



**GREATER VICTORIA HARBOUR AUTHORITY
ANNUAL GENERAL MEETING**

**October 21, 2011 9:00am
Victoria Executive Centre
915 Fort Street – Victoria BC**



**GREATER VICTORIA HARBOUR AUTHORITY
AGENDA – ANNUAL GENERAL MEETING**

**21 October 2011, 9:00 a.m.
Victoria Executive Centre
915 Fort Street – Victoria BC**

- (1) Call to Order..... D. Loughnane
- (2) Confirmation of Quorum.....D. Rand
- (3) Approval of Agenda (*page 3892*)..... D. Loughnane
- (4) Review and Approval of Minutes of October 15, 2010 (*attached pages 3894 - 3898*)..... D. Loughnane
- (5) Report from the Directors (Chair)..... D. Loughnane
- (6) Presentation of Summarized Audited Financial Report (*attached pages 3900 - 3912*) B. Wellburn
- (7) Appointment of Auditors..... B. Wellburn
- (8) GVHA Bylaw Amendments (*attached pages 3914 - 3931*)D. Rand
- (9) Input from the Members D. Loughnane
- (10)Adjournment of the meeting..... D. Loughnane

Resources:

Curtis Grad, CEO
Sonterra Ross, Manager of Finance & Property
Ian Crocker, Manager of Operations
Rebecca Penz, Manager of Communications
Julia Park, Recording Secretary

Guests:

Scott Hooker, KPMG

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MINUTES OF 8th ANNUAL GENERAL MEETING 2010

**Greater Victoria Harbour Authority
Held at 9:00 a.m. on 15 October 2010
GVHA Offices 202 – 468 Belleville Street**

In attendance:

Jim Allard, Victoria/Esquimalt Harbour Society (VEHS)
Christopher Causton, Capital Regional District (CRD)
Dave Cowen, Tourism Victoria (via Skype)
Barbara Desjardins, Township of Esquimalt
Dan Kukat, VEHS
Dermot Loughnane, Community Director
Pamela Madoff, City of Victoria
Don Prittie, Community Director
David Rand, Greater Victoria Chamber of Commerce (GVCC)
Chief Andy Thomas, Esquimalt Nation
Bill Wellburn, Provincial Capital Commission (PCC)
Mike Williamson, Community Director

CEO & Resources:

Ian Crocker, Manager of Operations
Julia Park, Recording Secretary
Rebecca Penz, Manager of Communications
Sonterra Ross, Acting CEO

Regrets:

Chief Robert Sam, Songhees Nation

Guests:

Briane Anderson, Fisherman's Wharf Community Assoc. (FWCA)
Bob Barlow, Western Stevedoring
Bruce Cuthbert, Esquimalt Resident
Marg Gardiner, James Bay Neighbourhood Assoc. (JBNA)
Barry Hobbis, Victoria Harbour Ferries
Scott Hooker, KPMG LLP
Stewart Johnston, GVHA Life Member
Angus Matthews, Victoria Resident
Ian Maxwell, GVHA Life Member
Greg McAllister, King Bros. Limited
John Milligan, Western Stevedoring
Paul Ridout, GVHA Life Member
Brian Scarfe, JBNA
Lyle Soetaert, VEHS
Fran Thoburn, JBNA
Randy Wright, Tourism Victoria

1. Call to Order

Board Chair, Don Prittie, called the meeting to order at 9:04 a.m.

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The Chair welcomed GVHA Life Members Bea Holland, Ian Maxwell, Randy Wright, Stewart Johnston and Paul Ridout to the meeting.

2. Approval of Agenda

MOVED and SECONDED THAT the agenda be approved.

CARRIED

3. Approval of Minutes from the October 16, 2009 AGM.

MOVED and SECONDED THAT the minutes be approved as circulated.

CARRIED

The Chair confirmed that 14 days notice had been given for the AGM. All Member Agencies acknowledged they had been notified 14 days in advance in accordance with GVHA's Constitution and Bylaws and the *Society Act*.

The Chair explained that each Member Agency has the right to select a voting member for the AGM that may or may not be the appointed Director.

4. Report from the Directors (Chair)

The Chair reported GVHA had a very good year (April 1, 2009 to March 31, 2010).

Highlights included:

- A successful strategic planning session that reaffirmed the vision and dream for GVHA.
- Record year for cruise ships, passengers and crew with the addition of RCI's Mariner of the Seas and Carnival Splendor calling Victoria due to the flu advisory in Mexico
- Pier B mooring dolphin project completed with partnership funding from the provincial and federal governments
- Upgrades and improvements to GVHA assets
- Land and Sea Mural Phase I completed
- Land and Sea Mural Blessing Ceremony
- Successful Seattle Boat Show

5. Presentation of Summarized Audited Financial Statements

The Treasurer reported that the Audited Financial Statements were derived from the complete audit and then summarized.

He noted that GVHA is still a young organization but has matured and revenues have grown despite the many challenges the organization faces. Revenues have increased to \$6.1 million (\$3.7 million 5 years ago). Management has worked hard to improve the facilities, including:

- Expansion and reconfiguration of the docks at Fisherman's Wharf
- Optimization of facilities on water and land
- Achieving market rates for facilities that were well below market rates to increase revenues
- Increased volume of cruise ship calls
- Funding and continuation of the land and Sea Mural Project
- Reducing administration, consulting and labour costs
- Generating cash to maintain and expand GVHA facilities

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MOVED and SECONDED THAT the Board approve the Audited Financial Report as presented.

CARRIED

6. Appointment of Auditors

MOVED and SECONDED THAT KPMG be retained as auditors for Greater Victoria Harbour Authority (GVHA) for the period of 2010/11.

CARRIED

7. Director Compensation Special Resolution

The Board Secretary presented a powerpoint on the Western Compensation & Benefits Consulting (WCBC) report on GVHA Director Compensation and GVHA's Director Compensation Philosophy:

The total fees paid in the fiscal year 2009/10 were 1.6% of the previous year's gross revenues.

Current arrangements:

- Attendance at Board meetings \$600
- Attendance at Committee meetings \$150
- Board Chair annual retainer \$4,200
- Attendance at out-of-town meetings \$300
- Total director compensation may not exceed 5% of GVHA's annual gross revenues

Guiding principles for GVHA's Director Compensation Philosophy

1. Attracts and retains qualified individuals with:
 - Business savvy
 - Comparable board experience
 - Interest in the working harbour
 - A stakeholder orientation
2. Provides fair compensation for directors
3. Provides fair value to GVHA

DIRECTOR COMPENSATION PHILOSOPHY

Greater Victoria Harbour Authority (GVHA) seeks to maintain an experienced, competent and diverse Board of Directors that is responsible for GVHA's strategic direction, policy framework and the oversight of its affairs.

In order to set Director compensation that is fair to both GVHA and individuals serving on the Board of Directors, the Governance Committee engages an independent compensation consultant who brings forward recommended compensation.

The consultant's recommendation is based on their survey of other Canadian harbour and airport authorities of similar size and complexity with a target compensation for GVHA directors set at the 50th percentile of these comparator organizations."

