80	29.00%		2.30	12.00%		2.60	10.00%		2.85	9.00%		3.10	52.00%		4.70	4.50%		4.90	1.00%		4.95	12.00%		5.55	1.00%		5.60
Daily Transient Dockage - per foot (hydro & water)		2.15	29.00%		2.75	12.00%		3.10	10.00%		3.40	9.00%		3.70	52.00%		5.60	4.50%		5.85	1.00%		5.90	12.00%		6.60	1.00%		6.65
Weekly Transient Dockage - per foot (unserviced)		10.95	29.00%		14.15	12.00%		15.85	10.00%		17.45	9.00%		19.00	52.00%		28.90	4.50%		30.25	1.00%		30.50	12.00%		34.25	1.00%		34.50
Weekly Transient Dockage - per foot (hydro & water)		13.30	29.00%		17.15	12.00%		19.20	10.00%		21.10	9.00%		23.00	52.00%		34.95	4.50%		36.50	1.00%		36.75	12.00%		41.25	1.00%		41.75
Monthly Transient Dockage - per foot (unserviced)		27.25	29.00%		35.25	12.00%		39.50	10.00%		43.50	9.00%		47.50	52.00%		72.25	4.50%		76.00	1.00%		77.00	12.00%		87.00	1.00%		88.00
Monthly Transient Dockage - per foot (hydro & water)		33.25	29.00%		43.00	12.00%		48.25	10.00%		53.00	9.00%		58.00	52.00%		89.00	4.50%		94.00	1.00%		95.00	12.00%		107.00	1.00%		109.00
Daily Rampage		25.00	29.00%		32.25	12.00%		36.00	10.00%		39.50	9.00%		43.00	52.00%		65.25	4.50%		69.00	1.00%		70.00	12.00%		79.00	1.00%		80.00
Seasonal Rampage – Recreational - per season		363.00	29.00%		469.00	12.00%		526.00	10.00%		579.00	9.00%		632.00	52.00%		961.00	4.50%		1005.00	1.00%		1016.00	12.00%		1138.00	1.00%		1150.00
Seasonal Rampage – Commercial - per season		543.00	29.00%		701.00	12.00%		786.00	10.00%		865.00	9.00%		943.00	52.00%		1434.00	4.50%		1499.00	1.00%		1514.00	12.00%		1696.00	1.00%		1713.00
Summer Daily Boat & Trailer Storage - flat rate		31.50	29.00%		40.75	12.00%		45.75	10.00%		50.25	9.00%		55.00	52.00%		84.00	4.50%		88.00	1.00%		89.00	12.00%		100.00	1.00%		101.00
Seasonal Trailer Storage – Dry or Summer – per unit		360.00	29.00%		465.00	12.00%		521.00	10.00%		574.00	9.00%		626.00	52.00%		952.00	4.50%		995.00	1.00%		1005.00	12.00%		1126.00	1.00%		1138.00
Seasonal Boat & Trailer Storage – Dry or Summer – per foot		53.00	29.00%		69.00	12.00%		78.00	10.00%		86.00	9.00%		94.00	52.00%		143.00	4.50%		150.00	1.00%		152.00	12.00%		171.00	1.00%		173.00
Winter Boat & Trailer Storage – per unit (max. 25 ft.)		360.00	29.00%		465.00	12.00%		521.00	10.00%		574.00	9.00%		626.00	52.00%		952.00	4.50%		995.00	1.00%		1005.00	12.00%		1126.00	1.00%		1138.00
Winter Boat Storage – per sq. ft. (length x beam)		2.15	29.00%		2.75	12.00%		3.10	10.00%		3.40	9.00%		3.70	52.00%		5.60	4.50%		5.85	1.00%		5.90	12.00%		6.60	1.00%		6.65
Cradle Handling & Storage – per season		133.00	29.00%		172.00	12.00%		193.00	10.00%		213.00	9.00%		233.00	52.00%		355.00	4.50%		371.00	1.00%		375.00	12.00%		420.00	1.00%		425.00
Pump out - per unit		30.00	29.00%		38.75	12.00%		43.50	10.00%		47.75	9.00%		52.00	52.00%		80.00	4.50%		84.00	1.00%		85.00	12.00%		96.00	1.00%		97.00
Portable Pump out - flat rate		47.25	29.00%		61.00	12.00%		69.00	10.00%		76.00	9.00%		83.00	52.00%		127.00	4.50%		133.00	1.00%		135.00	12.00%		152.00	1.00%		154.00
Extra Tenders – incl. seadoos, small sail, zodiacs, etc.		174.00	29.00%		225.00	12.00%		252.00	10.00%		278.00	9.00%		304.00	52.00%		463.00	4.50%		484.00	1.00%		489.00	12.00%		548.00	1.00%		554.00
Dock Box Rentals - per season		120.00	29.00%		155.00	12.00%		174.00	10.00%		192.00	9.00%		210.00	52.00%		320.00	4.50%		335.00	1.00%		339.00	12.00%		380.00	1.00%		384.00
Lifts and Launches		1.00	29.00%		1.00	12.00%		1.00	10.00%		1.00	9.00%		1.00	52.00%		1.00	4.50%		1.00	1.00%		1.00	12.00%		1.00	1.00%		1.00
Port Rowan Harbour Marina																													
Boathouses/Seasonal Berthage - per foot (first 10 feet)		74.00	29.00%		96.00	12.00%		108.00	10.00%		119.00	9.00%		130.00	52.00%		198.00	4.50%		207.00	1.00%		210.00	12.00%		236.00	1.00%		239.00
Boathouses/Seasonal Berthage - per foot (next 10ft, from 11 - 20 ft.)		57.00	29.00%		74.00	12.00%		83.00	10.00%		92.00	9.00%		101.00	52.00%		154.00	4.50%		161.00	1.00%		163.00	12.00%		183.00	1.00%		185.00
Boathouses/Seasonal Berthage - per foot (next 10ft, from 21 - 30 ft.)		47.75	29.00%		61.50	12.00%		69.00	10.00%		76.00	9.00%		83.00	52.00%		127.00	4.50%		133.00	1.00%		135.00	12.00%		152.00	1.00%		154.00
Boathouses/Seasonal Berthage - per foot (add'l 31+ ft.)		40.50	29.00%		52.25	12.00%		59.00	10.00%		65.00	9.00%		71.00	52.00%		108.00	4.50%		113.00	1.00%		115.00	12.00%		129.00	1.00%		131.00
Daily Rampage		20.00	29.00%		25.80	12.00%		29.00	10.00%		32.00	9.00%		35.00	52.00%		53.25	4.50%		56.00	1.00%		57.00	12.00%		64.00	1.00%		65.00
East Slip		793.00	29.00%		1023.00	12.00%		1146.00	10.00%		1261.00	9.00%		1375.00	52.00%		2090.00	4.50%		2185.00	1.00%		2207.00	12.00%		2472.00	1.00%		2497.00
West Slip		881.00	29.00%		1137.00	12.00%		1274.00	10.00%		1402.00	9.00%		1529.00	52.00%		2325.00	4.50%		2430.00	1.00%		2455.00	12.00%		2750.00	1.00%		2778.00
Seasonal Berthage on West Wall (with hydro) - cost per foot (based on min. 27ft)	31.45	849.15	29.00%	40.50	1093.50	12.00%	45.25	1221.75	10.00%	49.75	1343.25	9.00%	54.25	1464.75	52.00%	83.00	2241.00	4.50%	87.00	2349.00	1.00%	88.00	2376.00	12.00%	99.00	2673.00	1.00%	100.00	2700.00
Daily Transient Dockage on West Wall - cost per foot (based on min. 27ft)	1.60	43.20	29.00%	2.05	55.35	12.00%	2.30	62.10	10.00%	2.55	68.85	9.00%	2.80	75.60	52.00%	4.25	114.75	4.50%	4.45	120.15	1.00%	4.50	121.50	12.00%	5.05	136.35	1.00%	5.10	137.70
Weekly Transient Dockage on West Wall - cost per foot (based on min. 27ft)	9.80	264.60	29.00%	12.65	341.55	12.00%	14.15	382.05	10.00%	15.55	419.85	9.00%	16.95	457.65	52.00%	25.75	695.25	4.50%	27.00	729.00	1.00%	27.25	735.75	12.00%	30.50	823.50	1.00%	30.75	830.25
Monthly Transient Dockage on West Wall - cost per foot (based on min. 27ft)	15.75	425.25	29.00%	20.30	548.10	12.00%	22.75	614.25	10.00%	25.05	676.35	9.00%	27.25	735.75	52.00%	41.50	1120.50	4.50%	43.25	1167.75	1.00%	43.75	1181.25	12.00%	49.00	1323.00	1.00%	49.50	1336.50
Transient Dockage - per night		23.05	29.00%		29.75	12.00%		33.25	10.00%		36.50	9.00%		39.75	52.00%		60.50	4.50%		64.00	1.00%		65.00	12.00%		73.00	1.00%		74.00
Transient Dockage - per week		168.00	29.00%		217.00	12.00%		244.00	10.00%		269.00	9.00%		294.00	52.00%		447.00	4.50%		468.00	1.00%		473.00	12.00%		530.00	1.00%		536.00
Transient Dockage - per month		416.00	29.00%		537.00	12.00%		602.00	10.00%		663.00	9.00%		723.00	52.00%		1099.00	4.50%		1149.00	1.00%		1161.00	12.00%		1301.00	1.00%		1315.00
Extra Tenders – incl. seadoos, small sail, zodiacs, etc.		163.00	29.00%		211.00	12.00%		237.00	10.00%		261.00	9.00%		285.00	52.00%		434.00	4.50%		454.00	1.00%		459.00	12.00%		515.00	1.00%		521.00

