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**Small Craft Harbours**

**HARBOUR  
AUTHORITY  
MANUAL**



**1998**



Fisheries and Oceans    Pêches et Océans

**Canada**

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# Disclaimer

This manual is intended to be a practical guide providing general information on the administrative, financial, operational, and environmental management aspects of setting up and running a Harbour Authority. The manual is not intended to be used as a substitute for legal advice or opinions. Every effort has been made to ensure that the information contained in the manual is accurate and current. The Department of Fisheries and Oceans (DFO) cannot and will not assume liability for any claims, losses, or damages resulting from the use of this manual.

# **Harbour Authority Manual**

- 1. Introduction**
- 2. Administration**
- 3. Finance**
- 4. Operations**
- 5. Environment**

# **1. Introduction**

## 1.1 Introduction

### 1.1.1 Purpose of this manual

This manual was produced by the Department of Fisheries and Oceans (DFO) to assist in the implementation of Harbour Authority Corporations (Harbour Authorities). The *Manual* will aid Harbour Authorities in offering safe, reliable, and quality services to commercial fishers. It does not attempt to be a formal policy manual; rather, it is aimed at providing practical procedures and guidelines for a variety of issues pertinent to the administration, finance, operation, and environmental management of a harbour.

The *Manual* is primarily oriented toward harbour staff responsible for fulfilling the responsibilities and duties inherent in their positions. For new staff, the *Manual* will serve as a helpful orientation to the tasks they will need to perform. It will also be useful to new Board members who wish to familiarize themselves with all aspects of the operation of a harbour.

### 1.1.2 How this manual is organized

The *Manual* is comprised of six sections:

- Section 1, *Introduction*, describes the purpose of the *Manual* and its organization.
- Section 2, *Administration*, describes the structure of the Harbour Authority, its members and their roles, and the managerial issues facing the Board of Directors.
- Section 3, *Finance*, provides information about the financial affairs of the Harbour Authority including how to prepare an annual report and budget, implement physical and internal controls that help safeguard and manage financial assets, and comply with federal and provincial reporting requirements.
- Section 4, *Harbour Operations*, provides Harbour Authority staff with useful information on the day-to-day management activities at a harbour facility.
- Section 5, *Environmental Management*, describes the various roles, responsibilities, and procedures that would normally appear in an Environmental Management Plan (EMP).
- Section 6, *Index* [NOTE: NOT INCLUDED IN PDF VERSION]

### 1.1.3 Governing legislation

Harbour Authorities must comply with various federal, provincial, and municipal laws and regulations. These laws and regulations will vary according to province and municipality and with the types of activities the Harbour Authority is involved in.

Your regional Small Craft Harbours (SCH) representative can provide information which will assist you in becoming familiar with your responsibilities in this regard. Documentation and assistance are also available from provincial ministries or departments dealing with small business, the environment, health, and finance. Banks, other financial institutions, and economic development agencies also provide resource material.

# **2. Administration**

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*Notes:*

## 2.1 Setting Up the Operation

This section describes how to establish and maintain a Harbour Authority. It discusses:

- preparing to incorporate;
- incorporating;
- staying incorporated;
- leases, subleases, and licences; and
- insurance.

### 2.1.1 Preparing to incorporate

Incorporating a non-profit organization is one of the first steps toward managing and operating a public fishing harbour as a Harbour Authority. A corporation, which is considered a distinct legal “person”, provides a permanent, legal structure through which individuals act together for a common purpose. It also limits the liability of its individual members. A corporation shields members of its Board of Directors from most liability for their actions. Organizations that are not incorporated generally do not offer this protection. A corporation is independent of its individual members; the coming and going of members does not affect the organization. A corporation can hold title to property, enter into contracts, and borrow money. Members of non-profit corporations are prohibited from receiving any financial gain from their association with the corporation. Further information can be found in Section 2.2.1, under *Liability*.

Harbour Authorities can be incorporated federally or provincially. Most existing Harbour Authorities are federally incorporated. Federal incorporation of non-profit organizations falls under the *Canada Corporations Act, Part II*, which is administered by the Corporations Directorate of Industry Canada. Information on incorporating is available from the Corporations Directorate. See Appendix 2-A for details.

To find out the requirements for provincial incorporation or a business licence, prospective Harbour Authorities should contact the appropriate provincial registrar’s office. These offices are listed in Appendix 2-B. The decision to incorporate federally or provincially should be made in consultation with a lawyer who can explain the advantages and disadvantages of each type of incorporation.

#### Information Kits

The Corporations Directorate has developed a series of information kits (see Appendix 2-A). The kit on the creation of a non-profit corporation, for example, contains a sample application, model by-laws, a policy summary, a checklist, the fee schedule, and copies of the required documents. These documents can be completed by the founding members of the Harbour Authority. Obtaining legal assistance is recommended. Small Craft Harbours (SCH) can also provide this information kit to prospective Harbour Authorities.

## 2.1.2 Incorporating the Harbour Authority

To federally incorporate a non-profit organization, an application to the Corporations Directorate must include:

- the filing fee;
- an affidavit or statutory declaration of one of the applicants stating that the contents of the application are true, that the applicants are eighteen years of age or older, that the corporation's proposed name is not objectionable or already in use, and that no public or private interest will be prejudicially affected by the incorporation. The affidavit must be sworn before a commissioner for taking oaths;
- a copy of the corporation's proposed by-laws (discussed below);
- a search report of the corporation's proposed name;
- a covering letter specifying the street address of the corporation's head office;
- an application for Letters Patent (the articles of incorporation), detailing:
  - the name of the Harbour Authority;
  - the names, addresses, and occupations of the individual applicants (i.e., first directors);
  - the location of the Harbour Authority's head office;
  - the objects of the Harbour Authority (i.e., the activities in which it is engaged);
  - the capacity of the Harbour Authority to carry on business throughout Canada;
  - borrowing powers (optional);
  - the signature of each applicant, and the place and date of the signing;
  - the wind-up clause;
  - the no-purpose-of-gain-for-members clause; and
  - other clauses or statements.

Several of these items deserve special mention.

### *Number of applicants and first directors*

Although no restriction applies to the number of founding members or applicants, three applicants are sufficient to constitute the first Board of Directors. Individuals other than the applicants may be part of the first Board as long as the application states that these additional people have consented to be directors.

### *Objects of the corporation*

The "objects of the corporation" clause is a statement about the activities in which the Harbour Authority is engaged. It should be written to reflect that the objects of the corporation are to operate, maintain, and manage a public fishing harbour or harbours and associated services.

### *No-purpose-of-gain-for-members clause*

Incorporation documents must contain a “no-purpose-of-gain-for-members” clause if the Harbour Authority is to qualify as a non-profit organization. The clause states that no members of the corporation will receive profits from the corporation. The clause reads:

*“The Corporation is to carry on its operations without pecuniary gain to its members and any profits or other accretions to the Corporation are to be used in promoting its objects.”*

This clause implies that no loans or transfer of profits to members or directors are permitted. Because employees receive income from the Harbour Authority, it may be preferable for employees of a Harbour Authority to refrain from becoming members of the Board of Directors. Such an arrangement may be perceived to be in conflict with the “no-purpose-of-gain-for-members” clause. However, the clause does not prevent the Board from paying for expenses incurred by Board members in fulfilling their duties, or from paying a stipend or compensation to Board members for attending Board meetings.

Notwithstanding the “no-purpose-of-gain-for-members” clause, a Board member or director may conduct business with the Harbour Authority as long as that individual does not use membership on the Board to influence the Board’s decisions. Board members and directors should also disclose conflicts of interest and refrain from participating in discussions at Board meetings regarding contracts that may be awarded to them. Please see *Duties and obligations* under Section 2.2.1 for more information.

### *By-laws*

The application for incorporation must also include a copy of the corporation’s proposed by-laws. By-laws are the rules that govern a corporation’s internal affairs; they describe the way that a corporation operates.