Comparator organizations:

1. Hamilton Port Authority
2. Nanaimo Port Authority
3. Prince George Airport Authority
4. Prince Rupert Port Authority
5. Provincial Capital Commission (Belleville Terminal)
6. Saint John Port Authority
7. Toronto Port Authority

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8. Victoria Airport Authority

Consultant's recommendations:

Annual retainers

- Director \$5,000 plus meeting fees
- Board Chair \$15,000
- Vice-Chair \$9,000
- Committee Chairs \$5,000
- Meeting fee \$400

Board of Directors recommendation:

Annual retainers

- Director \$4,000 plus meeting fees
- Board Chair \$10,000
- Vice-Chair -
- Committee Chair \$2,500
- Meeting fee \$400

	Current	Consultant	Board of Directors Recommendation
Board Chair Retainer	4,200	15,000	10,000
Vice-Chair Retainer	-	9,000	-
Director Retainer	-	5,000	4,000
Committee Chair Retainer	-	5,000	2,500
Board Meeting Fee	600	400	400
Committee Meeting Fee	150	400	400
Out-of-Town Meeting Fee	300	400	400

Discussion included:

- Mayor Christopher Causton voiced his opposition to the compensation package and philosophy stating he believed the wrong comparators were used. GVHA is not a port and should operate more closely to a Crown Corporation model given GVHA's budget and number of employees.
- Randy Wright, Chair of Tourism Victoria, inquired if the pay raise would exceed GVHA's policy of a 5% ceiling on Director fees. The remuneration would be well below 5%, close to the 3.5 % range.
- Lyle Soetaert, President of V/EHS stated he did not understand the comparative organizations.
- The Board Secretary explained the WCBC used organizations in similar size and complexity and based their results on what those Directors were paid.
- The Board Treasurer stated that fair compensation will serve the organization well. People with good qualifications and skills are often in demand and should be fairly compensated.

PROPOSED RESOLUTION

MOVED and SECONDED THAT the Members of Greater Victoria Harbour Authority approve the following annual cash compensation for Directors at the October 2010 Annual General Meeting:

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	<u>Position</u>	<u>Retainer per annum</u>
	Directors	\$4,000
Plus an additional payment for:	Board Chair	\$10,000
	Committee Chairs	\$2,500
And	<u>Meeting Fees</u>	\$ 400 per meeting

CARRIED

Christopher Causton opposed
Barbara Desjardins abstained
Pamela Madoff abstained

8. **Appointment of Directors**
None.

9. **Input from Members**
None.

10. **Adjournment of the meeting**

MOVED and SECONDED that the meeting be adjourned.

CARRIED

The meeting was adjourned at 9:45 a.m.

David Rand, Secretary

Don Prittie, Chair

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Financial Statements of

**GREATER VICTORIA
HARBOUR AUTHORITY**

Year ended March 31, 2011

003900



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INDEPENDENT AUDITORS' REPORT

To the Members of Greater Victoria Harbour Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the Greater Victoria Harbour Authority, which comprise the statement of financial position as at March 31, 2011, the statements of operations and changes in unrestricted net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Greater Victoria Harbour Authority as at March 31, 2011, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian generally accepted accounting principles have been applied on a basis consistent with that of the preceding year.

Chartered Accountants

August 19, 2011
Victoria, Canada

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GREATER VICTORIA HARBOUR AUTHORITY

Statement of Financial Position

March 31, 2011, with comparative information for 2010

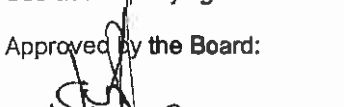
	2011	2010
Assets		
Current assets:		
Cash	\$ 2,450,591	\$ 4,308,054
Guaranteed investment certificates (note 2)	4,531,958	4,609,575
Accounts receivable	1,956,674	1,060,101
Prepaid expenses	29,840	81,926
	<u>8,969,063</u>	<u>10,059,656</u>
Investments (note 3)	1,729,889	1,405,938
Capital assets (note 4)	57,415,317	55,134,091
	<u>\$ 68,114,269</u>	<u>\$ 66,599,685</u>

Liabilities, Deferred Contributions and Net Assets

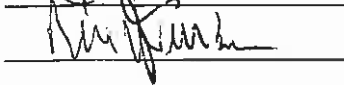
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,180,996	\$ 906,839
Deferred revenue	99,482	91,079
	<u>1,280,478</u>	<u>997,918</u>
Deferred contributions (note 5)	878,383	956,329
Deferred capital contributions (note 6)	27,021,375	26,909,008
Net assets:		
Invested in capital assets	30,393,942	28,225,083
Internally restricted self-insurance fund (notes 3 and 7)	1,729,889	1,405,938
Unrestricted	6,810,202	8,105,409
	<u>38,934,033</u>	<u>37,736,430</u>
	<u>\$ 68,114,269</u>	<u>\$ 66,599,685</u>

See accompanying notes to financial statements.

Approved by the Board:



Director



Director

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GREATER VICTORIA HARBOUR AUTHORITY

Statement of Operations and Changes in Unrestricted Net Assets

Year ended March 31, 2011, with comparative information for 2010

	Budget (unaudited – note 11)	2011	2010
Revenues:			
Shipping	\$3,099,971	\$3,386,289	\$3,285,119
Marinas and attractions	1,754,827	1,742,393	1,628,370
<u>Property services</u>	<u>1,396,715</u>	<u>1,466,151</u>	<u>1,287,507</u>
	6,251,513	6,594,833	6,200,996
Expenses:			
General operating expenses	1,349,567	1,514,291	1,361,961
Repairs and maintenance	803,731	849,852	522,810
Insurance	158,210	175,918	148,302
Property taxes	796,750	788,859	750,189
Administrative	1,628,806	1,678,813	1,170,947
<u>Amortization of capital assets</u>	<u>1,637,473</u>	<u>1,621,864</u>	<u>1,538,044</u>
	6,374,537	6,629,597	5,492,253
Excess (deficiency) of revenues over expenses before the following	(123,024)	(34,764)	708,743
Deferred non-capital contributions recognized as revenue (note 5)	100,000	77,946	74,757
Deferred capital contributions recognized as revenue (note 6)	960,552	952,558	960,552
Excess of revenues over expenses before investment income and other items	937,528	995,740	1,744,052
Investment income	306,200	234,669	393,525
Loss on sale of capital asset	-	(32,805)	-
Excess of revenues over expenses	1,243,728	1,197,604	2,137,577
Unrestricted net assets, beginning of year	8,105,409	8,105,409	7,507,041
Transfer (to) from invested in capital assets:			
Purchase of capital assets	(4,700,000)	(2,870,971)	(1,694,685)
Amortization of capital assets contributed from Harbour Authority general operations	676,921	669,306	577,492
Loss on sale of capital asset	-	32,805	-
Transfer (to) internally restricted self-insurance fund	(348,000)	(323,951)	(422,016)
Unrestricted net assets, end of year	\$4,978,058	\$6,810,202	\$8,105,409

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GREATER VICTORIA HARBOUR AUTHORITY

Statement of Cash Flows

Year ended March 31, 2011, with comparative information for 2010

	2011	2010
Cash flows from operating activities:		
Excess of revenues over expenses	\$ 1,197,604	\$ 2,137,577
Items not involving cash:		
Amortization of deferred contributions	(77,946)	(74,757)
Amortization of deferred capital contributions	(952,558)	(960,552)
Amortization of capital assets	1,621,864	1,538,044
Unrealized gain on investments	(155,951)	(254,016)
Loss on sale of capital asset	32,805	-
Net change in non-cash working capital:		
Decrease (increase) in accrued interest on guaranteed investment certificates	77,617	(56,521)
Increase in accounts receivable	(896,573)	(908,738)
Decrease (increase) in prepaid expenses	52,086	(65,188)
Increase (decrease) in accounts payable and accrued liabilities	274,157	(31,016)
Increase (decrease) in deferred revenue	8,403	(8,840)
	1,181,508	1,315,993
Financing activities:		
Deferred capital contributions received	1,064,925	858,478
Investing activities:		
Purchase of capital assets	(1,806,090)	(562,084)
Capital assets under construction	(2,129,806)	(1,991,079)
Purchase of investments	(168,000)	(168,000)
Guaranteed investment certificates matured	9,000,000	5,010,000
Purchase of guaranteed investment certificates	(9,000,000)	(4,500,000)
	(4,103,896)	(2,211,163)
Decrease in cash	(1,857,463)	(36,692)
Cash, beginning of year	4,308,054	4,344,746
Cash, end of year	\$ 2,450,591	\$ 4,308,054

See accompanying notes to financial statements.

