



Town of Huntsville Staff Report

Meeting Date: March 1, 2023

To: General Committee

Report Number: OPS-2023-12

Confidential: No

Author(s): Tarmo Uukkivi, Director of Operations and Protective Services

Subject: Brunel Lift Locks - Service Level Change

Report Highlights

Report seeking Committee approval to change the service level for the Town operated Brunel Lift Locks that includes changes in hours of operation.

Recommendation

That: Committee approve a change in service level for the Brunel Lift Locks to weekends only - including holiday Mondays - for the 2023 boating season;

And Further That: Staff be directed to develop a communication strategy and plan to communicate the changes to the public;

And Further That: Staff be directed to monitor the usage of the locks - including number of vessels and revenues - and provide Council with a report on the usage of locks in November of 2023 with a service level recommendation for the 2024 boating season.

Background

The Brunel Lift Locks are currently owned and operated by the Town of Huntsville. The locks reopened in 1989 and the Town's then Heritage Committee approved the bronze historic plaque installation. The original locks were built in 1873. The locks operated as a linkage to Toronto, reducing the stage coach trip to Huntsville. During their first season of operation in 1879, the locks had a recorded 369 steamboats, 41 small boats, and 10 rafts being raised or lowered as they navigated the North Branch of the Muskoka River between Fairy Lake in the North and Mary Lake to the South.

Today, the use of these locks is limited. Boaters can access Mary Lake, Fairy Lake and Lake Vernon using the locks and associated river system. Navigation beyond these three lakes and the short

stretches of the Muskoka River is limited. The lift locks are predominantly used by Huntsville residents and property owners on Lake Vernon, Fairy Lake, and Mary Lake.

These lift locks are operated seasonally, weather dependent, running from the Victoria Day long weekend in May through the Thanksgiving weekend in October. The hours of operation are varied throughout the season with weekday operating hours only in the peak of the summer months from Canada Day through to Labour Day. The locks operate on weekends only from May Long weekend to Canada Day and weekends only from Labour Day through the Thanksgiving weekend. From Canada Day to Labour Day Monday, the locks operate 7 days per week.

The operating hours during the season, from the Victoria Day weekend Saturday through Thanksgiving Monday, are from 10 am to 6 pm each day. The total hours of operation for the season are 728 (91 days of the year for 8 hours per day). The hourly rate of a seasonal parks labourer, staffing the locks, is budgeted for 1,250 hours for a total cost of \$28,149. This is the largest operating cost for the operation of the locks. There are also other costs, including capital work that must be undertaken in the next few years to repair in-water retaining walls and the locks themselves. The capital costs are expected to be over \$1,500,000 to complete the required repairs and maintenance.

Usage was up for the 2020 and 2021 seasons based on sales of locks passes. These two seasons were during the pandemic and staff have concluded that the pandemic drove this increase in sales. Last season's **sales** (2022) had come back down to the 5-year **median average of \$9,874.00**.

The locks are operated at an annual operating loss of approximately \$19,396.40 per season.

In the first summer after the pandemic, Staff undertook a count of the boat traffic through the locks based on day of week and hour of day during the 2022 operating season.

Discussion

Locks Use During the 2022 Boating Season - May 21 through October 10

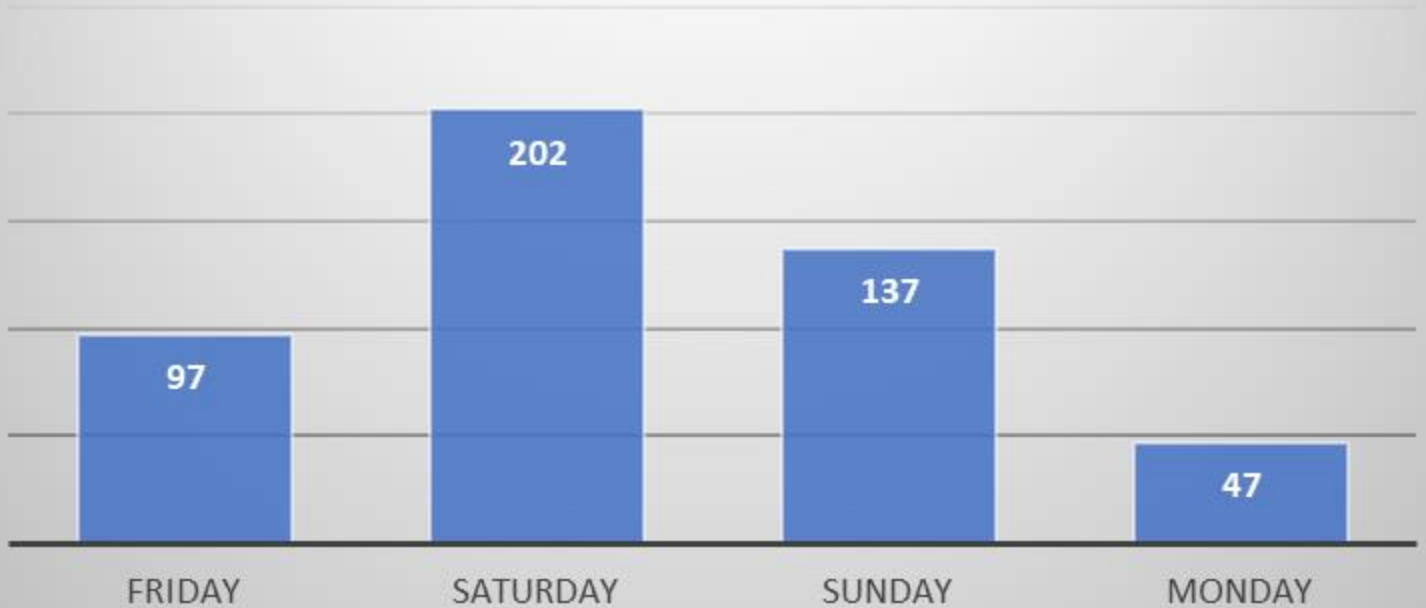
The **total number** of vessels using the locks for the entire 2022 season was **634**.