By-laws vary from organization to organization; however, the Corporations Directorate directs that by-laws for non-profit corporations cover the following topics:

- conditions of membership;
- directors and their duties, powers, and indemnities;
- members’ meetings (notice, quorum, voting rights);
- the appointment, term of office, duties, powers, remuneration, and removal of directors, officers, and committee members;
- the appointment of an auditor;
- the amendment of by-laws;
- the custody of the corporate seal;
- the certification of documents; and

- other matters of significance to the Harbour Authority.

The model by-laws contained in the information kit can help the Harbour Authority founding committee to draft its proposed by-laws. Founding members may wish to obtain a copy of by-laws from another recently incorporated Harbour Authority for reference purposes.

These documents should be sent directly to the Corporations Directorate in Ottawa.

### Charter by Letters Patent

Once the application for incorporation is approved, Industry Canada grants a Charter by Letters Patent. A Charter is the right granted to an organization to act as a corporation. Letters Patent, also known as “articles of incorporation”, are the documents that constitute a Charter. Letters Patent specify the provisions under which the corporation will exist. These provisions are permanent and can be changed only by applying for Supplementary Letters Patent (SLP). (See Section 2.1.3, *Staying incorporated.*)

Letters Patent consist of:

- a cover letter, signed under the seal of the Minister of Industry, granting corporate status; and
- the application form and other documents forwarded by the founding members as part of the application for incorporation.

### The corporate seal

Once the Harbour Authority has been incorporated, it must obtain a corporate seal. The seal is used to authenticate documents (e.g., legal agreements such as leases and subleases; some banks require the seal of the corporation on banking documents). The seal can be an impression seal or a rubber stamp. It can be ordered from a firm specializing in corporate seals or rubber stamps. The Harbour Authority by-laws will specify the officer who is custodian of the corporate seal, where the seal should be kept, who can use the seal, and when the seal should be used.

## 2.1.3 Staying incorporated

### Amendment to Letters Patent

A Harbour Authority may wish to change its name, objects, or other provisions in its Letters Patent. This type of change requires the drafting of a new by-law which must, in turn, be approved by the Board of Directors and formally approved by the entire membership, in accordance with the directives set out by the Corporations Directorate of Industry Canada. The Harbour Authority must then apply to the Corporations Directorate for Supplementary Letters Patent (SLP). An application for SLP must include:

- an application form;
- an affidavit or statutory declaration of an officer attesting to the due passage of the by-law (by the directors and by the members) on a specific date;
- two copies of the by-laws of the corporation certified by an authorized officer of the corporation;
- a name search report if the name of the corporation is to be amended;
- the filing fee; and
- a cover letter.

Note that a change of address within the same municipality does not require a new by-law. Instead, it must be indicated on the Annual Summary. (See Section 2.4.4, *Reports*.) Before the Annual Summary is completed, a letter to the Corporations Directorate specifying the new address would suffice.

### Amendment to by-laws

A Harbour Authority may wish to amend one of its by-laws. The change could involve enacting a new by-law, changing a current by-law, or revoking a current by-law. A by-law amendment requires the approval of a majority of directors at a meeting of the Board, and ratification by at least two thirds of the membership at a meeting called for this purpose. The Harbour Authority must then apply to the Corporations Directorate for Ministerial approval of the new, amended, or revoked by-law. To do so, the Harbour Authority must submit:

- a letter requesting Ministerial approval and showing the exact change to the existing by-law and the date on which the change was sanctioned by the membership; and
- a consolidation of the existing by-laws in which a number of amendments have been made.

No fee is charged for this service.

### Filing requirements

Harbour Authorities must comply with certain filing and reporting requirements to maintain status as a corporation. Under the *Canada Corporations Act*, a federally incorporated Harbour Authority is required to submit an Annual Summary to the Corporations Directorate. See Section 2.4.4, *Reports* and Section 3.4, *Government Reporting Requirements*, for more information.

## Reporting requirements to the members

A Harbour Authority must fulfill the following basic reporting requirements:

- hold an annual general meeting once every calendar year,
- maintain the minutes on record, and
- present an annual report to the members.

These requirements are discussed in greater detail in Section 2.4, *Records Management*.

### 2.1.4 Leases, subleases, and licences

Leases, subleases, and licences are contractual agreements, between two or more parties, that are enforceable under the law. All such documents should be reviewed by a lawyer unless they are standard-form documents that the Harbour Authority uses on an ongoing basis and that have previously been reviewed by a lawyer.

#### Leases

A lease is a contract between a Harbour Authority and the Department of Fisheries and Oceans (DFO) whereby DFO relinquishes exclusive possession of its land and facilities to the Harbour Authority for a specified period of time. Under the lease used in the province of Quebec, DFO gives the enjoyment of its property and facilities to the Harbour Authority for a specified period of time and for a rent. A Harbour Authority uses the land and facilities to operate a public commercial fishing harbour.

The lease arrangement allows a Harbour Authority to sublease the land and its improvements to third parties, if DFO consents, and also to collect the revenues associated with the subleases.

The lease arrangement further entitles a Harbour Authority to issue licences (and to collect licence fees) that allow third parties to use the leased property to carry out particular businesses.

The Board of Directors should be familiar with the terms and conditions contained in the lease document. The document clearly describes obligations that the Harbour Authority must meet to continue to manage the leased property.

## Subleases

A Harbour Authority may sublet part of the leased facilities (i.e., sublease a parcel of land) to third parties to take advantage of the ability of the harbour to generate revenue. A sublease is an agreement between the Harbour Authority and the party subletting the property. The consent of DFO is also involved. A Harbour Authority requires the written consent of DFO before signing a sublease for the land and facilities leased from DFO.

Notwithstanding the involvement of a third party in the sublease arrangement, the Harbour Authority retains some rights or interest, as well as the obligations contracted under the original lease, with respect to the property subleased. As with leases, subleases do not relinquish title to the land or its improvements.

The insurance policies of a sublessee should provide liability coverage to the Harbour Authority. The insurance policies should be primary, non-contributing, and not in excess of any insurance available to the Harbour Authority. This means that the sublessee's insurance must be exhausted before any of the lessor or sublessor's insurance is required to contribute for a loss. The Harbour Authority should be named under the policy.

## Licences

A licence is a personal contract between two parties. It does not give an interest in land. Rather, it is the right, given by the owner or lessee of land, to another party, to use land in a certain way, for a certain purpose, and on certain terms while that land remains, in other respects, in possession and under the control of the owner or lessee.

Harbour Authorities may issue licences for the provision of such things as space for fish offloading, tour boats, and fuel pumps, for example.

To avoid being held liable for the activities of a licensee, a Harbour Authority should ensure that the licensee carries adequate liability insurance coverage.

The following terms and conditions are found in a standard licence agreement:

- the amount payable and when;
- the interest penalty that will apply in the event of non-payment;
- the need to comply with applicable laws and regulations;
- the requirement for comprehensive general liability insurance coverage;
- the right to request proof of insurance coverage;
- a cancellation clause;
- a statement to the effect that the rights under the licence cannot be transferred or assigned;
- a clause that addresses the issue of potential damage to the facilities;



- a clause that ensures continued public use or public access to the site under licence;
- a clause that addresses the state of the facilities at the end of the licence agreement;
- signatures of both the licensor and licensee;
- the date; and
- other clauses, as applicable.

### 2.1.5 Insurance

Small Craft Harbours has arranged for liability insurance coverage for all Harbour Authorities through a Comprehensive Marine General Liability Insurance policy. The policy provides protection against potential legal or contractual claims from third parties that may arise from the operation of a Harbour Authority. SCH will pay the policy's premiums until March 31, 2001, after which date Harbour Authorities will be responsible for obtaining their own comprehensive marine liability insurance at their own expense.