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GREATER VICTORIA HARBOUR AUTHORITY

Notes to Financial Statements

Year ended March 31, 2011

Greater Victoria Harbour Authority (the "Authority") is incorporated under the Society Act (British Columbia). Its principal activity is to manage and develop the Victoria and Esquimalt harbours to meet local, Esquimalt Nation, Songhees Nation, municipal, provincial and federal interests and priorities.

On April 9, 2002 Transport Canada contributed lands and improvements at Erie Street, Wharf Street and Ship Point and a cash contribution for eligible expenditures over the next 10 years. Similar contributions were received for Ogden Point on June 26, 2002. The contributions are subject to various operating and capital restrictions including continued use as a port facility.

The land and improvements were transferred to the Authority at a nominal value of \$1. The assets were recorded at an estimated fair market value of \$50,481,120, as determined by the BC Assessment Authority through their annual valuation and assessment process.

1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

(a) Revenue recognition:

The Authority follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions of capital assets that will be amortized are initially deferred and subsequently recognized as revenue on the same basis as the related costs are amortized. Contributions for capital assets that will not be amortized, such as land, are not recorded as deferred capital contributions or recognized as revenue, but are recorded as a direct increase in net assets in the period the asset is received.

Revenue from operations is recognized as services are performed. Amounts received for future services are deferred until the service is provided.

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GREATER VICTORIA HARBOUR AUTHORITY

Notes to Financial Statements

Year ended March 31, 2011

1. Significant accounting policies (continued):

(b) Financial instruments:

The Authority initially records all financial assets and liabilities at fair value.

- Cash, guaranteed investment certificates and investments are classified as held for trading and are measured at fair value with changes in fair value recognized in the statement of operations.
- Accounts receivable and accounts payable and accrued liabilities are measured at amortized cost.

The Authority has elected to defer applying the Canadian Institute of Chartered Accountants ("CICA") Handbook Sections 3862, *Financial Instruments – Disclosures* and 3863, *Financial Instruments – Presentation*. Sections 3862 and 3863 place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how an entity manages those risks. The Authority has elected to continue to apply the financial instrument disclosure and presentation standards in accordance with Section 3861.

(c) Investment income:

Investment income, which is recorded on the accrual basis, includes interest income, dividends, net gain on sale of securities and unrealized gains (losses).

(d) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at their estimated fair market value determined at the date of contribution.

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GREATER VICTORIA HARBOUR AUTHORITY

Notes to Financial Statements

Year ended March 31, 2011

1. Significant accounting policies (continued):

(d) Capital assets (continued):

Amortization is provided on a straight-line basis over their estimated useful life at the following amortization periods:

Asset	Amortization period
Breakwater and piers	50 years
Wharves and docks:	
Refurbished existing	10 - 15 years
New construction	20 - 25 years
Buildings	3 - 50 years
Yard improvements	5 - 10 years
Furniture and fixtures	5 years
Office and maintenance equipment	2 - 7 years
Boats, marine and automotive	3 - 5 years

Amortization is not provided on capital assets under construction until the assets are in use.

(e) Asset retirement obligations:

The fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated retirement costs are capitalized as part of the carrying amount of the long-lived assets and depreciated over the life of the asset. At this time, the Authority has determined that there are no significant asset retirement obligations.

(f) Measurement uncertainty:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the period. The more subjective of such estimates are the amortization period of capital assets. Actual results could differ from these estimates.

(g) Comparative information:

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

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GREATER VICTORIA HARBOUR AUTHORITY

Notes to Financial Statements

Year ended March 31, 2011

2. Guaranteed Investment certificates:

	2011	2010
Short-term certificates	\$ 4,531,958	\$ 4,609,575

Guaranteed investment certificates, at rates of interest of 1.35% and maturing within one year, include an amount of \$878,383 (2010 - \$956,329) which is restricted for Ogden Point caisson repairs under the contribution agreements with Transport Canada.

3. Investments:

Investments represent funds invested for the internally restricted self-insurance fund. The major components of investments stated at market value are as follows:

	2011	2010
Fixed income	\$ 795,343	\$ 727,232
Canadian equity	453,515	306,961
US equity	191,476	150,975
International equity	190,027	141,966
Real estate	99,528	78,804
	\$ 1,729,889	\$ 1,405,938

4. Capital assets:

	Cost	Accumulated amortization	2011 Net book value	2010 Net book value
Land	\$ 19,563,855	\$ -	\$ 19,563,855	\$ 19,563,855
Breakwater and piers	28,046,528	4,985,591	23,060,937	23,762,047
Wharves and docks	7,261,565	2,918,004	4,343,561	3,709,302
Buildings and yard improvements	8,416,645	2,479,892	5,936,753	5,463,787
Furniture and fixtures	43,804	42,304	1,500	5,890
Office and maintenance equipment	124,068	94,498	29,570	32,016
Boats, marine and automotive	96,852	68,620	28,232	41,590
Capital assets under construction	4,450,909	-	4,450,909	2,555,604
	\$ 68,004,226	\$ 10,588,909	\$ 57,415,317	\$ 55,134,091

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GREATER VICTORIA HARBOUR AUTHORITY

Notes to Financial Statements

Year ended March 31, 2011

5. Deferred contributions:

Deferred contributions received from Transport Canada are to be expended on eligible expenditures, as outlined in the Contribution Agreement for each facility. Until expended on eligible expenditures, the contributions are restricted. Any amounts not expended by the end of the agreement are repayable to the federal government. The Project Contribution agreement, and repayment date, for Ogden Point was extended to June 24, 2017.

	Balance March 31, 2010	Amounts recognized as revenue	Balance March 31, 2011
Special projects:			
Ogden Point - pier upgrades	\$ 956,329	\$ 77,946	\$ 878,383

6. Deferred capital contributions:

Deferred capital contributions represent unamortized capital contributions received from Transport Canada and other federal and provincial contributions.

	Balance March 31, 2010	Amounts amortized to revenue	Amounts received	Balance March 31, 2011
Transport Canada:				
Erie Street	\$ 215,765	\$ 49,747	\$ -	\$ 166,018
Wharf Street	582,500	83,208	-	499,292
Ship Point	838,959	136,140	-	702,819
Ogden Point	22,909,129	553,404	-	22,355,725
Ogden Point - pier upgrades	1,504,177	130,059	-	1,374,118
	26,050,530	952,558	-	25,097,972
Other federal and provincial contributions:				
Ogden Point	858,478	-	1,064,925	1,923,403
Total deferred capital contributions	\$26,909,008	\$ 952,558	\$ 1,064,925	\$27,021,375

Ogden Point assets were under construction during the year and therefore the related contributions received from Other Federal and provincial authorities have not been amortized.

