



MINUTES OF PUBLIC MEETING #55

**Greater Victoria Harbour Authority
Held at 9:00 a.m. on 14 December 2007
South Coast Room, Coast Harbourside Hotel**

- In attendance:** Doug Enns, Community Director
Hy Freedman, Township of Esquimalt
Councillor Bea Holland, City of Victoria
Mark Lindholm, Victoria/Esquimalt Harbour Society
Dan McAllister, Tourism Victoria
Ian Maxwell, Community Director
Don Prittie, Capital Regional District
John Sanderson, Victoria/Esquimalt Harbour Society
Bill Wellburn, Provincial Capital Commission
Rick Wiertz, Greater Victoria Chamber of Commerce
- GM & Resources:** Darryl Anderson, Manager Business Development
Sonterra Ross, Corporate Controller
Paul Servos, General Manager
Rebecca Penz, Recording Secretary
- Regrets:** Randy Wright, Community Director
Chief Andy Thomas
Chief Robert Sam
- Guests:** Jim Allard, Hyack Air
Bob Barlow, Westcan Terminals
Barbara Desjardins, Township of Esquimalt
Gerry Lutz, Ogden Point Enhancement Society
Greg McAllister, King Bros
Paul Ridout, GVHA Life Member

1. Call to Order

Don Prittie, Chair, called the meeting to order at 9:05 a.m.

2. Introduction

The Chair welcomed Barbara Desjardins who is replacing Hy Freedman on January 1, 2008 as the representative from the Township of Esquimalt. Don Prittie thanked Hy Freedman for his dedicated service and his tremendous advocacy for the harbour.

Doug Enns will join the Executive as Treasurer.

3. Approval of Agenda

MOTION (Enns/Holland)

That the agenda be approved as circulated.

CARRIED

4. Review/Approve Minutes

MOTION (Wellburn/Freedman)

That the minutes be approved as circulated.

CARRIED

5. Business

5.1 Chairman's Report

Don Prittie reported that there have been significant events since last board meeting:

- Strategic planning session
- First official board evaluation by an outside evaluator
- Association of Canadian Port Authorities Governance Conference hosted by the GVHA

Don Prittie's activities since the last board meeting included:

- Revising the committee chair structure
- Attending a tour of Ogden Point and Fisherman's Wharf
- Attended events of Victoria A.M., Tourism Victoria, and the Greater Victoria Chamber of Commerce
- Meetings with Minister Stan Hagen, Tourism, Sports and the Arts
- Reviewing the City of Victoria's harbour pathways and downtown plan at the open house
- Attended EcoStar Award presentation, which included presentation of the Pollution Prevention Award sponsored by GVHA
- Attended a reception hosted by the Australian Navy

5.2 GM's Report

Mr. Servos updated the Board on management's activities over the past two months. The highlights include:

- The caisson repairs are expected to be finished at the end of February (\$950,000 construction costs). Total costs will come in close to \$1.2 million as budgeted.
- Management has initiated a discussion on how to handle 1200ft cruise ships. We have a tentative plan for a mooring dolphin to take to the cruise industry, Pacific Pilotage, and Transport Canada. The early estimate for the extension is \$1.4 million.
- Fisherman's Wharf Heron Cove Shoreline naturalization is near completion. Fingers 1,2,3 are finished. The construction of new docks at the west end has begun.
- Ship Point electrical upgrade is complete and has passed all inspections.
- GVHA managers will be attending meetings with the cruise lines with GVHA partners, King Bros, Westcan, CruiseBC and Cruise the West. We will be releasing our 2007 cruise ship schedule for 2008 on Monday. Next year's berthings will include some regularly scheduled midweek calls.

- We are working closely with the James Bay Neighbourhood Association to find ways to mitigate the impact of the ground transportation and ships. The air quality study will be released in early February. We have been working with the University of Victoria's scientists to ensure input data for the modeling is accurate.
- We are continuing a diversification strategy to bring in project cargo ships that don't interfere with the cruise ship program.

Rick Wiertz arrived at 9:20am.

