

GREATER VICTORIA HARBOUR AUTHORITY

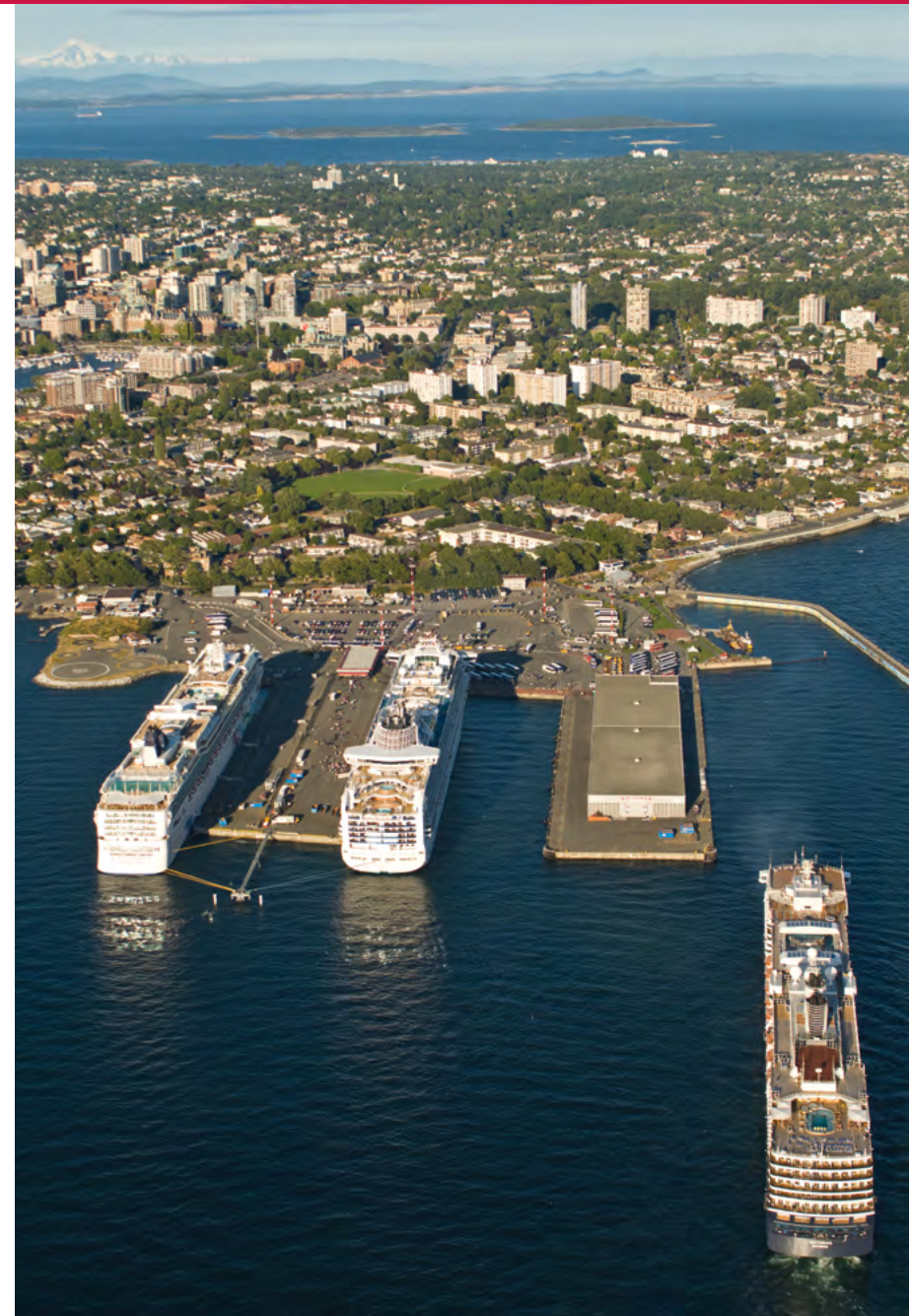
STAKEHOLDER REPORT 2016/17



CONTENTS

[Previous](#) [Next](#)

Message from the CEO	3
Message from the Chair	4
About Greater Victoria Harbour Authority	5
Performance Highlights	
Properties and Facilities	7
Steamship Terminal	
Fisherman's Wharf	
Marinas	
Ogden Point	
First Nations Partnerships	13
Environment	14
Community and Events	16
Financial Performance	18
Governance	22
Corporate Information	26



Message from the CEO



In late October of 2016 I welcomed several of our elected officials, Board members, stakeholders, partners and staff for an important test drive at Ogden Point. The Greater Victoria Harbour Authority was introducing the first purpose-built, fully electric double decker bus in partnership with CVS Tours. As the bus glided silently to a stop, we all got ready for a test loop downtown and back, among the first passengers on the bus.

The event was one of several standout highlights of 2016 / 17. GVHA has made important strides in environmental sustainability, not only at Ogden Point but at all our properties. An innovative incentive program at Ogden Point encouraged tour bus operators to bring newer buses into circulation, making a substantial difference in the age of bus engines on the terminal and positively affecting air quality.

I was gratified to see our efforts rewarded by the BC Lung Association, whose 2016 *State of the Air Report* confirmed an almost negligible level of sulphur dioxide detected at an air quality monitoring station in James Bay operated by the BC Ministry of Environment and Island Health.

GVHA has underwritten staff training in spill response and emergency planning, and built stronger partnerships with agencies including

the Canadian Coast Guard, Transport Canada, and Emergency Management BC to enhance emergency preparedness.

All of these initiatives demonstrate a clear path for GVHA's management of its harbour properties, in line with our measured and deliberate approach to environmental and financial sustainability. It's an approach we've applied to the development of the Ogden Point Master Plan, which was submitted to the City of Victoria for assessment in late December 2016.

The Master Plan is a blueprint for the future of the Ogden Point site, with a focus on social, economic, and environmental sustainability. I look forward to working with city planners and decision makers on the next steps toward making the Master Plan a reality. Enhanced staffing, added in early spring 2017 at the senior level in property development and management, along with cruise development, will help us get there.

I'm grateful for the strong support of our very hardworking Board, and Board Chair Dave Cowen, for being engaged in this process as we move forward, and I'm looking forward to another successful year.

