

From: Ian Hall <ian.hall@scrd.ca>

Sent: August 21, 2020 9:59 AM

To: Kate-Louise Stamford <kstamford@islandstrust.bc.ca>

Cc: Dean McKinley <Dean.McKinley@scrd.ca>; DL - Directors <dl-board@scrd.ca>

Subject: RE: Actuals for Keats Landing Dock - Information for Islands Trust

Hi Kate-Louise,

I've done some thinking about your question and can offer some info in reply.

The SCRD Ports service has a 2020 total approved budget of \$938.5K. The operating budget in 2020 is \$499.2K. The increment between \$499.2 and \$938.5 includes annual capital contributions and debt service related to recent major capital projects (which was grant-matched). I believe one-time costs related to damage that will be covered by insurance are also included in the total figure.

A detailed financial update on the SCRD Ports service package was shared with Islands Trust early in 2018. The memo sent to you then included a staff report which is online here:

<https://www.scrd.ca/files/File/Administration/Agendas/2018/2018-JAN-18%20ISC%20Agenda%20Package.pdf>

Since 2018, we are seeing that:

1. Construction costs are higher than was modelled in 2017/2018 – as high as double in some cases
2. More variable and extreme weather is putting more pressure on (aging) docks
3. Engineering and environmental services are increasingly required
4. There continue to be regulatory and risk management needs associated with operating docks: signage, cranes, fire code, ladders, railings, etc. – some of these will drive new costs
5. Communication and regulatory/enforcement demands are increasing as the Coast grows

Looking at SCRD docks overall, our current service standard is 3 inspections and rounds of preventative maintenance per year. We find this to work well and the community responds positively that maintenance is adequate. On top of that, we make 1-4 emergency visits to each dock per year to remedy some specific issue (storm damage, collision damage, etc.). The location of each dock and type of vessel/trades required determines costs. Materials for repairs are extra, and we try to have repairs done while preventative maintenance is being completed to avoid extra mobilization costs. This service level keeps docks open and safe, but that is all – it is a very basic service level.

Staff don't have the capability to easily develop detailed breakdowns on an individual facility level; and they might be so site-specific and time-specific that they wouldn't be able to be extrapolated to other locations. For instance, I started looking into this for Keats Landing, and quickly realized that things like mobilizations costs (which are from Gibsons based on where the contractor is) would be quite low as compared to any other location and that some special costs are attached to the facility in 2019/2020 due to a barge collision (some of which will be recovered through insurance).

I can say that the simple math of dividing the service budget by 9 yields figures that are representative of what it takes to keep a dock like Keats Landing up: so about \$105K/year, of which half is capital and the other half operating. Keats is bigger than some docks, but is easy/low cost to access. Investment at that level is ***just enough*** to keep the dock open, and we are under constant pressure to sustain the

service. Reserves for the service are limited. One big storm or one new regulation could really challenge SCRD. We are fortunate to benefit from community volunteers who contribute a lot of information and guidance to the service and their work doesn't show up in the budget. So... \$105K/year is a rough estimate of annual costs for Keats Landing, but there are factors that will make maintaining that level a challenge going forward.

I hope this info is helpful to your continued work.

Thanks,

Ian Hall
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From: Kate-Louise Stamford [<mailto:kstamford@islandstrust.bc.ca>]
Sent: Friday, August 14, 2020 10:29 AM
To: Ian Hall <Ian.Hall@scrd.ca>
Subject: Actuals for Keats Landing Dock

External Message

Ian

I'm hoping you can help me. There is very little information available for the New Brighton Dock in terms of actual costs and it may be a while before we can see anything. I wonder how difficult it would be to see 3-5 years of actual cost for the Keats Landing Dock as it is the closest in size and use to the New Brighton. Things like how often a safety inspection is done and its cost, what the insurance cost is etc. I understand if the dock costs are lumped together but is there a % estimate for how much is for KL?

Grateful for any help you can provide.

Warm Regards,

Kate-Louise Stamford
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