The current policy provides individual coverage to a Harbour Authority for up to \$20 million for each claim arising from property damage and bodily injury to third parties. Under the policy, each claim is subject to a deductible of \$500.

The policy covers volunteer and paid employees of the Harbour Authority who are injured while performing their duties. It does not cover errors and omissions arising from an act or omission in rendering or failing to render professional services. While it covers sudden and accidental pollution, it does not cover gradual pollution or pre-existing environmental impairment discovered during the policy period, regardless of whether the Harbour Authority had prior knowledge of it. Nor does it cover directors' and officers' liabilities related to mismanagement, payment of salaries, taxes, breach of contract, and other liabilities. Directors' and officers' liability insurance is the responsibility of each Harbour Authority, should it choose to obtain such coverage.

The insurance coverage takes effect as soon as the lease is signed. At that time, Harbour Authority officials must complete a questionnaire on liabilities to ensure that major exposures are identified. This document helps determine the requirements for future insurance protection.

### Reference Material

MacLeod, Flora. *Forming and Managing a Non-profit Organization in Canada*. Third edition. Vancouver: Self Counsel Press, 1995.

## Appendix 2-A — Corporations Directorate, Industry Canada

Corporations Directorate  
Industry Canada  
9th Floor, 365 Laurier Avenue West  
Ottawa, Ontario K1A 0C8  
Telephone: (613) 941-9042  
Fax: (613) 941-0601  
Website: [www.strategis.ic.gc.ca](http://www.strategis.ic.gc.ca)

Corporations Directorate kits, forms, policies, and guidelines are also available from the 24-hour Automated Fax Information Service at (613) 941-0199 or (613) 941-0200.

The following information kits pertain to the sections of the *Canada Corporations Act* that are most relevant to Harbour Authorities incorporated under federal jurisdiction:

- Information Kit on the Creation of Non-profit Corporations
- Information Kit on How to Amend the Provisions of the Letters Patent
- Information Kit on How to Amend Your General By-laws
- Information Kit on How to Surrender Your Charter and Dissolve

For these kits and more information, visit Industry Canada's website at [www.strategis.ic.gc.ca](http://www.strategis.ic.gc.ca), click *The Marketplace: Service, Laws and Regulations*, and then select *Corporations Directorate*.

*Notes:*

## Appendix 2-B — Provincial Registrars

<b>British Columbia:</b>	Ministry of Finance and Corporate Relations Government Services and Registries Victoria, British Columbia (250) 387-7848 or (250) 775-1041
<b>Alberta:</b>	Corporate Registry Edmonton, Alberta Edmonton: (403) 427-2311 Calgary: (403) 297-3442
<b>Saskatchewan:</b>	Department of Justice Corporations Branch Regina, Saskatchewan (306) 787-2970
<b>Manitoba:</b>	Department of Consumer and Corporate Affairs Corporate Branch Winnipeg, Manitoba (204) 945-2500
<b>Ontario:</b>	Ministry of Consumer and Commercial Relations Companies Branch Toronto, Ontario (416) 314-8880 or 1-800-361-3223
<b>Quebec:</b>	Direction des entreprises L'inspecteur général des institutions financières Quebec City, Quebec (418) 643-3625
<b>New Brunswick:</b>	Department of Justice Corporate Affairs Fredericton, New Brunswick (506) 453-2703
<b>Prince Edward Island:</b>	Department of Community Affairs and Attorney General Consumer, Corporate and Insurance Division Charlottetown, Prince Edward Island (902) 368-4550

**Nova Scotia:** Department of Justice  
Registrar of Joint Stock Companies  
Halifax, Nova Scotia  
(902) 424-7770

**Newfoundland:** Department of Justice  
Registrar of Deeds and Companies  
St. John's, Newfoundland  
(709) 729-3316

## 2.2 Roles and Responsibilities

This section describes the roles and responsibilities of the various individuals and groups involved in the Harbour Authority including:

- the Board of Directors (activities, powers, responsibilities, structure, composition, continuity, meetings, directors),
- planning,
- officers of the corporation,
- committees,
- Harbour Authority membership,
- the harbour supervisor, and
- the Department of Fisheries and Oceans (DFO).

### 2.2.1 The Board of Directors

The Board of Directors is responsible for managing the property and business of the Harbour Authority, and for the overall direction and supervision of the organization. The Board is not responsible for carrying out day-to-day operations; this is the responsibility of officers and employees. The distinctions often blur in small, all-volunteer organizations. Smaller Harbour Authorities are managed by a working Board, where directors may be directly involved in day-to-day activities.

#### Activities

The Board of Directors is involved in the following activities:

- determining the objectives and policies of the Harbour Authority;
- developing and implementing business and financial plans for the Harbour Authority;
- ensuring that the Harbour Authority is carrying out its objectives, as stated in its articles of incorporation;
- monitoring the organization's financial health and taking corrective action where necessary; and
- managing employees.

#### Powers

The Board of Directors has the following significant powers:

- setting user fees;
- setting the rules and regulations that govern the use of leased Harbour Authority property and behaviour on the property;

- employing the people necessary to manage the leased area and contracting out projects as necessary;
- setting a budget and controlling its costs;
- expelling members for cause;
- borrowing funds; and
- setting membership fees or dues as directed in the by-laws.

## Responsibilities

The primary responsibility of the Board of Directors is to protect the business interests of the Harbour Authority, which include the operation, maintenance, and management of a public commercial fishing harbour or harbours, and the provision of associated services.

The Board meets as often as necessary to discuss issues and resolve problems. It may delegate certain responsibilities, such as signing cheques, to staff or specified officers so that routine matters are handled between meetings.

The Board also has responsibilities pertaining to employees (in most cases, the harbour supervisor). The Board is responsible for hiring and supervising employees, developing job descriptions, and conducting interviews. For more information about the roles and responsibilities of the harbour supervisor, see Section 2.2.6, *Harbour supervisor*. Recruitment is discussed in Section 2.3.1.

The Board establishes policies that describe how it will govern and how it will organize its work. These policies should clearly indicate the roles that are being assigned and the individuals to whom they are being assigned, the organizational structure, and the reporting relationship. Examples of issues for which policies should be developed include recruitment, fueling, maintenance and repair, garbage, waste oil, property damage, personal injury, berthage, and a code of conduct for directors.

## Structure

The structure of the Board of Directors should facilitate efficient decision making and should enable work to be carried out efficiently regardless of whether the Harbour Authority manages one or many harbours, and whether the Board of Directors is constituted of fishers only or whether it includes members of the community.

The founding members of a Harbour Authority must address the following questions regarding the Board's structure and procedures:

- What is the best size and composition for the Board?
- How many formal offices should exist (president, past president, vice-president, treasurer, secretary, etc.)?
- What committees should be created?

No single best method exists for structuring an organization; the Board must implement structures and procedures that fit its particular requirements.

### Composition

The composition of the Board of Directors is an important consideration for the success of a Harbour Authority. A broad representation on the Board of all harbour users and interested parties will best support its activities, revenue opportunities, and future development. The number of directors and the sectors that they represent are set out in by-laws: important decisions as to the number of directors and the sectors that they represent must be made by the founding members before incorporation, because by-laws must be included in the documents forwarded to the Corporations Directorate.

Harbour Authorities may wish to consider Board representation from a number of sectors such as commercial fishers, recreational boaters, native persons, business persons, and other harbour users. The founding members may decide that the commercial fishing sector should have greater representation to ensure that the interests of commercial fishers are well served.

Once the Harbour Authority has determined the sectoral composition of the Board of Directors, it must determine how many directors are to represent each sector. The smaller the Board, the more difficult it will be to reflect the views of the interested parties. The larger the Board, the more difficult it is to arrive at a consensus. An odd number of directors ensures that votes will not end in ties.

