
**SMALL CRAFT HARBOURS
PACIFIC REGIONAL HARBOUR AUTHORITY
ADVISORY COMMITTEE (PRHAAC)**

RECORD OF DISCUSSION

Thursday, November 13 – Friday, November 14, 2008
The Coast Plaza Hotel & Suites

PRHAAC Members:

Bob Baziuk, Steveston HA
Hiltje Binner, Port McNeill HA
Lutz Budde, Oona River HA
Linda Franz, Campbell River HA
Rick Hill, Port Edward HA
Ben Mabberley, Whaler Bay HA
Liz McLeod, Comox HA

SCH:

Ken Smith, Regional Director
Robin Richardson, A/Manager Program Operation
Stacey Martin, Program Officer
Liane O'Grady, A/Manager Budget & Strategic Planning

Guests:

Paul Macgillivray, Associate Regional Director General
David Lane, Lane Property Advisors
Nancy Peck, BC Assessment
Leslie Taylor, HAABC

DAY ONE: WEDNESDAY, NOVEMBER 13, 2008

WELCOME/INTRODUCTION

- K. Smith welcomed PRHAAC members to the two-day session and introduced L. O'Grady, who will be starting a 14-month assignment with SCH Pacific, as Manager, Budget and Strategic Planning in December.

ADOPTION OF AGENDA

- The agenda for the two-day meeting was reviewed, with one addition requested:
 - B. Mabberley requested that a brief Dockside Validation Initiative update be added to the Agenda

- It was agreed to add this item to the meeting agenda, as part of the Fisheries Renewal in Pacific Region discussion scheduled for Day Two.

REVIEW & APPROVAL OF JUNE 11, 2008 RoD

- The Record of Discussion from the June 11, 2008 PRHAAC meeting was reviewed and approved.
- K. Smith advised members that in the future PRHAAC Records of Discussion (RoDs) would be added to the DFO website, as part of an effort to make meeting information available to a wider audience.
- There was general agreement that making the RoDs available to all HAs was a good idea.

Action Item 1: SCH Pacific to post PRHAAC meeting RoDs to the DFO website and develop and implement additional strategies for sharing PRHAAC meeting RoDs with a wider audience, including HAs without internet access.

ACTION ITEM UPDATE

- PRHAAC members reviewed the action items from the June 11, 2008 PRHAAC meeting and the following updates were provided:
 - **PRHAAC Membership** – K. Smith provided an update to PRHAAC members on the status of current and potential new membership in the PRHAAC. He advised that he was still considering the two potential candidates but wanted to wait until municipal elections and the advisory process evaluation were complete before proceeding. He confirmed that both candidates had been advised of the timeframe for a decision. Members once again endorsed candidate Jim Parsons, while Ken highlighted the need for increased Director and/or municipality representation on the Committee.

H. Binner enquired as to the status of previous PRHAAC member W. Erickson and K. Smith explained that, as per the Terms of Reference, committee members must either be HA Directors or HA staff. K. Smith confirmed that W. Erickson had been a valuable member of the group and indicated that there may be an opportunity for him to participate on the Committee in the future, should he again become involved with the False Creek Harbour Authority Board.
 - **Communication with HA Boards** - K. Smith advised he had met with many PRHAAC members' Boards and intended to meet with the remaining in the new year, in an effort to convey SCH's appreciation for PRHAAC members' participation in the advisory process and their Boards' support. In addition to the planned face-to-face meeting, K. Smith advised that he was also in the process of finalizing some letters of appreciation, to be mailed out shortly. He acknowledged that increased HA Board engagement was currently at 'work in progress' but confirmed that it was a priority and

committed to further exploring options for increased contact and communication.

Action Item 2: SCH Pacific (K. Smith) to finalize letters of appreciation to PRHAAC member HA Boards and further explore options for increased HA Board engagement.

- **Maintenance Manual** – B. Maberley confirmed that the Maintenance Manual initiative was proceeding well. He also confirmed that he would be providing an update on the status of the initiative as part of the NHAAC meeting discussion scheduled for the afternoon.
- **Public Awareness Plan Working Group** – S. Martin confirmed the working group members as B. Baziuk, L. Budde and L. McLeod and advised that once the draft templates were developed, they would be circulated to the working group for comment.

Action Item 3: SCH Pacific (S. Martin) to provide draft templates, once available, to Public Awareness Plan Working Group members for comment.

- **Partner and Client Satisfaction Evaluation** – K. Smith and S. Martin provided a brief update on the status of the proposed partner and client satisfaction evaluation initiative, which is on-hold, due in large part to current government policy. K. Smith advised that SCH Pacific would likely not proceed with the client satisfaction evaluation, but that he was still exploring options for proceeding with a partner consultation and would keep the PRHAAC advised as the initiative progressed.

