

BOARD OF DIRECTORS Q1 REPORT: JUNE 2020



The Board met virtually on June 12, 2020 and discussed the following topics. As part of GVHA's mandate to be accountable to its Member Agencies and transparent with stakeholders, the Board of Directors would like to share the following information coming out of their first quarter meeting.

COVID-19 Recovery Plan

The Board Chair and Committee Chairs are meeting every Friday with the CEO and CAO for a business update and to discuss matters regarding COVID-19. This ensures the Board has oversight and is supporting CEO in a timely manner.

GVHA is adequately resourced to run the facilities from an essential service perspective, however, it has made necessary staff cuts and been utilizing the Canada Emergency Wage Subsidy to retain staff.

GVHA will be applying for the Canada Emergency Commercial Rent Assistance program and offering it to all commercial customers as a way to support the working harbour through the pandemic. In addition, GVHA has offered a Rent Deferral option to all customers, which will allow them to defer their April/May/June 2020 rent up to June 2021.

GVHA also supports the decision by Transport Canada to suspend cruise for 2020 and looks forward to the return of cruise under enhanced health and safety measures during the 2021 season, which are the top priority for GVHA. The impact of this suspension, combined with the closure of the border has resulted in GVHA revisiting its budget for 20/21, making substantive cuts to operations and forecasting EBIDTA to go from a \$3M surplus to an estimated loss of up to \$3.6M. In addition, the majority of capital projects have been put on hold. The Board supports the financial plan from GVHA for the fiscal year ending March 31, 2021.

Stakeholder Survey

The Board of Directors will be conducting a Stakeholder Engagement Survey from July 1 to 31, 2020 to get feedback from member agencies and key community partners. Board members will be conducting the survey with each of these groups. A report to the Board will be delivered in September 2020.

Director Remuneration

Due to the negative financial impacts of COVID-19 on GVHA, the Board approved a motion to eliminate Directors' meeting fees as of May 1, 2020. This decision will be revisited at the December 2020 board meeting.

Facility Condition Assessment & Sustainable Service Delivery Program

The Board approved the revised scope and budget for the Facility Condition Assessments for The Breakwater District at Ogden Point, as well as the Sustainable Service Delivery Program. The timeline for completion is September 2020 and the professional engineering reports will provide valuable insights into the condition of the infrastructure and capital planning for the next 20 years.

Completion of the Dolphin Project

The Dolphin Extension project, which was 90% complete pre-COVID, was completed on April 23, 2020. The 58-metre extension to the Pier B mooring dolphin at the Victoria Cruise Terminal was one of one of the largest infrastructure projects ever undertaken by GVHA, at a final cost of \$6.2M.

Economic Impact Study

In conjunction with its project partners, GVHA launched the Economic Impact Study (EIS) of the Victoria and Esquimalt working harbours in February 2020 and then put it on hold in March due to COVID-19. The EIS is an important tool to show the economic, environmental, and social value of the partners throughout the working harbour on the local economy. The Board approved the motion to restart the EIS with a shift in focus from 2020 to 2019 as the baseline. Work will begin shortly on the project, which is expected to be completed by the end of the year.

Committee Report Highlights

First Nations Economic Development (FNED)

FNED has been significantly challenged by COVID. Many of the cultural events and First Nations tours that support cruise are currently on hold. However, this summer there will be activations from the Songhees Nation with the Songhees Seafood & Steam food truck and the Songhees kiosk information booth on Ship Point.

Human Resources Committee (HRC)

HRC has reviewed the CEO Short Term Incentive Plan (STIP), and due to financial restraints has decided to defer CEO STIP payment until cash flow improves. HRC will add key performance indicators (KPIs) and any necessary changes due to COVID-19 to the STIP for 20/21.

Governance Nominating Committee (GNC)

The Board approved the following motions at the recommendation of the GNC: The 2020/21 Board Budget with proposed savings measures be incorporated into the GVHA 2020/21 Operating Budget and the BOD-08, Board Officers Succession Plan.

Audit & Finance Committee (AFC)

AFC has been focused on the Enterprise Risk Register, cost reductions in capex and repairs and maintenance, insurance and property tax and the restricted reserve fund. Insurance and property taxes are two of GVHA's highest expenses. The Board will be reviewing this area to find some cost saving alternatives.

Infrastructure Planning & Development (IPAD)

IPAD and AFC held a joint meeting and made the decision that all remaining capital projects for 2020 be put on hold.