Applicable Tax Rate: 1 - HST Extra, 2 - HST Included, 3 - Tax Exempt
Fees effective January 1st, 2024 unless otherwise stated

Exhibit 5 - Option 3A - 2024-2025 Pro Forma Operating Statements - Sale of Both Marinas

Exhibit 5.1 - Option 3A - 2024-2025 Pro Forma Statement - Sale of Both Marinas - Combined

Norfolk County Marinas
Pro Forma Operating Statement
For the Years Ended Dec 31st 2024-2025

	Budget 2024	Projected 2025
EXPENDITURES:		
Salaries & Benefits[1]	380,000	50,000
Materials & Supplies[2]	447,600	-
Services[2]	112,500	-
Long-Term Debt - Interest[9]	10,500	-
Capital[3]	-	-
Interdepartmental Charges[4]	131,500	136,100
Financial[5]	39,000	-
TOTAL EXPENDITURES	**1,121,100**	**186,100**
REVENUES:		
Federal/Provincial Grants	-	-
Property Tax Revenue[6]	-	(109,300)
Financial Charges/Investment Income[7]	(11,200)	-
Fees & Service Charges[8]	(1,662,500)	-
Transfer From Reserve & Reserve Funds	-	-
TOTAL REVENUES	**(1,673,700)**	**(109,300)**
PROJECTED NET OPERATING REQUIREMENT	**(552,600)**	**76,800**
Long-Term Debt - Principal[9]	67,400	-
Transfer To Reserves & Reserve Funds[10]	182,000	-
TOTAL FINANCING	**249,400**	**-**
PROJECTED NET LEVY REQUIREMENT	**(303,200)**	**76,800**
$ CHANGE		**380,000**
% CHANGE		**-125.3%**

NOTES AND ASSUMPTIONS:

1 - Salaries & benefits – Some staff may be retained and redistributed with the Operations Division.
2 - Materials, supplies and services – All costs removed.
3 - Capital – All costs removed
4 - Interdepartmental charges - Not true savings due, as these costs would just be redistributed to other County departments.
5 - **Financial** - All costs removed
6 - Property Tax Revenue - Estimated property tax revenue if privately owned. Currently exempt.
7 - **Other revenues** – All revenue removed
8 - Fees & service charges – All revenue removed.
9 - Long-term debt – All capital financing commitments related to the marinas, including current liabilities would be transferred to the buyer.
10 - Reserve transfers – contributions would cease and reserve balance at time of sale would be directed to other reserves or as Council deems appropriate.

Exhibit 5.2 - Option 3A - 2024-2025 Pro Forma Statement - Sale of Both Marinas - Port Dover Harbour Marina

Port Dover Harbour Marina
Pro Forma Operating Statement
For the Years Ended Dec 31st 2024-2025

	Budget 2024	Projected 2025
EXPENDITURES:		
Salaries & Benefits[1]	353,800	50,000
Materials & Supplies[2]	432,900	-
Services[2]	88,100	-
Long-Term Debt - Interest[9]	-	-
Capital[3]	-	-
Interdepartmental Charges[4]	91,600	94,800
Financial[5]	39,000	-
TOTAL EXPENDITURES	**1,005,400**	**144,800**
REVENUES:		
Federal/Provincial Grants	-	
Property Tax Revenue[6]	-	(98,100)
Financial Charges/Investment Income[7]	(3,700)	-
Fees & Service Charges[8]	(1,582,700)	-
Transfer From Reserve & Reserve Funds		
TOTAL REVENUES	**(1,586,400)**	**(98,100)**
PROJECTED NET OPERATING REQUIREMENT	**(581,000)**	**46,700**
Long-Term Debt - Principal[9]	-	-
Transfer To Reserves & Reserve Funds[10]	147,000	-
TOTAL FINANCING	**147,000**	**-**
PROJECTED NET LEVY REQUIREMENT	**(434,000)**	**46,700**
$ CHANGE		**480,700**
% CHANGE		**-110.8%**

NOTES AND ASSUMPTIONS:

1 - Salaries & benefits – Some staff may be retained and redistributed with the Operations Division.
2 - Materials, supplies and services – All costs removed.
3 - Capital – All costs removed
4 - Interdepartmental charges - Not true savings due, as these costs would just be redistributed to other County departments.
5 - **Financial** - All costs removed
6 - Property Tax Revenue - Estimated property tax revenue if privately owned. Currently exempt.
7 - **Other revenues** – All revenue removed
8 - Fees & service charges – All revenue removed.
9 - Long-term debt – All capital financing commitments related to the marinas, including current liabilities would be transferred to the buyer.
10 - **Reserve transfers** – contributions would cease and reserve balance at time of sale would be directed to other reserves or as Council deems appropriate.