### Continuity

To be effective and dynamic, a Board requires a balance between experienced and new Board members. New Harbour Authorities should consider staggering the length of the directors' appointments to ensure a Board that reflects this balance. For example, at incorporation, half the directors might be elected for a two-year term, and the other half for a one-year term. Subsequently, all directors would be elected for a two-year term in elections held every year. This arrangement would provide a continual influx of new Board members and the continuous presence of experienced members. The founding members would detail this arrangement in the by-laws.

Elections for new directors may be required at mid-term, particularly for a newly formed Board. Otherwise, unforeseen resignations may have the effect of overloading the remaining Board members, if too few are left to carry out the work.

When recruiting new Board members, consideration should be given to the types of skills (management, accounting, municipal affairs, public relations) needed on the Board.

The process to appoint new directors is stated in the corporate by-laws. To qualify, a director must be an individual, 18 years of age or older, with power under the law to contract. Directors are elected, at a meeting held for that purpose, by the membership or by the group of members that the director represents, in accordance with the by-laws.



It is important to remember that directors are unpaid volunteers and that they require support and an evenly distributed workload. Board members must keep Board business separate from the operation of the harbour.

## Meetings

Decisions regarding the Harbour Authority are generally made at meetings of the Board of Directors. To be efficient and productive, the meetings should be well-organized, and the rules of conduct properly communicated. The purpose of a meeting may be to:

- carry out the official business of the organization;
- plan an event or course of action; or
- resolve or manage conflicts.

A formal process governs how items are discussed and decided upon at Board meetings. This process is described in Appendix 2-C. A glossary of terms used in Board meetings is found in Appendix 2-D.

### *Attendance*

To fulfill their obligations, directors must attend meetings. The Board may want to establish a compulsory attendance policy: for example, Board members are required to attend at least two thirds of all meetings.

### *Frequency and times*

No fixed rule exists about the frequency of official meetings of the full Board. Meetings should be held when there is enough relevant business to discuss.

### *Agenda*

An agenda outlines the items to be discussed at a meeting. It can greatly assist Board members in identifying problems and issues. An agenda helps to organize the meeting and provides a framework for decision making.

An agenda covers the following matters:

- routine business, such as the review and approval of the minutes of the previous meeting, correspondence, employee and committee reports, and financial updates;
- business arising from the previous meeting, or unfinished business;
- new business; and
- the date of the next meeting.

Characteristics of a productive agenda are:

- It contains sufficient, clear, and relevant information.
- The accompanying material is directly relevant to discussion items on the agenda.
- Important items are listed at the beginning and less important items at the end.
- Items within groupings such as routine business, business from previous meetings, and new business, are listed in order of priority.
- It includes the names of the people responsible for an item, an approximate time for dealing with the item, and the outcome sought (a discussion leading to a decision, or an item for information only).

Controversial items may lead to further study by a Board member or by a committee. All unfinished business should be carried forward or, if handled by the executive committee, reported at the next meeting and recorded in the minutes. The secretary must track the work that was delegated to ensure that the resulting recommendations are eventually considered by the Board.

Board members must prepare in advance for meetings by reading the agenda and the material provided, and by preparing in whatever other way is necessary to feel comfortable with the topics to be discussed. The agenda should therefore be forwarded to members well in advance of the meeting.

See Appendix 2-E for a sample meeting agenda. Notice that the agenda allows for the addition of items at the beginning of the meeting; the group in attendance must agree to the addition of an item or items. Members should recognize that the meeting time may have to be extended, or some agenda items postponed to subsequent meetings, if such additions are made.

### *Rules of order*

Rules of order state the behavioural standards that will permit members to conduct the business of the meeting without interruption. Rules of order should be developed by the Board and agreed to by the membership. Two examples of rules of order are: all issues must be voted upon; and an objection by a member must be noted in the minutes. The chair has the duty to ensure that the rules of order are observed.

### *Board manual*

The Board of Directors manual should contain all of the Harbour Authority's formal documents including:

- a copy of the Letters Patent and by-laws;
- a copy of the lease;
- the most recent annual report;
- the current budget and financial report;

- a list of the Board’s responsibilities;
- a list of the committees and their terms of reference;
- a list of Board members, including their addresses and telephone numbers;
- information about meetings, including when and where they will be held, and their duration;
- simplified parliamentary procedures;
- minutes of recent meetings;
- a Board calendar;
- long- and short-term goals;
- an outline of contractual relationships (e.g., lease, employment contract, others); and
- job descriptions for employees, if any.

Every director should have a Board manual.

## Directors

### *Roles*

In carrying out their duties and responsibilities, directors play the roles of decision makers, advisers, and implementers.

- As *decision makers*, directors may participate actively by making suggestions and voting on them. They may choose, on the other hand, to take a more passive approach, simply monitoring the work of others and ratifying the resulting recommendations.
- As *advisers*, directors may provide information and expert advice to others.
- As *implementers*, directors carry out activities specified by the Board.

### *Duties and obligations*

Directors are responsible for the management of the Harbour Authority. They therefore have certain duties and obligations to the organization, to its members and employees, and to the various levels of government.

Each director must meet two basic requirements:

- The individual must be committed to the Harbour Authority, must support what the Harbour Authority is trying to achieve, and must want to help; and
- The individual must have the time and energy to accomplish the work required of a director, and should bring experience and expertise to that work.

Directors must act honestly, in good faith, and in the best interest of the organization. Directors must not let personal interest influence their actions as a Board member. Directors should be aware of potential conflicts of interests that may arise from their

duties and must be cautious when conducting business with their own Harbour Authority. As mentioned earlier, a policy should be developed to help prevent real or perceived conflicts of interest. Directors must exercise a minimum standard of care in the performance of their duties as directors.

Directors must also ensure that the Harbour Authority meets requirements imposed by law. Each Harbour Authority should identify applicable legal requirements under federal and provincial laws, as well as under municipal by-laws.

### *Liability*

Liability is a finding of legal responsibility in either a criminal or a civil action. Because a corporation is considered a distinct legal “person”, directors are normally not liable for most of the corporation’s actions.

To avoid liability, directors should:

- understand the obligations of being a Board member;
- be prepared to take the time needed to fulfill the obligations of directorship;
- recognize where risks may lie; and
- obtain independent legal advice, when necessary.

Sometimes, however, a Board member may be liable for decisions made as a director. Some of the potential liabilities to which Harbour Authorities and directors may be exposed are:

- bodily injury (e.g., physical harm);
- property damage (e.g., boat, vehicle, other);
- contractual liability (e.g., fulfilling contracts, cancelling contracts, other);
- personal injury liability (e.g., invasion of privacy, sexual harassment, libel and slander, other);
- directors’ and officers’ liabilities (e.g., conflict of interest, lack of care or diligence in work done and advice given); and
- other liabilities related to the specific activities conducted at the Harbour Authority (e.g., environmental liabilities).

### *Minimizing potential liabilities*

Directors have a fiduciary responsibility to the Harbour Authority: that is, they must be active, prudent stewards of the organization. Fiduciary responsibility is a fundamental duty of the Board of Directors. A fiduciary must act prudently on behalf of the organization, exercising at least as much care as a prudent person would in administering his or her own affairs. Examples of actions that directors should take to fulfill their fiduciary responsibilities include:

- reading and understanding the organization’s articles of incorporation, by-laws, and lease, and ensuring that the organization is operating in accordance with them;
- becoming familiar with the organization’s activities and budget, and ensuring that all are in accordance with the organization’s stated purpose;
- attending all Board meetings and, before each meeting, ensuring that all documents and reports to be voted on have been received and read;
- carefully reviewing the minutes of all meetings;
- asking for clarification regarding projects, budget items, contracts, and other arrangements or decisions that are unclear;
- holding employees accountable in accordance with the employment agreement between the organization and the employee;
- implementing internal controls to oversee cheques and execution of contracts;
- maintaining a director’s manual containing all corporate documents and relevant information, and ensuring that it is kept up to date;
- recognizing potential conflicts of interest and taking appropriate measures to avoid them; and
- obtaining independent legal advice when necessary.