Action Item 4: SCH Pacific to update strategy regarding partner satisfaction evaluation and keep PRHAAC members apprised as the initiative further develops.

- **Travel Claim Process** – K. Smith and S. Martin provided an update on the status of the travel claim process for PRHAAC members. K. Smith confirmed that SCH Pacific could book and pay for members' flights in advance in order to help offset upfront costs typically borne by meeting participants. As well, he advised that options for further streamlining of the travel claim process were still being explored, including the potential for direct deposit for travel claim payments.

Action Item 5: SCH Pacific to continue exploring options for further streamlining PRHAAC members' travel claim processes and payments, including potential for direct deposit to members' accounts.

UPDATE ON THE SCH PROGRAM

- K. Smith provided an update to the Committee on recent SCH activities, including:
 - **Recent Federal Election** – K. Smith confirmed that Gail Shea, from Prince Edward

Island, had been appointed the new Minister of Fisheries & Oceans Canada.

Members expressed some surprise and frustration that the new Minister was not from the west coast, but generally agreed that most important was that she be a strong supporter of the SCH Program.

K. Smith further updated members by advising that R. Kamp had again been confirmed as Parliamentary Secretary and that D. Cody (Special Assistant, Pacific) and J. Kennedy (Parliamentary Secretary's Assistant) will also continue in their roles supporting the Minister. K. Smith also confirmed that the Chair of the Standing Committee on Fisheries & Oceans (SCFO) had not been re-elected to Parliament, but that most other SCFO members had been and the expectation was that the Committee's report on SCH would still be finalized and tabled, although timing of the process was now less certain, due to the Committee member changes.

Good discussion took place on the prevailing economic uncertainties and the Federal Government's increased interest in infrastructure projects in response to those uncertainties. K. Smith confirmed the Deputy Minister's interest in economic prosperity initiatives and the strong government support for the SCH program, but also highlighted that competing priorities could impact program funding and that SCH may have to review program options should monies not be made available.

- **Functional Review & Staffing** – K. Smith indicated that regions had been given approval to staff up to full FTE levels, which in the Pacific Region is 22, as per the recently finalized national SCH organizational charts. He advised, however, that before staffing could take place for a number of the new positions identified in the chart, work descriptions would need to be developed and positions would have to be classified, often a very time consuming process.

K. Smith confirmed that a number of staffing processes were still currently underway for some existing positions, and again highlighted that L. O'Grady would be starting her assignment as the Manager, Budget & Strategic Planning, at the start of December.

K. Smith acknowledged SCH Pacific's need for some additional operational staff. To that end, he advised that the property position staffing process was nearing completion. As well, he confirmed that M. Doutaz was continuing to help out on a contract basis, assisting with high priority operational items. K. Smith was also pleased to report that the PM-04 Program Officer competition was closed and candidates had been screened, with reference checks also completed. He advised that interviews with the 9 candidates were planned for early in the New Year.

Members engaged in a good discussion regarding the merits of on-site harbour training for new Program Officers, with several offering to host new SCH employees for a week at their harbours. Industry exchanges between harbours and opportunities for HAs to see how SCH Pacific works, were also discussed.

At the national level, K. Smith confirmed that SCH had staffed the Director Harbour Operations position, advising that D.J. Kilpatrick had filled the position left vacant by M. Leduc.

- **National Priorities** – K. Smith updated members on the Divestiture Program, highlighting the new funding earmarked for divestiture and the complexities of the divestiture process.

B. Mabberley highlighted his concerns regarding restrictions to access and use, once harbours have been divested and wondered if the restrictions were insurance related. The need to communicate the potential impacts of divestitures to communities was discussed and K. Smith indicated an interest in undertaking some research in to the status of harbours post-divestiture.

Action Item 6: SCH Pacific to follow-up on the status of harbours post-divestiture in an effort to better understand how they are being managed post-transfer

K. Smith advised that there had been some engagement at the national level regarding Transport Canada's Port Security initiative and that additional engagement with HAs on the matter was also anticipated. In that regard, B. Baziuk advised that a representative had approached him regarding the potential for presenting at the upcoming HAABC conference, which members agreed would be a good idea.

Action Item 7: B. Baziuk to follow-up with his Port Security contact regarding a presentation at the upcoming HAABC Conference in January.

K. Smith advised that new fuel storage tank regulations had been introduced and that SCH was currently refining and confirming the inventory of storage tanks (largely waste oil tanks in our region). R. Richardson confirmed that a request for information on storage tanks had gone to HAs, but also indicated that additional engagement and work would be required to ensure compliance. He further advised that there would be a presentation on the subject at the upcoming HAABC Conference.

