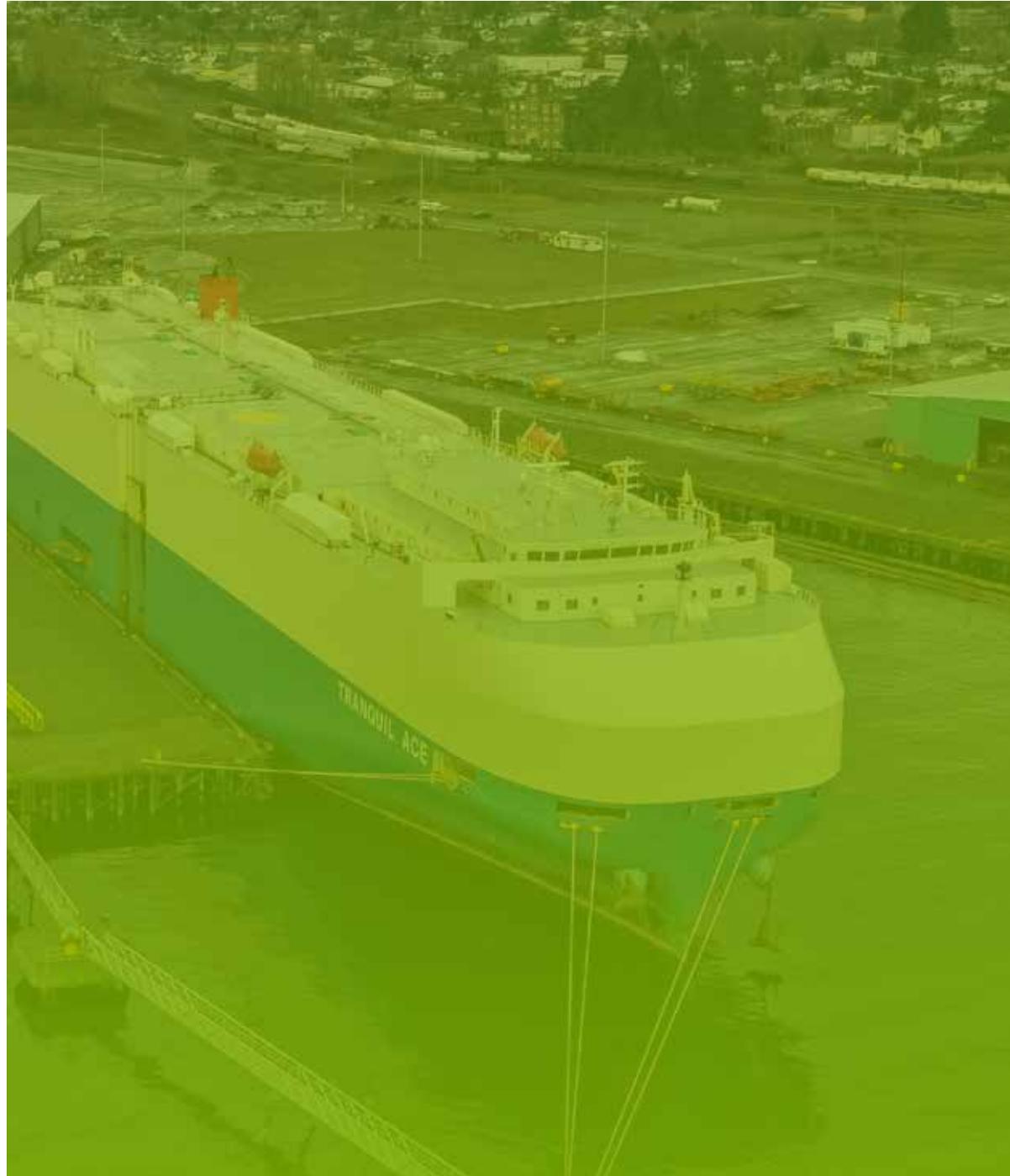




# 2018 ANNUAL REPORT





## BOARD OF DIRECTORS



**Donna  
Hais**  
Board Chair



**Captain  
Fred Denning**  
Vice Chair



**Barbara  
Coe**  
Director



**Dr. Michelle  
Corfield**  
Director



**Robbin  
Sinclair**  
Director



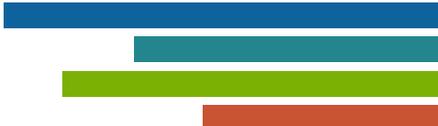
**Douglas  
White III**  
Director



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## Local Benefits, Global Reach

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### 2018 Revenues Best Ever For Port of Nanaimo

At the Port of Nanaimo, we have straightforward goals that we keep clearly in focus as we perform our various tasks and duties.