For additional protection against liability, the Harbour Authority might consider:

- *Indemnification.* The organization pays the director’s expenses, such as legal fees and judgments if a director is sued for something done on behalf of the organization. The articles of incorporation or by-laws must provide for indemnification if it is desired. Indemnification protects a director only if the organization has the financial resources to pay the director’s expenses.
- *Insurance.* Officers’ and directors’ liability insurance can be purchased from an insurance company. This type of insurance is purchased in addition to other liability insurance carried by the Harbour Authority. Insurance offers more protection than indemnification because the insurance company will pay the judgments and legal fees for covered situations.

Questions that a Harbour Authority may have concerning liability should be discussed with a lawyer.

## 2.2.2 Planning

Planning by setting goals and objectives may seem mundane when compared to pressing operational issues; however, these plans are important in helping to avoid problems or to quickly deal with them as they arise.

A Harbour Authority should engage in three types of planning:

### Purpose planning

Purpose planning defines what the organization is trying to accomplish. Such planning may help to define the role of its clients, the harbour in the community, and so on. It is important that the Board reach a consensus on the purpose of the organization.

### Short-term operational planning

Short-term operational planning involves creating a one-year operational plan that is in line with the long-term plan and with the purpose of the Harbour Authority. It presents the next steps to be taken in accomplishing long-term objectives. Short-term operational planning comprises:

- an account of short-term goals and objectives;
- an assertion of the activities to be conducted in the coming year; and
- an annual budget that translates the activities into financial terms.

### Long-term strategic planning

Long-term strategic planning involves creating a three- to five-year plan to achieve the objectives of the organization. It serves to articulate specific goals and objectives in a concrete manner. This type of planning is based on the following information:

- what the Harbour Authority is trying to achieve;
- who the clients/users are;
- what the strengths and weaknesses of the Authority are;
- what unique qualities (opportunities) are available; and
- why the Authority is trying to achieve certain goals, and when and how it will achieve them.

The business plan, discussed in Section 3.1.3 of the Finance section of this manual, is an excellent tool for long-term strategic planning.

## 2.2.3 Officers of the corporation

Officers of the corporation include:

- the president;
- the vice-president;
- the secretary; and
- the treasurer (or a combined secretary/treasurer).

The officers work together as a leadership team and facilitate the democratic function of the Board of Directors. Their duties are usually defined in the by-laws of the corporation. Officers need not be directors or members of the Harbour Authority, but usually are. It is generally preferable to keep the number of officers to a minimum.

### President

The president is elected at an annual meeting of the Board of Directors and provides direction to employees of the Harbour Authority. Some functions performed by the president include:

- acting as a spokesperson for the Harbour Authority;
- guiding the Board of Directors;
- ensuring that the Board adheres to its by-laws and Letters Patent;
- preparing the Board agenda with input from Board members and employee(s);
- chairing Board of Directors meetings, executive committee meetings, and special and annual meetings;
- keeping the board focussed on issues relevant to the Harbour Authority;
- acting as one of the signing officers for cheques and other documents, such as contracts and applications for funding; and
- preparing the annual report for the Annual General Meeting.

### Vice-president

The vice-president is appointed by the Board of Directors and assists the president. In the absence of the president, the vice-president performs the duties and exercises the powers of the president, such as presiding over Board of Directors meetings. The vice-president usually heads a standing removed committee, such as the Personnel or Environment committee.

Some functions performed by the vice-president include:

- acting in the absence of the president;
- serving on the Executive Committee;
- learning the duties of the president and remaining informed of key issues; and
- acting as a signing officer for cheques or other documents.

### Secretary

The secretary is appointed by the Board of Directors and takes minutes, tracks decisions made by the Board and Executive Committee, and maintains a register of all Harbour Authority members. The secretary may also be responsible for the Harbour Authority's correspondence.

Some functions performed by the secretary include:

- serving on the Executive Committee;
- maintaining a copy of the Harbour Authority's by-laws and the Board's policy statements;
- maintaining lists of officers, Board members, committees, and the general membership;
- filing the annual return, amendments to by-laws, and other incorporating documents with the appropriate registrar's office;
- acting as custodian of the corporate seal;
- conducting a number of tasks with respect to meetings:
  - notifying Board members of meetings,
  - keeping a record of Board attendance,
  - ensuring that a quorum exists at Board meetings,
  - bringing the official minute book to meetings,
  - keeping accurate minutes of the meetings,
  - recording all motions and decisions of meetings,
  - signing Board minutes to attest to their accuracy,
  - maintaining copies of minutes and distributing them to Board members, and
  - ensuring that members are notified of general meetings.

### Treasurer

The treasurer is also appointed by the Board of Directors and holds ultimate responsibility for maintaining the books and recording the day-to-day financial transactions of the Harbour Authority. The treasurer is responsible for reporting the financial matters of the Harbour Authority to the Board of Directors. He or she should report monthly to the Board and annually to the general membership. The treasurer maintains the records personally or appoints a bookkeeper to do so. The treasurer oversees the work of the bookkeeper, and prepares financial statements required by the Harbour Authority. Some Boards combine the roles of secretary and treasurer into one position.

Some functions performed by the treasurer include:

- serving on the Executive Committee;
- regularly reporting the financial state of the Harbour Authority to the Board;
- maintaining files of financial reports;
- chairing the Finance Committee;
- acting as a signing officer, with another officer or with the senior staff member, for cheques and other documents;
- ensuring that all necessary financial reports, tax reports, and audits are filed; and



- preparing and monitoring the overall budget with the Finance Committee (if applicable).

## 2.2.4 Committees

Committees carry out specific tasks. They are composed of individuals chosen by the Board of Directors. Committees must regularly report to the Board and are usually chaired by a Board member. Committees may be beneficial to the operation of a Harbour Authority. They can:

- provide a small, problem-solving group to study an issue in depth and to make recommendations to the Board; and
- either assist employees in carrying out tasks that the employees cannot complete alone or perform tasks in the place of an employee (e.g., lead a construction or major renovation work project, negotiate with the municipality, introduce a new service).

### Executive Committee

The corporation's by-laws stipulate whether an Executive Committee will exist. The committee is composed of a specified number of directors who exercise such powers as are authorized by the Board of Directors. Usually, officers of the corporation sit on the Executive Committee. The by-laws specify how members of the committee are appointed to, and removed from, the Executive Committee. Harbour Authorities with a large number of directors are more likely to have an Executive Committee than a smaller Board.

### Standing committees

Standing committees are permanent sub-committees of the Board of Directors that handle specific, strategic issues, such as environmental protection, or that provide operational support in areas such as finance or personnel. Some standing committees include Finance, Operations, Property, Environment, and Personnel.

The general role of a standing committee is to draft policies, to study issues, and to provide recommendations to the Board on possible courses of action. Standing committees are an effective means of delegating and carrying out the work of a Harbour Authority. The committee determines how often it plans to meet, and should prepare an agenda and keep minutes for each meeting.

Standing committees should be established only if a clear need for them exists. Standing committees are staffed with Board members.

### Ad hoc committees

Ad hoc committees are flexible, convenient committees created by the Board of Directors to handle a specific issue, such as a major maintenance project or special event, in a short period of time. In ad hoc committees, work is clearly defined and a completion date is targeted.

An ad hoc committee may be staffed with well-qualified individuals who are not members of the Board. Only the committee chair need be a Board member. Ad hoc committees facilitate the participation and support of Harbour Authority members who wish to limit their involvement to a specific project or area of expertise.