Ian Robertson, Chief Executive Officer

Message from the Chair



With my first full year as Board Chair for GVHA behind me, I'm both impressed with the ground covered by the organization this past fiscal year, and optimistic about what it bodes for the future.

Indeed, GVHA is at an important crossroads. With the dedicated work of everyone involved in the organization over the past 14 years, the groundwork has been laid for a financially, socially, and environmentally sustainable future. Key to our next step forward, the submission of the final draft of the Ogden Point Master Plan to the City of Victoria in December was a milestone. It follows two years of intensive community consultation, a comprehensive Functional & Facilities Plan, and growing buy-in from local and regional agencies, levels of government, and stakeholders. After this thorough work, I'm confident that Ogden Point will emerge as one of the most important developments of the city's near future.

The sustainability of Ogden Point is absolutely critical to GVHA's continued operation. When local and regional stakeholders envisioned GVHA as a stand-alone not-for-profit organization that would steward Victoria's iconic harbour lands after divestment in 2002, fiscal responsibility was at the foundation. The realization of the

Ogden Point Master Plan will allow GVHA to fulfill that promise into the foreseeable future, maintaining all the properties under its jurisdiction without public funding.

Going forward, I'm optimistic about the next phase of this project. This Board is remarkably dedicated to the vision of GVHA as a sustainable contributor to Victoria's future prosperity, and I continue to be impressed by the work done in our Board committees to help steer the organization forward within the guidelines of the 10-year strategic plan.

I commend CEO Ian Robertson for his tireless championing of, in particular, improvements to the environmental sustainability of GVHA operations. A focus on incremental change in emissions, noise reduction, and traffic management, have given the organization a clear path forward to a greener future. I believe this focus on an environmentally sustainable bottom line also positions GVHA well for a stronger financial future.

In closing, I'd like to thank the GVHA Board, our member agencies, stakeholders, partners, and staff for a successful 2016 / 17, and I look forward to continuing this success.

Dave Cowen, Board Chair



ABOUT GREATER VICTORIA HARBOUR AUTHORITY

Greater Victoria Harbour Authority (GVHA) is a not-for-profit organization created in 2002, responsible for 110 acres of Victoria harbour properties that were previously maintained by the Government of Canada. The organization has fee simple ownership or leasehold interest in four main locations: Ogden Point deep water terminal, Fisherman's Wharf, the Steamship Terminal heritage building, and the Inner Harbour Marinas and Ship Point.

GVHA is accountable to eight member agencies: The Esquimalt Nation, the Songhees Nation, the City of Victoria, the Township of Esquimalt, the Capital Regional District, The Greater Victoria Chamber of Commerce, Tourism Victoria and the Victoria Esquimalt Harbour Society.

The organization's mission is to operate and manage the properties entrusted into its care, advocate for best water- and

marine-related use and development of the whole harbour and its assets, and partner and collaborate with others to implement initiatives that drive economic, social and environmental benefits for the region.

Our customers include cruise and shipping lines, live-aboard boat and float home owners, as well as commercial operators in businesses including marine tourism and food services, ground transportation operators, marine industrial manufacturers and services, commercial fishing vessels, and marine fuel suppliers.

GVHA operates on a self-sufficient basis, generating operating revenue through service and licensing fees and, on average, generates an annual cash surplus which is directly reinvested into sustaining maintenance and development of harbour assets.



ABOUT GREATER VICTORIA HARBOUR AUTHORITY

Performance highlights

- During fiscal year 2016 / 17, GVHA submitted the final draft of the Ogden Point Master Plan to the City of Victoria for assessment and approval. The Master Plan lays out a long-term vision to establish Ogden Point as a gateway for cruise tourism, as well as a community commercial hub, and First Nations cultural centre.
- Cruise tourism at Ogden Point held steady in 2016 over 2015 numbers, generating 56 per cent of all revenues for GVHA. During the 2016 season, Ogden Point welcomed 224 cruise ships with 550,000 passengers and 212,000 crew, generating an estimated \$130-million economic impact for the Greater Victoria region.
- GVHA hosted 47 annual public events across all properties, and launched a new live summer music series on the Breakwater Barge at Ogden Point that quickly developed into a popular weekly draw for local residents.
- May 2016 marked the arrival of the largest cruise ship ever at Ogden Point – Royal Caribbean's *Explorer of the Seas*, with more than 4,000 guests.
- We solidified our commitment to the strategic growth of cruise tourism in Victoria through a high-profile presence at Florida's annual Seatrade international cruise conference in March 2017, with a delegation that included Lisa Helps, Mayor of Victoria.
- GVHA diversified the mix of commercial outlets at Fisherman's Wharf, and revenue from commercial clients increased in 2016 / 2017.
- Throughout the year, we invested \$1.1 million to support and promote community events that align with GVHA's guiding principles and vision, with a focus on marine, cultural, educational and artistic events.
- To prepare for organizational growth without compromising existing services, GVHA made important changes to our senior leadership team, adding positions in property development and management, and cruise development.
- Annual revenue increased 10 per cent and GVHA maintained its long-term commitment to reinvest any fiscal surplus into facility maintenance and upgrades. A total of \$1.8 million was spent across all properties in 2016/17, including upgrades worth \$200,000 to Pier B terminal at Ogden Point.

10%
revenue increase

4,000+
per visit on *Explorer of the Seas*

\$130 million
estimated regional economic impact for cruise

\$200k
upgrades to Pier B terminal

11.5%
increase in international visitors to Victoria

550,000
cruise passengers

500,000+
people walked the Ogden Point Breakwater

\$1.8 million
invested in facilities

\$1.1 million
invested in community events

224
cruise ship calls



Simon Renvoize – Capital Projects Manager

Describe, in brief, what your job is at GVHA

I manage GVHA's capital infrastructure program, including some of the larger, more complex repair projects. Most of our projects require about a year of planning, permitting, and getting through red tape before we even get to the site. Some of our recent projects have included improvements to the Causeway, major repairs on the Wharf Street docks, and concrete block repairs along the Ogden Point breakwater. The new V2V dock and office and public spaces in the Steamship

Terminal were designed and built locally, and have added value and vibrancy to that location.

What would you like the harbour to look like 30 years from now?