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GREATER VICTORIA HARBOUR AUTHORITY

Notes to Financial Statements

Year ended March 31, 2011

7. Internally restricted net assets:

Internally restricted assets are for self-insurance on the breakwater, piers, parking lot and lamp stands at Ogden Point. These internally restricted amounts are not available for other purposes without the approval of the Board of Directors.

8. Board of directors' fees:

For purposes of director's fees, as per amendment to Special Resolution 14.04.04, CAM-Sec 4.4, annual director's fees shall not exceed 5% of the previous year's gross revenues. The total fees paid in the fiscal year amounted to \$123,443 which represented 2.0% of the previous year's gross revenues (2010 - \$83,700, 1.6%).

9. Financial Instruments:

(a) Fair value

The Authority's cash, guaranteed investment certificates and investments are carried at fair value. The carrying values of accounts receivable and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of these items or because they are receivable or payable on demand.

(b) Foreign currency risk

The Authority holds investments in equities outside of Canada which are subject to foreign exchange risk (note 3).

(c) Interest rate risk

The Authority's exposure to interest rate risk relates to its investments in fixed income funds. The fair value of these funds is directly impacted by changes in interest rates.

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GREATER VICTORIA HARBOUR AUTHORITY

Notes to Financial Statements

Year ended March 31, 2011

9. Financial instruments (continued):

(d) Credit risk

Credit risk is the risk that a third party to a financial instrument might fail to meet its obligations under the terms of the financial instrument. For cash, guaranteed investment certificates, investments and accounts receivable the Authority's credit risk is limited to the carrying value on the balance sheet.

The Authority manages the risk associated with the concentration of credit risk through its policy of dealing with high credit quality financial institutions.

(e) Market risk

Market price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. As all of the Authority's investments are carried at fair value with fair value changes recognized in the statement of operations and changes in unrestricted net assets, all changes in market conditions will directly result in an increase or decrease in net assets. Market price risk is managed by the manager of the marketable securities through construction of a diversified portfolio of instruments traded on various markets across various industries.

10. Capital management:

The Authority receives its principal source of capital through revenues generated from its capital facilities. The Authority defines capital to be net assets.

The Authority's objective when managing capital is to fund its operations and capital asset additions. The Authority manages the capital structure based on economic conditions. Currently, the Authority's strategy is to monitor expenses to preserve capital in accordance with budgeted revenues.

The Authority is not subject to debt covenants or any other capital requirements with respect to operating funding. Revenues received for designated purposes must be used for the purpose designated. The Authority has complied with the external restrictions on revenues provided.

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GREATER VICTORIA HARBOUR AUTHORITY

Notes to Financial Statements

Year ended March 31, 2011

11. Budget data:

The unaudited budget data presented in these financial statements is based upon the 2011 operating and capital budgets approved by the Board on February 19, 2010.

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Report to GVHA's Member Agencies

Prepared by: David Rand
Board Meeting Date: October 21, 2011
Subject: GVHA Bylaw Amendments

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At the August 19, 2011 board meeting, the Board of Directors passed a Motion recommending the following Special Resolution be approved by Board Members:

MOVED and SECONDED THAT the Members of the Society, by special resolution, change their bylaws under section 23 of the Society Act in accordance with the changes shown on the edited GVHA Bylaws attached to this resolution.

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RESOLVED:

1. In Bylaw 1(1) in the definition of "Members", replace the lower case "m" in the last instance of the word "members" with a capital "M".
2. Bylaw 1(1) is amended by replacing "Bylaw 33" with "Bylaw 32" in the definition of "Chair".
3. Bylaw 1(1) is amended by replacing "Bylaw 41" with "Bylaw 40" in the definition of "Chief Executive Officer".
4. In Bylaw 1(1), delete the definition of "Tourism Victoria".
5. In Bylaw 1(1), delete the definition of "Victoria/Esquimalt Harbour Society".
6. In Bylaw 3(2), replace the lower case "m" in each instance of the word "members" with a capital "M".
7. In Bylaw 3(2)(b), add the following before "Tourism Victoria": "Greater Victoria Visitors and Convention Bureau doing business as".
8. In Bylaw 3(2)(e), capitalize the word "Such" and the word "Members".
9. In Bylaw 3(3), capitalize the "l" in the first instance of "Life" and capitalize the letter "m" in each instance of the word "Member" or "Members".
10. Replace Bylaw 4 as follows:

"For the purposes of a meeting of the Members, each Member shall be represented by one (1) individual who shall be that Member's chairperson or another individual belonging to that Member who is chosen by that Member and the individual Member Representative may or may not be that Member's Director."
11. Replace Bylaw 6 as follows:

"The Board of Directors may by resolution supported by 3/4 of the Directors present, determine to accept an applicant for membership to the Society as a Member of the Society."
12. Delete Bylaw 7 and renumber the remaining Bylaws to reflect the deletion of Bylaw 7.

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13. Bylaw 8 is amended by inserting the word "a" prior to the phrase "debt due" and deleting the phrase "any subscription or".
14. Replace Bylaw 10 with the following:

"General meetings of the Society, including the Annual General Meeting shall be held at times and places, in accordance with the **Society Act**, that the Board of Directors decide."
15. In Bylaw 12, add the word "general" prior to the word "meeting".
16. Bylaw 13 is amended by inserting the phrase "an extraordinary" before the first instance of the phrase "general meeting", and deleting the word "a".
17. Bylaw 16, is deleted and replaced with the following:

"General Meetings will be open to the public, except for those parts of the meeting where the issue to be dealt with pertains to property matters, legal advice, contract negotiations, or personnel matters."
18. Bylaw 18(3) is deleted and replaced with the following:

"The necessary quorum will from time to time be determined by the Members, and if not so determined will be a majority of the Member representatives then appointed, but a quorum must not consist of fewer than three Member representatives."
19. In Bylaw 20, "22" is deleted and replaced with "21" and the phrase "the Vice Chair" is added after the phrase "Board of Directors".
20. In Bylaw 21, replace the upper case "T"s at the beginning of subparagraphs (a) and (b) with lower case "t"s.
21. In the heading of Part 5, delete the phrase "AND OFFICERS".
22. Bylaw 28(1) is deleted and replaced with the following:

"Each of the Members described in Bylaw 3(1)(a) through (c) and (2)(b) through (e) shall nominate one (1) director to the Board of Directors and the Victoria/Esquimalt Harbour Society shall nominate two (2) directors to the Board of Directors, and the Board of Directors, in its sole discretion, may accept the nominee and upon being accepted by the Board of Directors, that nominee shall become a Director."

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23. Bylaw 28(2) is deleted and replaced with the following:

“Each of the Members described in Bylaw 3(1)(d) and (e) shall either appoint their Chief as a Director or nominate one (1) Director to the Board of Directors and the Board of Directors, in its sole discretion, may accept the nominee and upon being accepted by the Board of Directors, that nominee shall become a Director.”

24. Bylaw 28(3) is deleted and replaced with the following:

“The Directors accepted by the Board of Directors pursuant to Bylaws 28(1) and (2) shall appoint up to four (4) additional Directors having such skills or representing such constituency as the Directors consider to be in the best interests of the Society.”