## 2.2.5 Harbour Authority membership

Harbour Authority members are those people who have applied for membership and have received the approval of the Board of Directors. Members support the Harbour Authority in operating, maintaining, and managing a public commercial fishing harbour. The conditions of membership are outlined in the corporate by-laws. Members are prohibited from receiving any pecuniary gain from their membership in the corporation. The by-laws also confirm whether membership fees or dues are payable.

Members must meet at least once a year to conduct business such as:

- hearing the Board of Directors' report on how the corporation has been managed over the last year;
- learning how the Board will be managed over the next year;
- reviewing the audited financial statements;
- appointing an auditor for the coming year (if applicable); and
- electing new Board members (if applicable).

Harbour Authority members are not limited to participation at the Annual Meeting. Members may also be invited to vote on a particular issue at a special general meeting, to elect new directors, or vote for the removal of a director from office. The membership has the duty and the responsibility to protect its interests and to use its voting power wisely.

Members can withdraw from the Harbour Authority by providing a written statement. A copy of this statement must be provided to the corporation's secretary.

### The members' register

Under the *Canada Corporations Act*, an up-to-date register of members of the Harbour Authority must be maintained. The register should include past and current members' names, home addresses and telephone numbers. The register should also include the date a member left the Harbour Authority. The register should be kept at the official address of the Harbour Authority.

Maintaining a register may prevent disputes about who can vote and formally approve decisions made by the current Board of Directors. Formally recognizing the membership encourages greater participation.

### 2.2.6 Harbour supervisor

The harbour supervisor is responsible for the day-to-day operation of the harbour. The incumbent is accountable to the Board of Directors for fulfilling the tasks listed in the supervisor's job description. The supervisor reports directly to the Board and works with the Board to reach the goals of the Harbour Authority.

The supervisor takes direction from the Board of Directors collectively, not from individual Board members. This distinction is important and should be clearly explained to all Board members to avoid having individual directors unwittingly interfere with the work of the harbour supervisor.

The harbour supervisor is a valuable source of information for the Board: he or she can report about how well policies are working, identify areas for improvement, and suggest new ideas. He or she can also bring important issues, which may otherwise go unnoticed, to the attention of the Board.

The decision about whether to hire a harbour supervisor is important in terms of the financial resources that will be allocated for that purpose, the collection of fees, and the delivery of services to harbour users. At harbours operated by small Harbour Authorities, members may perform the tasks normally performed by a supervisor at a larger harbour.

The work to be performed by the harbour supervisor should be clearly defined before the position is staffed. Clearly defined responsibilities will help to prevent misunderstandings and oversights and will ensure cooperation between the supervisor and the Board. In determining the work to be performed by the harbour supervisor, it may be useful to determine whether some tasks (garbage, accounting) can be contracted out, freeing the supervisor to perform tasks judged to be more important by the Board to ensure safe, secure, and quality services to commercial fishers. Activities that may be assigned to a harbour supervisor include:

- operating, managing, and supervising all facilities in the harbour administered by the Harbour Authority;
- controlling and supervising all land (including land covered by water) that is administered by the Harbour Authority;
- explaining policies, regulations, and rate structures to users of the facilities and property administered by the Harbour Authority;
- collecting and accounting for berthage, wharfage, and utility fees, and other charges as directed by the Harbour Authority;
- allocating berthing and storage space for goods (if provided), and monitoring its use in accordance with the Board's instructions or policies;
- supervising parking space (if provided);
- maintaining contact with local authorities (e.g., police, fire, ambulance);

- ensuring that licensees, lessees, and agreement holders observe the terms and conditions agreed to;
- ensuring that users dispose of trash and used oil in the containers provided, and that facilities are kept clear of personal property, spare gear, and so on;
- supervising the garbage contractor and other local contractors that may be employed;
- ensuring that load limits are not exceeded on government roads and structures;
- reporting all structural defects on leased facilities to the Board, and making or arranging minor repairs;
- reporting all accidents, damage, and fires to the designated authorities;
- posting all signs and notices; and
- performing other duties that may be assigned either verbally or in writing by the Board of Directors of the Harbour Authority.

The above-mentioned activities form a useful checklist when writing the job description for a harbour supervisor.

### 2.2.7 Department of Fisheries and Oceans (DFO)

DFO has no representation within the Harbour Authority membership or on the Board of a Harbour Authority, and should not attend Board meetings except at the request of the Harbour Authority to discuss a special or specific issue. The Harbour Authority is best qualified to identify its needs and to assist DFO in defining local priorities.

DFO's involvement with Harbour Authorities extends only to its responsibilities as a landlord to ensure that:

- facilities that have been paid for by taxpayers and leased at a nominal cost are used for the public good;
- facilities provided for fishers respect the safety and health of users and of the environment; and
- no action is taken that exposes DFO to future costs or to expenditures that are not in support of the harbour.

In this context, DFO supports the development of autonomous, self-sufficient Harbour Authorities and the continued provision of harbour services to commercial fishers.

### Reference Material

Paul, Kevin. *Chairing a Meeting with Confidence*. Third edition. Self Counsel Publications, 1995.

Stanford, Geoffrey. *Bourinot's Rules of Order*. Fifth edition. 1995.

*Notes:*

## Appendix 2-C — Conducting Board Meetings

The following process is used when discussing and deciding on items at Board meetings:

1. The chair calls an item (items are called in the order that they appear on the agenda).
2. Board members discuss the item.
3. Once the chair is satisfied that the item has been fully discussed, he or she asks for a motion.
4. A Board member presents the motion by summarizing the proposal or the general will of the people by stating “I move that....”
5. The chair requests that someone support or “second” the motion. To second a motion, a Board member must say “I second the motion.” Seconding does not imply acceptance of the motion, but simply a willingness to hear the motion discussed. If no seconder comes forward, the chair will ask for another motion. Should no agreement be reached on a plan of action, the discussion may be postponed until further information is available.
6. A seconded motion is discussed by the Board members. During the discussion, the group or a member may propose to amend the motion. An amendment changes some aspect of the motion without altering its basic intent. If the amendment is not seconded, the discussion on the original motion continues.
7. An amendment can also be amended through a sub-amendment (which must be presented as a motion and seconded before it can be discussed). A sub-amendment modifies some aspect of the amendment, but does not change the basic intent of the amendment.
8. If seconded, the sub-amendment is discussed by the Board members. When the chair is satisfied that the sub-amendment has been fully discussed, the chair asks the question “Shall the sub-amendment carry?” and a vote is taken on the sub-amendment. If the vote favours the sub-amendment, the Board members may continue to discuss the amendment until the chair calls a vote by asking “Shall the amendment, as amended, carry?” If the vote favours the amendment, the chair may call a vote on the motion by asking “Shall the motion, as amended, carry?” The motions are voted on in reverse order of presentation.
9. The chair will call a vote when satisfied that all relevant points (pros and cons) have been made on the proposed motion. The vote can be made by a show of hands or by a voice vote.
10. The chair brings forward the next item of business.

When the vote favours the motion, the motion is carried; when the vote opposes the motion, the motion is defeated. The chair refrains from voting; he or she votes only in the event of a tie.

The secretary records motions and voting results in the minutes of the meeting as accurately as possible. The minutes are the official record of the discussions and decisions of the meeting. (See Section 2.4.5 for more information about minutes of meetings.)