I like the vision for a vibrant and sustainable harbour. I like Ian Robertson's comment about this being the doorstep to Victoria. Everyone knows Sydney Harbour, or Hong Kong Harbour. Wouldn't it be fantastic to think that Victoria's harbour could be thought of in the same way? GVHA has a great vision for growth, with the Ogden Point Master Plan, and partnership opportunities with the City of Victoria. It's exciting to think we will be a driver for change.

What is one of the more unusual things that you've observed since you've started at GVHA?

I was involved in a First Nations burial ceremony along Dallas Road. City workers were installing new road drains and they excavated within a known First Nations burial area and found a grave. If you walk along the sidewalk near 189 Dallas Road, you'll see three plaques in the ground, and the most recent is for the 400- or 500-year-old grave. Representatives of local First Nations prepared a ceremony to rebury the skeleton, and those of us who were observing were welcomed to be part of the ceremony. To my surprise I was handed a shovel and was very humbled to be involved in the actual burial ceremony, something I will not forget.

PROPERTIES AND FACILITIES

Steamship Terminal

The Steamship Terminal building on Victoria's Inner Harbour was designed by architect Francis Rattenbury with assistance from Percy James, and built in 1924 as the west coast hub of the Canadian Pacific steamship line. It is now on Victoria's Registry of Historic Buildings.

In 2011, following a substantial seismic and mechanical upgrade, GVHA leased the Steamship Terminal and adjacent water lot from the Province of British Columbia. A variety of commercial tenants currently occupy the Terminal building.

In early 2017, GVHA leased commercial space on three levels to Riverside Marine, which established V2V, a new scenic passenger ferry travelling daily between Victoria and Vancouver. As part of the refit for the V2V *Empress*, GVHA partnered with Riverside to remove the old Steamship Terminal float (previously servicing the Undersea Gardens attraction) and built a new dock and ramp.

GVHA also began a comprehensive interior and exterior signage and wayfinding project for the Steamship Terminal during the past year. The project aims to reconnect the building with its heritage, and make it more welcoming to the public.



PROPERTIES AND FACILITIES

Fisherman's Wharf

Over the past 15 years, GVHA has worked alongside Fisherman's Wharf businesses and residents to transform this floating community into a dynamic residential and commercial community, one of the city's most popular tourism destinations. Its docks are home to float homes, live-aboard vessels, commercial fishing vessels, and a mix of food service and retail outlets. The only marine fuel dock in the Inner Harbour, operated by Victoria Marine Fuels, is located at Fisherman's Wharf.

GVHA works collaboratively with its customers, the local community, and adjacent landowners (City of Victoria, Canadian Coast Guard) to ensure that Fisherman's Wharf continues to be a vibrant, self-sustaining mixed-use community and tourist destination.

In 2016 / 2017, GVHA began development of a comprehensive emergency management plan for Fisherman's Wharf in partnership with local and regional agencies, including the City of Victoria, the Capital Regional District, and Emergency Management BC. The plan includes procedures for mitigation of small- and large-scale spills, as well as planning for natural disasters and evacuations.

GVHA also amended its internal policies over the past year to accommodate liquor licensing for commercial food service providers on the docks. As part of this development, GVHA increased seating areas to expand license-only outdoor seating.

33
float
homes

12 year-round
commercial
fishing vessels

2.07M
Pounds
Seafood Offloaded

31 live-aboard
vessels

13 floating
businesses



PROPERTIES AND FACILITIES

Inner Harbour Marinas

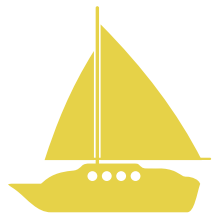
The Inner Harbour marinas, including Causeway, Ship Point, Wharf Street and Johnson Street docks, have evolved over more than a century, from early shipping and industry to a focus on commercial and pleasure craft moorage today. Part of Victoria's working harbour, these marinas are home to eco-tourism operators, multiple events, markets, and food-service outlets, and transient and long-term moorage for personal craft from small sailboats to large yachts. It is a vibrant, busy place year-round, with traffic from float planes, and multiple local, regional and international ferry services.


GVHA works as an advocate with all stakeholders to ensure the harbour is maintained as a primary attraction and destination for residents and visitors to the city, and that it evolves as an economic driver of tourism, transportation, and commercial services in Victoria.

In early 2017, GVHA partnered with the Georgia Strait Alliance and Clean Marine BC to host a professional development session on small-scale marine spill identification and clean-up. The workshop prepared maintenance, dock crew, and marina services staff to handle planning, preparation and response to toxic spills in and around the marinas.

3,121
vessels in transient moorage

15% 
increase in winter moorage

179 
megayachts moored

56% 
increase in sea plane visits

56% 36%
vessels from US vessels from BC

PROPERTIES AND FACILITIES

[Previous](#) [Next](#)



Shannon Greenley, Dock Operations Coordinator

I'm Dock Operations Coordinator for all the downtown marinas, including Causeway, Ship Point, and Wharf Street. I oversee operations in all our downtown marinas, booking in boats, billing them, and providing general customer service to our clients.

How did your career path lead you here?

I'm educated in forestry, horticulture and ecosystems management and I worked in that field for quite some time back in Ontario. Then I took a job as a fisheries observer on a commercial fishing vessel for a company contracted out by the Department of Fisheries and Oceans. I spent nine years working at sea on fishing vessels.

What's something memorable from the job?

As part of my job, I often get after-hours calls. GVHA encompasses much of the downtown Victoria area, and I'll receive calls that span all over and have nothing to do with us. I had a call from someone whose mother came over with Black Ball Ferries and said she was put in "customs jail" and wanted to know how she could get out. Turns out she had brought her dog over without the right paperwork.





Chantelle Olsen, Maintenance Administrator

I've been working in the maintenance department at GVHA for almost four years. My job is to assist with scheduling and planning maintenance requests for all facilities, and support the maintenance supervisor.

How did you get here?

I worked in Fernie, BC as operations manager for a cleaning company with up to 40 staff. Here, I started in reception and accounts payable, and when this position was created, I was asked if I wanted the job.

What would you like the harbour to look like 30 years from now?

30 years from now I would love to see the harbour spotlessly clean. Every day we have a foreshore person who takes care of our facilities and picks up every cigarette butt and piece of garbage. We do an amazing job, but I can't believe the amount of litter that people leave behind.