K. Smith was pleased to advise members that B. Mabberley and the False Creek Harbour Authority would both be recognized at the first ever national Prix d'Excellence Awards presentation, scheduled to take place in Ottawa during the NHAAC meeting. He highlighted that there would be eight Prix d'Excellence awards presented at the ceremony and that there were many worthy candidates for recognition in our region.

- **Miscellaneous** – K. Smith advised members that work is continuing with the Vancouver Fraser Port Authority regarding dredging and that consultation with tenants and stakeholders has taken place, with both Steveston and Ladner harbours engaged, to varying degrees. R. Richardson confirmed that a wide variety of groups, including fishing companies, are being engaged as part of the process, which all members agreed was important.

K. Smith also advised members of the growing interest in aquaculture at harbours and indicated that SCH Pacific had been responding to a number of aquaculture-related inquires and requests. B. Mabberley felt it was important to distinguish between shellfish and fin fish aquaculture, however, K. Smith indicated that the mandate, in his

view, had been refined to include aquaculture, but that a distinction between shellfish and fin fish would not be made.

Finally, K. Smith indicated to members that he had recently participated in a Regional Management Committee meeting, at which it was acknowledged that SCH is, at times, not considered when departmental decisions are being made. The need for better integration was highlighted, with the Department's Fall Community Dialogues identified as one avenue for engaging Harbour Authorities in DFO decision-making. Several members confirmed that they had received invitations to the Community Dialogues, but that the dates of many of the sessions had not been made available. K. Smith reviewed the schedule with members and determined that many of the sessions had already been completed. Members engaged in some discussion on the value and intent of the Community Dialogues, but ultimately agreed that inclusion in the process was a first step towards better integration and involvement in Departmental decisions. K. Smith indicated that the Department was soliciting feedback on the rollout of the sessions, in order to help refine and improve the consultation process. He encouraged HAs to provide some input to help improve HA engagement in the future.

Action Item 8: PRHAAC members to provide feedback to DFO regarding Fall Community Dialogue invitations and sessions in order to help refine the consultation process and ensure improved HA engagement in the future.

ADVISORY PROCESS EVALUATION DISCUSSION

- K. Smith took members through the *Assessment of National and Regional Harbour Authority Advisory Committees* Power Point presentation deck, developed by NHQ.
- Notes from the subsequent discussion on the *Advisory Process Evaluation* to follow.

BC ASSESSMENT PRESENTATION

- R. Richardson provided a brief introduction to N. Peck from BC Assessment and D. Lane from Lane Property Advisors, who had been invited to make brief presentations on harbour assessment and valuation, to PRHAAC members
- N. Peck, legal counsel for BC Assessment, began her presentation on the *Assessability, Tax Status and Payments-in-Lieu of Taxes for Harbour Authorities*, by advising that BC Assessment had been working on the development of a standardized approach for assessment of HA-managed sites for Field Staff for the past 6 months.
- N. Peck confirmed that if Harbour Authorities occupy Crown land (upland or waterlot), they are assessed, but are exempt as an agent of the Crown, and are non-grantable.
- She indicated that in the past, the Federal Government may have made voluntary grant payments to municipalities, despite not being required to do so under the PILT act, but that those payments have been phased out. She also highlighted that individual HA's

voluntary payment arrangements with municipalities do not impact the fact that HAs should be shown on the assessment roll as exempt and non-grantable.

- N. Peck confirmed that BC Assessment was currently developing a policy aimed at clarifying the existing approach to status and valuation of HA-managed sites, however, due to an assessment freeze, she could not speculate as to the time-frame for its completion
- Members agreed that the sooner policy is finalized and communicated to municipalities, the better, especially due to the confusion that exists in many municipalities regarding their right to payments from HAs.
- D. Lane, from Lane Property Advisors, then presented to members on the *Valuation of Harbour Authority Real Estate*, confirming that legislation requires that BC Assessment value all properties, regardless of their exemption status.
- He outlined the income approach to valuation and provided a formula, based on that valuation, for establishing fair compensation to municipalities (through a discretionary grant) for services provided.
- Members indicated their appreciation for both presentations and thanked both N. Peck and D. Lane for helping to clarify a number of assessment and valuation issues.

