



MINUTES OF PUBLIC MEETING #45

**Greater Victoria Harbour Authority
Held at 9:00 a.m. on 07 April 2006
Board Room, 468 Belleville Street**

In attendance:

Chief Gary Albany, Songhees Nation;
Mr. Jim Allard, Victoria/Esquimalt Harbour Society;
Mr. Doug Enns, Community Director;
Councillor Hy Freedman, Township of Esquimalt;
Councillor Bea Holland, City of Victoria;
Mr. Stewart Johnston, Tourism Victoria;
Mr. Peter Lloyd, Greater Victoria Chamber of Commerce;
Mr. Ian Maxwell, Community Director;
Mr. Don Prittie, Capital Regional District;
Ms. Barbara Quinn, Community Director;
Mr. John Sanderson, Victoria/Esquimalt Harbour Society;
Mr. Bill Wellburn, Provincial Capital Commission;
Mr. Randy Wright, Community Director.

Regrets:

Chief Andy Thomas, Esquimalt Nation

GM & Resources:

Ms. Sonterra Ross, Corporate Controller;
Mr. Paul Servos, General Manager;
Ms. Louise Carlow, Secretary.

Guests:

Mr. Bob Barlow, Westcan Terminals;
Ms. Pauline Beauvais, Fisherman's Wharf;
Mr. Dave Hodgson, Tug Barge Operations;
Mr. Joanne Kukat, Springtide Whale Charters;
Mr. Gerry Lutz, Westcan Terminals;
Mr. Greg McAllister, King Bros.;
Mr. Martin Scherzer, Laurel Point Strata;
Mr. Lyle Soetaert, Westcoast Air.

1. Call to Order

Mr. Stewart Johnston called the meeting to order at 9:05 a.m. and welcomed Mr. Jim Allard as a new representative for the Victoria/Esquimalt Harbour Society. The Society had met the previous evening and elected Mr. John Sanderson and Mr. Allard as the representatives for the GVHA Board. A docket and orientation binder was supplied for Mr. Allard and he was briefed on the code of conduct and conflicts of interest guidelines. As a tenant of GVHA there were direct or perceived conflicts regarding some of the material to be discussed at the meeting, therefore, the materials provided had been edited accordingly.

2. Approval of Agenda

MOTION (B. Holland/D. Enns)

That the agenda be approved as circulated.

CARRIED

3. Review/Approve Minutes

Councillor Hy Freedman noted an error in the minutes of February 10, 2006 which showed him in attendance at the meeting when he had been absent.

MOTION (P. Lloyd/D. Prittie)

That the minutes be approved as amended.

CARRIED

4. New Business

4.1 Chairman's Report

Mr. Johnston remarked that there had been a great deal of activity since the last meeting of the Board. He welcomed Chief Gary Albany from the Songhees Nation who was filling in for Chief Robert Sam.

Mr. Johnston commented that the communications strategy and the presentations were well underway and had been well received. He noted that the true benefit of the meetings was in the question periods following the presentation. He also remarked that there had been media follow up and fall out from some of the presentations, particularly in respect to the proposed Belleville Street International Ferry Terminal. Meetings had been held on this issue and the Minister requested a show of support from the community. The Greater Victoria Chamber of Commerce have undertaken a letter campaign and members of the Board and the public were encouraged to write to the Minister expressing their support.

The fuel dock issue is still in question. Imperial Esso are looking to be out of the operation in a year although they recognize the need for fuel in the harbour.

The port study for Ogden Point is proceeding. By agreement with Transport Canada GVHA is required to continue to operate this facility as a port and the studies have been commissioned to determine the extent and requirements of this agreement.

Mr. Johnston advised that Mr. Sanderson had been presented with an opportunity to solicit support from Senator Johnson and some work had already been done. In addition, the request for proposal for a public affairs and advocacy advisor had been sent out. The Chair and the lead of the divestiture committee would be the lead on this project.

Mr. Johnston opened the discussion for questions.

Mr. Allard remarked that at the meeting of the Victoria/Esquimalt Harbour Society a motion had been passed that stated the importance of the fuel dock to a working harbour.

4.2 General Manager's Report

Mr. Paul Servos recognized the work of staff in having Ship Point ready for the B.C. Yacht Brokers Floating Boat Show. He reported that the show had been a success and the facility had received compliments from exhibitors and attendees.

Mr. Servos advised that the lease negotiations for Ogden Point had been completed and the materials would be submitted to the City shortly. The intent is to have the leases in

place for May 1. With Ogden Point completed, the plan is to next move on to Fisherman's Wharf and consequently the environmental work had begun there.

On the issue of advocacy, Mr. Servos confirmed that the request for proposal had been sent out.

Mr. Servos advised that he has been appointed to a seat with the Association of Canadian Port Authorities (ACPA) as a director. He has also been appointed as a director of Cruise B.C.