There were 15 days during the season where the locks were open to the public and there were zero (0) vessels recorded using the locks - a total of 120 operating hours with staffing costs of **\$4,639.95 with no off-setting revenues** (season passes would have very small allocations to these days).

At the current single pass rate of \$11.50 plus HST per trip, the number of vessels required to cover only the daily staffing costs is fourteen (14). Important Note: Season passes are also available at a cost of \$920. per year with an early purchase price before May 1st of \$75.00. The seasons passes are for unlimited use. Unlimited will have an impact on the cost recovery analysis. The locks operated a total of 91 days during the 2022 season. Sixty-one (61) out of the 91 operating days - or 67% (2/3) - had fewer than fourteen (14) vessels pass through the locks.

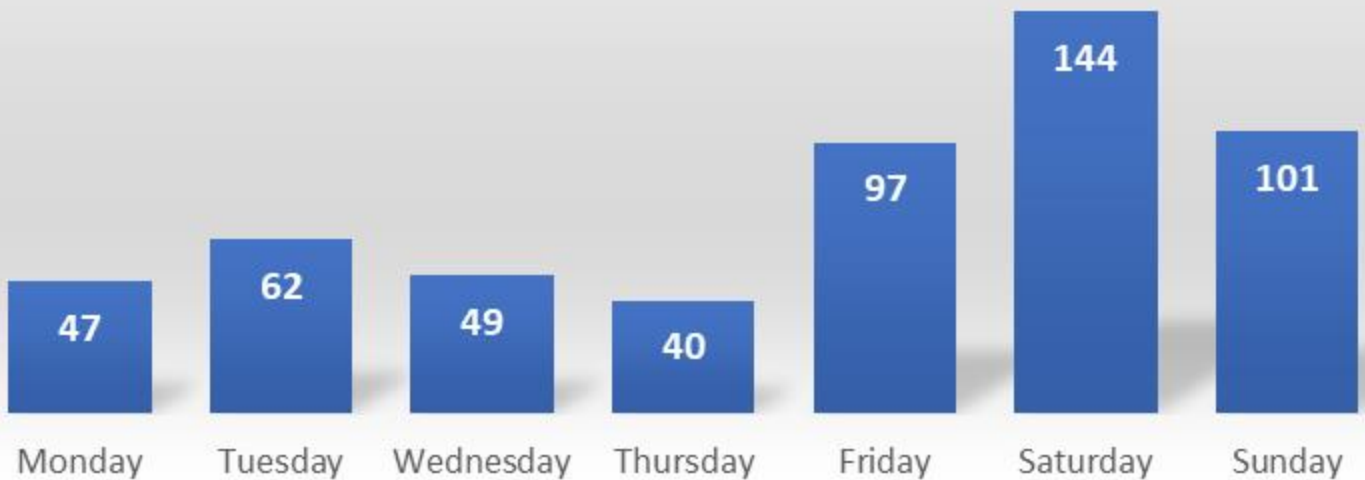
The heaviest use of the locks remains on the weekends. Saturdays and Sundays, followed by Fridays have the heaviest vessel traffic through the locks. Mondays - even when considering holiday Mondays - saw the second lowest day of week vessel usage of the locks. The following charts show locks usage:

2022 Weekend Brunel Locks Use May 21 through October 10



This first graph shows the weekend usage of the locks for the entire boating season. Fridays were included as many cottagers and visitors include Fridays as part of weekends as they travel to Huntsville and the surrounding area. Mondays are included to show the impact of the holiday Mondays (Victoria Day, Civic Holiday, Labour Day, and Thanksgiving Monday - Canada Day changes each year and is the start of the Town's traditional 7-day per week locks season).

Peak Season Locks Use by Day of Week July 1 through September 5 2022



This second graph shows the usage of the locks by day of week (each day, in aggregate for the total season) through the peak season beginning July 1 through September 5 in 2022. This graph clearly shows that the weekends, beginning with Fridays, are the peak use days.