*Notes:*

## Appendix 2-D — Glossary of Terms Used in Board Meetings

- Abstain:** Refrain from voting. Some organizations have rules governing the conditions under which a member may abstain from voting (e.g., conflict of interest).
- Accept:** To accept a report is the same as adopting and approving the report as presented, including any and all of its recommendations. A motion to accept a report must be seconded, and may be debated, amended, carried, or defeated.
- Adjourn:** End the meeting. A motion to adjourn takes precedence over all other motions. The motion to adjourn can not be debated or amended, and must be voted on immediately.
- Agenda:** The list of items proposed to be discussed at a meeting.
- Amendment:** A proposed revision of the main motion. Motions may be amended by adding, deleting, or changing words in the main motion.
- Example:*
- Member: “Mr./Madam Chairman, I move that the motion be amended by deleting the words ‘before February’.”
- Amendments may not change the primary intent of the main motion.
- Motions to amend are discussed and voted on before returning to the main motion, as originally presented (if the motion to amend was defeated), or as amended (if the motion to amend was carried).
- Appeal:** A member who disagrees with a ruling of the chair may appeal by stating, “Mr./Madam Chairman, I appeal from the ruling of the chair.” This statement requests that the chair ask for the opinion of the meeting on the ruling.
- The motion to appeal must be seconded. The motion is not debatable, but it is customary for the chair and the appellant to explain their reasoning before voting begins.
- Carried:** A majority of the individuals voting favour the motion, and the motion is accepted by the organization.



- Debate:** Discussion that takes place on a motion before the motion is voted on.
- Defeated:** A majority of the individuals voting oppose the motion.
- Majority:** The number of people who must favour a motion before it can be carried.  
A “simple majority” is more than half the members voting: that is, 50 percent plus one person.
- Motion:** A proposal put forward for debate. A motion is made using the expression “I move that...” or “I move to...”
- Notice of motion:** Advance notification that a motion will be presented at a certain date in the future.
- Point of order:** A motion that may be raised without the speaker being recognized by the chair and that raises a question about whether a motion or debating point are within the by-laws or rules of order of the organization. A point of order does not require a seconder and is not debatable. The chair must rule on the validity of the point of order.
- Example:*
- Member: “Mr./Madam Chairman, I rise to a point of order.”
- Chair: “Please state your point of order.”
- Member: “The proposed motion is out of order because it is contrary to by-law number 21.”
- Chair: “Your point of order is correct. I declare the motion out of order.”
- Precedence:** The order in which motions are dealt with.
- Privilege:** A motion of privilege takes precedence over all other motions except adjournment and recess. It does not require a seconder and is not put to a vote. Questions of privilege are related to:
- the health and safety of members of the organization;
  - the integrity of a member, the meeting, or the organization, and the respect due to them; and
  - the safety and protection of property.
- The chair must rule immediately on questions of privilege.

**Example:**

Member: “Mr./Madam Chairman, I rise to a point of privilege.”

Chairman: “Please state your question of privilege.”

Member: “Mr./Madam Chairman, I ask that guests be asked to leave the room until discussion of this confidential matter has been completed.”

Chairman: “Your question of privilege has been granted. All guests shall leave the room until confidential business is completed.”

**Question:** When a motion has been made and seconded, and the chair has repeated the motion to those present, it becomes the “question”. Following debate, the chair states the question again and puts it to a vote. At this point, if the question is carried, it becomes a resolution.

**Quorum:** A quorum is the minimum number of people, as specified in the corporate by-laws, required at each Board meeting for business to be legally carried out. In the absence of a quorum, debate can continue but no votes can be taken, except the vote to adjourn. To ensure a quorum at every meeting, it may be helpful to develop a compulsory attendance policy.

**Ratify:** To give approval; to confirm an action; to make valid and legal. Usually, the final action taken by a meeting to legalize some business performed by its officers or representatives.

**Table:** Delay discussion of a motion. A motion may be tabled for a fixed period of time or indefinitely.

**Withdraw:** A motion on the floor may be withdrawn by the mover, with the permission of the seconder. If a motion is withdrawn, it is not dealt with further.

*Notes:*

## Appendix 2-E — Sample Meeting Agenda

**SUNSET BAY HARBOUR AUTHORITY**  
**Board of Directors Meeting**  
**(\*\*Insert date, time (from and to), location, and name of municipality\*\*)**

### AGENDA

	<u>time</u>	<u>speaker</u>	<u>discussion/decision</u>
<b>Call to order</b>			

#### **Request for additional agenda items**

##### **Routine business:**

1. Approval of the agenda.
2. Approval of the minutes of the previous meeting.
3. Correspondence received.
4. Information reports from directors and committees.
5. Financial update/report.

##### **Business arising from the previous meeting or unfinished business:**

1. Item under discussion and not resolved at the end of the last meeting.
2. Any matter that must be dealt with as a result of what occurred at the last meeting.

##### **New business:**

1. Most important or urgent item.
2. Second most important item.
3. Third most important item.
4. Other business.

##### **Date of next meeting**

##### **Adjournment (End of meeting)**

*Notes:*

## 2.3 Human Resources

After determining the kind of work that must be done, the Board of Directors of the Harbour Authority decides whether the work can be performed by volunteers or independent contractors, or whether paid staff should be hired. The decision depends on factors such as the size of the harbour, the number of vessels using the harbour, the length of the season, services offered, and the availability of potential staff.

This section discusses activities related to hiring staff (a harbour supervisor), including:

- recruitment;
- terms and conditions; and
- pay and benefits.

### 2.3.1 Recruitment

Should the Board decide that the Harbour Authority can hire a paid employee, its first task is to develop personnel guidelines. The guidelines can be drafted by the Board, the Personnel Committee, or by another committee assembled for this purpose.

In drafting the guidelines, the committee should:

1. Prepare a job description that specifies the employee's duties or work-related responsibilities and qualifications (experience, knowledge, abilities, skills, personal suitability, education). The job description should also state to whom the employee reports (i.e., the Board of Directors).
2. Draft a sample contract.
3. Develop statements that address:
  - the recruiting process (attracting qualified candidates by word-of-mouth or advertising).
  - the selection process (identifying the best-qualified applicants by screening and interviewing applicants, and checking references).
  - pay and benefits. (See Section 2.3.3, *Pay and benefits* for more information.)
  - hours of work (part-time, full-time, seasonal).
  - performance review (evaluating how well the employee has performed).
  - overtime.
  - holidays.
  - vacation.
  - absences (sick and other).
  - termination.
  - other aspects of employment.

Provincial laws regulating employment standards must be considered when drafting a personnel policy. For more information regarding provincial laws regulating employment standards, contact the appropriate provincial labour ministry (Appendix 2-F). Provincial legislation regulates the following aspects of employment:

- Minimum wage
- Payment of wages
- Hours of work
- Statutory holidays
- Termination of employment

### 2.3.2 Terms and conditions of employment

The Board of Directors approves the terms and conditions of employment. Terms of employment refers to the details specified in the employment contract. Conditions of employment deals with the nature of the work and its impact on the employee.

#### Terms of employment

The terms of employment specify an employee's position, period of employment, performance review, and type and amount of payment. Factors to consider when establishing the terms of employment include:

- the circumstances and conditions under which the employee works;
- the nature of the work;
- how and when the employee is paid;
- on what basis and to what degree the employee is responsible for losses, expenses, or damages he or she may cause; and
- the degree of control that the Harbour Authority exercises over the employee.

#### Conditions of employment

A Harbour Authority is responsible for providing a safe and healthy work environment for its workers. Health and safety issues are closely related to the nature of the work and the tasks and responsibilities that are assigned to the employee. All provinces have legislation dealing with occupational health and safety.

Questions that may help to identify potential health or safety hazards include:

- Are hazardous materials present?
- Is the work site isolated?
- Is the work physically demanding?

It is important that the Harbour Authority address health and safety issues by taking measures to eliminate hazardous situations and outlining contingency measures. The

conditions of employment must specify any matter that could impact the health and safety of an employee.

### 2.3.3 Pay and benefits

#### Pay

Pay or compensation is any form of payment given to an employee in exchange for work performed for the employer. An employee who is paid according to an hourly rate earns a wage; an employee who is paid weekly, semi-monthly, or monthly earns a salary. A retainer is a negotiated flat fee paid to an individual on a regular basis, in advance, to cover an amount of work specified in the contract. No clear-cut rules exist as to who should work for a wage, a salary, or a retainer.