What the Port of Nanaimo does is provide many benefits to the local communities and quality of life as it is the gateway for goods coming onto, and leaving Vancouver Island for destinations all over the world.

This allows the Port to continue to focus on four key strategic objectives:

#### **Duke Point Modernization**

In order to meet the opportunities and challenges of the ever-expanding global opportunities, the Port of Nanaimo continues to prepare for the future by replacing and upgrading key infrastructure. It is our job to support local, regional and national trade, which is so vital to our economy.

As Transport Canada conducts its own Port Modernization Review to streamline government processes and facilitate multi-modal transportation links between the country's ports. Nanaimo is an integral part of the National and West-coast Gateway. The Port of Nanaimo's contribution to the review has been well received.



**Donna  
Hais**  
Board Chair



**Ian Marr**  
President  
& CEO

#### **Cargo Diversification**

As our economy changes, so has the **Nanaimo Assembly Wharf**. While we still rely heavily on the transport of forest industry products, the Port has made a concerted effort to diversify the cargo shipped to and from our facilities.

The opening of the Vehicle Processing Centre is a perfect example of this. After much work and planning over a number of years, the centre has opened with the first shipment of Mercedes Benz vehicles, it had created 40 jobs initially and could eventually process up to 50,000 vehicles per year. We anticipate other manufacturers will recognize the opportunity and utilize our state-of-the-art facilities.

We continue to expand short-sea shipping of containers to and from **Duke Point**, and directly to international ports for broader distribution. Opportunities abound in this area, as short sea shipping is efficient, more cost effective and better for the environment.

#### **Downtown Marina Development**

After much consultation with citizens and local user groups, the Port of Nanaimo completed design plans that will increase available moorage by 50 per cent within the same footprint, in our new downtown boat basin marina.





We are currently working on the business case for the project. Once funding is in place, construction will commence. The marina will be built in phases over a five-year period.

We made it a priority to initiate and conduct extensive public consultation, and held numerous meetings with stakeholder groups, which included commercial fishermen, tug operators, seaplane operators, marina tenants, food operators, floating restaurants, fuel dock operators, the Protection Island Neighbourhood Association and Snuneymuxw First Nation, Protection and Newcastle Island ferry operators, long-term pleasure boaters, transient boaters, the Nanaimo Dragon Boat, Adventure Outfitters, operators of Super Yachts, kayak users, Canada Border Security and the RCMP Marine Division.

### Community Engagement

We are pleased to announce that the Port of Nanaimo posted its highest overall revenue in 2018 with \$10,978,119, up from \$9,526,088 the previous year.

That has enabled us to re-invest close to \$3.25 million in business infrastructure at the Port, which will help us grow our business even more. There is also the continuous maintenance and upkeep of the Cruise Ship Terminal, Nanaimo Harbourside Walkway, Swy-a-lana Lagoon, the Pioneer Waterfront Plaza, and Seaplane Terminal.

It's not just the well-paying jobs that the Port of Nanaimo and related companies create, it's the goods and resources that are made here and shipped throughout the world that allows us to engage the community on numerous levels.

Our strong financial position allows us to make meaningful financial contributions to valuable community causes and organizations, including making significant donations to Loaves & Fishes (\$50,000 over five years), Imagine V.I.U. (\$50,000 over 5 years to support the capital and equipment costs of the Marine, Automotive and Trades Complex), the Nanaimo Aboriginal Centre, the Cannon Firing and Bastion Program, Festival of Banners and the support we provide for water-related celebrations like the Dragon Boat Festival, Nanaimo Yacht Club Sail Past and the annual Nanaimo Marine Festival.

All of the cost of this support is borne by the Port, and we could not do it without the dedication and efforts of the Board and entire staff. We have a great, hardworking team throughout the Port - from the Board to all of our employees - and we couldn't do what we do here without all of their hard work, talent and commitment.