Mr. Servos echoed Mr. Johnston's comments about the communications strategy and the excellent media relations of late. He is pleased with the positive approach being taken by the press. Mr. Sanderson commented on the change in tone of media coverage and gave credit to Mr. Servos for this change.

Mr. Bill Wellburn queried the mandate of ACPA and questioned what GVHA might learn from this association. Mr. Servos outlined the history and mandate of ACPA and clarified that they are a valuable resource for emerging issues such as green ships, cruise regulations and governance issues. As a director Mr. Servos represents the category of affiliate members. Although GVHA is currently the only affiliate member it is valuable to be included in this organization. Cruise BC is an organization comprised of all ports on the west coast that receive cruise ships. This is an important group for communication and for presenting a solid front to the cruise industry.

MOTION (R. Wright//J. Sanderson)

That the General Manager's report be accepted for information.

CARRIED

4.3 Board Correspondence

Mr. Don Prittie reviewed the correspondence received and sent by the Board including the congratulatory letters sent to the new cabinet ministers.

MOTION (B. Wellburn/D. Enns)

That the board correspondence be accepted for information.

CARRIED

4.4 Committee Chairs/Board Lead Reports

a) Governance Committee

Mr. Prittie advised that the Governance Committee had not yet met although a meeting is scheduled for the next two weeks. The Committee will have a report for the Board in June. Ms. Barbara Quinn suggested that this Committee lead the discussion regarding the Code of Conduct for Directors and staff.

b) Fisherman's Wharf Upgrade

Mr. Prittie reported that the presentations to the various stakeholders had gone well and that they had learned things. There is a meeting still to take place with the Shoal Point Advisory Committee and a full report would be coming to the Board in June.

MOTION (P. Lloyd/H. Freedman)

That the report on the Fisherman's Wharf upgrade be accepted for information.

CARRIED

c) Ogden Point Development

Mr. Sanderson reported on the status of the port study which was being conducted by Mr. Tom Lauga of Lauga & Associates Consulting Ltd. The findings are very preliminary at this point but already there is more to the study than anticipated. With massive changes in shipping trends, the consultants are looking at the potential for two ports to be developed to service vessels associated with the short sea shipping trade. One port would be in Los Angeles with the second in the Vancouver/Seattle/Tacoma vicinity. This brings a range of opportunities for Victoria that warrant review. The working group will be looking at the potential opportunities in May and will be bringing forward business cases in June with an estimate of costs.

There were a number of questions regarding the possibilities and Mr. Sanderson confirmed that this was not a question of trucking but rather a question of barging of shipments. He noted that this was a long way from a firm proposal but rather a potential opportunity for exploration. Mr. Doug Enns commented that Prince Rupert is eager to advance in this area and have the advantage of being the most direct route but have encountered issues in regards to capacity. He noted that it would be wise to make an informed decision with the issue having been investigated fully rather than dismissing it out of hand. Mr. Sanderson advised that there are other potential opportunities as well all of which present challenges. The opportunities may or may not be a good choice for the region but might be done elsewhere on the island. Mr. Servos commented that he and Mr. Sanderson had met with the CEO of the Port of Vancouver to discuss their position on short sea shipping. In addition a conference is being held on the issue in Vancouver and he and Mr. Sanderson will be attending. He emphasized that the purpose of the study was to identify what the options might be and that business cases will eventually be developed for the Board to make an informed decision.

MOTION (B. Quinn/R. Wright)

That the report on the Ogden Point Development be accepted for information.

CARRIED

d) First Nations Committee

Mr. Randy Wright commented that Chief Robert Sam is not well and expressed the Board's wishes for a speedy recovery. Mr. Wright advised that the First Nations Committee had met on February 20 and have revised the GVHA hiring policy which will be presented during the in camera portion of the meeting. He remarked that he had attended a luncheon with members of the Songhees Nation which had been informative. This is part of the relationship building process. The proposed Passport to the Workplace program is currently on hold until the two Nations have had an opportunity to review references for the program. The Committee will be meeting to discuss the proposed joint ventures for property acquisition and for the Ship Point venture.

Ms. Quinn suggested that Mr. Wright organize a 30 minute piece around First Nations and how they relate to the harbour. Councillor Freedman remarked that he would be attending an event on the Peninsula in April and would prepare a report for the Board.

MOTION (D. Prittie/P. Lloyd)

That the report on the First Nations Committee be accepted for information.

CARRIED

e) Human Resources Committee

Ms. Quinn reported that the Human Resources Committee had conducted an external search engaging a search consultant that had resulted in the unanimous approval of Mr. Servos as General Manager. She emphasized that the process had been rich and extensive.

In December the Board had begun the process of evaluation with the first exercise being a self evaluation. The next step is to have a third party consultant assist with peer evaluations and conduct a debriefing with all Directors. She suggested that the Governance Committee put together a suggested process for the fall. In response to a query from Mr. Sanderson, Ms. Quinn advised that not all current Directors had completed a self evaluation.

