

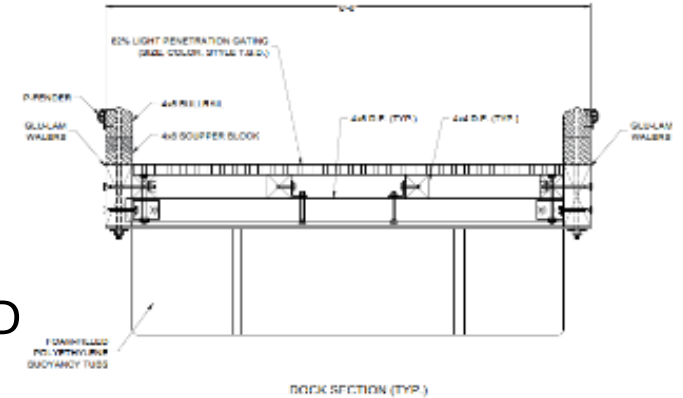
# BBV Marina Asset Study 2022



# BBV Marina Asset Study 2022 - Agenda

## Agenda

- List team members
- Dock history & Background
- Actions and Progress at this time
- Team's Charter - Replacement of Docks A, C, D
- Bids - Pro/Cons
- Payment Plan (To be discussed at Open Meeting)
- Recommendations
- Next Steps



# BBV Marina Asset Study 2022 - Team Members

---

## Committee

- Jen Callaghan - BBV General Manager
- Pete Hoemberg - Past BBV Board President, mechanical engineer
- David Luton - Retired Boeing Industrial Engineer & Project Manager
- Robert Simonds - Past Marina committee Chairman, project manager at Energy Systems
- Jim Thomson - 6 years on BBV Marina Committee and BBV Marina Dock Captain
- Rick Whitaker - Current Marina committee chairman, mechanical engineer and knowledge of marina repairs
- Sandy Zeitel - BBV Board Director

**The So What: BBV has knowledgeable people.....**

# BBV Marina Asset Study 2022 - Back Ground

## Our Beautiful Marina is Getting Old

---

- The marina was originally built in 1966 with two docks and a guest / gas dock. In 1981, the marina area was greatly expanded, and two additional docks were added.

BBV Docks are 56 – 41 years old



*BBV Marina circa 1976*

**The So What: The marina is 56 - 41 years old**

## BBV Marina Asset Study 2022 – Background Inputs from Team Member Jim Thomson

---

- The Marina Committee made three recommendations to the BBV Board of Directors April 19, 2012. These included replacing the B dock waterlines and replacing hinges and straps on A & B docks. These were approved. The third recommendation was to begin a replacement of the marina docks at the rate of 4-5 finger piers per year. This was slated for discussion at a future work session. **(No Follow Up)**
- The 2014 reserve study for the marina stated that the “Failure to perform [routine maintenance] can shorten the useful life of major components,…” Jim was on the Marina Committee for two terms starting in 2013. During that time we pressed management and the BOD to undertake serious maintenance and repair with good success from the Board but utter failure with management and staff. **(No Follow Up)**
- Previous reports from 2014, 2017, 2018, 2019 have stated that extensive maintenance and/or replacement is required
- A study of the condition of the docks in 2018 led us to conclude that the docks needed to be replaced. The board approved the replacement of the guest dock as the first installment.

**The So What: We must follow through to get things done and take care of our village assets.**

# BBV Marina Asset Study 2022 / Background Marina Survey Report 2018

---

- Evaluate report on the marina's docks, piling, and conditions.
  - Provided by: Surowiecki Brothers Construction from November 2018
- Based on the finding in the report: Due to the age of our marina we should expect to incur higher maintenance costs and recommend BBV implement replacement of the Docks.