The following table shows the Average Daily and Seasonal Revenues and the Major Daily and Seasonal Operating Cost of SWB include the daily and seasonal losses:

SWB Operating Cost per Day	\$309.33
Average Revenue per Day	\$96.18
Daily Profit/-Loss	-\$213.15
SWB Operating Cost per Season	\$28,149
Total Revenue 2022 Operating Season	\$8,752.65
2022 Season Estimated Profit/-Loss	-\$19,396.35

Locks Use Data Analysis

General

It is clear that the greatest use of the locks is during the peak summer period from July 1 through to Labour Day. Based on staff experience, 2022 was a typical year. The two prior years were anomalous in that they occurred during various phases of pandemic-related restrictions. Staff evaluation of this anomaly is that people were seeking opportunities for activities within established restrictions. Boating - within your household COVID "bubble" - likely satisfied the needs of people to get out of their usual pandemic routines, while respecting restrictions in place.

Further to the typical pattern of use in 2022, usage in May was only a total of 11 vessels or 1.7% of the total annual traffic and usage in October was a total of only 8 vessels or 1.3% of the total annual vessel traffic.

Operating Costs

The operating costs presented do not include all costs of operating the locks. In addition to staff salaries, there are additional administrative costs such as the work by the finance division in receiving, processing, and accounting for payments as well as Human Resources costs of hiring, training, and managing staff. Salaries represent the single largest cost of operation and are sufficient to demonstrate the financial impact of operating the locks. The operation of the locks must be funded by the levy because of the net loss in operations.

Changing Hours of Operation

Based on use, staff are recommending a reduction in the level of service at the locks. The recommendation goes further to suggest that staff continue to monitor use regardless of the service level established for the locks.

Based on the data collected, the recommended service hours are to have the locks operate on each **Friday, Saturday, and Sunday only, from 10 am to 6 pm beginning on June 1, 2023 through September 30, 2023.**

It is expected that some weekday use will shift to the new hours. As a rough estimate, staff have used 50% of the total Thursday and Monday use will shift to the new weekends-only service level. Using the 2022 numbers as a starting point, the expected use for the 2023 season under the new service level would be (very rough estimates):

	Friday	Saturday	Sunday	Total
Estimated Vessel Traffic (Based on Shifting Volumes)	122	143	162	427
2023 SWB Operating Costs	\$549.43	\$549.43	\$549.43	\$1,648.29
Estimated Revenue Based on 2022	\$1,490.50	\$1,747.06	\$1,979.19	\$5,216.75
Profit/-Loss	\$941.07	\$1,197.63	\$1,429.76	\$3,568.46

By changing hours of operation and the associated expected change in pattern of use, staff expect to have the established locks fees cover the costs of operation. The total of \$3,568.46 is only a profit in the sense that the fees collected exceed the direct staffing costs of operating the locks. This \$3,568.46 would be expected to cover all overhead costs (Finance, HR, etc.). Any further profit over costs of locks operation could go into a reserve to help fund capital work needed to repair and maintain the locks.

Options

Option #1: (Recommended) Change the service level to weekends only operation of the Brunel Lift Locks - including holiday Mondays - for the 2023 boating season. Staff develop a public communication strategy and plan to inform users of the change in service level. Staff monitor usage and make service level recommendation to Council at the November 2023 Committee meeting for the 2024 boating season.

Option #2: (Not recommended) Maintain existing service levels for the 2023 boating season and continue to monitor Locks usage and vessel traffic. Report back to Council at the November 2023 committee meeting making service level recommendations for the 2024 boating season.

Capital

There are no immediate capital costs that would be incurred with this change in service level.

It is anticipated that, with continued operation of the Lift Locks, capital repairs and maintenance work will be required in the 2024 season and beyond. This work will be necessary to ensure continuing

operation of the Locks and to maintain public safety. The capital costs are expected to exceed \$1,500,000.

Operational

The revenues in sales of passes are expected to slightly exceed the direct operating costs, meaning that operating the locks would come closer to being cost neutral for the Town.

Council Strategic Direction / Relevant Policies / Legislation / Resolutions

Council Strategic Direction

2.4 Roads and Infrastructure

2.4.3 Continuous Improvement

- a. Goal: Road and Infrastructure 3.1: Conduct an asset inventory of infrastructure and facilities and prepare an long-term management plan including disposition options where appropriate

2.5 Governance

2.5.1 Strategic Resource Allocation

- a. Goal: Gov 1.1: Link annual spending and capital investments to the priorities and objectives endorsed through this strategic plan
- d. Goal: Gov 1.4: Maximize rental revenues and usage for municipally owned rental facilities

2.5.3 Municipal Services and Operations

- a. Goal: Gov 3.1: Identify & apply efficiencies that provide value to citizens and/or staff as well as cost saving measures relating to operations and internal communications within the municipal system using Lean Methodologies and Continuous Improvement Process Model

Consultations

Tina Scott Burns - Lead Hand Parks and Horticulture

Lisa Smith - Manager, Human Resources

Respectfully Submitted: Tarmo Uukkivi, Director of Operations and Protective Services

Manager Approval (if required): _____

Director Approval: Tarmo Uukkivi, Director, Operations and Protective Services

CAO Approval: Denise Corry, Chief Administrative Officer