PROPERTIES AND FACILITIES

Ogden Point

GVHA derives the majority of its revenue from Ogden Point, through its cruise activities and moorage for working vessels, ship repair and other services. It served as the gateway to the region for 224 cruise ship visits, more than 550,000 cruise visitors and 212,000 crew who arrived between April and October of 2016, and staging area for a busy ground transportation operation for buses, taxis, limos, carriages, pedicabs and other tour operators.

Ogden Point is the busiest cruise ship port of call in Canada. In 2016, we welcomed Royal Caribbean cruise line's *Explorer of the Seas*, at 311m and 4,000 passengers, the largest cruise ship ever to visit Victoria. She has since become a regular caller.

In 2016/17 GVHA advanced the concept of establishing Ogden Point as a home port within five years, which would create a stable economic driver for tourism in the region. A 2016 Business, Research and Economic Advisors (BREA) study, commissioned by the Cruise Lines International Association, found that the cruise industry already brings an average of \$130 million in economic benefit to the Victoria region.

\$130k
repairs to Pier A

 **100,000**
sq ft warehouse space


4 deep
sea berths

880
direct and indirect jobs
supported by cruise
industry regionally


3 tugs

PROPERTIES AND FACILITIES

GVHA made significant improvements in 2016/17 to transportation operations for environmental sustainability, with the introduction of North America's first fully electric double decker bus in partnership with CVS Tours, in order to test the feasibility of electric tour transport from the cruise pier. In 2016, fee incentives were introduced, to encourage coach operators to stage newer, lower-emitting buses at Ogden Point. This has had great results: in 2015 the average bus age on the terminal was 1986. In 2016, the average bus age was 2003.

In addition to cruise ships, 16 commercial and military ships docked at Ogden Point during 2016/2017 with one, the cable layer Wave Venture, using it as its home port. Ogden Point also serves as a tug depot, pilot station, and houses a small boat repair and boat business. A heliport provides direct flights to Vancouver Harbour and Vancouver International Airport.

Strategically located adjacent to major shipping trade routes, Ogden Point has been a marine industrial site for nearly 100 years. With four deep-sea berths ranging from 800 to 1,100 feet and a mooring dolphin that extends moorage length off Pier B, GVHA earns revenue from yacht transport ships, cargo ship hold cleaning, berthing and stopovers by research and commercial vessels. The harbour is open 24 hours a day, seven days a week, year round. Ogden Point also has more than 100,000 square feet of warehousing.

In 2016, GVHA undertook an extensive refurbishing of Pier A, which has been operation for more than a century. After a comprehensive environmental review, underwater welders were brought in to repair structural caissons and refill them with concrete. This work is expected to extend the working life of the pier by at least 30 years.



212,000
cruise crew

2 search
& rescue
vessels

56%
GVHA revenue from
cruise industry

\$130 million
estimated annual value of cruise



24 commercial + military ships docked

The Ogden Point Master Plan



In December 2016, GVHA submitted the final draft of the Ogden Point Master Plan to the City of Victoria for assessment and approval. This draft was the result of more than two years of planning work, development of a Functional and Facilities Plan, and more than 30 stakeholder and community engagement and information sessions.

The overarching vision for Ogden Point is a working harbour and gateway for cruise tourism in Victoria that will grow as a valuable cultural and recreational hub for the region, and be an extension of the James Bay community. It will include cultural and economic opportunities for the Songhees and Esquimalt nations, and build a flexible balance of marine industrial, commercial, and retail developments. The plan ensures the port is operated in a safe, environmentally, socially and fiscally responsible manner while delivering a strong economic and cultural contribution to the City of Victoria and the region as a whole.

With its completed submission to the city in late 2016, the Ogden Point Master Plan is on track to begin the assessment process, evaluation by city planners and Victoria city council, and to begin the process of rezoning through 2017 and 2018.



FIRST NATIONS PARTNERSHIPS

As all GVHA properties lie within the traditional territories of the Songhees Nation and the Esquimalt Nation, both First Nations are recognized as founding Member Agencies of GVHA and are represented on our Board of Directors. One of GVHA's guiding principles is to commit to working in partnership with the two Nations as they pursue their cultural and economic aspirations in the Harbour.

At their Annual General Meeting on June 9th, 2016 the decision was made to place Skwin'ang'eth Se'las Development Corporation (SSD Co.) on hiatus for a period of 18 months. A custodial board was assigned, and there was no other activity by the corporation during the remainder of the fiscal year 2016 / 17. New strategic phases will be explored in the near future. GVHA has committed one per cent of gross operating revenue to First Nations initiatives, under guidance of the Board's First Nations Economic Development committee.

GVHA has an ongoing annual grant program to support to support the Esquimalt Nation and the Songhees Nation. In 2016 / 17, grants of \$10,000 were provided to each

Nation, for initiatives including after-school programming, youth groups, and a youth summer employment program. GVHA also granted \$5,000 to the 2016 Aboriginal Cultural Festival, with additional grants to 10 Vancouver Island-based war canoe teams.

GVHA First Nations liaisons worked independently and with SSD Co. to develop programming, partnerships and opportunities including initiatives around First Nations events and tourism, mapping, employment and entrepreneurship opportunities, and ceremonial support. First Nations liaison staff were hands-on with planning and presentation of World Oceans Day at Fisherman's Wharf, and the 2016 Aboriginal Cultural Festival, as well as providing support for the First Nations Causeway Artists' Program.

Work continued through the year on enhancing a Lekwungen language project, with First Nations liaisons working to develop language CDs for presentation to Songhees and Esquimalt Nations, and translating historical writings. In 2016, GVHA recognized the cultural tradition of the burning ceremony at Ogden Point, developing and installing interpretive signage at the site.

\$20k in youth
program
grants

\$5k 
support to Aboriginal
Cultural Festival

1%
gross operating
revenue applied



ENVIRONMENT

Social, environmental and financial sustainability is built into every aspect of GVHA's operations. It is key to the organization's overall success and integral to ensuring liveable communities everywhere it operates. To achieve the environmental and sustainability commitments in our business and strategic plans, GVHA has partnered with outside auditing agencies, including the Green Marine, Clean Marine, and Climate Smart programs. GVHA believes a successful, healthy, working harbour is one that sustains a dynamic and viable local economy while we work with the community and stakeholders to ease impacts on water, air quality, marine ecosystems, and the community.