2018 Birch Bay Village Marina Report



Performed By:

Surowiecki Brothers Construction LLC

**The So What: The marina is 56-41 years old, needs maintenance and replacement plan.**

# BBV Marina Asset Study 2022 – Background

## Marina Survey Report 2018

---

- Birch Bay Village Marina Report - Performed by: Surowiecki Brothers Construction LLC, November 2018
  - Inspected marina structures, checked for rot, malfunction and overall safety of the marina. Findings to predict and help facilitate for future maintenance and/or replacement
  - General Comments Made:  
The Marina is in need of many repairs and areas mentioned need to be addressed to keep the community safe while the marina is in use. The marina will need eventual full replacement in (5) years and many of the components show signs of rot and/or failure.
- Their Recommended Actions:
  - Overall piles are in satisfactory condition. However, installation of protective rollers are recommended.
  - Perform maintenance as outlined in the report
  - Plan Dock replacement starting with B dock then D, A, C
  - Recommended that B Dock be replaced in 3-5 years
    - Maintenance costs could justify starting sooner....



**The So What: Perform maintenance outline in their report. Establish a dock replacement plan.**

# BBV Marina Asset Study 2022 – Background Marina Survey 2018

- Report provided by: Surowiecki Brothers Construction from Nov. 2018

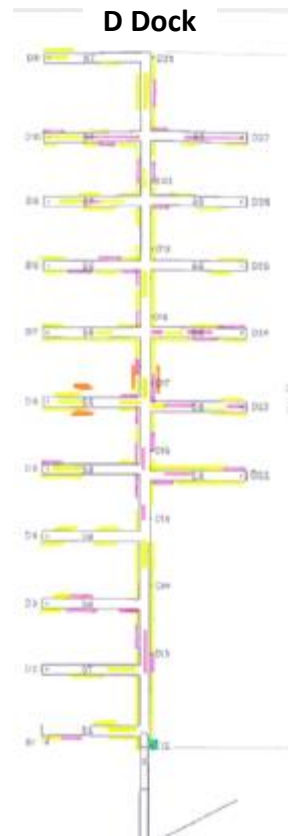
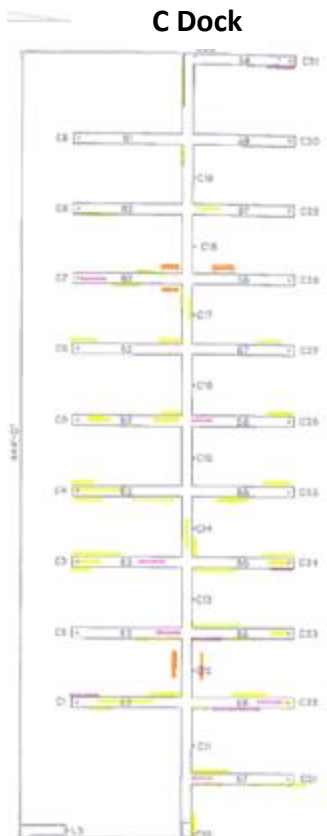
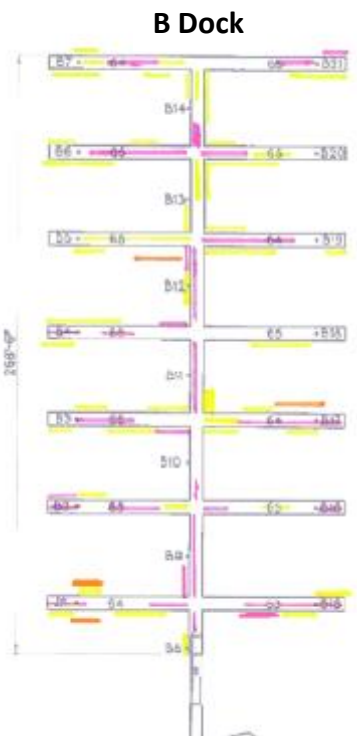
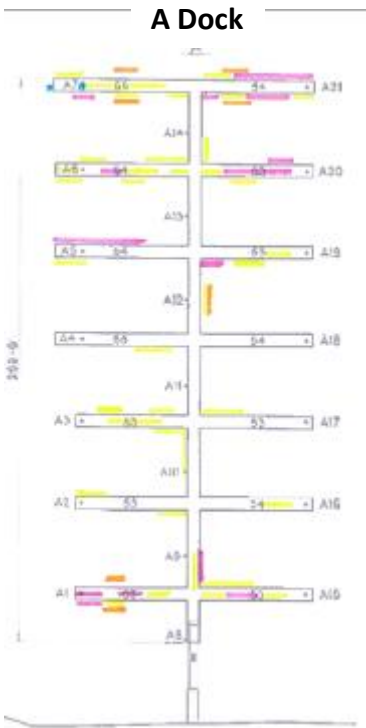
2018 Birch Bay Village Marina Report