Port Connect, a mini-job fair held at our facilities in November, offered hundreds of students a look into the many employment options available throughout the Port, both through services we provide, and with companies doing business in and around the Port.

**The Port  
re-invested close  
to \$3.25 million in  
2018 for business  
infrastructure**

The process of gathering input for the Downtown Marina Development is another example of how the Port of Nanaimo is reaching out to the community regarding its plans and operations, it is but one example of how we are engaging citizens.

When the question is asked: "What does the Port do?", we continue to share our story through community meetings, the media, newsletters, social media and our own website, and our message comes through loud and clear: Local Benefits - Global Reach.

**Donna Hais, Chair  
Ian Marr, President & CEO**



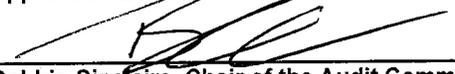
# Nanaimo Port Authority

## Statement of Financial Position

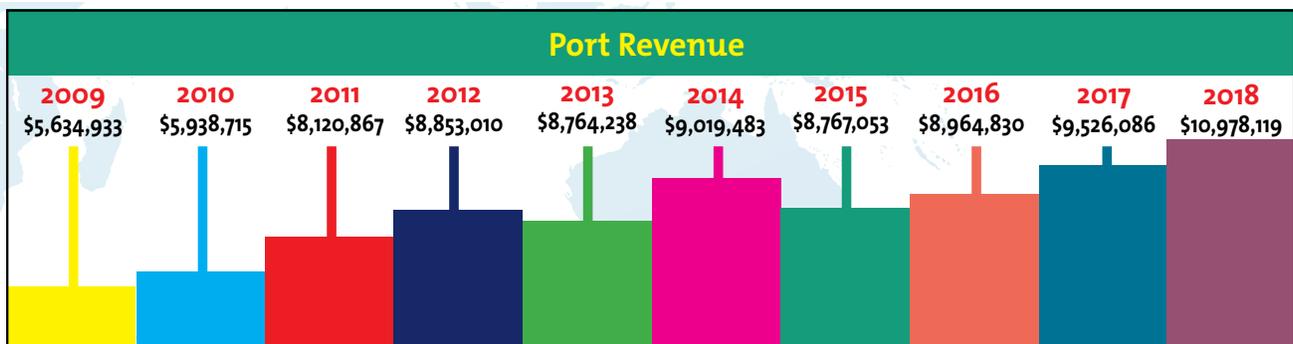
As at December 31, 2018

	2018	2017
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents (Note 7)	986,696	637,309
Investments	30,738	30,292
Accounts receivable (Note 8)	3,548,339	1,186,217
Inventories	46,127	10,838
Prepaid expenses	312,203	279,587
Deferred pension asset (Note 9)	-	273,500
Harbour development fund (Note 11)	1,000,000	2,000,000
	<b>5,924,103</b>	<b>4,417,743</b>
<b>Non-current</b>		
Property and equipment (Note 10)	28,805,617	27,611,997
<b>Total assets</b>	<b>34,729,720</b>	<b>32,029,740</b>
<b>Liabilities</b>		
<b>Current</b>		
Trade and other payables	4,687,058	1,152,794
Deferred revenue	495,253	365,705
Short-term debt (Note 12)	999,988	1,499,992
Deferred pension liability (Note 9)	51,200	-
	<b>6,233,499</b>	<b>3,018,491</b>
<b>Commitments (Note 19)</b>		
<b>Equity</b>		
Contributed Capital	24,991,262	24,991,262
Retained earnings	4,061,559	3,254,087
Reserve for harbour development (Note 11)	1,000,000	2,000,000
Accumulated other comprehensive income	(1,556,600)	(1,234,100)
	<b>28,496,221</b>	<b>29,011,249</b>
	<b>34,729,720</b>	<b>32,029,740</b>

Approved on behalf of the Board

  
Robbin Sinclair, Chair of the Audit Committee

  
Donna Hais, Acting Chair of the Board





## Lease Agreement Signed For Response Base

Western Canada Marine Response Corporation (WCMRC) announced in 2018 that it is moving forward with their new on-water oil spill response base in Nanaimo. WCMRC and the Port of Nanaimo (PON) signed a 25-year lease agreement this week for nearly 130,000 square feet of land and waterlot areas all fronting Nanaimo Harbour.