5.3 Board Correspondence

The following correspondence was reviewed:

- A thank you letter from the Tall Ships for the GVHA's support of the American Sail Training Association Conference.
- A letter from Tourism Victoria notifying the GVHA of their board restructuring. The GVHA no longer has a seat on the board; however, they invite us to remain involved with the organization.
- A letter from Mr. James Clowater regarding the auditory bird deterrent. He is concerned that the bird deterrent system on the warehouse is disrupting migratory bird nesting activity. We are in the process of applying for the migratory bird noise deterrent permit. The target species is seagulls.

5.4 James Bay Air Quality

Deferred to the February board meeting as the report has not yet been released.

5.5 Governance & Nominating Committee

The board will be meeting on January 10, 2007 with Patrick O'Callaghan at the Esquimalt Nation office.

Action: Staff will send a notice and a map for the meeting.

5.6 Risk Philosophy Statement

At the last meeting, the board of directors had a discussion around creating a risk philosophy. GVHA properties have inherent risks attached to them and the public has an expectation of access to these properties. The attached statement is an attempt to articulate the Society's philosophy regarding risk.

MOTION (Wellburn/Freedman)

That the GVHA adopt the following risk philosophy

CARRIED

GVHA's RISK PHILOSOPHY

The board believes that an understanding of enterprise-wide risk and the proactive management of risk are integral to moving GVHA forward in achieving the vision of *"...a harbour where people live, learn, work and play; a spectacular gateway into Victoria's past and into its future, monumental in look and feel, linking communities and all people together."*

The board's risk philosophy reflects the unique nature and inherent risks of GVHA's marine-

related businesses, the public's expectations of access to and the use of GVHA's physical assets, and GVHA's capacity to effectively manage risk.

The development of strategy and the implementation of strategy are considered within the context of an enterprise-wide risk management program. This includes:

- **Awareness:** All material risks affecting GVHA's operations are identified, monitored and understood throughout the organization.
- **Capacity:** Maximum risk limits are established by the board that are commensurate with GVHA's financial capital, current and forecasted earnings, and the experience and ability of GVHA's management team.
- **Risk appetite:** Operational risk limits and mitigation alternatives are established by management in alignment with the strategic plan and are approved by the board.
- **Accountability:** Management is held accountable by the board for an effective enterprise-wide risk management program.

The board discussed the relationship between the board's responsibilities and management's responsibilities. This risk philosophy recognizes and adopts the enterprise risk process. This risk statement holds management accountable for the program but does not relieve the board of its responsibility. The staff is being relied upon to come up with a plan but it's still up to the board to monitor the organization's enterprise risks.

The board asked management for an annual review of the risk management program. The board agreed that it is important that management apprise the board of newly emerging risks and early warning indicators of issues.

Action: Management to create an annual review of the risk management program.

6. New Business

6.1 Terms of Reference for Divestiture Committee

The chair of the Divestiture Committee reported that the committee met and discussed shifting the focus of the committee to asset acquisition. The committee reviewed the terms of reference and is presenting a revised version and a new name to reflect the shift.

The board discussed the process for updating committee terms of reference. The responsibility for recommending committees and terms of reference lies with the Governance Committee. That committee is responsible for ensuring consistency of format and compliance with bylaws.

MOTION (Wellburn/Freedman)

To forward the recommended revised terms of reference to the Governance Committee for review and recommendation.

CARRIED

The Board agreed that Rick Wiertz should be included in discussions with the Governance Committee. The board still needs to address whether or not this committee should exist. Several members of the board suggested that a shift of focus to acquisition was a good reflection of the change in the GVHA's direction.

The committee pointed out that any acquisition of assets would be in accordance with the strategic plan and there is no intention to do the work of staff or to make decisions that should be done by the board. The point is to identify potential opportunities and provide knowledge and research on opportunities. The committee would function as an advisory committee to the board and would bring recommendations to the board on policies that align with the strategic plan.

The board discussed whether this could be construed to be an invasion of management's realm. The Governance committee needs to ensure that all board members are trained and educated on governance so they understand the board-management relationship.

The board discussed outstanding divestiture-type issues, such as the sea-bottom and management of the harbour airport. The salient word in the revised terms of reference is assets; the committee would not just be contemplating property.

The board discussed which potential issues/development options the committee would review. It would be up to the board to direct the committee to examine specific options. Any committee of the board can be directed by the board at any time to take on specific issues.

Action: The Governance Committee will review the revised Terms of Reference and new name for the Divestiture Committee and report back to the board with a recommendation.