Performed By:  
Surowiecki Brothers Construction LLC

- Yellow:** Monitor Pier Framing for Rot advancement
- Orange:** Immediate Floatation Repairs Needed
- Pink:** Immediate Pier Framing Replacement
- Blue:** Immediate Pile Hoop Replacement

**\* Pilings are in satisfactory condition.**  
Some have moderate hoop damage.  
Rollers are recommended for protection



**The So What: The marina is 56 – 41 years old, needs maintenance and replacement plan.**



# BBV Marina Asset Study 2022 - Background

## BBV Marina Asset Study 2019 - Recommendations made 8/19/2019

---

- So that financial planning can begin, the Marina Ad-Hoc Capital Planning Committee recommends the following:
- Replace the marina in its current lay-out, using existing pilings, ramps, gates
- Utilities will be upgraded as required by code (30 amp service only)
- Timber docks with fiberglass grating to meet the new codes
- Phase replacement dock-by-dock, reusing any viable fingers on later phased docks to assist in their longevity through the replacement
- B Dock will be first, then A, D, and last, C
- Timing between phases will be dependent upon financing availability, but expected to be at least 1 year between phases
- Permits will be obtained for the entire marina project
- The committee recommends using the results above to obtain proposals from at least 3 contractors to handle all aspects of the project (from permitting to disposal) on a project component basis identifying opportunities for in-house labor to offset costs.

**The So What: Obtain cost data in order to understand the financial impacts. With the BBV Board's assistance determine funding source and timing.**

# BBV Marina Asset Study 2022 - Actions and Progress At This Time

---

## Actions Taken

- Launch Dock/Float: Replaced 9 years ago - 2013
- Guest Dock/Float: Replaced April 2018
- Replaced “A” Dock Gangway and bank abutment in 2021
- Replaced “B” Dock/Floats: Winter of 2021 (Still have Open items)
- Continue to perform maintenance as needed.
  - Replace damaged bull rails, replace rotted timbers, general up keep
- Implementing Wi-Fi and FOB assess for the marina

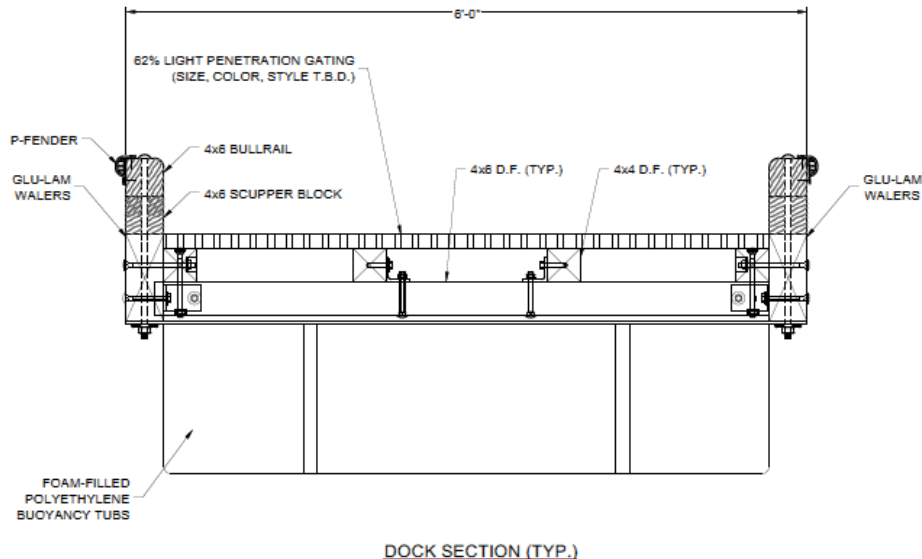
## Near Term Actions Required:

- Replace A, C, D Docks/Floats: Proposals ready to review
- Replace Bank Abutments and Aluminum Bridges for Docks B, C, D (reserve funds)

**The So What: BBV has a beautiful marina to maintain.....**

# BBV Marina Asset Study 2022 - A, C, D Dock Replacement Proposal

- Proposal are based on the similar-to specifics from B Dock.
- Request for Proposals (RFP)
  - **Bellingham Marine Industries (BMI)**
  - **Marina Floats Corporation**



The So What: **What's it going to cost?**

- **Bellingham Marine**

- Licensed contractor, available for the longevity of this project
- Proven history – Replaced B Dock in 2021
- Has off site storage and assembly for docks. Can truck docks in when ready to install (Lynden site)
- Preservative treated Southern Yellow Pine with grated decks
- Proposal details are available for review
- Costs: \$4,175,000

- **Marina Floats Inc / Tacoma Floats**

- Licensed contractor, available for the longevity of this project
- Proven history – Reference their current project
- Would require on site storage and assembly for docks.
  - Space and location?
- Preservative treated Douglas fir with grated decks
- Proposal details available
- Costs: \$5,008,429

The So What: **Recommend Bellingham Marine to provide out new A, C, & D Docks**

# BBV Marina Asset Study 2022 - Cost Projections

5/10/2022

## Marina Floats

A Dock - Demo & Install	\$1,270,215
C Dock - Demo & Install	\$1,974,061
D Dock - Demo & Install	<u>\$1,764,153</u>

**Total for A, C, D Docks \$5,008,429**

## Bellingham Marine Industries (BMI)

A Dock - Demo & Install	\$1,052,000
C Dock - Demo & Install	\$1,665,000
D Dock - Demo & Install	<u>\$1,458,000</u>

**Total for A, C, D Docks \$4,175,000**

**Marina Floats minus BMI = \$833,429**

**The So What: Recommend Bellingham Marine to provide out new A, C, & D Docks**

# BBV Marina Asset Study 2022 - Recommendations

---

- Recommend Bellingham Marine to provide our new A, C, & D Docks.
  - Replace all three docks sequentially 2022-2023
  - Keeps material costs at current values
  - Overall lower cost by doing all docks concurrently v/s individually
  - Eliminates / reduces future maintenance costs

**The So What: Keep our assets safe and in good shape for the future**

# BBV Marina Asset Study 2022 - Considerations

---

- Other Considerations
  - Current Permits beginning to expire
    - Fish & Wildlife Permit Expires 2023
    - Army Corps of Engineers Permit expires 2025
  - Our current Aging electrical system
  - Rotting substructure continues to fail
    - Could cause closing for the dock(s)
    - Safety Issue!
- Question: Aren't we buying lumber "high" and wouldn't it be better to wait?
  - Answer: Most of our cost increases from original proposals in January to now are not related to wood, rather floats, grating, and steel. While we can't see into the future, there is no indication that these costs will drop. Overall predictions from our Reserve Specialists is to plan for a 10% increase each year for the next 5 years.

**The So What: Keep our assets safe and in good shape for the future**

# BBV Marina Asset Study 2022 – How do we pay for it?

Updated \$ Values 6/24/2022

<b>2022 Outlay</b>	
<b>Due in July - 25%</b>	\$1,132,468.75
Loan - Taxes	\$88,718.75
Marina Reserve Funds	<u>\$1,043,750.00</u>
	\$1,132,468.75
<b>Materials Procurement - September</b>	\$1,141,996.41
Materials - both	\$1,141,996.41
<b>Delivery/Install</b>	\$2,255,409.84
March - June	\$2,255,409.84
Total payouts	\$4,529,875.00
<b>TOTAL ADDITIONAL FUNDS NEEDED</b>	<b>\$3,486,125.00</b>