UPCOMING NOVEMBER 26-28, 2008 NHAAC MEETING

- **Fisheries Renewal Discussion** – K. Smith advised that the PRHAAC would be discussing Fisheries Renewal, in preparation for the upcoming NHAAC session, on Day Two of the PRHAAC meeting. He highlighted that the focus of the discussion at the regional level would be the identification of issues facing HAs and the impacts of Fisheries Renewal on harbours and the demand for services. He confirmed that the discussion would be documented and a summary of the session would be provided to NHAAC reps prior to the upcoming NHAAC meeting, in order to inform the national discussion.
- **HA Maintenance Manual** – B. Maberley advised that he would be providing an update on the status of the HA Maintenance Manual initiative at the upcoming NHAAC meeting, along with P. Leenhouts from NHQ. He confirmed that basic inspection guidelines had been developed, with supporting modules also contracted for completion. B. Maberley further advised that the on-site harbour testing process for the inspection guidelines has been initiated, with excellent feedback and good response received to-date.

B. Maberley advised that the inspection guidelines were a tool aimed at helping to ensure that HAs report any harbour concerns to SCH. Members discussed the difference between an engineering inspection of a facility and a Harbour Authority exercising due diligence, as outlined in Appendix D of the lease agreement, by

reporting any damage to their facility. The issue of liability was raised and K. Smith agreed to further consider what, if any, liability concerns exist in regards to the initiative. B. Maberley indicated that the intent of the guidelines were to ensure that HAs were provided with the necessary tools/information to report on the condition of their harbours on a regular basis, in order to allow for more preventative maintenance and project coordination with SCH.

K. Smith enquired as to the anticipated time frame for rollout of the initiative and B. Maberley advised that he anticipated that all would be ready for rollout at the April 2009 NHAAC meeting. K. Smith indicated that it would be useful to provide a list of the modules being developed and a draft of the inspection guidelines/checklist to PRHAAC members prior to the rollout.

B. Maberley suggested presenting the inspection guidelines and the list of modules at the upcoming HAABC Conference and L. McLeod advised that time had been set aside in the agenda for SCH Pacific Engineers to present on the topic of preventative maintenance. Members agreed that it would make sense for the information to be presented as part of that session.

Action Item 9: SCH Pacific (R. Richardson) to consider what, if any, liability concerns exist regarding HA inspection reports and how they can potentially be addressed

Action Item 10: SCH Pacific to provide draft inspection guidelines/checklist and list of modules to PRHAAC members for their review.

Action Item 11: SCH Pacific (Engineers) to introduce inspection guidelines/checklist and list of modules as part of their Preventative Maintenance presentation at the HAABC Conference.

On a related note, H. Binner enquired as to the status of SCH Pacific's input into the Derrick Module distance education course material being developed for the Pacific Coast Congress. K. Smith advised that he would be pleased to follow-up with the Engineers regarding the status of their input.

Action Item 12: SCH Pacific to follow-up with the Engineers regarding the status of the PCC derrick module course material.

- **HA Support Priority Initiatives** – K. Smith confirmed that the HA Support Priority Initiatives Deck had been distributed to PRHAAC members and advised that if members wished to discuss the deck, he would be happy to do so during Day Two of the session. Members did not express a need to discuss further at this time.
- **Derelict Vessels** – L. McLeod advised that she would be presenting at the NHAAC on the issue of abandoned, derelict and surplus vessels and confirmed with members that a Derelict Vessels Committee had been formed in the Pacific Region, with representatives from SCH, the HAABC, CCG, Transport Canada and PICFI, in addition to maritime law expert S. Chapelski.

She advised that the Committee had developed both a Terms of Reference and a standard vessel definition/classification tool and had initiated a survey of HAs in the Pacific Region in an effort to identify the scope of the derelict vessel problem at scheduled harbours in B.C. L. McLeod confirmed that, to date, 13 HAs had responded to the survey, with 48 abandoned, derelict and surplus vessels identified thus far.

L. McLeod indicated that the Committee was developing a toolbox, including a checklist to instruct HAs on what to do in the case of abandoned, derelict and surplus vessels and instructions to surveyors, etc. She anticipated that the toolbox would be presented at the HAABC Conference in January.

K. Smith advised that SCH Pacific was still trying to get an update from PICFI regarding some of the options that were discussed at the June 11, 2008 PRHAAC meeting.

Members had a good discussion on the value of the initiative and agreed that the first step in the process would be to fully understand the magnitude and potential coast of the derelict vessel issue in the Pacific Region. All agreed that it was important to engage the necessary parties, keep the information factual and, ultimately, raise the profile of the issue so that money and enforcement/jurisdictional solutions could then be explored.

R. Richardson concluded the discussion by advising that a flowchart had been developed to help provide some additional clarity to the issue and confirmed that it would be provided to PRHAAC members, for their information.

Action Item 13: SCH Pacific (R. Richardson) to provide derelict vessel flowchart to PRHAAC members.