The Nanaimo response base will function as the hub for all of WCMRC's bases on Vancouver Island. It will house an Incident Command Post and will serve as the primary training facility. Construction of the base is expected to cost \$10 million. When construction is complete it will be home to 35 full-time response personnel and 15 response vessels.

"We are building an entirely new marine response infrastructure on Vancouver Island and the Nanaimo response base is the heart of it all. We have a great relationship with the port and look forward to building strong relationships with the community," says Kevin Gardner, WCMRC's President.

The base is part of a larger expansion plan that commits approximately \$150 million in enhancements to WCMRC. The enhancements will double capacity and cut mandated response times in half in south coast waters. The enhancements include five new response bases, 120 new employees and 40 new vessels at strategic locations along B.C.'s southern shipping lanes.

WCMRC is a Transport Canada-certified organization that protects the coastal waters of British Columbia from oil and other marine spills. WCMRC has successfully responded to marine spills for 40 years. The organization began operations in 1976 as an industry co-op under the name Burrard Clean, and became Canada's first certified response organization under the amended Canada Shipping Act in 1995.

## Port Commended

Guiding deep sea vessels through busy, narrow local waterways during a gill net fishery in the fall has earned the Port of Nanaimo a letter of commendation from the British Columbia Coast Pilots Ltd. (BCCPL).

Dave Willows, Licensed Pilot, Master Mariner with the BCCPL, was the pilot on the Panamax bulk carrier Efraim A on October 24, and thanked Coxswain Luke Letham and Seaman Cam Ferguson for their work on the NPA Osprey. "After delivering me to the ship, Luke and Cam continued to help by keeping fishing vessels from setting their nets close to the Efraim A while we heaved anchor," said Willows. "Once under way, they ran ahead and provided an escort both talking to vessels to ensure they knew we were coming, and assisting in spotting the end of nets.

Dr. Michelle Corfield was pleased with the acknowledgement, adding "The Port is proud to work with all our seafaring friends and help to keep everyone safe as they travel through Nanaimo Harbour. The Marine Domain Awareness (MDA) system enables Port real time video of all activity on the water that enable us pinpoint issues as they occur and respond in a timely manner."

NPA's two patrol vessels, the Eagle and Osprey, attend to each in-bound and out-bound Deep-Sea vessel that utilizes the Port's anchorages and works with the BC Coast Pilot as required for the anchorage location. NPA Vessels ensure the vessel stays within the anchorage radius for the duration of the stay. Seven days a week, NPA vessels also patrol for debris and deadhead logs in a waters of the federal harbour limits, including BC Ferries and Deep-Sea terminals.

The base is part of a larger expansion plan that commits approx. \$150 million in enhancements to WCMRC



# Vehicle Processing Centre

## Detailed Negotiations Result In Major Investment At Port of Nanaimo

When Mercedes-Benz Canada welcomed its first official delivery of vehicles through the newly opened Vehicle Processing Centre (VPC) at the Port of Nanaimo, it was the exciting culmination of months of discussions and negotiations.

The Port of Nanaimo and BCVPC Vehicle Processing Centre is the first and only Western Canadian entry point for European automobiles. This new all water approach for European - and potentially additional - importers, establishes new cost-effective and environmentally responsible supply chain options for the West Coast of Canada.

“Mercedes-Benz Canada has a longstanding commitment to the West Coast. This outstanding new facility represents a new era for our operations, allowing our B.C.-bound vehicles to travel an efficient all-water highway to this important market,” said Brian D. Fulton, President & CEO of Mercedes-Benz Canada.

Mercedes-Benz Canada’s dealer network comprises 59 dealerships, of which eleven are located in British Columbia. The brand is represented by two dealerships on Vancouver Island: Mercedes-Benz Nanaimo and Three-Point Motors – Victoria. The newly established facility allows for a new shipping route to supply Mercedes-Benz Canada’s B.C. dealerships. Mercedes-Benz passenger cars, SUVs, and vans will travel from the EU to the Port of Brunswick in



Georgia, USA, where Sprinter vans will be collected from the company’s U.S. factory, before continuing on through the Panama Canal and up North America’s western coast to Nanaimo.