Already funded, but need to build back up to meet other marina reserve needs

Deducted \$45000 for fuel dock

\* Interest payment on this amount is

**The So What: Current reserves reduce the total funds needed**



# BBV Marina Asset Study 2022 – How do we Generate the Total Funds Needed?

---

Updated \$ Values 6/24/2022

- **Option 1:** Special assessment of \$3,087.80 payable January 1, 2023
- **Option 2:** Spread out project 3 years and pass special assessment of \$3,326.18 payable over 2 years
- **Option 3:** Borrow funds (Loan) with repayment through slight funding increase starting in 2023.

## Side Note:

- 2018 reserve study called for a \$670,000 special assessment or loan per year for 9 years that the Board did not do.

**The So What:** Current reserves reduce the total funds needed

# BBV Marina Asset Study 2022 – How do we pay for it?

Updated \$ Values 6/24/2022

Current Marina Reserve contribution in 2022 =	\$262,888.00
Amount needed to maintain reserves for dredging/other	<u>-\$62,000.00</u>
Total diversion available for loan repayment	\$200,888.00
Annual Operations budget saved	\$60,000.00
<b>TOTAL FUNDS AVAILABLE TO REPAY LOAN:</b>	<b>\$260,888.00</b>
<b>Loan requirements:</b>	
<u>Project budget (BMI Bid)</u>	<u>\$4,529,875.00</u>
Marina Reserve funds (initial deposit)	\$1,043,750.00
Loan amount	\$3,486,125.00
Repayment required starting 2023	\$381,633.68
Additional funds needed to repay annually (from current budget):	<b>\$120,745.68</b>

**The So What: It's Affordable!**

# BBV Marina Asset Study 2022 – How do we pay for it?

## Option 1 Example

Updated \$ Values 6/24/2022

Increase Marina fees exclusively to cover the Loan cost

- Increase Moorage by 24%, Marina Usage by 52%, Marina Storage by 67%

Split amongst Marina Fees					
Current revenue from marina:		Increase in revenue by:			
\$226,373.80	annual revenue for moorage	\$53,372.68	24%	\$38.00	per foot (versus 30.75)
\$41,495.00	annual revenue for marina usage	\$21,577.40	52%	\$190.00	per year usage (versus \$125)
\$12,360.00	annual revenue for storage	\$8,240.00	67%	\$200.00	per year for storage (versus \$120)
				<b>\$83,190.08</b>	
				<b>\$120,745.68</b>	<b>Additional Fund Needed</b>
				<b>\$37,555.60</b>	<b>Short</b>

**BBV Assets require everybody's support!**

- This is not a fair and equitable plan for BBV
- Still need \$37,555.60

**Note: Actual funding increases to be determined during 2023 Budget Planning.**

**The So What: We need to take care for our Village Assets**

# BBV Marina Asset Study 2022 – How do we pay for it?

## Option 2 Example

Updated \$ Values 6/24/2022

Shared Cost with Marina users and BBV residents

- Increase Moorage by 24%, Marina Usage by 52%, Marina Storage by 67%
- Increase HOA Dues by 3.1% or \$50.22 per year per home unit

<b>Split amongst Marina Fees</b>					
<b>Current revenue from marina:</b>		<b>Increase in revenue by:</b>			
\$226,373.80	annual revenue for moorage	\$53,372.68	24%	\$38.00	per foot (versus 30.75)
\$41,495.00	annual revenue for marina usage	\$21,577.40	52%	\$190.00	per year usage (versus \$125)
\$12,360.00	annual revenue for storage	\$8,240.00	67%	\$200.00	per year for storage (versus \$120)
				<b>\$83,190.08</b>	
<b>Plus BBV Community</b>					
<b>Current HOA Dues 2022 Values</b>		<b>Increase in Revenue by:</b>			
\$1,620.00	Annual Per Home Unit	\$50.22	3.1%	Individual HOA Increase	
\$1,216,637.00	Annual Total Village	\$37,715.75	3.1%	Annual Increase	
	(From BBV 2022 Budget)	\$120,905.83	<b>Total Increase in Revenue</b>		
		\$120,745.68	<b>Additional Fund Needed</b>		

