

# BOARD OF DIRECTORS HIGHLIGHTS – MARCH 2023



## Q4 Board Meeting Report

*GVHA Board Highlights provides a brief summary of items from each quarterly Board meeting. The summary is not inclusive of all agenda items.*

### CEO Transition

This was Ian Robertson's last Board meeting as CEO. The board thanked him for his nearly 8 years of exceptional leadership. Under his tenure, revenue has grown by 76% FY 2014/15 to FY 2023/24, GVHA completed the \$1.8M Ship Point upgrade and the \$6.4M mooring dolphin extension and he led the organization through Covid and the loss of cruise revenue for two years. Ian worked tirelessly to promote the safe return of cruise and to secure Shore Power funding from both the Federal and Provincial governments. We expect to hear a funding announcement in the coming weeks. Ian has been meeting with incoming CEO Robert Lewis-Manning to assist in his transition. Robert attended the March board meeting as an observer.

### Western Stevedoring

Dave Lucas, President Terminals & Stevedoring and Jordan Welch, General Manager, Victoria Cruise Ship & Deep Water Terminal attended the board meeting to give their annual report to the Board. Western is GVHA's largest partner and is currently in the middle of a long-term operating agreement that expires in 2034. Western is responsible for operating the cruise terminal and developing non-cruise opportunities. In 2022 Cruise comprised 87% of the revenue at the Breakwater District at Ogden Point. The remaining 13% was attributed to events, film, storage and parking, and non-cruise berthing. Western is looking at areas to grow the non-cruise revenue.

**KPI:** Work with Western Stevedoring, Provincial Health and Island Health to develop and execute a terminal operating plan to support the safe restart of cruise by end Q1.

**Q3 Results:** Achieved.

### 2023/24 Budget

The Board approved the 2023/24 Operating Budget with a net income of \$2.99M, and the Capital Budget with a projected spend of \$6.26M. The consolidated budget is comprised of the First Nations Economic Development Budget, the Labour Budget, Board Budget and the Capital Budget all of which were approved at the board committee level before being presented and approved by the Audit & Finance Committee and recommended for Board approval. GVHA's 2022/23 financial result is anticipated to be an EBITDA balance of \$4.7M, which represents an improvement in our budgeted results of \$2.4M.

**KPI:** Financial self sustainability in 20 years

**Q3 Results:** >20 years

### Sustainability

At the December board meeting, the board discussed enhancing their role in Environmental Stewardship. Each committee discussed this topic at their quarterly committee meetings. At the March board meeting, the board voted to form a special committee, the Environmental Stewardship Task Force, to review best practices and determine how the board can have increased oversight into this issue. The committee will be supported by GVHA's new Sustainability Manager.

**KPI:** Clean Marine Target of 5 anchor

**Q3 Results:** Maintained all programs to ensure 5 anchor rating can be achieved

## Seatrade

Chair, incoming CEO and Director, Cruise Development will be travelling to Florida for Seatrade Cruise Global conference at the end of this month. They will be meeting with Cruise Line Industry Alliance (CLIA) as well as individual cruise lines to strengthen relationships and talk about issues that are important to the sustainability of cruise. Jocelyn Jenkins, City Manager for the City of Victoria is also accompanying GVHA to show their support for cruise.

## Committee Report Highlights

### First Nations Economic Development Committee (FNED)

FNED is grateful to have both Chiefs at the table now that Chief Sam has agreed to sit as the Songhees Nation advisor. GVHA hosted a 3-day job shadowing program for Lekwungen members in February. The Inner Harbour Placemaking Project is underway. GVHA held a “Meet and Greet” at the Songhees Wellness Centre and the Esquimalt Nation Band Office in early February to share information with Lekwungen members about upcoming seasonal opportunities.

**KPI:** A percentage of GVHA's operational and capital 'influenceable spend' is from Indigenous businesses (3% operational and 5% capital)

**Q3 Results:** 1% operational; 67% capital. Soft launch of the Indigenous Business Directory launch with City, CRD, and SIPP. Developing press release and comms plan; MOU with Salish Sea Industrial has been the success in our capital spend

### Human Resources Committee (HRC)

The Committee reviewed and approved the labour budget for 2023/24. Staffing levels are anticipated to grow by 11% over the current year but will be lower than 2019/20. Labour costs will represent 21% of revenue for 23/24. The committee conducted its annual review of HR policies. EDI training will be starting next month for staff and Directors.

**KPI:** Total Labour Costs (salaries/benefits) 24% of Operating Revenue

**Q3 Results:** 15%

### Infrastructure Planning & Development Committee (IPAD)

The committee reviewed the status of current projects. Shore Power schematics will be completed by end of March and GVHA eagerly awaits an announcement on funding. Construction on Broughton St. Pier will take place between October 2023-March 2024. Repairs to Pier B north to the pier concrete edge are in progress with expected completion by March 20. It was noted that 54% of our capital projects over the next 20 years have an environmental component or lens to them. The committee approved the proposal for GVHA to take over the operations of the Fisherman's Wharf Fuel dock after two unsuccessful RFPs.

**KPI:** Projects approved by BOD are completed or in progress within approved fiscal budget timeline

**Q3 Results:** Major RM project in progress or completed

### Governance Nominating Committee (GNC)

The committee received the final report from the Nominations Task Force (NTF) on Director recruiting. The recommendations from the External Advisor were received by GNC and will be reviewed by the 2023 NTF in the fall. The committee reviewed and approved changes to corporate policies, board manual and charter.

**KPI:** Monitor status of Board risks and develop mitigation strategies. Average of Top 10 Risk <15, Average of all risks <10

**Q3 Results:** Average of top 10 is 12.7, average of all is 9.85

### Audit & Finance Committee (AFC)

AFC reviewed and approved the consolidated budget for 2023/24 and recommended it for board approval. The committee reviewed the restricted reserve performance and recommend that the board look at creative ways to lower risk. The committee reviewed the Long-Range Plan which was developed to reflect the business-as-usual capital and operating budgets for the next 20 years from 2023/24 to 2043/44. At the end of the 20-year time frame GVHA has a positive cash flow of \$49.58M.

**KPI:** Manage operating budget for FY22/23. Target: Budgeted EBITDA of \$2.39M

**Q3 Results:** \$4.7M