Exhibit 5.3 - Option 3A - 2024-2025 Pro Forma Statement - Sale of Both Marinas - Port Rowan Harbour Marina

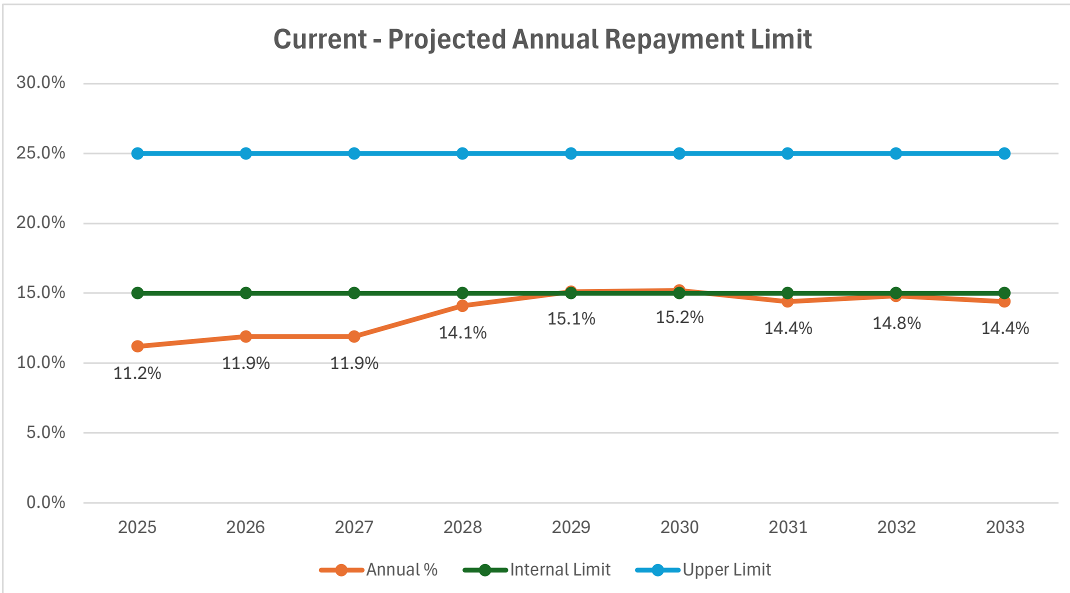
Port Rowan Harbour Marina
Pro Forma Operating Statement
For the Years Ended Dec 31st 2024-2025

	Budget 2024	Projected 2025
EXPENDITURES:		
Salaries & Benefits[1]	26,200	-
Materials & Supplies[2]	14,700	-
Services[2]	24,400	-
Long-Term Debt - Interest[9]	10,500	-
Capital[3]	-	-
Interdepartmental Charges[4]	39,900	41,300
Financial[5]	-	-
TOTAL EXPENDITURES	**115,700**	**41,300**
REVENUES:		
Federal/Provincial Grants	-	
Property Tax Revenue[6]	-	(11,200)
Financial Charges/Investment Income[7]	(7,500)	-
Fees & Service Charges[8]	(79,800)	-
Transfer From Reserve & Reserve Funds		
TOTAL REVENUES	**(87,300)**	**(11,200)**
PROJECTED NET OPERATING REQUIREMENT	**28,400**	**30,100**
Long-Term Debt - Principal[9]	67,400	-
Transfer To Reserves & Reserve Funds[10]	35,000	-
TOTAL FINANCING	**102,400**	**-**
PROJECTED NET LEVY REQUIREMENT	**130,800**	**30,100**
$ CHANGE		**(100,700)**
% CHANGE		**-77.0%**

NOTES AND ASSUMPTIONS:

1 - Salaries & benefits – Some staff may be retained and redistributed with the Operations Division. Current Port Rowan staffing represents a portion of the marina managers time.
2 - Materials, supplies and services – All costs removed.
3 - Capital – All costs removed
4 - Interdepartmental charges - Not true savings due, as these costs would just be redistributed to other County departments.
5 - **Financial** - All costs removed
6 - Property Tax Revenue - Estimated property tax revenue if privately owned. Currently exempt.
7 - **Other revenues** – All revenue removed
8 - Fees & service charges – All revenue removed.
9 - Long-term debt – All capital financing commitments related to the marinas, including current liabilities would be transferred to the buyer.
10 - Reserve transfers – contributions would cease and reserve balance at time of sale would be directed to other reserves or as Council deems appropriate.

Exhibit 5.4 - Option 3A - Projected Annual Repayment Limit



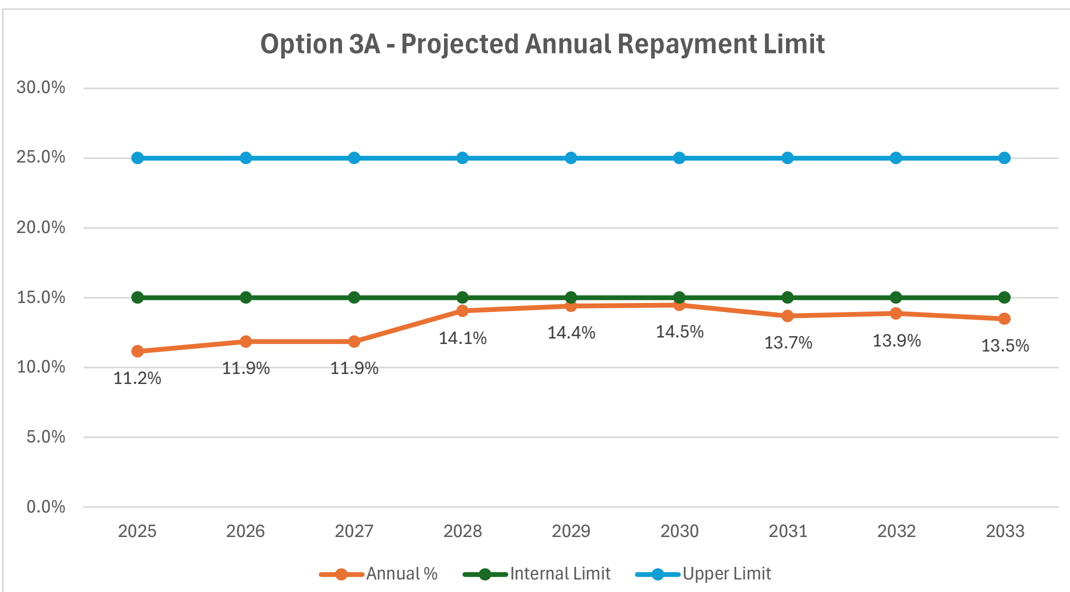


Exhibit 6 - Option 3B - 2024-2033 Pro Forma Operating Statements - Sale of PDHM Only