## BBV Assets require everybody's support!

- A Shared Plan makes it affordable

**Note: Actual funding increases to be determined during 2023 Budget Planning.**

**The So What: We need to take care for our Village Assets**

# BBV Marina Asset Study 2022 – Moorage Rates Comparison

	Rate as of 1/1/2022	Community Marina	Rate as of 7/1/2020	Community Marina	Rate as of 4/1/2020	Public Marina	Rate as of 4/1/2020	Public Marina
	BBVCC - Per Ft Rate (YR)	BBV Annual Cost	Shelter Bay Rates (YR)	Shelter Bay Annual Cost	Semiahoo Rates (YR)	Semiahoo Annual Cost	Blaine Rates (YR)	Blaine Annual Cost
<b>BBV Base Rate</b>	\$30.75		Variable		Variable		Variable	
Annual Rate/Ft LOA for <b>30Ft</b> Vessel / Plus 5'ft / + \$125	\$40.04	\$1,201.25	\$89.40	\$2,682.00	\$110.88	\$3,326.40	\$117.44	\$3,523.20
Annual Rate/Ft LOA for <b>45Ft</b> Vessel / Plus 13'ft / + \$125	\$42.41	\$1,662.50	\$99.60	\$4,482.00	\$122.40	\$5,508.00	\$134.56	\$6,055.20

## Potential Moorage Rate Increase for BBV Boat Owners

<b>20% Increase</b>	BBVCC - Per Ft Rate	BBV Annual Cost	Boat Owners Additional Cost \$
<b>BBV Rate Current + 20%</b>	\$36.90		
Annual Rate/Ft LOA for <b>30Ft</b> Vessel / Plus 5'ft / + \$125	\$47.22	\$1,416.50	\$215.25
Annual Rate/Ft LOA for <b>45Ft</b> Vessel / Plus 13'ft / + \$125	\$50.34	\$1,970.00	\$307.50

<b>30% Increase</b>	BBVCC - Per Ft Rate	BBV Annual Cost	Boat Owners Additional Cost \$
<b>BBV Rate Current + 30%</b>	\$40.00		
Annual Rate/Ft LOA for <b>30Ft</b> Vessel / Plus 5'ft / + \$125	\$50.83	\$1,525.00	\$323.75
Annual Rate/Ft LOA for <b>45Ft</b> Vessel / Plus 13'ft / + \$125	\$54.33	\$2,125.00	\$462.50

**The So What: A Moorage increase impacts BBV Boat owner's expenses, but still a good value**

# BBV Marina Asset Study 2022 – Recommendations

## Replace Docks A, C, D

---

“While special assessments & raising fees to save for the future is an option (albeit risky), our recommendation avoids this and allows boaters to benefit from the docks they are paying for now, not some time in the future.”

### Recommendation

- Shared Cost with Marina users and BBV residents.
  - Use Current reserves to make down payment
  - Secure Loan to pay the balance
  - Loan payback:
    - Use current yearly marina funds collected
    - Increase Marina Fees beginning 2023
    - Increase HOA Dues beginning 2023

**Note: Actual funding increases to be determined during 2023 Budget Planning.**

**The So What: Keep our assets safe and in good shape for the future**

---

# Backup Slides

# BBV Marina Asset Study 2022 – Additional considerations

## Replace Docks A, C, D

---

Here are some considerations that have occurred to me:

1. We have no idea what will happen related to inflation in the future. While material cost will fluctuate, labor likely will not.
2. There will be costs in maintaining old docks.
3. We will likely pay a premium for doing the docks one at a time.
4. We will incur additional permitting costs including changes in regulations the will translate into additional costs.
5. There will be additional costs in reworking the current RFP for a single dock.
6. There will be ongoing staff time and committee time required until the last dock is installed. The current plan calls for committee members to monitor the construction and installation.