25. Bylaw 28(3.1) is deleted and replaced with the following as 28(4):

“The Directors that are nominated under Bylaws 28(1) and (2) shall serve up to three (3) three (3)-year terms as determined by the nominating Member unless otherwise precluded by a Member's governing regulations or legislation. “

26. Bylaw 28(4) is deleted and replaced with the following as 28(5):

“The Directors that are appointed under Bylaw 28(3) shall serve up to three (3) three (3)-year terms as decided by the Board of Directors.”

27. Bylaw 28(5) is deleted and replaced with the following as 28(6):

“Where either the Esquimalt Nation or Songhees Nation Members have appointed a Chief as a Director to the Board of Directors, such Director becomes a Director upon appointment and is permitted to serve an indefinite term as Director for so long as the Director is a Chief.”

28. New Bylaws 28(7) and 28(8) are added as follows:

“28(7) Subject to Bylaw 28(6), Directors may serve up to a maximum of nine (9) consecutive years unless the Board of Directors, by a 2/3 majority vote of those Directors present, permit a Director to serve more than nine (9) consecutive years as a Director.

28(8) Where either the Esquimalt Nation Chief or the Songhees Nation Chief chooses not to be a Director, the Esquimalt Nation or Songhees Nation Member may nominate a Director to the Board of Directors and the Board of Directors, in its sole discretion, may accept the nomination and upon being accepted by the Board of Directors, that nominee shall become a Director subject to Bylaw 28(4).”

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29. Bylaw 29(1) is deleted and replaced with the following:

"If a Director nominated or appointed under Bylaw 28(1), (2) or (3) resigns as a Director or otherwise ceases to be a Director, the Member who either nominated or appointed that Director, or the Board of Directors who appointed that Director, will nominate or appoint, as applicable, a new person to take the place of the former Director and that person becomes a Director upon being appointed or, if nominated by the Member, upon being accepted by the Board of Directors."

30. Bylaw 30 is deleted and replaced with the following:

"30(1) A Member may remove a Director who that Member has nominated, before the expiration of that Director's term as Director, and may nominate a Director to the Board of Directors and the Board of Directors, in its sole discretion, may accept the nominee as a Director to complete the Director's term of office and that nominated Director becomes a Director upon being accepted by the Board of Directors.

(2) A Director may be removed as a Director by special resolution of the members."

31. Bylaw 33(1) is amended by deleting the words "at least bi monthly" and inserting the words "times and" before the word "places".

32. Bylaw 33(4) is amended by adding the phrase "or the Vice Chair" before the phrase "of the Board of Directors is not".

33. Bylaw 33(5) is deleted and replaced with the following:

"A Director may with either the Chief Executive Officer or Board Chair convene a meeting of the Board of Directors."

34. Bylaw 40(2) is deleted.

35. Bylaw 43 is deleted and replaced with the following:

"The Board of Directors shall appoint a Secretary responsible for:

- (a) conducting the correspondence of the Society;
- (b) issuing notices of meetings of the Society and the Board of Directors;
- (c) keeping minutes of all meetings of the Society and the Board of Directors;
- (d) having custody of all records and documents of the Society except those required to be kept by the Treasurer;
- (e) having custody of the common seal of the Society; and
- (f) maintaining the register of Members."

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36. Bylaw 44 is deleted and replaced with the following:

"The Board of Directors shall appoint a Treasurer responsible for:

- (a) keeping the financial records, including books of account, necessary to comply with the *Society Act*; and
- (b) rendering financial statements to the Board of Directors, Members and others when required."

37. Bylaw 47 is amended by replacing "Bylaw 48" with "Bylaw 47".

38. Bylaw 49 is amended by adding "{1}" in front of the existing text and adding a new sub-clause as follows:

- "(2) Any director or Related Party of the Director who conducts business with the Society or with a User of the Harbour or holds a material interest in a person who conducts business with, or acts as consultant or advisor to the Society must not negotiate directly with the Society's Chief Executive Officer or the Society's management staff in relation to an existing or proposed contract, lease, obligation or business interest with the Society; all negotiations must be conducted by the Director's independent agent."

39. Bylaw 50 is amended by replacing "Bylaw 50" with "Bylaw 49".

40. Bylaw 51 is amended by replacing "Bylaw 50" with "Bylaw 49".

41. Bylaw 52 is amended by replacing "Bylaw 52" with "Bylaw 51".

42. Bylaw 56 is deleted and replaced with the following:

"The common seal must be affixed only when authorized by a resolution of the Directors and then only in the presence of the persons specified in the resolution, or if no persons are specified, in the presence of the Chair and Secretary or Chair and Secretary-Treasurer."

43. Bylaw 59 is deleted and replaced with the following:

- "(1) Notice of a General Meeting must be given to every Member shown on the Register of Members on the day notice is given.
- (2) No other person is entitled to receive a notice of a General Meeting."

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General Operating Bylaws

1.1 Society Act Constitution and Bylaws

SOCIETY ACT

Form 3

CONSTITUTION

1. The name of the Society is GREATER VICTORIA HARBOUR AUTHORITY.
2. The purposes of the society are:
 - (a) To promote and develop the Victoria and Esquimalt harbours to meet local, Esquimalt Nation, Songhees Nation, municipal, provincial and federal interests and priorities.
 - (b) To manage and develop harbour assets and operations in an efficient and integrated manner based on a range of uses.
 - (c) To maintain the operations of the harbour on a self-sufficient basis without recourse to local subsidies and without exposing local communities, Esquimalt Nation, Songhees Nation, the Provincial Capital Commission, or Provincial or local governments to unnecessary liabilities.
 - (d) To work in a cooperative manner with the Members, community associations, governments and private business, developing partnerships where appropriate.
 - (e) To respond to, and be reflective of, community interests, including the harbour users, at all times through consistent forms of consultation.
 - (f) To ensure the public is consistently informed on the operations of the harbour.
 - (g) To manage certain federal harbour assets and responsibilities including the Victoria Harbour Water Airport, Victoria harbour and other federal land and water lots.
 - (h) To acquire control of sufficient harbour lands over time (including water lots, foreshore, and adjacent uplands) to achieve effective administration and operation of the harbour and to ensure equitable treatment for all harbour users.
 - (i) To help to identify creative methods of facilitating a meaningful role for First Nations in the economic development, management and administration of the Harbour Area and of facilitating a public awareness of First Nations' history and presence in the area.
 - (j) To develop and maintain, in a current state, a strategic plan for the harbour that maintains the harbour on a self-financing basis and identifies potential growth for harbour activities.
 - (k) To establish and maintain sufficient working capital to improve existing facilities and develop future additions to harbour facilities.
 - (l) To promote the environmental sustainability of the Harbour Area and to promote compliance with environmental standards in the Harbour Area.
 - (m) To promote sharing of all benefits and resources generated in the Harbour Area.

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SOCIETY ACT

BYLAWS

Of

GREATER VICTORIA HARBOUR AUTHORITY

PART 1 – INTERPRETATION

1. (1) In these Bylaws, unless the context otherwise requires,

"Board of Directors" means the board of directors of the Society, comprising the individuals described in Part 5.

"Chair" means the Chair of the Board of Directors described in Bylaw 32.

"Chief Executive Officer" means the chief executive officer of the Society described in Bylaw 40.

"Members" mean the Members of the Society, comprising the persons described in Part 2 of these Bylaws who have agreed to become Members.

"Person" includes an individual, partnership, unincorporated association, body corporate, public body, municipality, regional district, trade union, trustee, executor, administrator or legal representative.

