

**PUBLIC MEETING
March 12th, 2016
Joan Harriss Cruise Pavilion
Pittman Hall**

1. Call to Order

The Chairman, Mr. Michael Merritt, called the meeting to order at 10:30am.

2. Approval of Minutes of Preceding Meeting of the Members

Mr. Merritt called upon Mr. Jim Gogan, Solicitor with Breton Law to address the Articles of Association as it relates to this meeting. Mr. Gogan explained that because this was the Inaugural Meeting of the Port of Sydney Development Corporation, there were no Minutes from a previous AGM.

Mr. Gogan advised that it's the current council that make up the Members of the Company and only members are eligible to vote. As per the requirement and to be properly constituted to proceed, Mr. Gogan then received unanimous agreement from the Members to approve council as the Members of the Company.

3. Adoption of Annual Report

a. Audited Financial Statements (Not Required)

A question from Councillor Ray Paruch regarding Article Section 4:08, stating the requirement to present audited statements at the Annual General Meeting, was addressed by Mr. Michael Merritt. Mr. Merritt explained that the Articles do require at least one public meeting within the fiscal year and as this is the inaugural meeting, audited statements are not yet available. Once statements are generated they will be presented first to the Board of Directors and then to the Members of the Company.

Mr. Merritt also went on to advise that future Annual General Meetings will be held in the fall in order to accommodate the timing of the audited statements for presentation.

Marlene Usher, CEO for the Port of Sydney Development Corporation, was called upon to present the Annual Report. **(Copy Filed)**

i. Presentation of Cash on Hand (Information Only)

Cash on Hand as at March 12, 2016 was to be \$526,606.

ii. Presentation of Assumption Agreement (Information Only)

The Assumption Agreement, as explained by Ms. Usher, provides financial support for the expanded mandate of the PSDC. Funds from this agreement are designated to cover such costs as maintenance relating to the Confined Disposal Field, the reporting and monitoring of the Fish Habitat, navigational aids and any additional projects for the port.

iii. Expenditures to date for 2015 - 2016 (Information Only)

Development costs to date this year were categorized as they relate to consulting, legal and engineering fees, and totalled \$493,000.

The source of funds to support port development comes from a \$493,000 transfer from the Assumption Agreement.

b. Business Plan

In her presentation of the Annual Report, Ms. Usher explained that General Operations does not include Business Development for the Harbour. The Operation is self-sustaining with most revenues deriving from Cruise Ship Traffic and the delivery of fuel. Plans are in place for the PSDC to manage the Royal Cape Breton Marina and Boardwalk Kiosks. A \$23,392 surplus was budgeted for general operations. Development costs of \$730,000 were budgeted with \$420,000 expected from the Assumption Agreement, \$205,000 from CBRM (project funding) and \$105,000 from the CAO Budget to be approved by council.

Current Year Capital Expenditures, as approved by the Board of Directors, total approximately \$73,000.

c. Capital Budget Plan

Ms. Usher's presentation outlined the Capital Budget Plan for 2016 & 2017, as approved by the Board of Directors, is considered to be modest capital upgrades. 2017 Capital Budget is \$87,000.

d. Repayment of Outstanding Lease Payments

As addressed in presentation, by March 31st of 2017, the forecasted balance in the lease payable to the Cape Breton Regional Municipality is \$1,940,542. A proposed payment plan stretching over ten years to satisfy the lease obligation has been approved by the Board of Directors. Repayment is based on the ability to pay and may be paid in a shorter time frame depending on cash availability. Lump sums may also be applied.

A discussion, initiated by Councillor Paruch, ensued on the lease payable with him expressing that the lease should be paid and returned to the general revenues. Contrary opinions were expressed by Councillor Saccary based on the Sydney Marine Terminal being part of CBRM.

Councillor Eldon MacDonald ended the discussion once he received clarification this meeting was not to make a decision on the lease but rather to accept the presentation on its status.

e. **Risk Assessment** - To be presented at a future

4. **Appointment of Auditors**

MOTION: made by Mayor Cecil Clarke, 2nd by Councillor Clarence Prince, to appoint Grant Thornton as auditors for the fiscal year ending March 31st, 2016, with the understanding that Request for Proposals will be sought for future audits. Motion was carried.

5. **Report of Governance Committee: Not Required**

6. **Appointment of Individuals to the Board of Directors: Not Required**

7. **Election of New Members to the Membership in the Company: Not Required**

Michael Merritt advised that CBRM will remain the lone members, so no election is required.

8. **Report on Security (Information Only)**

(Copy Filed)

9. **Cruise Business / Event Management (Information Only)**

(Copy Filed)

10. **Report on Port Development (Information Only)**

(Copy Filed)

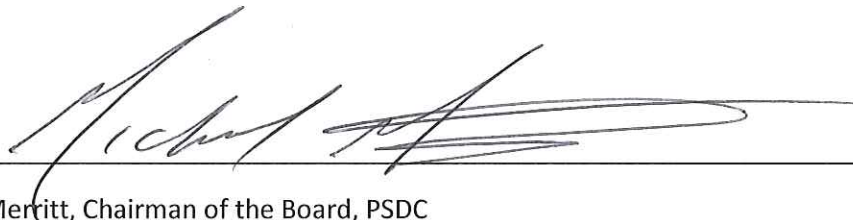
11. **New Business**

None

12. **Adjournment**

MOTION: Made by Ivan Doncaster. Motion carried.

Signature



Michael Merritt, Chairman of the Board, PSDC