Exhibit 6.1 - Option 3B - 2024-2033 Pro Forma Operating Statements - Sale of PDHM Only - Combined Marinas

Norfolk County Marinas
Pro Forma Operating Statement
For the Years Ended Dec 31st 2024-2033

	Budget 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030	Projected 2031	Projected 2032	Projected 2033
EXPENDITURES:										
Salaries & Benefits[1]	380,000	100,300	103,800	107,400	111,200	115,100	119,100	123,300	127,600	132,100
Materials & Supplies	447,600	15,200	15,700	16,200	16,800	17,400	18,000	18,600	19,300	20,000
Services	112,500	25,300	26,200	27,100	28,000	29,000	30,000	31,100	32,200	33,300
Long-Term Debt - Interest[6]	10,500	8,800	7,000	5,200	3,300	1,500	-	-	-	-
Capital[2]	-	-	-	-	-	-	-	-	-	-
Interdepartmental Charges[3]	131,500	136,100	140,800	145,700	150,800	156,100	161,600	167,200	173,100	179,100
Financial	39,000	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**1,121,100**	**285,700**	**293,500**	**301,600**	**310,100**	**319,100**	**328,700**	**340,200**	**352,200**	**364,500**
REVENUES:										
Federal/Provincial Grants	-	-	-	-	-	-	-	-	-	-
Property Tax Revenue[4]										
Financial Charges/Investment Income	(11,200)	(7,800)	(8,100)	(8,400)	(8,700)	(9,000)	(9,300)	(9,600)	(9,900)	(10,200)
Fees & Service Charges[5]	(1,662,500)	(82,600)	(86,000)	(89,600)	(92,900)	(96,700)	(100,600)	(104,300)	(108,700)	(112,700)
Rentals/Leases										
Land &/or Building Rental	(20,200)	-	-	-	-	-	-	-	-	-
Dockage(Seasonal)	(1,029,900)	(27,400)	(28,500)	(29,600)	(30,600)	(31,700)	(32,700)	(33,800)	(35,300)	(36,400)
Dockage(Transient)	(13,500)	-	-	-	-	-	-	-	-	-
Dockage(Dry)	(30,300)	-	-	-	-	-	-	-	-	-
Dock Box Rental	(3,000)	-	-	-	-	-	-	-	-	-
Dockage/Tenders (Small items)	(4,300)	(300)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(500)
Winter Storage	(88,900)	-	-	-	-	-	-	-	-	-
Cradle Storage	(8,600)	-	-	-	-	-	-	-	-	-
Boathouse Water Lot Rental	(46,900)	(48,700)	(50,700)	(53,000)	(55,000)	(57,500)	(60,100)	(62,500)	(65,100)	(67,600)
Other User Fees & Service Charges		-	-	-	-	-	-	-	-	-
Lifts & Launches	(6,000)	-	-	-	-	-	-	-	-	-
Rampage Fees	(51,600)	(6,200)	(6,400)	(6,600)	(6,900)	(7,100)	(7,400)	(7,600)	(7,900)	(8,200)
Waste Disposal	(18,500)	-	-	-	-	-	-	-	-	-
Sales of Goods										
Concession Sales	(6,000)	-	-	-	-	-	-	-	-	-
Fuel & Oil Sales	(334,800)	-	-	-	-	-	-	-	-	-
Total Fees & Service Charges										
Transfer From Reserve & Reserve Funds										
TOTAL REVENUES	**(1,673,700)**	**(90,400)**	**(94,100)**	**(98,000)**	**(101,600)**	**(105,700)**	**(109,900)**	**(113,900)**	**(118,600)**	**(122,900)**
PROJECTED NET OPERATING REQUIREMENT	**(552,600)**	**195,300**	**199,400**	**203,600**	**208,500**	**213,400**	**218,800**	**226,300**	**233,600**	**241,600**
Long-Term Debt - Principal[6]	67,400	69,100	70,900	72,700	74,600	76,400	-	-	-	-
Transfer To Reserves & Reserve Funds[7]	182,000	36,200	37,500	38,800	40,200	41,600	43,100	44,600	46,200	47,800
TOTAL FINANCING	**249,400**	**105,300**	**108,400**	**111,500**	**114,800**	**118,000**	**43,100**	**44,600**	**46,200**	**47,800**
PROJECTED NET LEVY REQUIREMENT	**(303,200)**	**300,600**	**307,800**	**315,100**	**323,300**	**331,400**	**261,900**	**270,900**	**279,800**	**289,400**
$ CHANGE		**603,800**	**7,200**	**7,300**	**8,200**	**8,100**	**(69,500)**	**9,000**	**8,900**	**9,600**
% CHANGE		**-199.1%**	**2.4%**	**2.4%**	**2.6%**	**2.5%**	**-21.0%**	**3.4%**	**3.3%**	**3.4%**

NOTES AND ASSUMPTIONS:

Forecast period – Although it is unlikely that any decision would be effective January 1, 2025, the forecast period of 2025-2033 was chosen to coincide with the current approved 10-year capital plan for illustrative purposes.

Inflation – Unless otherwise noted, it is assumed that all expense categories, including salaries and benefits will increase at a rate of 3.5% annually which is the underlying inflationary assumption.

1 - Salaries & benefits – PRHM staffing consisted only of a portion of the PDHM manager's time. Ongoing staffing impact is reflected in the retained staffing figure shown under PDHM.

2 - Capital – Minor capital items are discretionary and therefore have been ignored.

3 - Interdepartmental charges - As a County department, the marinas would continue to to receive allocations for internal support services.

4 - Property Tax Revenue - Estimated property tax revenue if privately owned. Currently exempt. Assumes Levy increases with inflation for illustrative purposes.

5 - Fees & service charges – Applied inflationary increases only due to limited impact of extreme increases and lack of justification due to passive marina status.

6 - Long-term debt – includes remaining PRHM debt servicing costs expiring in 2029.

7 - Reserve transfers – Additional transfers would not be warranted based on the current 10-year Capital Plan and reserve balance after removal of PDHM commitments.

