



MINUTES OF PUBLIC MEETING #47

**Greater Victoria Harbour Authority
Held at 9:00 a.m. on 11 August 2006
Board Room, 468 Belleville Street**

- In attendance:** Mr. Doug Enns, Community Director;
Mr. Ian Ferguson, Greater Victoria Chamber of Commerce;
Councillor Hy Freedman, Township of Esquimalt;
Councillor Bea Holland, City of Victoria;
Mr. Stewart Johnston, Tourism Victoria;
Mr. Ian Maxwell, Community Director;
Mr. Don Prittie, Capital Regional District;
Ms. Barbara Quinn, Community Director;
Mr. John Sanderson, Victoria/Esquimalt Harbour Society;
Chief Andy Thomas, Esquimalt Nation;
Mr. Bill Wellburn, Provincial Capital Commission;
Mr. Randy Wright, Community Director.
- Regrets:** Mr. Mark Lindholm, Victoria/Esquimalt Harbour Society;
Chief Robert Sam, Songhees Nation.
- GM & Resources:** Ms. Sonterra Ross, Corporate Controller;
Mr. Paul Servos, General Manager;
Ms. Louise Carlow, Recording Secretary.
- Guests:** Mr. Jim Allard;
Mr. Bob Barlow;
Mr. Adam Hellicar;
Mr. Barry Hobbis;
Mr. Gerry Lutz;
Mr. Greg McAllister;
Mr. Len Pearson;
Mr. Bruce Read;
Ms. Laura Richards;
Mr. Paul Ridout;
Mr. Lyle Soetaert.

1. Call to Order

Mr. Stewart Johnston called the meeting to order at 9:02 a.m.

2. Approval of Agenda

MOTION (D. Prittie/J. Sanderson)

That the agenda be approved as circulated.

CARRIED

3. Review/Approve Minutes

MOTION (J. Sanderson/R. Wright)

That the minutes be approved as circulated.

CARRIED

4. New Business

4.1 Chairman's Report

Mr. Johnston welcomed Mr. Ian Ferguson as the newly appointed representative for the Greater Victoria Chamber of Commerce, replacing Mr. Peter Lloyd. Mr. Johnston extended the thanks of the Board to Mr. Paul Ridout. Mr. Johnston noted that Mr. Ridout's experience and wisdom is still very much valued in GVHA activities and acknowledged Mr. Ridout's work on the Ogden Point port study.

Mr. Johnston commented that the Board has been very busy and a great deal of progress has been made over the past months. He advised that an agreement had been reached regarding the fuel dock and the potential crisis in the harbour averted. The discussions regarding divestiture have been advanced and meetings with Cabinet Ministers have taken place. He noted that the Board has been looking at Fisherman's Wharf and already consultations had taken place. In addition, the port study regarding appropriate uses for Ogden Point has been completed and would be presented later in the meeting.

4.2 General Manager's Report

Mr. Paul Servos reviewed the activities of the summer including the increase in mega yacht traffic facilitated by the improvements to Ship Point. Mr. Randy Wright queried what type of communication had taken place with these customers and commented that he saw this type of traffic building. Mr. Servos advised that the majority of the large yachts work with a company here in Victoria to coordinate their visit and that staff were working directly with the organization to help create excitement and to mitigate issues as they arose. He noted that one of the downsides of Ship Point is that it is very public. Mr. Bill Wellburn inquired about special events such as Symphony Splash and questioned if there were issues from the perspective of harbour users. Mr. Servos commented that events do inconvenience clients although marine oriented events are usually embraced. Mr. John Sanderson remarked that the Victoria/Esquimalt Harbour Society (V/EHS) has set a policy not to support non-marine events. Mr. Johnston clarified that GVHA has only set a policy in reference to financial sponsorship of events but have not defined this further.

4.3 Board Correspondence

Mr. Don Prittie reviewed the correspondence received since the last meeting of the Board.

MOTION (D. Prittie/B. Holland)

That the Board correspondence be accepted for information.

CARRIED

4.4 Business Arising

a) Ogden Point Caisson Repairs

Mr. Servos gave an update on the repairs underway at Ogden Point. He noted that there was more erosion at the end of the caissons than anticipated and outlined the strategy for addressing this. Stantec has been contracted to develop a proposal for a long term solution and will be tasked with preparing a tender package for the work. It is anticipated that the draft tender package will be ready in the fall and would be presented to the Executive Committee for review and recommendation. It is hoped that the repairs can be undertaken this winter although the piers could wait another season if necessary. He noted that the Transport Canada funding is only available until 2012 so it is important to find the long term solution

now. He advised that the costs for the emergency repairs are on budget at just over \$100,000 including engineering costs.