In 2016, GVHA renewed a commitment to the BC Ministry of Environment and Island Health to maintain financial support for an air quality monitoring station in James Bay. For the second year in a row, measurable air quality at the site was below 16 parts per billion on all days. As regulated by Island Health, air quality is rated as "poor" at 75 ppb. As a result of measures undertaken by GVHA and the cruise industry, levels of sulphur dioxide have dropped dramatically in James Bay, as shown in the BC Lung Association's 2017 *State of the Air Report*.

GVHA is further addressing emissions at the Ogden Point terminal with incentives and changes to ground transportation operations. In 2016, in partnership with CVS Tours, we launched the first purpose-built fully electric double decker bus as a pilot program. The bus runs on 450kWh of battery power, and can travel up to 400 km on a single charge, depending on requirements and operating criteria.

542 lbs
garbage collected at
Clean up the Shores

0 days
above 16ppb SO₂
in James Bay

2003

average bus age at Ogden Point

\$10k
annual investment
in air quality monitoring

41k+
litres black water pumped
from vessels

4/5
Green Marine
composite score

**1 pilot electric
double decker bus**

173,440
blooms counted in the
Annual Flower Count

4/5
Clean Marine
anchors awarded 



Al-Nashir Charania, Environmental Projects Coordinator

I look after all environmental projects and initiatives. A key part of my job is to account for the environmental, financial, and social elements of the organization. I also look after emergency management for GVHA and serve as privacy officer, and Health and Safety committee co-chair.

How did you get here?

I completed an undergrad degree in Environmental Science and International Development at Queens University and a Master of Public Administration at the University of Victoria. My first co-op with the BC government was with the Carbon Neutral Working Group and I also worked with the office of the Comptroller General in its work with Aboriginal Economic Development.

How do you think GVHA is doing so far?

The rate at which we get things done is very fast with the limited number of hours in the day. The environmental department is just one person, compared to other ports in Canada where they easily have 10 to 20 people. One thing that I like to blow our horn about is our high scores in the Clean Marine and Green Marine programs. I'm happy with our progress to date, but there's still more work to do.



COMMUNITY AND EVENTS

During fiscal 2016/2017, GVHA allocated more than \$1 million in cash and in-kind sponsorships, and beautification and accessibility projects for the properties under its management. This includes over \$100,000 of in-kind sponsorship for more than 40 public events.

In 2016, GVHA began a comprehensive upgrade to its event planning and sponsorship procedure, to ensure that all events receiving cash or in-kind sponsorship are assessed fairly and transparently. This also allowed us to further align sponsored events with GVHA values, including support for community, marine-related, educational, and First Nations events across all properties.

With the addition of a floating barge adjacent to the pilot boat moorage at Ogden Point, GVHA established a new live music series in the summer of 2016. Bites, Brews, Bands on the Barge. It was held every Friday between the end of May and early September. The event was free to the public and featured local musicians of all kinds. GVHA is optimistic that the success of this event will open the door for more public and private events, not only on the barge but also at other underutilized indoor and outdoor Ogden Point spaces.

In late summer, GVHA staff were engaged with Tourism Victoria and all levels of government in planning for the Royal Visit. From September 24 to October 1, the Duke and Duchess of Cambridge and their children toured BC, with Victoria and many harbour locations serving as crucial staging areas. Large crowds were drawn to events at the Causeway, Ogden Point and the Breakwater, and GVHA ensured that each location was in spectacular shape, to showcase to the world.



15 music nights
on the Barge

\$1 million⁺
cash and in-kind sponsorships

47 public
events
hosted



COMMUNITY AND EVENTS



Tereza Ticha,
Events Coordinator

Describe, in brief, what your job is at GVHA

I make sure that any events happening on GVHA property go well and look good to the public. We provide support for events that cover community, education, and marine-related activities, with the goal of increasing revenue from events, supporting the community and maintaining good relationships with all our event organizers.

How did your career path lead you here?

I worked in tourism management for almost 10 years in Europe, where I coordinated trade shows, events and marketing. I started as a temp at GVHA in May 2016 and grew into my role. I also used to DJ on the side for fun for six years just because I love music.

What would you like the harbour to look like 30 years from now?

If the harbour is taken care of, we will be able to accommodate more people and events at all our facilities. Some of the facilities in Europe, for example, have round marinas that are able to accommodate much bigger vessels. Years from now, I would love us to possibly reconfigure Causeway docks so that we can host bigger races and bigger events.

Sponsored festivals and events in 2016/17 included:

- Floating Boat Show
- Opening Day Sailpast
- Swiftsure sailing race
- The inaugural "Race to Alaska"
- Canada Day celebration
- Day of the Seafarer
- Victoria International Buskers' Festival
- Symphony Splash
- Dragon Boat Festival
- Classic Boat Festival

FINANCIAL PERFORMANCE

[Previous](#) [Next](#)

SUMMARY STATEMENT OF OPERATIONS AND CHANGES IN UNRESTRICTED NET ASSETS

Year ended March 31, 2017, with comparative information for 2016

	Budget (unaudited - note 16)	2017	2016
Revenues:			
Shipping	\$5,831,574	\$6,207,554	\$5,956,709
Marinas and attractions	2,093,520	2,230,484	2,083,020
Commercial real property	2,264,422	2,500,069	2,059,663
	10,189,516	10,938,107	10,099,392
Cruise sustainability fee (note 10)	1,088,907	1,141,181	1,082,700
Other recovered costs and in-kind sponsorship	711,813	775,770	520,032
	11,990,236	12,855,058	11,702,124
Expenses:			
General operating expenses	3,238,772	3,090,627	2,994,801
Repairs and maintenance	1,703,374	1,605,580	1,340,589
Insurance	375,985	364,799	353,606
Property taxes	966,521	886,704	915,113
Administrative	3,813,737	3,880,582	4,064,396
Amortization of capital assets	2,295,015	2,259,812	2,243,880
	12,393,404	12,088,104	11,912,385
Excess (deficiency) of revenues over expenses before the following	(403,168)	766,954	(210,261)
Deferred non-capital contributions recognized as revenue (note 7)	95,000	153,450	5,990
Deferred capital contributions recognized as revenue (note 8)	1,005,000	1,001,960	1,005,307
Gain on disposal of capital assets	—	3,249	3,500
Excess (deficiency) of revenues over expenses before investment income	696,832	1,925,613	804,536
Investment income	223,061	536,302	550
Excess of revenues over expenses	919,893	2,461,915	805,086
Unrestricted net assets, beginning of year	2,802,081	2,802,081	2,551,894
Excess of revenue over expenses, general operations	1,710,831	3,252,853	2,116,752
Net purchase of capital assets	(2,545,920)	(1,774,863)	(1,668,518)
Transfer internally restricted reserve fund	(376,000)	(347,208)	(198,047)
Unrestricted net assets, end of year	\$1,590,992	\$3,932,863	\$2,802,081