Exhibit 6.2 - Option 3B - 2024-2033 Pro Forma Operating Statements - Sale of PDHM Only - Port Dover Harbour Marina

Port Dover Harbour Marina
Pro Forma Operating Statement
For the Years Ended Dec 31st 2024-2033

	Budget 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030	Projected 2031	Projected 2032	Projected 2033
EXPENDITURES:										
Salaries & Benefits[1]	353,800	100,300	103,800	107,400	111,200	115,100	119,100	123,300	127,600	132,100
Materials & Supplies[2]	432,900	-	-	-	-	-	-	-	-	-
Services[2]	88,100	-	-	-	-	-	-	-	-	-
Long-Term Debt - Interest[9]	-	-	-	-	-	-	-	-	-	-
Capital[3]	-	-	-	-	-	-	-	-	-	-
Interdepartmental Charges[4]	91,600	94,800	98,100	101,500	105,100	108,800	112,600	116,500	120,600	124,800
Financial[5]	39,000	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**1,005,400**	**195,100**	**201,900**	**208,900**	**216,300**	**223,900**	**231,700**	**239,800**	**248,200**	**256,900**
REVENUES:										
Federal/Provincial Grants	-									
Property Tax Revenue[6]		(98,100)	(101,500)	(105,100)	(108,800)	(112,600)	(116,500)	(120,600)	(124,800)	(129,200)
Financial Charges/Investment Income[7]	(3,700)	-	-	-	-	-	-	-	-	-
Fees & Service Charges[8]	(1,582,700)	-	-	-	-	-	-	-	-	-
Transfer From Reserve & Reserve Funds										
TOTAL REVENUES	**(1,586,400)**	**(98,100)**	**(101,500)**	**(105,100)**	**(108,800)**	**(112,600)**	**(116,500)**	**(120,600)**	**(124,800)**	**(129,200)**
PROJECTED NET OPERATING REQUIREMENT	**(581,000)**	**97,000**	**100,400**	**103,800**	**107,500**	**111,300**	**115,200**	**119,200**	**123,400**	**127,700**
Long-Term Debt - Principal[9]	-	-	-	-	-	-	-	-	-	-
Transfer To Reserves & Reserve Funds[10]	147,000	-	-	-	-	-	-	-	-	-
TOTAL FINANCING	**147,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
PROJECTED NET LEVY REQUIREMENT	**(434,000)**	**97,000**	**100,400**	**103,800**	**107,500**	**111,300**	**115,200**	**119,200**	**123,400**	**127,700**
$ CHANGE		**531,000**	**3,400**	**3,400**	**3,700**	**3,800**	**3,900**	**4,000**	**4,200**	**4,300**
% CHANGE		**-122.4%**	**3.5%**	**3.4%**	**3.6%**	**3.5%**	**3.5%**	**3.5%**	**3.5%**	**3.5%**

NOTES AND ASSUMPTIONS:

1 - Salaries & benefits – Some staff may be retained and redistributed within the Operations Division.
2 - Materials, supplies and services – All costs removed.
3 - Capital – All costs removed
4 - Interdepartmental charges - Not true savings due, as these costs would just be redistributed to other County departments.
5 - **Financial** - All costs removed
6 - Property Tax Revenue - Estimated property tax revenue if privately owned. Currently exempt. Assumes Levy increases with inflation for illustrative purposes.
7 - **Other revenues** – All revenue removed
8 - Fees & service charges – All revenue removed.
9 - Long-term debt – All capital financing commitments related to the marinas, including current liabilities would be transferred to the buyer.
10 - Reserve transfers – contributions would cease and reserve balance at time of sale would be utilized to support ongoing PRHM capital requirements which is deemed to be sufficient based on the current 10-year capital plan.

Exhibit 6.3 - Option 3B - 2024-2033 Pro Forma Operating Statements - Sale of PDHM Only - Port Rowan Harbour Marina

Port Rowan Harbour Marina
Pro Forma Operating Statement
For the Years Ended Dec 31st 2024-2033

	Budget 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030	Projected 2031	Projected 2032	Projected 2033
EXPENDITURES:										
Salaries & Benefits[1]	26,200	-	-	-	-	-	-	-	-	-
Materials & Supplies	14,700	15,200	15,700	16,200	16,800	17,400	18,000	18,600	19,300	20,000
Services	24,400	25,300	26,200	27,100	28,000	29,000	30,000	31,100	32,200	33,300
Long-Term Debt - Interest[5]	10,500	8,800	7,000	5,200	3,300	1,500	-	-	-	-
Capital[2]	-	-	-	-	-	-	-	-	-	-
Interdepartmental Charges[3]	39,900	41,300	42,700	44,200	45,700	47,300	49,000	50,700	52,500	54,300
Financial	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**115,700**	**90,600**	**91,600**	**92,700**	**93,800**	**95,200**	**97,000**	**100,400**	**104,000**	**107,600**
REVENUES:										
Federal/Provincial Grants	-									
Financial Charges/Investment Income	(7,500)	(7,800)	(8,100)	(8,400)	(8,700)	(9,000)	(9,300)	(9,600)	(9,900)	(10,200)
Fees & Service Charges[4]	(79,800)	(82,600)	(86,000)	(89,600)	(92,900)	(96,700)	(100,600)	(104,300)	(108,700)	(112,700)
Rentals/Leases										
Land &/or Building Rental	-	-	-	-	-	-	-	-	-	-
Dockage(Seasonal)	(26,600)	(27,400)	(28,500)	(29,600)	(30,600)	(31,700)	(32,700)	(33,800)	(35,300)	(36,400)
Dockage(Transient)	-	-	-	-	-	-	-	-	-	-
Dockage(Dry)	-	-	-	-	-	-	-	-	-	-
Dock Box Rental	-	-	-	-	-	-	-	-	-	-
Dockage/Tenders (Small items)	(300)	(300)	(400)	(400)	(400)	(400)	(400)	(400)	(400)	(500)
Winter Storage	-	-	-	-	-	-	-	-	-	-
Cradle Storage	-	-	-	-	-	-	-	-	-	-
Boathouse Water Lot Rental	(46,900)	(48,700)	(50,700)	(53,000)	(55,000)	(57,500)	(60,100)	(62,500)	(65,100)	(67,600)
Other User Fees & Service Charges										
Lifts & Launches	-	-	-	-	-	-	-	-	-	-
Rampage Fees	(6,000)	(6,200)	(6,400)	(6,600)	(6,900)	(7,100)	(7,400)	(7,600)	(7,900)	(8,200)
Waste Disposal	-	-	-	-	-	-	-	-	-	-
Sales of Goods										
Concession Sales	-	-	-	-	-	-	-	-	-	-
Fuel & Oil Sales	-	-	-	-	-	-	-	-	-	-
Total Fees & Service Charges										
Transfer From Reserve & Reserve Funds										
TOTAL REVENUES	**(87,300)**	**(90,400)**	**(94,100)**	**(98,000)**	**(101,600)**	**(105,700)**	**(109,900)**	**(113,900)**	**(118,600)**	**(122,900)**
PROJECTED NET OPERATING REQUIREMENT	**28,400**	**200**	**(2,500)**	**(5,300)**	**(7,800)**	**(10,500)**	**(12,900)**	**(13,500)**	**(14,600)**	**(15,300)**
Long-Term Debt - Principal[5]	67,400	69,100	70,900	72,700	74,600	76,400	-	-	-	-
Transfer To Reserves & Reserve Funds[6]	35,000	36,200	37,500	38,800	40,200	41,600	43,100	44,600	46,200	47,800
TOTAL FINANCING	**102,400**	**105,300**	**108,400**	**111,500**	**114,800**	**118,000**	**43,100**	**44,600**	**46,200**	**47,800**
PROJECTED NET LEVY REQUIREMENT	**130,800**	**105,500**	**105,900**	**106,200**	**107,000**	**107,500**	**30,200**	**31,100**	**31,600**	**32,500**
$ CHANGE		**(25,300)**	**400**	**300**	**800**	**500**	**(77,300)**	**900**	**500**	**900**
% CHANGE		**-19.3%**	**0.4%**	**0.3%**	**0.8%**	**0.5%**	**-71.9%**	**3.0%**	**1.6%**	**2.8%**