There was a discussion regarding the repairs and process for determining the long term solution. Mr. John Sanderson asked if the cruise ships might be liable for some of the repairs given the nature of the erosion. Mr. Gerry Lutz responded that GVHA is offering a standard of facility that is not ideal for the current style of vessels. In response to a question, Mr. Servos advised that similar issues are occurring at other older style ports and that this information forms part of the research being conducted by Stantec. Mr. Sanderson suggested that perhaps a review of rates was warranted given these issues. Mr. Servos commented that the competition from other BC ports is quite fierce and would need to be considered. Mr. Ian Maxwell requested clarification on the specifics of the pier construction and queried if the problems started when cruise ships began to visit regularly. Mr. Lutz advised that current cruise vessels are much larger than anticipated when the piers were constructed. Mr. Maxwell questioned if there was a business case for repair of the caissons and was advised that there is a need to proceed with the work to protect the asset. Mr. Prittie queried the appropriateness of the depreciation scale and if profitability was being overstated. Mr. Servos advised that assuming the facilities were valued appropriately, the depreciation should be sufficient. Mr. Enns raised a similar question in regards to the effect the caisson repairs would have on cash flow. Mr. Servos remarked that the 20 year life cycle projections on the facility indicates that current depreciation will cover the current assets.

b) City of Victoria Initiated Rezoning – Ogden Point

Mr. Servos advised that the City of Victoria is preparing a Memorandum of Understanding (MOU) for this issue. The MOU would be a commitment from GVHA to consult with the City prior to any development at the site. Although the MOU would have no legal standing, it would be an understanding whereby the City wouldn't proceed with the rezoning and GVHA would commit to consultation prior to development. Once the draft is received he will have legal counsel review the document and then forward it to the Executive Committee for consideration.

Ms. Barbara Quinn noted that at the previous meeting she had requested a legal opinion regarding recourse if the rezoning was imposed by the City and queried if anything had been done. Mr. Servos reported that he had met with Ms. Kathryn Stuart of Staples, McDannold, Stewart and had been advised that GVHA would have no recourse on this issue as nothing had yet been built. Mr. Johnston queried if this legal opinion was in writing and suggested that as Ms. Stuart's firm also acts for the City it might be advisable to get a second written opinion on the issue.

b) Marine Adventure Ticket Sales Update

Mr. Lorne Whyte addressed the Board and reviewed the marketing campaign and activities for the 2006 season. He advised that Tourism Victoria is engaging in pre and post travel promotions for cruise customers in Vancouver, promoting Victoria as a destination. He remarked that there was an increase in marine adventure tour ticket sales in July with the ticket window staying open as late as demand required. Mr. Prittie commented that although the numbers presented were impressive, the window wasn't very visible, particularly after hours. Mr. Whyte responded that they were looking at ways to add impact for the window but that signage was an issue with the PCC as landlords. Mr. John Sanderson remarked that the intent of the arrangement was to provide a way for the small operators to have prominence. He expressed a concern that this did not appear to be happening. Ms. Quinn requested that a report be presented at the October Board meeting which includes direct feedback from tour operators.

4.5 Committee Action Items/Reports

a) Governance Committee

i. Conflict of Interest Policy

Mr. Prittie advised that the Governance Committee had met and had developed a preamble to the policy to help define a conflict of interest.

MOTION: (D. Prittie/B. Holland)

That the amended Conflict of Interest Policy be approved.

Mr. Sanderson expressed a concern regarding the wording of the policy suggesting that it creates a conflict for anyone actively working in the harbour. He questioned if this was to apply to specific issues or be taken in a broader context. Mr. Prittie advised that the wording of the actual policy had not changed only a preamble added. Mr. Enns tried to clarify the intent of the preamble commenting that on a particular issue representing an organization and GVHA at the same time could be the basis of the conflict. What would be needed in such a case would be to make a disclosure of the perceived conflict, and if it was agreed that a conflict did exist, abstain from the discussions. He noted that these types of circumstances were inevitable and that issues had to be brought forward. They would be perceived as neither positive nor negative but would be disclosed and then managed on a case by case basis. He further noted that management of the conflict would be at the call of the Chair and that in some cases can add to the flavour of discussions. He advised that a financial interest would be a more substantial conflict.

Mr. Maxwell raised the question of potential conflicts. Mr. Enns responded that this is a systemic issue of governance and that judgment is the key. Ms. Quinn suggested that the Board would learn over time as issues arose and the practical examples of the policy in action would lead the way.

The motion was put and **CARRIED**.

ii. Terms of Reference

MOTION: (D. Prittie/D. Enns)

That the terms of reference for the Governance and Nominating Committee be approved.

Mr. Wellburn questioned the membership of the Committee and whether the staff representative carried a vote. It was agreed that this should be stated as non-voting.

The motion to approve the amended terms of reference was put and **CARRIED**.

iii. Director Honoraria

MOTION: (D. Prittie/D. Enns)

That the amended policy on Director Honoraria be approved.