FINANCIAL PERFORMANCE

[Previous](#) [Next](#)

SUMMARY STATEMENT OF FINANCIAL POSITION

March 31, 2017, with comparative information for 2016

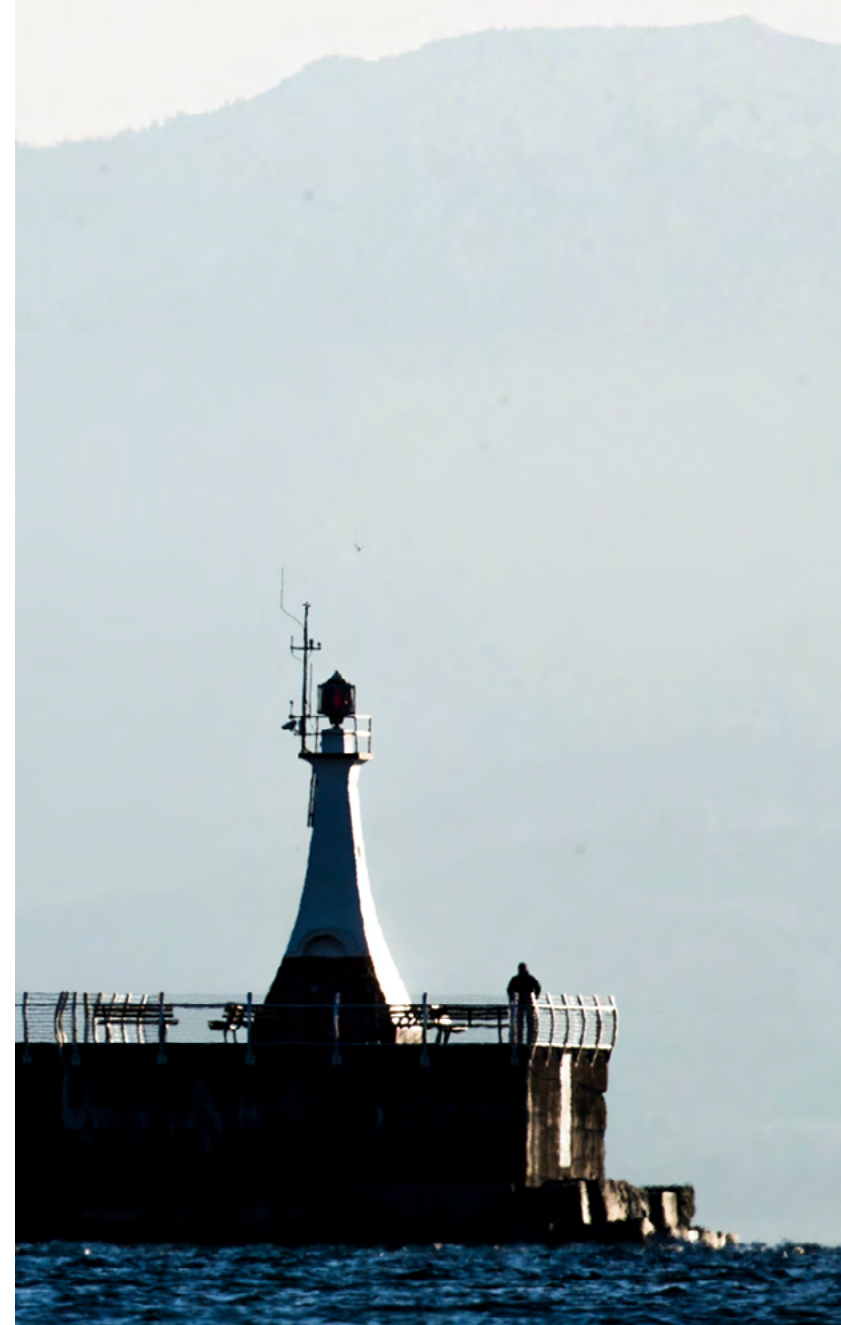
	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	\$2,541,286	\$901,916
Guaranteed investment certificates (note 2)	3,548,008	4,990,180
Restricted cash and guaranteed investment certificates (note 3)	1,338	140,017
Accounts receivable	531,616	339,089
Loans receivable from related parties (note 4)	—	100,000
Prepaid expenses	115,923	175,857
	6,738,171	6,647,059
Investments (note 5)	5,628,842	3,375,226
Capital assets (note 6)	57,057,828	57,442,224
	\$69,424,841	\$67,464,509
Liabilities, Deferred Contributions and Net Assets:		
Current liabilities:		
Accounts payable and accrued liabilities	\$2,005,548	\$1,526,732
Deferred revenue and deposits	422,839	411,489
	2,428,387	1,938,221
Deferred contributions (note 7)	204,617	291,710
Deferred capital contributions (note 8)	21,357,890	22,262,546
Net assets:		
Invested in capital assets	35,699,938	35,179,678
Internally restricted reserve fund (note 9)	5,801,146	4,990,273
Unrestricted	3,932,863	2,802,081
	45,433,947	42,972,032
	\$69,424,841	\$67,464,509

FINANCIAL PERFORMANCE

Notes to Summary Financial Statements

- 1 These summary financial statements are prepared for the purposes of this annual report and do not include all of the information and disclosures contained in the complete financial statements. These summary financial statements are derived from the complete audited financial statements, prepared in accordance with Canadian accounting standards for not-for-profit organizations.