NOTES AND ASSUMPTIONS:

Forecast period – Although it is unlikely that any decision would be effective January 1, 2025, the forecast period of 2025-2033 was chosen to coincide with the current approved 10-year capital plan for illustrative purposes.

Inflation – Unless otherwise noted, it is assumed that all expense categories, including salaries and benefits will increase at a rate of 3.5% annually which is the underlying inflationary assumption.

1 - Salaries & benefits – PRHM staffing consisted only of a portion of the PDHM manager's time. Ongoing staffing impact is reflected in the retained staffing figure shown under PDHM.

2 - Capital – Minor capital items are discretionary and therefore have been ignored.

3 - Interdepartmental charges - As a County department, the marinas would continue to to receive allocations for internal support services.

4 - Fees & service charges – Applied inflationary increases only due to limited impact of extreme increases and lack of justification due to passive marina status.

5 - Long-term debt – includes remaining PRHM debt servicing costs expiring in 2029.

6 - Reserve transfers – Additional transfers would not be warranted based on the current 10-year Capital Plan and reserve balance after removal of PDHM commitments.

Exhibit 7 - Option 3B - 2024-2033 Pro Forma Operating Statements - Sale of PRHM Only

Exhibit 7.1 - Option 3B - 2024-2033 Pro Forma Operating Statements - Sale of PRHM Only - Combined Marinas

Norfolk County Marinas
Pro Forma Operating Statement
For the Years Ended Dec 31st 2024-2033

	Budget 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030	Projected 2031	Projected 2032	Projected 2033
EXPENDITURES:										
Salaries & Benefits[1]	380,000	564,200	583,900	604,400	625,500	647,400	670,100	693,500	717,800	742,900
Materials & Supplies	447,600	448,100	463,800	480,000	496,800	514,200	532,200	550,800	570,100	590,100
Services	112,500	91,200	94,400	97,700	101,100	104,600	108,300	112,100	116,000	120,100
Long-Term Debt - Interest[6]	10,500	-	-	-	-	491,400	529,200	499,900	650,400	611,100
Capital[2]	-	-	-	-	-	-	-	-	-	-
Interdepartmental Charges[3]	131,500	136,100	140,800	145,700	150,800	156,100	161,600	167,200	173,100	179,100
Financial	39,000	40,400	41,800	43,300	44,800	46,400	48,000	49,700	51,400	53,200
TOTAL EXPENDITURES	**1,121,100**	**1,280,000**	**1,324,700**	**1,371,100**	**1,419,000**	**1,960,100**	**2,049,400**	**2,073,200**	**2,278,800**	**2,296,500**
REVENUES:										
Federal/Provincial Grants	-	-	-	-	-	-	-	-	-	-
Property Tax Revenue[4]	-	(11,200)	(11,600)	(12,000)	(12,400)	(12,800)	(13,200)	(13,700)	(14,200)	(14,700)
Financial Charges/Investment Income	(11,200)	(3,800)	(3,900)	(4,000)	(4,100)	(4,200)	(4,300)	(4,500)	(4,700)	(4,900)
Fees & Service Charges[5]	(1,662,500)	(1,954,800)	(2,158,800)	(2,357,700)	(2,556,600)	(3,684,700)	(3,855,900)	(3,914,300)	(4,352,800)	(4,413,100)
Rentals/Leases										
Land &/or Building Rental	(20,200)	(20,900)	(21,600)	(22,400)	(23,200)	(24,000)	(24,800)	(25,700)	(26,600)	(27,500)
Dockage(Seasonal)	(1,029,900)	(1,301,700)	(1,459,400)	(1,614,500)	(1,769,200)	(2,692,400)	(2,822,100)	(2,859,000)	(3,209,400)	(3,246,900)
Dockage(Transient)	(13,500)	(17,300)	(19,300)	(21,200)	(23,100)	(34,800)	(36,600)	(36,800)	(41,200)	(41,600)
Dockage(Dry)	(30,300)	(39,500)	(44,400)	(48,900)	(53,600)	(81,500)	(85,400)	(86,500)	(97,300)	(98,400)
Dock Box Rental	(3,000)	(3,900)	(4,400)	(4,800)	(5,300)	(8,000)	(8,400)	(8,500)	(9,500)	(9,600)
Dockage/Tenders (Small items)	(4,300)	(5,200)	(5,800)	(6,400)	(7,000)	(10,600)	(11,100)	(11,200)	(12,600)	(12,700)
Winter Storage	(88,900)	(113,800)	(128,200)	(140,700)	(153,100)	(231,800)	(242,200)	(244,300)	(273,300)	(275,500)
Cradle Storage	(8,600)	(11,200)	(12,500)	(13,800)	(15,100)	(23,100)	(24,100)	(24,400)	(27,300)	(27,600)
Boathouse Water Lot Rental	(46,900)	-	-	-	-	-	-	-	-	-
Other User Fees & Service Charges		-	-	-	-	-	-	-	-	-
Lifts & Launches	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
Rampage Fees	(51,600)	(58,900)	(65,800)	(72,300)	(78,800)	(119,600)	(126,000)	(127,600)	(143,700)	(145,400)
Waste Disposal	(18,500)	(23,900)	(26,800)	(29,500)	(32,000)	(49,300)	(51,700)	(52,400)	(59,100)	(59,700)
Sales of Goods		-	-	-	-	-	-	-	-	-
Concession Sales	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
Fuel & Oil Sales	(334,800)	(346,500)	(358,600)	(371,200)	(384,200)	(397,600)	(411,500)	(425,900)	(440,800)	(456,200)
Total Fees & Service Charges										
Transfer From Reserve & Reserve Funds										
TOTAL REVENUES	**(1,673,700)**	**(1,969,800)**	**(2,174,300)**	**(2,373,700)**	**(2,573,100)**	**(3,701,700)**	**(3,873,400)**	**(3,932,500)**	**(4,371,700)**	**(4,432,700)**
PROJECTED NET OPERATING REQUIREMENT	**(552,600)**	**(689,800)**	**(849,600)**	**(1,002,600)**	**(1,154,100)**	**(1,741,600)**	**(1,824,000)**	**(1,859,300)**	**(2,092,900)**	**(2,136,200)**
Long-Term Debt - Principal[6]	67,400	-	-	-	-	575,000	650,000	650,000	875,000	875,000
Transfer To Reserves & Reserve Funds[7]	182,000	301,600	453,700	603,200	750,000	750,000	750,000	750,000	750,000	750,000
TOTAL FINANCING	**249,400**	**301,600**	**453,700**	**603,200**	**750,000**	**1,325,000**	**1,400,000**	**1,400,000**	**1,625,000**	**1,625,000**
PROJECTED NET LEVY REQUIREMENT	**(303,200)**	**(388,200)**	**(395,900)**	**(399,400)**	**(404,100)**	**(416,600)**	**(424,000)**	**(459,300)**	**(467,900)**	**(511,200)**
$ CHANGE		**(85,000)**	**(7,700)**	**(3,500)**	**(4,700)**	**(12,500)**	**(7,400)**	**(35,300)**	**(8,600)**	**(43,300)**
% CHANGE		**28.0%**	**2.0%**	**0.9%**	**1.2%**	**3.1%**	**1.8%**	**8.3%**	**1.9%**	**9.3%**

