



Annual Report

April 1, 2020 - March 31, 2021





The Summerside Port Corporation Inc (SPCI) is a not-for-profit company incorporated in 2010 under Part II of the PEI Companies Act to own, operate and promote the development of Port Summerside. In 2010, SPCI and Transport Canada, on behalf of the Government of Canada, negotiated and signed a Divestiture Agreement. This Agreement saw certain port property assets transferred in their entirety from Transport Canada (TC) to SPCI

The Divestiture Agreement contained a long-term funding feature that included restrictions that the funding must be used exclusively to cover operational costs of the Port or to be used to maintain the Port’s infrastructure. An Annual Report, audited by an independent financial audit firm, must be filed with Transport Canada to confirm that any funds spent from the initial Divestiture Fund meet the eligibility restrictions placed on these funds at the time of divestiture.

SPCI has a 7-member Board of Directors comprised of local community and business leaders.

Current Board of Directors:

Jim Bradley	President	First term ends July 2021
Bob Ashley	Vice President	Second term ends July 2022
Alan Montgomery	Sec/Treasurer	First term ends July 2022

Ivan Noonan	First term ends July 2021
Amanda Murphy	First term ends July 2022
Donna MacKay	First term ends July 2023
Ian Simmons	First term ends July 2024

Directors serve an initial 4-year term with an eligibility for a further 4-year term.

The Board of Directors meet monthly and receive operational, financial and other reports from management. The Board is also responsible to develop, communicate and oversee policy and strategic direction for management to implement as they pursue the goals and mandates of the Port.

Port operations management team members are, Arnold Croken CEO, Allan MacKinnon Harbour Master/Wharfinger, Gary Doucette Property Manager and Andrea McLeod Board Secretary and Administrative Assistant.

Highlights

Like most businesses the social and economic disruption brought on by Covid 19 challenged the Port during the past year. The effects of the pandemic affected all aspects of the Port’s operations and resulted in the need to quickly develop and implement new operational policies and guidelines to comply with public health requirements. In spite of the disruptions the period covering the year ending March 31st, 2021 saw much positive activity in the many operational areas of SPCI. While many important things occurred with the organization during this period several highlights stand out.

Confirmation was received that, as a result of a successful series of dredges, our channel depth has been restored to 6.7 meters and our berthing depth dockside is 8.4 meters. Management and the Board are excited about the new opportunities that this successful dredge make possible. Further information about the Port vessel capabilities and tariff fees are available on the website **www.portofsummerside.com**.

December 2020 saw the completion and occupancy of a major 70-unit residential property development on the edge of the Port property in downtown Summerside. The Board are pleased to have sold the land required to make the development a reality to the project’s private developer. The successful completion of this project has proven to be a catalyst for further development in the downtown area.

The Port continued to build on its previous years efforts to grow and develop the on-site storage volumes of cargo for a growing base of customers. Modifications to the building and storage systems allowed for the efficient separation of cargo storage areas as well as the loading and

shipping of material from the facility. For most of the fall and winter months the 4,000 square meter facility was fully allocated and rented to customers.



The Port continues to provide a key important element to the tourism offering of the City of Summerside and Prince County with the operation of the landmark Spinnakers' Landing. The collapse of the 2020 tourism season had a significant negative operational impact on this facility. Spinnakers' Landing, while owned by the Port, is leased to independent seasonal operators who rely primarily on the summer tourist traffic. While the stationary tenant base was greatly reduced due to public health measures in 2020 there still was activity from food trucks conducted on Port property. The Port in conjunction with Downtown Summerside Inc has played a role in establishing a more diner friendly atmosphere in the City downtown in an effort to expand the variety of eating experiences available to the local community and tourists. The Port reports that the Harbour Quay retail and office complex achieved 100% occupancy during the year and continues to provide important space to small business tenants.

The Port would like to report that an environmental initiative which began last year has achieved a significant measure of success. We are pleased to report the successful achievement of certification through a Green Marine certification program. This program was designed for the North American marine industry and is a voluntary certification program. The program encourages and recognizes participants who identify key environmental issues in various areas of their operations. To receive certification the participant agrees to improve their annual environmental performance through the Green Marine program and have these results verified by an accredited external verifier. The list of North Americans achieving this certification includes some of the larger marine facilities on the continent. To be included in this list is indeed a significant achievement.

The Board continued to hold strategic planning discussions throughout the year. Early in the year the Board approved a Land Assembly and Development Policy. Subsequent discussions focused on Seaport Operations with the development of an initial wide-ranging list of potential focus. A process of prioritization will help further develop a focus on specific areas of opportunities to further develop the Seaport operations.

A major initiative undertaken during the year was work to determine the current state of the Port's marine assets and to ascertain what impact climate change would have on those assets and other related Port properties. The work included an assessment of work that could or should be undertaken to protect these assets and support future operational and development activities. The results of the work have provided the Port with recommended options, capital cost estimates and priorities for various Port assets.

Financials

The audited financial statements of the Corporation as well as the Special Purpose Report-Annual Verification of Eligible Expenditures of Summerside Port Corporation Inc. are prepared by the Summerside Office of BDO Canada LLP. The Financial Statements received a positive opinion from BDO that they present fairly the financial results of the Corporation for the year ended March 31st 2021. The Special Purpose Report also received a positive opinion from BDO that it also presents fairly, in all material respects, the eligible expenditures of the Corporation in accordance with the Contribution Agreement which was executed on February 19, 2010 between the Summerside Port Corporation Inc. and Her Majesty the Queen in right of Canada. This same positive opinion has been issued for all of the Financial Statements as well as Special Purpose Reports that have been issued since the formation of the Corporation.

During the year the Port handled 195,000 metric tonnes of bulk material on 21 vessels. This material included aggregates for the construction industry as well as lime and fertilizer components for the agricultural sector. This compares to the previous three-year average of 182,000 metric tonnes on 17 vessels. The nature of these products and their connection to construction projects and agriculture commodity prices makes volumes variable and hard to

predict on a year to year basis. Five lobster fishing vessels continued with signed seasonal berthing agreements this past year. In addition to lobster the wharf and Port facilities support important local smelt, eel, silverside, and recreational mackerel fishing.

Future Focus

SPCI recognizes the need to continue to look after our assets and keep them appropriately maintained. The top priority for work in the coming year will be to plan for such work in a way that minimizes the disruption and impact on Port customers during the busy shipping season. Work commissioned during the past year has resulted in predictions that climate change has the potential for significant impacts, not only on Port property, but the wider Summerside community as a whole. Consultations with municipal and provincial authorities to discuss the Port's work and how this might form part of a wider community initiative to recognize, prepare for and work on climate change mitigation will take place during the next year.

The Port continues to work on new business opportunities that will increase economic activity in the area and increase the importance of the Port activity in the local economy.

SPCI will continue to be guided by its mission statement as well as to explore options to grow Port activity in Summerside and fulfill the Corporations mandate.