Action Item 14: SCH Pacific (R. Richardson) to follow-up with R. Purdon and provide PICFI update at next PRHAAC meeting.

Action Item 15: B. Bazjuk and R. Hill to provide L. McLeod with photos for use in her NHAAAC presentation.

HAC UPDATE

- B. Maberley advised that the national D&O and Bodily Injury insurance policy has been renegotiated, with rates similar to last year's, and confirmed that renewal notices have been sent out to HAs. He also confirmed that to date, approximately 250 harbour renewals had been received, 40 of them for 2M in coverage and the rest for the standard 1M. He noted the increase in harbours selecting 2M in coverage, advising that last year only 14 harbours had selected the additional insurance.
- B. Maberley confirmed that a proposal for 128K in contribution agreement funding had been provided to NHQ, with the understanding that payment for the policy was due to Marsh by December 16, 2008. He indicated that, unfortunately, Marsh was not currently willing to include coverage in the amount of 5M in the group plan, but highlighted that HAs could pursue additional coverage individually.

- In response to an enquiry from R. Richardson, B. Maberley advised that administration of the portfolio was going much more smoothly since a management company had been hired to administer the file and all information was flowing through the HAC, in order to ensure a consistent message and to reduce confusion.
- He also confirmed that last year, participation was in the range of 480 harbours (or close to 70% of HAs) and they were expecting to exceed that number this year. He also confirmed that no claims had been made in the past year.
- B. Maberley concluded his update by advising that NHQ would be reviewing the NAC mandate, with the aim of potentially expanding the mandate to allow for the possible administration of other initiatives.

HAABC UPDATE

- L. McLeod advised PRHAAC members that over the past year the HAABC had taken on a number of new initiatives and in doing so, quickly realized the need for additional support. In response to that need, they submitted a proposal to SCH Pacific requesting assistance, under the Class Contribution Program, in order to increase capacity and improve services to HAABC members.
- She advised that after a lot of work by both SCH Pacific and the HAABC, a Contribution Agreement had been drafted and was awaiting signature. She confirmed that the agreement allowed for the hiring of Leslie Taylor as the HAABC's Executive Secretary and provided support for a number of new and on-going HAABC initiatives, including long term planning, conference coordination, website renewal, HA newsletters, coordination of regional training initiatives, provision of harbour outreach training, research into group benefits packages and continued liaison with the PCC.
- L. Taylor, Executive Secretary of the HAABC and a guest at the PRHAAC meeting then provided members with a very brief update on the upcoming HAABC Conference scheduled for January 2009. She advised that the Agenda had been set and registration packages were scheduled to be sent out to HAs in the following week. She confirmed that exhibitor interest was high and that M. Leduc, DG of SCH had confirmed her attendance.
- K. Smith expressed excitement on behalf of SCH Pacific regarding the HAABC Contribution Agreement and the opportunities it presents for both the HAABC and SCH Pacific.
- K. Smith then adjourned the meeting for the day.

DAY TWO: THURSDAY, NOVEMBER 14, 2008

WELCOME & INTRODUCTION TO DAY TWO

- K. Smith welcomed members to Day Two of the session and introduced invited guest P. Macgillivray, Associate Regional Director General, who had kindly agreed to present to members on the topic of Fisheries Renewal in Pacific Region.

FISHERIES RENEWAL IN PACIFIC REGION

- K. Smith provided a brief overview of discussions held to date on the topic of Fisheries Renewal, acknowledging that two high level presentations (by Bill Doubleday and Gina Sinclair) had been made at previous NHAAC meetings, in addition to the regional level engagement that had taken place regarding PICFI and the impacts of licence buyback on harbours and vessels. He then turned the floor over to P. Macgillivray.
- Please refer to *Summary of PRHAAC Meeting Fisheries Renewal Discussion* document circulated by email/fax on November 20, 2008 for summary of the discussion that took place with P. Macgillivray.
- Please refer to attached *Draft Summary of Validation Process Discussion* document for a summary of the discussion on B. Maberley's dockside validation initiative, specifically.

HA BOARDS: GOVERNANCE & ENGAGEMENT

- *Summary of HA Boards: Governance & Engagement Discussion* to follow.

CLOSING REMARKS AND MEETING ADJOURNMENT

- K. Smith confirmed that post-NHAAC teleconference with PRHAAC members was scheduled for December 04, 2008 at 10:00am.
- K. Smith thanked members for their active participation in the two-day session, which he found very helpful and educational. He also expressed his appreciation for the two-day format, which allowed for full discussion on a number of topics.
- Meeting was adjourned at 3:30pm.