NOTES AND ASSUMPTIONS:

Forecast period – Although it is unlikely that any decision would be effective January 1, 2025, the forecast period of 2025-2033 was chosen to coincide with the current approved 10-year capital plan for illustrative purposes.

Inflation – Unless otherwise noted, it is assumed that all expense categories, including salaries and benefits will increase at a rate of 3.5% annually which is the underlying inflationary assumption. The projected Net Levy Surplus is also projected to increase with inflation to be considered sustainable and maintain the same Levy impact relative to costs.

1 - Salaries & benefits – Staff have indicated that current staffing levels are not realistic or optimal for long-term sustainability. Based on the required positions identified by staff, retaining PDHM would increase salaries and benefits costs by $170,900 in year 1. This change has been incorporated into 2025 projections. As PDHM is the only actively staffed marina, the impact would be the same as retaining both marinas.

2 - Capital – Minor capital items are discretionary and therefore have been ignored.

3 - Interdepartmental charges - As a County department, the marinas would continue to to receive allocations for internal support services. Includes PRHM allocations as these are not true savings to the County and would just be redistributed.

4 - Property Tax Revenue - Estimated property tax revenue if privately owned. Currently exempt. Assumes Levy increases with inflation for illustrative purposes.

5 - Fees & service charges – Adjusted user fee rates to offset the increases in expenditures each year and achieve the target surplus growth focused on PDHM.

6 - Long-term debt – includes forecasted debt servicing costs in the year the project is budgeted within the 2024-2033 Capital Plan (see **Exhibit 2**).

7 - Reserve transfers – Projections include additional asset management contributions that have been phased in until the recommended $750K is achieved in 2028. Would not change if PRHM is sold as most capital is attributable to PDHM.

Exhibit 7.2 - Option 3B - 2024-2033 Pro Forma Operating Statements - Sale of PRHM Only - Port Dover Harbour Marina

Port Dover Harbour Marina
Pro Forma Operating Statement
For the Years Ended Dec 31st 2024-2033

	Budget 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030	Projected 2031	Projected 2032	Projected 2033
EXPENDITURES:										
Salaries & Benefits[1]	353,800	537,100	555,900	575,400	595,500	616,300	637,900	660,200	683,300	707,200
Materials & Supplies	432,900	448,100	463,800	480,000	496,800	514,200	532,200	550,800	570,100	590,100
Services	88,100	91,200	94,400	97,700	101,100	104,600	108,300	112,100	116,000	120,100
Long-Term Debt - Interest[5]	-	-	-	-	-	491,400	529,200	499,900	650,400	611,100
Capital[2]	-	-	-	-	-	-	-	-	-	-
Interdepartmental Charges[3]	91,600	94,800	98,100	101,500	105,100	108,800	112,600	116,500	120,600	124,800
Financial	39,000	40,400	41,800	43,300	44,800	46,400	48,000	49,700	51,400	53,200
TOTAL EXPENDITURES	**1,005,400**	**1,211,600**	**1,254,000**	**1,297,900**	**1,343,300**	**1,881,700**	**1,968,200**	**1,989,200**	**2,191,800**	**2,206,500**
REVENUES:										
Federal/Provincial Grants	-									
Financial Charges/Investment Income	(3,700)	(3,800)	(3,900)	(4,000)	(4,100)	(4,200)	(4,300)	(4,500)	(4,700)	(4,900)
Fees & Service Charges[4]	(1,582,700)	(1,954,800)	(2,158,800)	(2,357,700)	(2,556,600)	(3,684,700)	(3,855,900)	(3,914,300)	(4,352,800)	(4,413,100)
Rentals/Leases										
Land &/or Building Rental	(20,200)	(20,900)	(21,600)	(22,400)	(23,200)	(24,000)	(24,800)	(25,700)	(26,600)	(27,500)
Dockage(Seasonal)	(1,003,300)	(1,301,700)	(1,459,400)	(1,614,500)	(1,769,200)	(2,692,400)	(2,822,100)	(2,859,000)	(3,209,400)	(3,246,900)
Dockage(Transient)	(13,500)	(17,300)	(19,300)	(21,200)	(23,100)	(34,800)	(36,600)	(36,800)	(41,200)	(41,600)
Dockage(Dry)	(30,300)	(39,500)	(44,400)	(48,900)	(53,600)	(81,500)	(85,400)	(86,500)	(97,300)	(98,400)
Dock Box Rental	(3,000)	(3,900)	(4,400)	(4,800)	(5,300)	(8,000)	(8,400)	(8,500)	(9,500)	(9,600)
Dockage/Tenders (Small items)	(4,000)	(5,200)	(5,800)	(6,400)	(7,000)	(10,600)	(11,100)	(11,200)	(12,600)	(12,700)
Winter Storage	(88,900)	(113,800)	(128,200)	(140,700)	(153,100)	(231,800)	(242,200)	(244,300)	(273,300)	(275,500)
Cradle Storage	(8,600)	(11,200)	(12,500)	(13,800)	(15,100)	(23,100)	(24,100)	(24,400)	(27,300)	(27,600)
Boathouse Water Lot Rental	-	-	-	-	-	-	-	-	-	-
Other User Fees & Service Charges										
Lifts & Launches	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
Rampage Fees	(45,600)	(58,900)	(65,800)	(72,300)	(78,800)	(119,600)	(126,000)	(127,600)	(143,700)	(145,400)
Waste Disposal	(18,500)	(23,900)	(26,800)	(29,500)	(32,000)	(49,300)	(51,700)	(52,400)	(59,100)	(59,700)
Sales of Goods										
Concession Sales	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
Fuel & Oil Sales	(334,800)	(346,500)	(358,600)	(371,200)	(384,200)	(397,600)	(411,500)	(425,900)	(440,800)	(456,200)
Total Fees & Service Charges										
Transfer From Reserve & Reserve Funds										
TOTAL REVENUES	**(1,586,400)**	**(1,958,600)**	**(2,162,700)**	**(2,361,700)**	**(2,560,700)**	**(3,688,900)**	**(3,860,200)**	**(3,918,800)**	**(4,357,500)**	**(4,418,000)**
PROJECTED NET OPERATING REQUIREMENT	**(581,000)**	**(747,000)**	**(908,700)**	**(1,063,800)**	**(1,217,400)**	**(1,807,200)**	**(1,892,000)**	**(1,929,600)**	**(2,165,700)**	**(2,211,500)**
Long-Term Debt - Principal[5]	-	-	-	-	-	575,000	650,000	650,000	875,000	875,000
Transfer To Reserves & Reserve Funds[6]	147,000	301,600	453,700	603,200	750,000	750,000	750,000	750,000	750,000	750,000
TOTAL FINANCING	**147,000**	**301,600**	**453,700**	**603,200**	**750,000**	**1,325,000**	**1,400,000**	**1,400,000**	**1,625,000**	**1,625,000**
PROJECTED NET LEVY REQUIREMENT	**(434,000)**	**(445,400)**	**(455,000)**	**(460,600)**	**(467,400)**	**(482,200)**	**(492,000)**	**(529,600)**	**(540,700)**	**(586,500)**
$ CHANGE		**(11,400)**	**(9,600)**	**(5,600)**	**(6,800)**	**(14,800)**	**(9,800)**	**(37,600)**	**(11,100)**	**(45,800)**
% CHANGE		**2.6%**	**2.2%**	**1.2%**	**1.5%**	**3.2%**	**2.0%**	**7.6%**	**2.1%**	**8.5%**