Developed in partnership with Transport Canada, Western Stevedoring, the Auto Division of SSA Marine, and BCVPC, the Vehicle Processing Centre is the first and only Western Canadian entry point for European auto manufacturers. The VPC will process all Mercedes-Benz vehicles bound for dealerships across British Columbia.

The economic impact to Nanaimo and Vancouver Island region is significant: many local companies were employed over the course of constructing the Vehicle Processing Centre in 2018/2019. In the short-term, the GDP Economic Development boost is projected at \$12.2 million, while long-term projections estimate approximately \$52.7 million.

Ian Marr, President and CEO for the Port of Nanaimo, comments: “The BC Vehicle Processing Centre provides an opportunity to showcase how the Port of Nanaimo delivers local benefits with its global reach, with direct shipment

of vehicles to our facilities. This investment, made with key partners, utilized approximately 40 companies and over 50,000 person hours to prepare the processing centre for operation and has diversified our local economy, providing new jobs and important employment benefits. We look forward to attracting more business to Nanaimo and Vancouver Island as a result of this collaborative venture.”

Chair of the Port of Nanaimo Donna Hais states: “The commitment of the Government of Canada, SSA, and Western Stevedoring plus the Port of Nanaimo created approximately 200 jobs during construction of the BC Vehicle Processing Centre. On March 8, 2019, the first shipment from Mercedes-Benz was received in Nanaimo and allowed safety protocols to be tested with great success. We are now anticipating on-going shipments and full production for the Processing Centre – a goal that we have been working towards as a team for the benefit of greater Nanaimo and the Vancouver Island Region. Once fully operational, the Vehicle Processing Centre will be able to handle up to 50,000 vehicles per year in phase one, then expanding as early as 2024 creating 80 to 100 full-time jobs.”





## Committed To A Clean And Safe Environment

The Port of Nanaimo is committed to an even cleaner and safer environment, and has attentive staff and state-of-the-art equipment to make sure the waterways are clean and clear.

training for medical responses. Ongoing training ensures safe passages for freighters and ferries.



Seven days a week, NPA vessels also patrol for debris and deadhead logs in a waters of the federal harbour limits, including BC Ferries and Deep-Sea terminals. The Port also manages a debris contractor with land and marine based equipment.



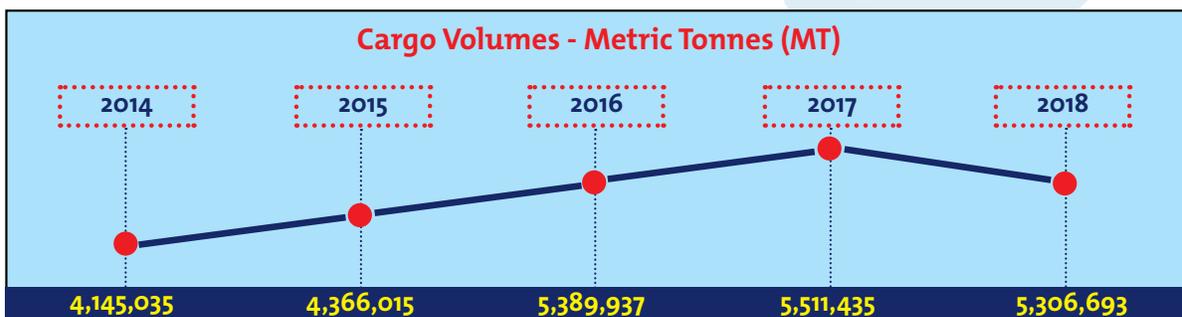
Their main tasks are keeping an eye on marine activity, ensuring Transport Canada regulations are followed as identified by the Canada Marine Act, Marine Transportation Security Regulations are observed, as well as those of the NPA Practices and Procedures.

“NPA vessel will attend all manned life boat drills to ensure the safety of ships personnel during the lowering/launching of the lifeboats,” says CEO Ian Marr. “When requested, the NPA vessels have been used by BC Ferries, Seaspan Ferries and BC Coast Pilots for Deep-Sea vessel escort.”



