



Annual Report

April 1, 2019 - March 31, 2020





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 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:

President	Jim Bradley	First term ends July 2021
Vice President	Ivan Noonan	First term ends July 2021
Secretary Treasurer	Alan Montgomery	First term ends July 2022
Bob Ashley		Second term ends July 2022
Amanda Murphy		First term ends July 2022

Donna MacKay

First term ends July 2023

Ian Simmons

First term ends July 2024

Directors are appointed for an initial 4-year term with an eligibility to be reappointed 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

The period covering the last year ending March 31st, 2020 saw a lot of activity in the many operational areas of SPCI. While many important things occurred with the organization during this period several highlights stand out.

The fall of 2019 saw the beginning of a major channel, east side berthing and west side berthing dredge. The objective of this work was to get back to historic water depths. The work was only partially completed when winter weather forced a halt in December. This spring saw the resumption of the dredging work. In spite of the additional complications brought on by measures to deal with Covid restriction we are quite pleased to report the completion of that work. We have recently received confirmation that our channel depth has been restored to 6.7 meters and our berthing depth dockside is 8.0 meters. Management and the Board are excited about the new opportunities that this successful dredge can make possible.

During the summer of 2019 a major 70-unit residential property development was started in downtown Summerside on the edge of the Port property. The Board are pleased to have sold the land required to make the development a reality to the project's private developer. We look forward with great anticipation to the completion and occupancy of the property. It is felt that the successful completion of this project will be the catalyst for further development in the downtown area.

The Board is pleased to see the successful development of new aspects to the Port's core business of handling bulk cargo shipments. During the last year staff have successfully proven to customers and stevedoring companies that on-site storage of volumes of cargo are viable to assist them with their challenges around storage and trucking. This Break bulk cargo continues

to remain a top priority with on site storage of fertilizer, soybean and aggregates leading the way. Stacking equipment introduced by our stevedoring company has provided the capability of increasing the overall tonnage in storage for these products. The target is to achieve full utilization of the 4,000 m² heated storage facility as a priority



In December the Board of Directors participated in a Strategic Planning session aimed at providing a roadmap for the direction of the Corporation for the coming years. The Plan is aimed at providing management with direction on areas of priority so that the allocation of time, talent and resources is done effectively and efficiently. The Board has committed to continued work to fill in the details around the broader elements identified and agreed on during the session.

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 2020. This same positive opinion was issued for all of the financial statements issued since the formation of the Corporation. 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 168,000 metric tonnes of bulk material on 15 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 210,000 metric tonnes on 21 vessels. The nature of these products and their connection to variabilities in construction projects and agriculture commodity prices makes volumes variable and hard to predict on a year to year basis. In the summer of 2019 five lobster fishing vessels signed seasonal berthing agreements. This represented the return to the port of a lobster fishing fleet after some years of absence. In addition to lobster the wharf and Port facilities support important local smelt, eel, silverside, and recreational mackerel fishing.

The Port continued 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 tenant base grew to 14 business vendors last year, an increase from the previous three-year average of 11.

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.

Future Focus

SPCI recognizes the proximity of our assets to the coastal flood zone high risk category. Plans are under consideration to begin the necessary work to look at risks posed to the Port assets and operations from this threat. This work will provide the basis to develop options to deal with these risks. It is expected this work will begin in earnest in 2020. It is anticipated that community partners will be engaged in this process.

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.

Mission Statement

Summerside Port Corporation Inc. (SPCI) is Summerside's seaward connection to the world. SPCI's value is embedded in the history, economy and cultural fabric of this maritime city. Our board of local leaders aspires to growing SPCI, while balancing business and industry profit with community values. SPCI is committed to diversifying shipping traffic, offering superior wharf-side services, and stimulating innovative waterfront development.