"Registered Address" of a Member means his address as recorded in the register of Members.

"Society" means Greater Victoria Harbour Authority.

"Society Act" means the **Society Act** of the Province of British Columbia from time to time in force and all amendments to it.

"User of the Harbour" means a person with a direct commercial use of the harbour.

(2) The definitions of the **Society Act** on the date these Bylaws become effective apply to these Bylaws.

2. Words importing the singular include the plural and vice versa.

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PART 2 – MEMBERSHIP

3. (1) The Members of the Society are the Founding Members of the Society who shall be composed of:
 - (a) The Provincial Capital Commission;
 - (b) The Corporation of the City of Victoria;
 - (c) The Corporation of the Township of Esquimalt;
 - (d) The Esquimalt Nation; and
 - (e) The Songhees Nation.
- (2) In addition to the Founding Members, the Members of the Society will also include the following Members:
 - (a) The Victoria/Esquimalt Harbour Society;
 - (b) Greater Victoria Visitors and Convention Bureau doing business as Tourism Victoria;
 - (c) Greater Victoria Chamber of Commerce;
 - (d) The Capital Regional District; and
 - (e) Such additional Members as may apply for membership and be accepted by the Directors in accordance with Bylaw 6.
- (3) In order to preserve the collective memory and knowledge of the Board, a position of "Life Member of the Society" be made available and that Directors who retire after serving for a long period may be appointed as life members. Life Members would be entitled to attend, but not vote, at meetings of the Society and may be invited to other events and discussions so that they may form, in a sense, a "council of elders".
4. For the purposes of a meeting of the Members, each Member shall be represented by one (1) individual who shall be that Member's chairperson or another individual belonging to that Member who is chosen by that Member and the individual Member Representative may or may not be that Member's Director.
5. Each Member shall uphold the Constitution and comply with the Bylaws of the Society.
6. The Board of Directors may by a resolution supported by 3/4 of the Directors present, determine to accept an applicant for membership to the Society as a Member of the Society.
7. A person shall cease to be a Member of the Society
 - (a) by delivering his or her resignation in writing to the Secretary of the Society or by mailing or delivering it to the address of the Society;
 - (b) on his or her death or in the case of a corporation, on dissolution;
 - (c) on having been a Member not in good standing for 12 consecutive months;
 - (d) in the event that the Member no longer fulfills all of the criteria set out in these Bylaws; or
 - (e) upon being expelled by a resolution of the Board of Directors supported by all Directors other than the Director appointed by the Member in question.

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8. All Members are in good standing except a Member who has failed to pay a debt due and owing by him to the Society and he is not in good standing so long as the debt remains unpaid.
9. Private sector Members must be incorporated bodies who meet the following criteria:
 - (a) directors of the incorporated body must be elected by the membership;
 - (b) membership must be open and available to all interested parties;
 - (c) the object of the incorporated body must be sufficiently broad to include a variety of interests but also can be clearly related to the Society and/or Society activities;
 - (d) the incorporation documents, membership lists, annual general reports, and financial statements of the incorporated body must be public information; and
 - (e) the incorporated body must be able to provide evidence that there is a reasonable expectation its membership and financial viability are sustainable in the long term.

PART 3 – MEETING OF MEMBERS

10. General meetings of the Society, including the Annual General Meeting shall be held at times and places, in accordance with the **Society Act**, that the Board of Directors decide .
11. Every general meeting, other than an Annual General Meeting, is an extraordinary general meeting.
12. The Board of Directors may, when they think fit, convene an extraordinary general meeting.
13. Notice of an extraordinary general meeting shall specify the place, day and hour of meeting and in case of special business, the general nature of that business.
14. The accidental omission to give notice of a meeting to, or the non-receipt of a notice by, any of the Members entitled to receive notice does not invalidate proceedings at that meeting.
15. The first Annual General Meeting of the Society shall be held not more than 6 months after the date of incorporation and after that an Annual General Meeting shall be held at least once in every calendar year and not more than 15 months after the holding of the last preceding Annual General meeting.
16. General Meetings will be open to the public, except for those parts of the meeting where the issue to be dealt with pertains to property matters, legal advice, contract negotiations, or personnel matters.

PART 4 – PROCEEDINGS AT GENERAL MEETINGS

17. Special business is:
 - (a) all business at an extraordinary general meeting except the adoption of rules of order; and
 - (b) all business transacted at an Annual General Meeting, except
 - (i) calling the meeting to order;
 - (ii) the adoption of rules or order;
 - (iii) approving the minutes of the last general meeting;
 - (iv) the consideration of the financial statements;
 - (v) the report of the Board of Directors;
 - (vi) the report of the auditor, if any;
 - (vii) the appointment of Directors;
 - (viii) the appointment of the auditor, if required;

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- (ix) adjourning the meeting; and
 - (x) the other business that, under these Bylaws, ought to be transacted at an Annual General Meeting, or business which is brought under consideration by the report of the Directors issued with the notice convening the meeting.
18. (1) No business, other than the election of a Chair and the adjournment or termination of the meeting, shall be conducted at a general meeting at a time when a quorum is not present.
- (2) If at any time during a general meeting there ceases to be a quorum present, business then in progress shall be suspended until there is a quorum present or until the meeting is adjourned or terminated.
- (3) The necessary quorum will from time to time be determined by the Members, and if not so determined will be a majority of the Member representatives then appointed, but a quorum must not consist of fewer than three Member representatives.
19. If within 30 minutes from the time appointed for a general meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be terminated; but in any other case, it shall stand adjourned to the same day in the next week, at the same time and place, and if, at the adjourned meeting, a quorum is not present within 30 minutes from the time appointed for the meeting, the Member representatives present constitute a quorum.
20. Subject to Bylaw 21, the Chair of the Board of Directors, the Vice Chair or, in his or her absence, one of the Directors present shall preside as chair of a general meeting.
21. If at a general meeting:
- (a) there is no Chair of the Board of Directors or a Director or Officer present within 30 minutes after the time appointed for holding the meeting; or
 - (b) the Chair of the Board of Directors and the other Directors and officers present are unwilling to act as chair,
- the Member representatives present shall choose one of their number to be chair.
22. (1) A general meeting may be adjourned from time to time and from place to place, but no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (2) When a meeting is adjourned for 10 days or more, notice of the adjournment meeting shall be given as in the case of the original meeting.
- (3) Except as provided in this Bylaw, it is not necessary to give notice of an adjournment or of the business to be transacted at an adjourned general meeting.
23. (1) No resolution proposed at a meeting need be seconded and the chair of a meeting may move or propose a resolution.
- (2) In case of an equality of votes, the chair shall not have a casting or second vote in addition to the vote to which he or she may be entitled as a Member representative and the proposed resolution shall not pass.
24. (1) Each Member in good standing who is present at a meeting of Members is entitled to one vote including one vote for the Victoria/Esquimalt Harbour Society.
- (2) Voting is by show of hands.
- (3) Voting by proxy is not permitted.

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- (4) Unless the **Society Act** or these bylaws otherwise provide, an action to be taken by resolution of the Members may be taken by ordinary resolution.
 - (5) At all meetings of the Members of the Society every question shall be determined by majority of votes unless otherwise specifically provide by statute or by these bylaws.
25. A Member representative is entitled to speak and vote, and in all other respects exercise the rights of a Member, and that representative shall be reckoned as a Member for all purposes with respect to a meeting of the Society.