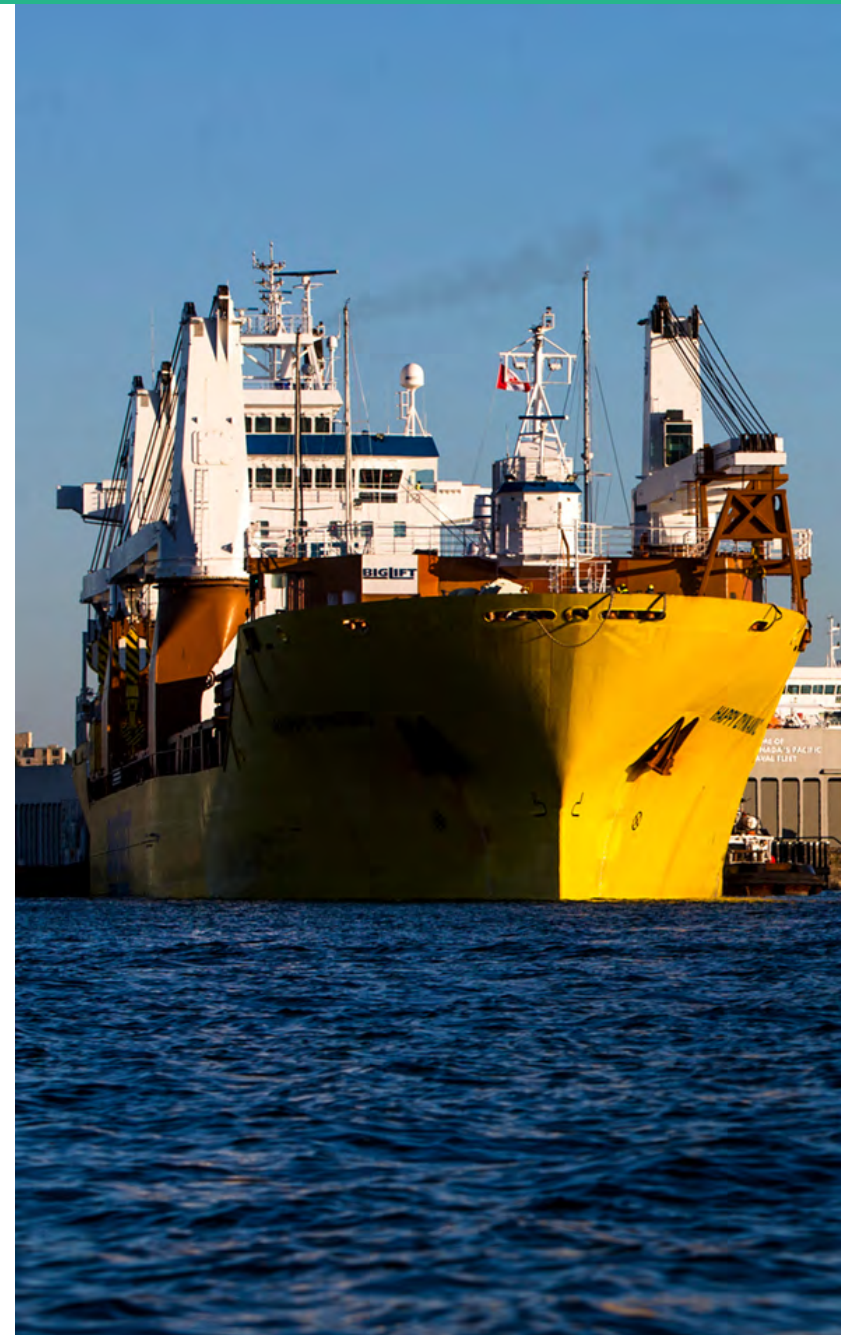
The complete financial statements, which are available on our website, include cash flow information and more detailed explanatory notes.
- 2 GICs at rates of interest between 0.85% and 1.7% with various maturity dates to May 17, 2018.
- 3 Restricted cash and guaranteed investment certificate includes an amount of \$1,338 (2016 - \$140,017) which is restricted for Ogden Point caisson repairs under the contribution agreements with Transport Canada.
- 4 In 2014 GVHA issued \$50,000 non-interest bearing loans to two related parties, the Esquimalt Nation and the Songhees Nation, for the purpose of providing an initial contribution to the Skwin'ang'eth Selas Development Company (note 14). The Esquimalt Nation and Songhees Nation are Members of the Society. The loans were repaid in full on September 30, 2016.
- 5 Investments represent funds invested for internally restricted purposes (note 9). Market value of investments as of March 31, 2017 was \$5,628,842
- 6 Capital assets consist of improvements of \$60,213,556 less \$22,719,583 of accumulated amortization plus land valued at \$19,563,855.
- 7 Deferred contributions received from Transport Canada are to be expended on eligible expenditures as outlined in the Contribution Agreement for each facility. The remaining monies are restricted for caisson repair at the Ogden Point facility.
- 8 Deferred capital contributions include unamortized capital contributions received from Transport Canada from divestiture and other federal and provincial contributions.
- 9 Internally restricted funds are represented by a restricted reserve fund with the purpose to fund a future insurance deductible or a business interruption or material revenue loss exposure (\$5,628,842). The remaining amount (\$172,304) relates to the excess of cruise sustainability revenues and grant funding received over cruise sustaining expenditures.



FINANCIAL PERFORMANCE

- 10** On April 1, 2010, the Authority introduced a cruise sustainability fee to all cruise lines calling at the Ogden Point Terminal. Cruise sustainability fee revenues are used solely to recover and fund capital expenditures related to the construction or improvement of cruise infrastructure. The cruise sustainability fee is \$2.05 (effective April 1, 2016) per cruise line passenger.
- 11** As at September 1, 2012 the Authority had a lease commitment for the Steamship Terminal Building for a term of 19 years and 7 months.