It was noted that in no case could the total honoraria exceed 5% of gross revenue as was stated in the original policy. Mr. Prittie noted that research of honoraria in other organizations shows that GVHA's honoraria is modest by most standards.

Mr. Wellburn questioned pre-approval of expenses by the General Manager and suggested that it would be more appropriate to have the reference to “General Manager” in the policy changed to “Member of the Executive Committee”. It was agreed that this change should be made.

The motion to approve the amended policy was put and **CARRIED**.

5. Input from the public and presentation

Mr. Clancy Chisholm addressed the Board and expressed a concern regarding the lines of communication with float home owners. He advised that there was an issue with regards to the moving of a float home and the process for making and communicating the decision. Mr. Servos advised that the float home movements had been discussed with the advisory committee and were being done in the best interests of the float home community as a whole. Mr. Johnston noted that there is no right of location on the license agreement for float homes and that GVHA does have the right to move as seems appropriate. He commented that perhaps direct communication could be improved and thanked Mr. Chisholm for bringing this item to the attention of the Board.

Mr. Len Pearson of Three Hour Sails commented on the arrangement with Tourism Victoria to sell tickets for marine adventure tours. He commented that he believed the sign that had been installed on Ship Point was in the wrong location and was too expensive for operators to advertise in. He further noted that the window installed by Tourism Victoria is difficult for customers to access. He reported on some investigations he had conducted on the effectiveness of Tourism Victoria sales and suggested that while they did not appear to be biased, they were not informed on options available. He commented that he believed that the increased sales numbers were being impacted by other factors. He advised that the Victoria Marine Tour Operators Association had discussed sending a letter to Tourism Victoria outlining their concerns but had not yet had an opportunity to do this. He suggested that there were lots of complaints with the current operation. Mr. Johnston thanked him for his comments and advised that Tourism Victoria have been directed to report back in two months with feedback from the operators.

Mr. Adam Hellicar from Ocean Explorations noted that he liked the tent that had been utilized for marine adventure ticket sales the previous summer. He stated his belief that this was a good indication of what would work. He also commented that the Tourism Victoria window is dominated by advertising for one company giving the appearance of unfair representation and that this is a concern.

Mr. Lyle Soetaert from Westcoast Air advised that he had attended a strategic issues meeting hosted by the Downtown Victoria Business Association (DVBA). One of the critical items that had been identified was the issue of festivals on the harbour. He noted that Mr. Wright had been in attendance at the meeting and had presented GVHA's position on this issue. He suggested that GVHA send a letter to the City reaffirming their position on Festivals. Mr. Johnston clarified that GVHA does not have a policy on festivals on the harbour and that the only policy he is aware of is that of the V/EHS. He raised the question of whether or not this was something that the Board wanted to pursue. Mr. Wright commented that tourism markets Victoria as a destination for tourists and that the traffic congestion that results from festivals makes an impression on these visitors. He noted that other venues in the city have been offered for these festivals and he encouraged a resolution on this issue. Councillor Freedman noted that it seems that even if GVHA doesn't have the direct ability to make changes they could influence the discussions on this issue. He suggested that an ad hoc committee or an existing committee be tasked to look at the issues. Councillor Holland commented that these were very timely discussions and that the timing was right for a letter on behalf of GVHA to Mayor and Council urging them to deal with this issue. She suggested that the resources of GVHA be offered to the City in reviewing the implications of festivals.

MOTION: (H. Freedman/J. Sanderson)

That an adhoc Committee be struck to assist various groups to determine what appropriate activities for the harbour might be.

Mr. Wellburn queried what the mandate of the committee would be. It was suggested that the committee be tasked with making a recommendation on a GVHA position on festivals.

The motion was put and **CARRIED**.

MOTION: (H. Freedman/J. Sanderson)

That GVHA write a letter to the City to offer GVHA resources in developing a policy on festivals.

CARRIED

Mr. Barry Hobbs, Victoria Harbour Ferries thanked the Board for bringing the issue of marine adventure ticket sales forward. He commented that Harbour Ferries are not directly involved in the ticket sales but felt he would be remiss if he didn't suggest that the small marine operator needs to be given a window of opportunity, encouraged and given an opportunity to grow. He stated his belief that GVHA will discover that a better job could be done.

Mr. Jim Allard, Hyack Air spoke to the issue of festivals. He noted that Hyack Air doesn't have the same degree of congestion but commented that even when a plan for festivals is designed, it isn't implemented. He also commented on the marine adventure ticket sales and noted that the window for this activity didn't open until mid June. He advised that he has written to and spoken with Tourism Victoria on this issue. Finally, he commented on the issue of a clean and safe city noting that this goes to the guest experience of the harbour. He encouraged the Board to look at what they are doing on this issue.

There being no additional comments, the meeting was adjourned.