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**REPORT TO ELECTORAL AREA SERVICES COMMITTEE  
MEETING OF WEDNESDAY, 02 FEBRUARY, 2011**

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**SUBJECT      FERNWOOD DOCK REQUISITION INCREASE AND MANAGEMENT COMMISSION  
MEMBERSHIP CRITERIA AMENDMENT**

**ISSUE**

A secure revenue stream is needed to ensure the Fernwood Dock's long-term sustainability and a membership criterion for the Fernwood Dock Management Commission needs to be simplified.

**BACKGROUND**

Ownership of the Fernwood Dock was transferred to the CRD from Transport Canada in 2002 along with \$280,000 in funding to cover dock maintenance and capital upgrading. Based on recommendations resulting from an engineering review commissioned by the CRD, many upgrades to the dock have been completed and several more are required over the next five years.

The Federal funding that accompanied the dock's transfer to the CRD was sufficient to cover operation and maintenance cost during the first nine years of ownership. Five year projections forecast a capital investment of approximately \$55,600 in addition to annual operating costs of approximately \$32,000. In addition, major capital work estimated at approximately \$325,000 will be required as of 2026. A secure revenue stream is therefore required to ensure the dock's long-term sustainability. Without this revenue, the dock cannot be maintained and upgraded to the required standard and it will need to be decommissioned and removed. The current fund will soon be inadequate to cover dock decommissioning and removal costs, thus creating a potential liability for the CRD.

Time is of the essence to determine a direction for the Fernwood Dock – either to provide it with a secure revenue stream by adding a maximum requisition to its bylaw, or to begin in earnest the process of decommissioning the dock. The Fernwood Dock Commission favours introduction of a requisition to support continued operation the dock. In its view, the community would be strongly opposed to decommissioning this long-standing and well-used community amenity that is identified as a key access point in the case of an emergency.

As part of this submission, an amendment to the Fernwood Dock Management Commission is also recommended. Currently, the size of the commission and the requirement to have off-island representation has made member recruitment difficult, often resulting in the failure to achieve quorum. It is therefore proposed that the membership criteria be amended to include 5 members instead of 7 and to allow all members of the Commission to represent Salt Spring Island.

**ALTERNATIVES**

1. a) That bylaw No. 3761 cited as "Small Craft Harbour Facilities (Salt Spring Island) Service Establishment Bylaw No. 1, 1999, Amendment Bylaw No. 1, 2011" be introduced and read a first time, read a second time, and read a third time;  
b) That bylaw No. 3762 cited as "Fernwood Dock Management Commission Bylaw, 2002, Amendment Bylaw No. 1, 2011" be introduced and read a first time, read a second time, read a third time, and adopted.
2. That the CRD begin the process of decommissioning the Fernwood Dock.

## **IMPLICATIONS**

### Social Implications

The dock is important to the Salt Spring Island community as evidenced by the successful referendum in 1999 that approved establishment of the CRD service enabling transfer of the dock, with attendant operation and maintenance responsibilities, from the Federal Government to the CRD. Decommissioning the dock would draw strong opposition from the community; the dock is considered an important amenity and is identified as an emergency access point.

The membership criteria amendment is required to ensure the Commission can function effectively. Removing the requirement to have 2 off-island representatives will facilitate member recruitment and prevent the failure to achieve quorum.

### Economic Implications

The proposed maximum allowable requisition annually is the greater of \$162,800 or \$.05 per \$1000 of net taxable value of land and improvements in the service area. This equates to approximately \$24.97 per average household at 2011 assessed values. This revenue stream is essential for sustaining the dock. Without this revenue, the dock will need to be decommissioned and removed at significant expense which may soon be close to exceeding the remaining funds.

## **CONCLUSION**

A secure revenue stream is required to cover the Fernwood Dock's long-term maintenance, operation and capital upgrading costs which far exceed the funds remaining in the service. Without new revenue, the process of decommissioning the dock will need to begin in earnest using the remaining funds in the service. The Commission favours continued operation of the dock with the addition of a maximum requisition in the service bylaw as decommissioning the dock would draw strong community opposition and would remove a key emergency access point. The Commission also favours amending its membership criteria to allow all commission members to represent Salt Spring Island. This will facilitate membership recruitment and prevent the failure to achieve quorum.

## **RECOMMENDATIONS**

That the Electoral Area Services Committee recommend to the CRD Board that:

1. a) That bylaw No. 3761 cited as "Small Craft Harbour Facilities (Salt Spring Island) Service Establishment Bylaw No. 1, 1999, Amendment Bylaw No. 1, 2011" be introduced and read a first time, read a second time, and read a third time;
- b) That bylaw No. 3762 cited as "Fernwood Dock Management Commission Bylaw, 2002, Amendment Bylaw No. 1, 2011" be introduced and read a first time, read a second time, read a third time, and adopted.