PART 5 – DIRECTORS

26. (1) The Board of Directors may exercise all the powers and do all the acts and things that the Society may exercise and do, and which are not by these Bylaws or by statute or otherwise lawfully directed or required to be exercised or done by the Society in general meeting, but subject, nevertheless to,
- (a) all laws affecting the Society;
 - (b) these Bylaws; and
 - (c) rules, not being inconsistent with these Bylaws, which are made from time to time by the Society in a general meeting.
- (2) No rule, made by the Society in a general meeting, invalidates a prior act of the Board of Directors that would have been valid if that rule had not been made.
- (3) The Directors may from time to time on behalf of the Society borrow money in such manner and amount, on such security, from such sources and upon such terms and conditions as they determine appropriate to further the purposes of the Society, subject to the **Society Act**.
27. The Board of Directors shall be composed of not fewer than nine (9) and not more than fourteen (14) persons.
28. (1) Each of the Members described in Bylaw 3(1)(a) through (c) and (2)(b) through (e) shall nominate one (1) director to the Board of Directors and the Victoria/Esquimalt Harbour Society shall nominate two (2) directors to the Board of Directors, and the Board of Directors, in its sole discretion, may accept the nominee and upon being accepted by the Board of Directors, that nominee shall become a Director.
- (2) Each of the Members described in Bylaw 3(1)(d) and (e) shall either appoint their Chief as a Director or nominate one (1) Director to the Board of Directors and the Board of Directors, in its sole discretion, may accept the nominee and upon being accepted by the Board of Directors, that nominee shall become a Director.
- (3) The Directors accepted by the Board of Directors pursuant to Bylaws 28(1) and (2) shall appoint up to four (4) additional Directors having such skills or representing such constituency as the Directors consider to be in the best interests of the Society.
- (4) The Directors that are nominated under Bylaws 28(1) and (2) shall serve up to three (3) three (3)-year terms as determined by the nominating Member unless otherwise precluded by a Member's governing regulations or legislation.
- (5) The Directors that are appointed under Bylaw 28(3) shall serve up to three (3) three (3)-year terms as decided by the Board of Directors.
- (6) Where either the Esquimalt Nation or Songhees Nation Members have appointed a Chief as a Director to the Board of Directors, such Director becomes a Director upon appointment and is permitted to serve an indefinite term as Director for so long as the Director is a Chief.

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- (7) Subject to Bylaw 28(6), Directors may serve up to a maximum of nine (9) consecutive years unless the Board of Directors, by a 2/3 majority vote of those Directors present, permit a Director to serve more than nine (9) consecutive years as a Director.
- (8) Where either the Esquimalt Nation Chief or the Songhees Nation Chief chooses not to be a Director, the Esquimalt Nation or Songhees Nation Member may nominate a Director to the Board of Directors and the Board of Directors, in its sole discretion, may accept the nomination and upon being accepted by the Board of Directors, that nominee shall become a Director subject to Bylaw 28(4).
29. (1) If a Director nominated or appointed under Bylaw 28(1), (2) or (3) resigns as a Director or otherwise ceases to be a Director, the Member who either nominated or appointed that Director or the Board of Directors who appointed that Director will nominate or appoint, as applicable, a new person to take the place of the former Director and that person becomes a Director upon being appointed or, if nominated by the Member, upon being accepted by the Board of Directors.
- (2) An Act or proceeding of the Board of Directors is not invalid merely because there is fewer than the prescribed number of Directors in office.
30. (1) A Member may remove a Director who that Member has nominated, before the expiration of that Director's term as Director, and may nominate a Director to the Board of Directors and the Board of Directors, in its sole discretion, may accept the nominee as a Director to complete the Director's term and that nominated Director becomes a Director upon being accepted by the Board of Directors.
- (2) A Director may be removed as a Director by special resolution of the Members.
31. (1) A Director may be remunerated for services rendered at a level to be approved by special resolution.
- (2) A Director must be reimbursed for all expenses necessarily and reasonably incurred by the Director while engaged in the affairs of the Society.
32. The Board of Directors shall elect one of their number to be Chair of the Board of Directors.

PART 6 – PROCEEDINGS OF DIRECTORS

33. (1) The Board of Directors shall meet together at the times and places they think fit to dispatch business, adjourn and otherwise regulate their meeting and proceedings, as they see fit.
- (2) All Directors meetings must be open to the public, except that
- (a) the Chair may exclude from a meeting those that the Chair considers to be improperly conducting themselves;
- (b) the Board may exclude from the meeting, all persons other than the Directors and officers of the Society, if the Directors adopt a resolution that states that in the opinion of the Board, the public interest requires the exclusion;
- (c) A resolution adopted under (b) requires an affirmative vote of at least a majority of the Directors present at the meeting if the resolution involves any of the following matters:
- (i) personal matters about an identifiable individual or relations involving individuals acting as Members of the Society;

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- (ii) a financial, commercial or economic transaction of the Society, including a proposed or pending acquisition or disposition of land for the Society's purposes;
 - (iii) litigation matters and the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose;
 - (d) a resolution adopted under (b) requires an affirmative vote of at least two-thirds (2/3) of the Directors present at the meeting if the resolution involves a matter that is not set out in (c); and
 - (e) a Director who cannot or does not intend to keep confidential the nature and details of the matters for which a resolution is passed under (b) through (d) is expected to defer to the decision of the majority of the Board, until the Board resolves to reveal the details or the subject matter or discusses it at a public meeting, by immediately leaving the meeting or that part of it during which those matters are under consideration.
- (3) The Board of Directors may from time to time fix the quorum necessary to transact business, and unless so fixed, the quorum shall be a majority of the Directors then in office.
- (4) The Chair of the Board of Directors shall chair all meetings of the Board of Directors, but if at a meeting the Chair or the Vice Chair of the Board of Directors is not present within 30 minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to chair that meeting.
- (5) A Director may with either the Chief Executive Officer or Board Chair convene a meeting of the Board of Directors.
- (6) A Director may participate in a meeting of the Board of Directors or of any committee of the Board of Directors by means of conference telephone or other communications facility by means of which all the Directors participating in the meeting can hear each other and provided that all such Directors agree to such participation. A Director participating in a meeting in accordance with this bylaw shall be deemed to be present at the meeting and to have so agreed and shall be counted in the quorum therefore and be entitled to speak and vote at the meeting.
34. (1) The Board of Directors may delegate any, but not all, of their powers to committees consisting of the Director or Directors as they think fit.
- (2) A committee so formed in the exercise of the powers so delegated shall conform to any rules imposed on it by the Board of Directors, and shall report every act or thing done in exercise of those powers to the earliest meeting of the Board of Directors to be held next after it has been done.
- (3) A committee shall elect a chair of its meetings; but if no chair is elected, or if at a meeting the chair is not present within 30 minutes after the time appointed for holding the meeting, the Directors present who are Members of the committee shall choose one of their number to be chair of the meeting.
- (4) The Members of a committee may meet and adjourn as they think fit.
35. For a first meeting of the Board of Directors held immediately following the appointment of a Director or Directors at an Annual or other general meeting of Members, or for a meeting of the Board of Directors at which a Director is appointed to fill a vacancy in the Board of Directors, it is not necessary to give notice of the meeting to the newly elected or appointed Director or Directors for the meeting to be constituted, if a quorum of the Directors is present.
36. A Director who may be absent temporarily from British Columbia may send or deliver to the address of the Society a waiver of notice, which may be by letter, telegram, telex or cable, of any meeting of the Directors and may at any time withdraw the waiver, and until the waiver is withdrawn,

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- (a) no notice of meeting of Directors shall be sent to that Director; and
 - (b) any and all meetings of the Board of Directors, notice of which has not been given to that Director shall, if a quorum is present, be valid and effective.
37. (1) Questions arising at a meeting of the Board of Directors and committee of the Board of Directors shall be decided by a majority of votes.
- (2) In the case of an equality of votes the chair does not have a second or casting vote.
38. No resolution proposed at a meeting of the Board of Directors or committee of the Board of Directors need be seconded and the chair of a meeting may move or propose a resolution.
39. A resolution in writing, signed by all of the Board of Directors and placed with the minutes of the Board of Directors is as valid and effective as if regularly passed at a meeting of Directors.