6.2 Harbour Pathway and Downtown Plan

6.2 a) City of Victoria Harbour Pathway

Don Prittie attended the Harbour Pathways open house and reported on the outcomes from the planning. Much of the pathway touches on GVHA property. The pathway is going to take a number of years and lots of different champions to make it continuous. The pathway at Fisherman's Wharf has already been updated and management is considering the possibility of working with the City to put a walking bridge at Heron Cove. The GVHA wants to embrace the pathway but we need to be able to do our business in and around it.

The City's management strategy is that the pathway would develop as density bonusing. They are looking for five and seven metre right-of-ways, which is a significant amount of land to give up. There is a real desire not to have a sterile walkway. There is a recognition and acceptance that it is going consist of different materials, widths, etc. at different places.

The board discussed the legal status of the pathway on GVHA property. The board agreed that while they are willing to let the public use GVHA land, the Society needs to maintain control of the entire property. The board needs to clarify the legal issues and give policy direction to the staff. The Society should not be giving away any waterfront property or rights. Any paths on GVHA property must be controlled and managed by the GVHA.

Areas of concern for the pathway project include:

- The City requiring benefits if we want to develop land impacting the pathway
- Cyclists conflicts on the pathway
- Granting the City easement may mean surrendering GVHA littoral rights
- Putting a bridge across Rock Bay will stop the barges and inhibit the working harbour

The City should be trying to link what already exists and find ways to work with waterfront owners to ensure retention of littoral rights.

Management should talk to planners in Charlottetown who went through a similar process.

The GVHA must ensure that the City of Victoria has studied the environmental impacts of the pathway before participating.

MOTION (Wellburn/Lindholm)

Staff be directed to develop a policy recommendation regarding pathways and walkways on GVHA property and to include public access in general.

CARRIED

This policy will be used to articulate the GVHA's position on the harbour pathway.

6.2 b) City of Victoria Downtown Plan

The City of Victoria has presented four options to handle urban growth. We have some concern about the Rock Bay area which would see urbanization and gentrification and would eliminate marine industrial components. The GVHA needs to advocate for the working harbour and provide input to the City.

The board had questions for the planning committee including:

- Were there any economic impact studies?
- What is the multiplier on the working harbour?
- Has the First Nations interest in the Rock Bay area been considered?

ACTION: Management will set-up a meeting with the City's planning department.

6.3 MV Coho Economic Impact Study

The Economic Impact Study was completed last month. The numbers show that the loss of the Coho would have a significant economic impact. The study did not take into account passengers travelling to Port Angeles. It examined the impact for tourism in Victoria.

The board discussed the intentions of the owners of the Coho. How long are they planning on running a 50-year old vessel in Victoria?

Mr. Prittie reported that the board of directors and management of the ferry, not the owners, told the Belleville Terminal Taskforce that they are in it for the long haul and that they intend to make upgrades to the vessel.

The board agreed that the status quo at the Belleville Terminal cannot continue.

7. Input from the public

Jim Allard, Hyack Air, reported that he has been to the last three meetings to review the renewals of the lease and would like to clarify a few points for the board's information:

1. Hyack Air has always been prepared to pay market value.
2. Hyack Air supports the Harbour Pathway project. There would be no problem connecting a pathway under the Johnson Street bridge with the existing pathway. Hyack Air has made upgrades to the area including the Hyack Beaver mural. In a tri-party agreement with Harbour Air and the Regent hotel, Hyack has committed to funding a \$30,000 security system including cameras.
3. Hyack Air is unequivocally prepared to allow the GVHA the access required for the Johnson Street Marina.
4. The original lease with Transport Canada granted aircraft use. That usage does not exist with the City of Victoria zoning. If the lease is deferred by six-months, the aircraft use will be lost.

Hyack Air would like a commitment from the GVHA to renew the lease.

Greg McAllister, King Bros, acknowledged the work of the Harbour Authority management and staff. There is a very proactive approach to getting work done. He wished everyone the best of the season.

Gerry Lutz, Ogden Point Enhancement Society, thanked the board and staff for beautification of Ogden Point and encouraged the continuation of this program.

There being no additional comments, the meeting was adjourned to the in-camera session at 10:28 am.