NPA staff are trained to recognize security risks and threats with-in their work station and around the port. As part of their basic marine training, Marine Patrol staff have first aid and AED

The Port also offers Eco-Barge Services, a solar-powered, floating, stand alone sewage reception facility located on the central breakwater at the entrance to the Commercial Inlet Basin.



# Port Connect: A Resounding Success As Students Get First Hand Information About Employment Opportunities



Around 200 students and employment seekers attended Port Connect in November to survey possible job opportunities with companies that conduct their business on the waterfront.

The Port of Nanaimo, in partnership with GT Hiring Solutions and Work BC Employment Services Centre, coordinated the event, designed to link students and people of all ages with contacts in the marine industry for possible employment.

There were 17 participating exhibitors, including Seaspan, BC Ferries, DP World, Tetra Tech, WCMRC, Search & Rescue, Island Ferries, Herold Engineering, Helijet, Western Stevedoring, Canadian Coast Guard, Pacific Pilotage Authority, Gowlland Towing, Western Marine Institute, Vancouver Pile Driving, GT Hiring Solutions, and the Port of Nanaimo.

Exhibitors and attendees alike were pleased with the event.

One exhibitor said "I saw over 100 people and a lot of great candidates – one individual I met will be picked up for sure – a few of us want him."

“  
**One individual I met will  
be picked up for sure -  
a few of us want him.**  
”

Said another: "You have assembled so many partners in one room that showcase how the Port gets its business done. It was excellent that we were all together at the same time and can spend time with each other."

There were even some referrals between exhibitors.

John Lucas of Seaspan said "One candidate I met was missing a couple of credentials, so we told them to go see an individual at another booth for training; work for that company at the booth next to them, and then, you can qualify for work with us."

Attendees appreciated the opportunity to meet potential employers, and comments like this were made: "I had no idea that these companies had

local contacts right here in Nanaimo. . . I know so much more about how the Port operates. . . You've provided so many key contacts with so many companies. This would take me weeks to research and to secure an appointment with these key contacts."

CEO Ian Marr said "The program we put together for Port Connect was slightly different in that we assembled key port partners within companies so candidates could engage in a conversation. It was not like an interview, but more of an informal conversational setting, a networking style, which provided a way for both sides to ask questions they might not ask in a more formal setting."

Peter McGee, a Job Developer with GT Hiring Solutions, said "We are beyond pleased with the turnout and result. While not technically a 'hiring fair', this provided an opportunity for job seekers and professionals to connect with the local marine sector in a unique way.

Based on the success of this inaugural event, we have no doubt that a 2019 Port Connect will be in the works.





## Investing Locally

### \$40,000 In Community Donations Announced By Port of Nanaimo

A total of 11 Community Service Account donations have been announced by the Port of Nanaimo, totaling \$40,000. The Port's Board of Directors awarded the grants to a wide variety of groups, and it included the final \$10,000 installment of a five-year \$50,000 donation to the Loaves & Fishes Food Community Food Bank.

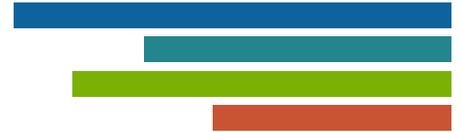
"Supporting the community is one of our important mandates, and we are very pleased to be able to announce this year's recipients," says Chair Donna Hais. "We receive many interesting requests, and choosing which groups will be awarded funds is exciting, since there are so many worthy organizations making a positive difference in Nanaimo."

Loaves & Fishes serves between 3,000 and 3,500 people each month, and has grown from distributing \$800,000 worth of food five years ago to \$4.1 million in 2018.

Other Community donations were announced for:

- Vancouver Island University Foundation: \$5,000 - scholarships.
- Vancouver Island University Foundation: \$10,000 - year 2 of 5 for the Imagine VIU 2018 campaign (\$50,000 in total).
- Nanaimo Arts Council: \$2,000 - Festival of Banners.
- Nanaimo Child Development Centre: \$2,000 - Silly Boat Regatta.
- Nanaimo Dragonboat Festival Society: \$2,000 - Save On Foods Nanaimo Dragonboat Festival.
- Nanaimo District Museum: \$2,500 - Bastion Summer Program.
- Nanaimo International Jazz Festival Association: \$1,000.
- Nanaimo Arts Council: \$500 - Vancouver Island Children's Bookfest.
- Cowichan Wood Boat Society: \$2,500 - pier reconstruction.
- Nanaimo Community Hospice Society: \$2,500 - Accessibility Ramp Upgrade.
- Nanaimo Aboriginal Centre: \$5,000 for National Indigenous Day.