MOTION (J. Sanderson/D. Prittie)

That the report on the Human Resources Committee be accepted for information.
CARRIED

f) Divestiture

Mr. Johnston reported that the divestiture program as defined by the Canada Marine policy is now over, however that doesn't mean that we have given up the dream to obtain the seabed and control of the harbour as well as some key properties north of the Johnson Street bridge. The messages from Transport Canada are mixed and continue to be frustrating.

Mr. Sanderson advised that through a personal contact he was put in communication with Senator Johnson. The Senator has agreed to work with GVHA to help access Ministers. She had been provided background on the harbour and on the issues which Mr. Johnston had approved. Subsequently the Senator had sent letters to the Ministers outlining these.

MOTION (J. Sanderson/D. Enns)

That the priorities for divestiture be adopted as written.

There was a discussion regarding the alignment of the priorities with the strategic plan and it was noted that control of the harbour airport was not stated in the plan. It was suggested that the outline could show revenue potentials and capacities of marine growth as well as evidence of how GVHA have improved other properties previously divested.

Mr. Wright stated that he had a conflict of interest with respect to discussions regarding the water airport. It was stated that his comments regarding alignment with the strategic plan would be valuable.

Councillor Freedman queried the possibility of abstention from the vote and was advised that the bylaws don't address this. Mr. Allard noted that he had a great deal of concern regarding the airport issue and was advised that he likely had a conflict on this issue. It was suggested that those abstaining from the vote should not participate in the discussion.

The **MOTION was PUT AND CARRIED** with three abstentions.

5. Input from the Public

Mr. Dave Hodgson addressed the Board and advised the he had been involved in the short sea shipping trade for 44 years. He agreed that there were opportunities here. He expressed a concern regarding GVHA marinas and advised that any extension of the marinas into navigable waters would be opposed.

Mr. Martin Scherzer commented that there had been a flurry in the media regarding the potential Belleville Street International Ferry Terminal and the potential for the Coho operations to be moved. In response to his comment Mr. Johnston advised that the proposal to move the Coho operations had not been put forward by GVHA and that there had been a number of possibilities identified by consultants working on the project. He advised that there were options for low, medium and high density developments put forward contingent on the value of the contributions from government and other funding sources. He commented that the Provincial Capital Commission is working on funding to finalize the studies required before moving forward. Developers will be asked to prepare proposals as outlined by the PCC guidelines. He commented that the only certainty in the project is that there is a need for a new facility.

Mr. Scherzer queried the Inner Harbour marina and the installation of security fencing. Mr. Servos advised the GVHA do operate the floats and are expanding the moorage potential at this facility. Security was an issue for business in the winter months and the fencing had been installed to accommodate this need. The intention is that during the summer months the gates will be locked in the open position to allow public access.

Mr. Scherzer noted in the package there was discussion regarding meetings with the James Bay Neighbourhood Environmental Association regarding traffic at Ogden Point and queried if similar issues with the downtown core and traffic from the Belleville terminal were being looked at. Mr. Servos advised that Ogden Point and the impact of traffic on the James Bay neighbourhood are the primary focus at this time, however, traffic congestion downtown does have an effect on this as well. The broader agenda will be looked at in the future but traffic mitigations for Ogden Point are the focus at this time.

Ms. Pauline Beauvais, owner and resident of the float home "Moonshadow" moored at Ogden Point addressed the Board regarding her concern about the 15% rate increase and the timing of the float homes moving toward rates based on square footage. She has spoken to staff on this issue and is now seeking an answer from the Board. Mr. Servos advised that when GVHA took over the facility in 2002 there were a number of grandfathered clauses. The annual increase of 15% was put in place until such time as market rates were achieved here. The change to square footage rates is being looked at with an anticipated April, 2007 implementation date. The intention is for this to create equity for the variety of float homes. Ms. Beauvais requested that moorage be frozen at the level of 2004 because improvements to justify the increases have not happened. Mr. Johnston stated that it is the policy of the Board that float home owners have no tenure or property rights with only a one year license granted for moorage at Fisherman's Wharf and that market rates be charged for the licenses. He noted that part of the commitment to Transport Canada was to honour the licenses and to phase in increases so as not to incur hardship. He noted that this incredibly desirable property. He advised that Ms. Beauvais' request would be discussed further in camera.

Mr. Greg McAllister commented on the discussions regarding Ogden Point and suggested that direct rail be considered. He remarked that you can develop real estate anywhere but you can't build a port anywhere.

Mr. Johnston thanked the public for their attendance and interest.

MOTION (B. Holland/D. Enns)

That the public portion of the meeting be adjourned.

CARRIED

The meeting was adjourned at 10:45 a.m.