PART 7 – DUTIES OF OFFICERS

40. The Board of Directors shall appoint a Chief Executive Officer to administer the activities of the Society in accordance with policies established by the Board of Directors.
41. The Chief Executive Officer is responsible for:
- (a) preparing an annual budget for the Board of Directors,
 - (b) developing a strategic and business plan,
 - (c) developing a capital plan,
 - (d) implementing such plans as approved by the Board of Directors,
 - (e) supporting policy development by the Board of Directors,
 - (f) administering and managing the Society's lands and facilities, and
 - (g) other activities as directed by the Board of Directors.
42. The Board of Directors may appoint such agents and engage such employees as it shall deem necessary from time to time and such persons shall have such authority and shall perform such duties as shall be prescribed by the Directors at the time of such appointment.
43. The Board of Directors shall appoint a Secretary responsible for:
- (a) conducting the correspondence of the Society;
 - (b) issuing notices of meetings of the Society and the Board of Directors;
 - (c) keeping minutes of all meetings of the Society and the Board of Directors;
 - (d) having custody of all records and documents of the Society except those required to be kept by the Treasurer;
 - (e) having custody of the common seal of the Society; and
 - (f) maintaining the register of Members.
44. The Board of Directors shall appoint a Treasurer responsible for:
- (a) keeping the financial records, including books of account, necessary to comply with the **Society Act**, and
 - (b) rendering financial statements to the Board of Directors, Members and others when required.
45. The offices of Secretary and Treasurer may be held by one person who shall be known as the Secretary-Treasurer.

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PART 8 – CONFLICTS OF INTEREST

46. In these Bylaws, "Related Party" means with respect to a Director of the Society:
- (a) a spouse, child, brother, sister or parent of such Director,
 - (b) a relative of such Director, or of his or her spouse, who resides with the Director,
 - (c) a corporation, partnership, trust or other entity which is directly or indirectly controlled by such Director or by a spouse, child, brother, sister or parent of such Director or any combination of such persons, and
 - (d) a partner of such Director acting on behalf of a partnership of which the Director is a partner.
47. A Director will not allow his or her personal interest or the personal interests of a Related Party to the Director to conflict with or to give rise to the appearance of a conflict with the duties and responsibilities of the Director to the Society or the interests of the Society.
48. Without restricting the generality of Bylaw 47, the following will give rise to a conflict or the appearance of a conflict on the part of a Director:
- (a) a Director or a Related Party of a Director engages in any activity, or has a material interest in any person which engages in an activity, which is in competition or could reasonably be expected to be in competition with the Society's present or proposed activities;
 - (b) a Director or a Related Party of a Director:
 - (i) has a material interest in a user of the harbour,
 - (ii) owes material obligations to the Society or to a user of the harbour, other than in connection with the duties of the Director arising from his or her position with the Society
 - (iii) conducts business with the Society or with a user of the harbour, or
 - (iv) holds a material interest in a person which conducts business with, or acts as a consultant or advisor to, the Society or a user of the harbour with respect to a particular contract, lease, obligation, business, interest or other matter under consideration by the Board of Directors; and
 - (c) a Director:
 - (i) is a party to a material contract or proposed material contract with the Society, or
 - (ii) is a Director of or has a material interest in any person who is a party to a material contract or proposed material contract with the Society with respect to such material contract or proposed material contract.
49. (1) Written disclosure of a conflict or an appearance of conflict shall be made to the Board of Directors by a Director forthwith after the Director becomes aware of the conflict or the appearance of conflict.
- (2) Any Director or Related Party of the Director who conducts business with the Society or with a User of the Harbour or holds a material interest in a person who conducts business with, or acts as consultant or advisor to the Society must not negotiate directly with the Society's Chief Executive Officer or the Society's management staff in relation to an existing or proposed contract, lease, obligation or business interest with the Society; all negotiations must be conducted by the Director's independent agent.
50. A Director, who has disclosed a conflict pursuant to Bylaw 49, shall not participate in discussions or vote on any decision of, or provide recommendations to the Board of Directors on any matter related to the conflict. Notwithstanding the foregoing, a Director may participate in, vote on and provide recommendations to the Board of Directors respecting any matter related to:

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- (a) a personal interest of the Director or Related Party that is an interest held in common with members of the general public, or in common with the appointing body,
- (b) remuneration or expenses payable to one or more directors in relation to their duties as directors, or
- (c) a personal interest of the Director or Related Party that is so remote or insignificant that it cannot reasonably be regarded as likely to influence the Director in relation to the matter.

51. Upon receiving written disclosure pursuant to Bylaw 49, the Board of Directors shall determine:

- (a) whether the Director is in conflict under Bylaws 48 and 49.
- (b) whether the conflict has been or will be satisfactorily addressed through:
 - (i) disclosure by the Director,
 - (ii) The Director abstaining from voting or participating in discussion of a matter related to the conflict pursuant to Bylaw 51, or
 - (iii) the Director undertaking other action;
- (c) whether to request the Director to resign.

52. The Board of Directors shall provide a Director with an opportunity to be heard in connection with a determination made pursuant to Bylaw 51.

53. No Director shall offer gifts to or accept gifts from users or potential users of the harbour without the prior written consent of the Board of Directors, unless the gift has a value of less than \$500.00 and has been accepted or offered as an incident of the protocol or social obligations that normally accompany the responsibilities of a Director.

54. No Director will use any information obtained in connection with his or her position with the Society for personal benefit or for the benefit of any other person unless such information has been disclosed to the public or has been made available to the public. Without limiting the generality of the foregoing, a Director who has knowledge of a proposed action or decision by the Society shall not purchase or sell assets or shares or advise any other party to purchase or sell assets or shares the value of which could be expected to be materially affected by the proposed action or decision until such time as the proposed action or decision has been announced or has been made available to the public.

PART 9 - SEAL

55. The Directors may provide a common seal for the society and may destroy a seal and substitute a new seal in its place.

56. The common seal must be affixed only when authorized by a resolution of the Directors and then only in the presence of the persons specified in the resolution, or if no persons are specified, in the presence of the Chair and Secretary or Chair and Secretary-Treasurer.

PART 10 – NOTICES TO MEMBERS

57. A notice may be given to a Member, either personally or by mail to the Member at the Member's registered address.

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58. A notice sent by mail is deemed to have been given on the second day following the day on which the notice is posted, and in proving that notice has been given, it is sufficient to prove the notice was properly addressed and put in a Canadian post office receptacle.
59. (1) Notice of a General Meeting must be given to every Member shown on the Register of Members on the day notice is given.
- (2) No other person is entitled to receive a notice of a General Meeting.

Date of last revision: October 6, 2011

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