On April 1, 2016 the Authority commenced a lease of the 1st floor of the Dogwood Building for a term of 7 years.
- 12** Board Honoraria shall not exceed 5% of the previous year's gross revenues. The total honoraria paid in the fiscal year represented 1.3% of the previous year's gross revenues.
- 13** For the fiscal year ending March 31, 2017, the Society paid total remuneration of \$1,079,316 to the 10 highest paid employees and contractors for services, each of whom received total annual remuneration of \$75,000 or greater. Remuneration includes salaries benefits and bonuses.
- 14** Skwin'ang'eth Selas Development Company was incorporated on December 19, 2013 jointly by the Esquimalt Nation, Songhees Nation and Greater Victoria Harbour Authority as a non-profit corporation, activities will not be carried out for the purpose of return for GVHA. On April 1, 2014 the Society and the Skwin'ang'eth Selas Development Company initiated a revenue contribution agreement for a term of 3 years. On June 9, 2016 the Members of Skwin'ang'eth Selas determined they wish to have the Company become non-active for a period of 18 months and it was resolved by the Members that Greater Victoria Harbour Authority be released from the contractual obligation and the contract be terminated effective March 31, 2016. For the fiscal year ending March 31, 2017, the Society committed the "percentage of revenue" that would have been payable to Skwin'ang'eth Selas (2017 – 1%) to First Nations initiatives overseen by Greater Victoria Harbour Authority's First Nations and Economic Development Committee of the Board. In 2017, the amount committed to First Nations initiatives totaled \$109,368 of which \$101,900 was unspent at March 31, 2017. First Nations initiatives are recognized in the Society's administrative expense category in the statement of operations.
- 15** The unaudited budget data presented in these financial statements is based upon the 2017 operating and capital budgets approved by the Board on March 3, 2016.



Risk Management

GVHA's Enterprise Risk Management Program (ERM) is based on the internationally-recognized principles of ISO 31000, and applies to all staff. The ERM program assists GVHA in achieving its strategic goals by bringing a systematic approach to identifying, analyzing, mitigating and reporting risks.

The ERM matrix is assessed and updated quarterly, with improvements implemented by management staff throughout the year. The status of assigned risks is reviewed, and there is also an examination of events or activities arising since the previous meeting, which could impact the risks identified, or mitigation strategies employed.

Management provides the GVHA Board with quarterly updates on the risk register through the Board's Audit and Finance Committee. As at March 31, 2017 management identified 60 enterprise risks linked to organizational strategic goals; mitigation strategies and performance measures had been created for each risk.

A recent KPMG audit independently assessed GVHA's ERM program and confirmed the organization had reached an "Integrated" level of maturity for its program, based on improvements implemented by management throughout the year. Specifically, the audit recognized improvements in the following ERM program areas:

- Risk governance
- Culture
- Assessment and measurement
- Management and monitoring
- Reporting and insights
- Data and technology



Accountability to our stakeholders and partners, as well as to the citizens of the region, is critical. Our Board of Directors plays a key role in ensuring we are open and transparent in our operations.

GVHA's Board of Directors includes up to 13 individuals. Nine directors are nominated by GVHA's eight Member Agencies:

- Capital Regional District
- City of Victoria
- Esquimalt Nation
- Greater Victoria Chamber of Commerce
- Songhees Nation
- Tourism Victoria
- Town of Esquimalt
- Victoria/Esquimalt Harbour Society

An additional four independent community directors are appointed by the Board to address gaps in the Board's current Skills and Experience Matrix. Terms for Directors may be up to three years; each Director may serve up to three terms.

The Board's primary responsibilities include:

- Approving GVHA's strategic and business plans and annual budget
- Oversight of GVHA's operations
- Hiring, overseeing, compensating and evaluating the performance of the Chief Executive Officer
- Accountability to GVHA's Member Agencies



In addition to nominating individuals for Board positions, each Member Agency appoints a Member Representative to act on its behalf in maintaining a direct relationship with GVHA throughout the year. Member Representatives also represent their Member Agencies at the GVHA's Annual General Meeting.

In 2016/17, four new members joined the Board:

- Ryan Burles, representing Victoria and Esquimalt Harbour Society
- Susan Brice, representing the Capital Regional District
- Margaret Lucas, representing the City of Victoria
- Christine Willow, representing The Greater Victoria Chamber of Commerce

The Board also thanked four departing members for their work and dedication as their terms came to an end:

- Nils Jensen, representing the Capital Regional District
- Ben Isitt, representing the City of Victoria
- David Marshall, representing the Greater Victoria Chamber of Commerce
- Pete Hartman, representing the Victoria and Esquimalt Harbour Society



GOVERNANCE

[Previous](#) [Next](#)

Director	Board Meetings (5) Board Chair Dave Cowen	COMMITTEE MEETINGS				
		First Nations Economic Development (4) Chair Christina Clarke	Governance Committee (4) Chair Nils Jensen (2016) Starr McMichael (Current)	Human Resources Committee (4) Chair David Marshall (2016) Christine Willow (Current)	Infrastructure, Planning and Development Committee (5) Chair Pete Hartman (2016) Gordon Tweddell (Current)	Audit and Finance Committee (5) Chair Doug Crowder
Nick Banks	4	4			5	
Susan Brice term began Jan 1 2017	1		1		1	
Ryan Burles term began Jan 1 2017	1		1		1	
Christina Clarke	5	4		3		
Dave Cowen	5	4	4	4	5	5
Doug Crowder	5			4		5
Pete Hartman term ended Dec 31 2016	4		3		4	
Ben Isitt term ended Dec 31 2016	2					
Nils Jensen term ended Dec 31 2016	3		3			
Margaret Lucas term began Jan 1 2017	1			1		1
David Marshall term ended Dec 31 2016	4			3	4	
Mark Mawhinney	5				5	5
Starr McMichael	5	4	4			
David Schinbein	5		4			5
Chief Andy Thomas	3	1		4		
Gordon Tweddell	5				5	5
Christine Willow term began Jan 1 2017	1			1	1	

CORPORATE INFORMATION

Board of Directors

Dave Cowen, Chair • Tourism Victoria
Chief Andy Thomas, Vice Chair • Esquimalt Nation
Starr McMichael, Secretary • Independent Director
Doug Crowder, Treasurer • Independent Director
Nicholas Banks • Victoria/Esquimalt Harbour Society
Christina Clarke • Songhees Nation
Ryan Burles • Victoria / Esquimalt Harbour Society
Margaret Lucas • City of Victoria
Susan Brice • Capital Regional District
Christine Willow • Greater Victoria Chamber of Commerce
David Schinbein • Township of Esquimalt
Gordon Tweddell • Independent Director
Mark Mawhinney • Independent Director

Leadership Team

Ian Robertson, Chief Executive Officer
Sonterra Ross, Chief Operating Officer
Kyla Fiddick, Director, Finance and Administration
Mark Crisp, Director, Properties
Lindsay Gaunt, Director, Cruise Development





GREATER
**VICTORIA
HARBOUR**
AUTHORITY

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Photos: Kevin Light; Dave Van; Doug Clement; Heath Moffatt