## Port Basin Concept Plans Set

Concept plans have been completed for the Port of Nanaimo's new downtown boat basin marina that will increase available moorage by 50 per cent, using the same footprint.

A business study is currently being conducted for the facility. Once the funding is in place, construction will follow. The marina will be built in phases over a five-year period, beginning with the outside northerly floats.

After a plan was announced several years ago to have a private company revamp the marina, the public outcry against it was deafening.

"The Port got the message loud and clear that citizens wanted to have their say about what our downtown waterfront might look like," says Director Dr. Michelle Corfield.

"We haven't rushed the information gathering process, and we've really gone the extra mile to make sure everyone who may be affected had a chance to provide their input."

This time, the Port of Nanaimo initiated extensive public consultation. The Port of Nanaimo made it a priority in 2018 to hear from everyone who wanted to be heard.

"We held numerous meetings with stakeholder groups, which included commercial fishermen, tug operators, seaplane operators, marina tenants, food operators, floating restaurants, fuel dock operators, the Protection Island Neighbourhood Association and Snuneymuxw First Nation," says COO Mike Davidson.

CEO Ian Marr adds "Other users that were included in the design review process were Protection and Newcastle Island ferry operators, long-term pleasure boaters, transient boaters, the Nanaimo Dragon Boat, Adventure Outfitters, operators of SuperYacht, kayak users, Canada Border Security and the RCMP Marine Division," he states.

"We also considered residents and visitors access from the Harbourside Walkway. Marinas are assets for the community and attract people from both the water and the land."

Hugh Tuttle and Kristin Tuttle of InterTidal Design have prepared the concept plans for the marina, and an environmental assessment - along with bathymetry and subsurface investigations - are nearly completed. This will allow the Port to commence with detailed construction plans.

Port Chair Donna Hais adds, "plans also include the repositioning of the fuel dock out to the entrance of the marina, which will provide improved access for larger vessels and reduce vessel congestion."

Letters of support for the Port of Nanaimo's redevelopment plans have been received from Members of Parliament, provincial MLA's, Harbour Air, Vancouver Island University, Tourism Vancouver Island, floating restaurants in the harbour, and Protection Island residents.





## Cruise Ships Good For Local Business

When cruise ships arrive at the Port of Nanaimo, it's good for the Port, and good for Nanaimo.

It is not unusual that passengers disembarking for on-shore adventures would spend on average as much as \$80 each per day, meaning a ship with 3,000 passengers could spend as much as \$240,000 in a 24-hour period.

"The Port of Nanaimo has built an outstanding dock facility and welcome centre for cruise ships," says Port CEO Ian Marr, adding the Port received four cruise ships in 2018. "As the community continues to expand the variety of off-shore attractions it can offer passengers, the number of cruise ships that stop in Nanaimo will continue to increase."

Three cruise ships are scheduled to visit the Port of Nanaimo in 2019, with another 7 scheduled for 2020, and there is potential for many more.

"It may not be well known, but cruise ships primarily choose ports of call based on the on-shore entertainment and unique local experiences for their passengers," says Marr.

"If ports of call have exciting and interesting opportunities for their passengers, cruise ships will stop there," he adds.

"So we're reaching out to the Central Island business and tourism community to remind them that if they can build packages and exciting events, the passengers will come ashore for them."

Chief Operating Officer Mike Davidson agrees, noting that cruise ships cater to their guests with entertainment and fine dining, so on-shore attractions must differ from what they'd normally see onboard or at other destinations during the cruise itself.

"Business people are innovative and thoughtful, and we already know there are companies offering intriguing canoe trips, cultural excursions, mountain biking opportunities and more," says Davidson. "We know there are many other things we do here on a regular basis that we might take for granted, that people from other areas would marvel at."

The Port of Nanaimo's deep water cruise ship dock, built just over a decade ago, is in excellent condition, and accommodates vessels of 315 m in length with a passenger capacity for today's largest ships.