NOTES AND ASSUMPTIONS:

Forecast period – Although it is unlikely that any decision would be effective January 1, 2025, the forecast period of 2025-2033 was chosen to coincide with the current approved 10-year capital plan for illustrative purposes.

Inflation – Unless otherwise noted, it is assumed that all expense categories, including salaries and benefits will increase at a rate of 3.5% annually which is the underlying inflationary assumption. The projected Net Levy Surplus is also projected to increase with inflation to be considered sustainable and maintain the same Levy impact relative to costs.

1 - Salaries & benefits – Staff have indicated that current staffing levels are not realistic or optimal for long-term sustainability. Based on the required positions identified by staff, retaining PDHM would increase salaries and benefits costs by $170,900 in year 1. This change has been incorporated into 2025 projections. As PDHM is the only actively staffed marina, the impact would be the same as retaining both marinas.

2 - Capital – Minor capital items are discretionary and therefore have been ignored.

3 - Interdepartmental charges - As a County department, the PDHM would continue to to receive allocations for internal support services.

4 - Fees & service charges – Adjusted user fee rates to offset the increases in expenditures each year and achieve the target surplus growth focused on PDHM.

5 - Long-term debt – includes forecasted debt servicing costs in the year the project is budgeted within the 2024-2033 Capital Plan (see **Exhibit 2**).

6 - Reserve transfers – Projections include additional asset management contributions that have been phased in until the recommended $750K is achieved in 2028. Would not change if PRHM is sold as most capital is attributable to PDHM.

Exhibit 7.3 - Option 3B - 2024-2033 Pro Forma Operating Statements - Sale of PRHM Only - Port Rowan Harbour Marina

Port Rowan Harbour Marina
Pro Forma Operating Statement
For the Years Ended Dec 31st 2024-2033

	Budget 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030	Projected 2031	Projected 2032	Projected 2033
EXPENDITURES:										
Salaries & Benefits[1]	26,200	27,100	28,000	29,000	30,000	31,100	32,200	33,300	34,500	35,700
Materials & Supplies[2]	14,700	-	-	-	-	-	-	-	-	-
Services[2]	24,400	-	-	-	-	-	-	-	-	-
Long-Term Debt - Interest[9]	10,500	-	-	-	-	-	-	-	-	-
Capital[3]	-	-	-	-	-	-	-	-	-	-
Interdepartmental Charges[4]	39,900	41,300	42,700	44,200	45,700	47,300	49,000	50,700	52,500	54,300
Financial[5]	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	**115,700**	**68,400**	**70,700**	**73,200**	**75,700**	**78,400**	**81,200**	**84,000**	**87,000**	**90,000**
REVENUES:										
Federal/Provincial Grants	-									
Property Tax Revenue[6]		(11,200)	(11,600)	(12,000)	(12,400)	(12,800)	(13,200)	(13,700)	(14,200)	(14,700)
Financial Charges/Investment Income[7]	(7,500)	-	-	-	-	-	-	-	-	-
Fees & Service Charges[8]	(79,800)	-	-	-	-	-	-	-	-	-
Transfer From Reserve & Reserve Funds										
TOTAL REVENUES	**(87,300)**	**(11,200)**	**(11,600)**	**(12,000)**	**(12,400)**	**(12,800)**	**(13,200)**	**(13,700)**	**(14,200)**	**(14,700)**
PROJECTED NET OPERATING REQUIREMENT	**28,400**	**57,200**	**59,100**	**61,200**	**63,300**	**65,600**	**68,000**	**70,300**	**72,800**	**75,300**
Long-Term Debt - Principal[9]	67,400	-	-	-	-	-	-	-	-	-
Transfer To Reserves & Reserve Funds[10]	35,000	-	-	-	-	-	-	-	-	-
TOTAL FINANCING	**102,400**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
PROJECTED NET LEVY REQUIREMENT	**130,800**	**57,200**	**59,100**	**61,200**	**63,300**	**65,600**	**68,000**	**70,300**	**72,800**	**75,300**
$ CHANGE		**(73,600)**	**1,900**	**2,100**	**2,100**	**2,300**	**2,400**	**2,300**	**2,500**	**2,500**
% CHANGE		**-56.3%**	**3.3%**	**3.6%**	**3.4%**	**3.6%**	**3.7%**	**3.4%**	**3.6%**	**3.4%**

NOTES AND ASSUMPTIONS:

1 - Salaries & benefits – Some staff may be retained and redistributed with the Operations Division. Current Port Rowan staffing represents a portion of the marina managers time and therefore have not been included as true savings.
2 - Materials, supplies and services – All costs removed.
3 - Capital – All costs removed
4 - Interdepartmental charges - Not true savings due, as these costs would just be redistributed to other County departments.
5 - **Financial** - All costs removed
6 - Property Tax Revenue - stimated property tax revenue if privately owned. Currently exempt. Assumes Levy increases with inflation for illustrative purposes.
7 - **Other revenues** – All revenue removed
8 - Fees & service charges – All revenue removed.
9 - Long-term debt – All capital financing commitments related to the marinas, including current liabilities would be transferred to the buyer.
10 - Reserve transfers – contributions would cease and reserve balance at time of sale would be directed to other reserves or as Council deems appropriate.