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Roseline Ferré  
Grants Coordinator

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Diana E. Lokken  
General Manager, Corporate Services  
Concurrence

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Rajat Sharma  
Senior Manager, Financial Services Division

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Kelly Daniels  
C.A.O.  
Concurrence

**CAPITAL REGIONAL DISTRICT  
BYLAW NO. 3761**

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**A BYLAW TO AMEND BYLAW NO. 2730 BEING “SMALL CRAFT HARBOUR FACILITIES  
(SALT SPRING ISLAND) LOCAL SERVICE ESTABLISHMENT BYLAW NO. 1, 1999” TO  
INCLUDE A MAXIMUM REQUISITION**  
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The Board of the Capital Regional District in open meeting assembled enacts as follows:

1. Bylaw No. 2730 “Small Craft Harbour Facilities (Salt Spring Island) Local Service Establishment Bylaw No.1, 1999” is amended as follows:

a) By replacing Section 4 in its entirety with the following:

“4. Cost Recovery

As provided in Section 803 of the *Local Government Act*, the annual costs of providing the Service may be recovered by one or more of the following:

- (a) the requisition of money under Section 806 of the *Local Government Act* to be collected by a property value tax, based on land and improvements levied and collected under Section 806.1 of the *Local Government Act*,
- (b) parcel taxes imposed in accordance with Division 4.3 of Part 24 of the *Local Government Act*,
- (c) fees and charges imposed under Section 363 of the *Local Government Act*,
- (d) revenues raised by other means authorized under this or another Act;
- (e) revenues received by agreement, enterprise, gift, grant or otherwise.”

b) By replacing Section 5 in its entirety with the following:

“5. Maximum Requisition

In accordance with Section 800.1(1)(e) of the *Local Government Act*, the maximum amount that may be requisitioned annually for the cost of the Service is the greater of:

- (a) One Hundred Sixty-Two Thousand Eight Hundred Dollars (\$162,800); or
- (b) a property value tax rate of \$0.05 per One Thousand Dollars (\$1,000) that, when applied to the net taxable value of land and improvements in the Service Area, will yield the maximum amount that may be requisitioned for the Service.”

2. This Bylaw may be cited as the "Small Craft Harbour Facilities (Salt Spring Island) Service Establishment Bylaw No. 1, 1999, Amendment Bylaw No. 1, 2011".

CONSENTED TO by the Director of the Salt Spring Island Electoral Area under Section 801.5 of the *Local Government Act*.

READ A FIRST TIME THIS	th	day of	2011
READ A SECOND TIME THIS	th	day of	2011
READ A THIRD TIME THIS	th	day of	2011
APPROVED BY THE INSPECTOR OF MUNICIPALITIES THIS	th	day of	2011
ADOPTED THIS	th	day of	2011

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CHAIR

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CORPORATE OFFICER

FILED WITH THE INSPECTOR OF MUNICIPALITIES THIS<sup>th</sup> day of 2011

CAPITAL REGIONAL DISTRICT

BYLAW NO. 3762

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A BYLAW TO AMEND BYLAW NO. 3030 BEING "FERNWOOD DOCK MANAGEMENT COMMISSION BYLAW NO. 1, 2002" TO MODIFY THE MEMBERSHIP APPOINTMENT CRITERIA

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The Board of the Capital Regional District in open meeting assembled enacts as follows:

Appointment

By replacing Section 1 in its entirety with the following:

- "1. A harbour commission is hereby established and is to be known as the "Fernwood Dock Management Commission" and shall consist of five (5) members: (a) the Director representing the Electoral Area of Salt Spring Island; and (b) four (4) individuals representing Salt Spring Island

all of whom shall be appointed by resolution of the Regional Board.

Recommendations for all appointments shall be made to the Electoral Area Director who will then make a recommendation to the Regional Board. The Director will be guided by the recommendations from the Commission but is not bound by them."

Citation

- 2. This Bylaw may be cited as the "Fernwood Dock Management Commission Bylaw, 2002, Amendment Bylaw No. 1, 2011".

READ A FIRST TIME THIS day of
READ A SECOND TIME THIS day of
READ A THIRD TIME THIS day of
ADOPTED THIS day of

CHAIR

CORPORATE OFFICER

FILED WITH THE INSPECTOR OF MUNICIPALITIES THIS day of