Providing fair compensation can be something of a balancing act for an organization. On one hand, it attracts qualified applicants, retains them, and can motivate employees to do an outstanding job; it reflects well on the organization. On the other hand, compensation represents a significant cost to the employer. Harbour Authorities, like other organizations, are under pressure to keep such costs down.

#### Benefits

Benefits are compensation to employees in forms other than direct pay. Although benefits do not involve paying the employee, they represent a cost to the employer and to the employee. The cost of benefits can represent as much as one third of total compensation. Four categories of benefits are:

**Universal benefits** are benefits such as Old Age Security (OAS), the Guaranteed Income Supplement (GIS), and provincial supplements to these programs, that governments provide without requiring direct contributions from either the employer or the employee. Health insurance is also a universal benefit in several provinces. In other provinces, employers or employees, or both, must pay the premiums.

**Mandatory benefits** are benefits that an employer is required to provide by law. Health insurance (in some provinces) and workers' compensation are examples of regulated provincially mandatory benefits. The Canada and Quebec pension plans and the Employment Insurance scheme are federally regulated benefits funded by both the employee and the employer. As an employer, the Harbour Authority is required to make these deductions from the pay of its employees. (See Section 3.4, *Government Reporting Requirements* of the Finance section of this manual.)

**Discretionary benefits** are benefits such as private pension plans, group life and disability insurance, and supplementary health insurance. Larger organizations typically offer these types of benefits to its employees on a cost-shared basis.

**Pay for time not worked** includes benefits such as paid vacation, paid statutory holidays, and paid sick leave. Under employment standards law, Harbour Authorities are required to pay its employees for a certain number of statutory holidays and



vacation days. Other paid time off, such as sick leave or holidays beyond the legal minimum, is given at the employer's discretion.

### Workers' compensation

Harbour Authorities that employ personnel should be familiar with the occupational health and safety legislation in their province. The legislation sets out the rights and duties of all parties in the workplace, together with procedures for dealing with workplace hazards.

The Workers' Compensation Board (WCB) (Commission de la santé et sécurité au travail (CSST) in Quebec) pools contributions from employers and provides benefits to workers who are injured on the job or who contract an occupational disease. Each province has its own workers' compensation legislation and board.

Workers' compensation covers most full- or part-time employees as well as contractors. The local or regional office of the WCB can provide information on occupational and safety legislation and can confirm which Harbour Authority employees are protected under provincial legislation.

### WCB clearance certificate

When a Harbour Authority awards work to contractors or subcontractors, the WCB could hold the Harbour Authority financially responsible for any of the contractor's unpaid assessments. A good practice is to require a clearance certificate from contractors before awarding a contract. The clearance certificate confirms that the contractor is covered under the WCB and has met the payment requirements. Time limitations apply regarding the validity of a clearance certificate.

## Reference Material

Stone, Thomas H., and Noah H. Meltz. *Human Resource Management in Canada*. Toronto: Holt, Rinehart and Winston of Canada, Limited, 1993.

## Appendix 2-F — Provincial Labour Ministries

<b>British Columbia:</b>	Ministry of Labour Victoria, British Columbia (205) 356-6348
<b>Alberta:</b>	Department of Labour Edmonton, Alberta (403) 427-3664
<b>Saskatchewan:</b>	Department of Labour Regina, Saskatchewan (306) 787-3662
<b>Manitoba:</b>	Department of Labour Winnipeg, Manitoba (204) 945-4079
<b>Ontario:</b>	Ministry of Labour Toronto, Ontario (416) 326-7565
<b>Quebec:</b>	Commission des normes du travail/ Work Standards Commission Quebec City, Quebec (418) 644-0817
<b>New Brunswick:</b>	Department of Advanced Education and Learning Fredericton, New Brunswick (506) 453-2597
<b>Prince Edward Island:</b>	Department of Community Affairs and Attorney General Labour and Industrial Relations Division Charlottetown, Prince Edward Island (902) 368-4550
<b>Nova Scotia:</b>	Department of Labour Halifax, Nova Scotia (902) 424-4125
<b>Newfoundland:</b>	Department of Environment and Labour Relations St. John's, Newfoundland (709) 729-2711

*Notes:*

## 2.4 Records Management

Good records management involves making important pieces of information easy to retrieve, as well as protecting them from loss or destruction. It increases the efficiency and the effectiveness of the organization. In this section, the following records management topics are discussed:

- legal requirements,
- types of files,
- types of records,
- types of reports, and
- taking minutes.

### 2.4.1 Legal requirements

Under the *Canada Corporations Act*, a corporation must keep the following records in the custody of the secretary or another officer of the corporation charged with that duty:

- a copy of the Letters Patent, Supplementary Letters Patent (if any), and all by-laws of the organization;
- an alphabetical list of the names of all current or previous members of the Harbour Authority;
- the address of each member at the time of membership; and
- the names, addresses, and occupations of all current or previous directors, and the dates upon which each became and ceased to be a director.

Harbour Authorities are also required to maintain adequate accounting records of their activities, together with financial statements from the current and previous years. The Board's secretary must keep a record of the minutes of meetings.

### 2.4.2 Files

An effective filing system not only allows for speedy retrieval of information, but also reduces the possibility of misplacing client information, records of financial transactions, and other important documents.

#### Organizing the filing system

Because Harbour Authorities handle large volumes of paperwork, a good management practice is to keep only the paperwork that is important and relevant and discard the rest. After identifying documents that should be kept, you may wish to adopt the following approach to organize the filing system:

- **Personnel files** contain employee information such as training, appraisals, health and safety, workers' compensation, job descriptions, and correspondence.

- **Administrative files** hold fee and rate schedules, and inventory listings.
- **Projects files** include all pertinent details of a given project (plan, estimates, progress reports, invoices, etc.).
- **Governance files** hold minutes of meetings, resolutions of the Board of Directors, and related correspondence.
- **Legal files** contain incorporation documents, by-laws, leases, subleases, licences, permits, official surveys, and small claims court and litigation documents.
- **Financial files** contain billing, collection and accounts payable documents, customer and supplier information, annual work plan and interim statements, annual financial statements, bank statements, copies of banking resolutions and signing authorities, and tax returns.
- **Customer files** contain files or ledger cards, completed by the harbour supervisor, for each vessel owner/operator or other firm or person who purchases the services of the Harbour Authority. Customer files should be filed alphabetically by customer or vessel name.

Customer files would normally contain copies of:

- berthage agreements,
  - descriptions of vessels (if applicable), and
  - contact names and other pertinent information.
- **Supplier files** contain files or ledger cards for each firm or person who sells goods or services to the Harbour Authority. These files should be kept in alphabetical order for ease of reference. Once an invoice is paid, the receipt, if provided, should be filed together with other information pertaining to the supplier. This information serves as a useful reminder in future dealings with the supplier.

Cheque stubs should be completed in full with the date, name of the payee, and the amount of payment. The same information should be entered directly into the journals (see *Maintaining the books* under Section 2.4.3). Once the bank reconciliation has been completed, the cancelled cheques and accompanying bank statement for each month should be filed in sequence and kept in storage.

### 2.4.3 Records

#### Record keeping

Harbour Authorities are required by law to keep books and records, including supporting documents such as sales and purchase invoices, contracts, bank statements, and cancelled cheques, in an orderly manner at a designated records office. This information may eventually be useful to government bodies such as the Workers' Compensation Board, Revenue Canada, and the Department of Fisheries and Oceans (DFO) for audit purposes.

Some corporate records, such as financial statements, journals and ledgers, and personnel records must be kept permanently. Revenue Canada requires that taxation records be kept for at least six years from the end of the last taxation year to which the records relate.

### Financial records

Financial records provide a written account of the Harbour Authority's financial transactions and financial matters.

### Bookkeeping records

Bookkeeping is the basis on which financial records are built. Bookkeeping fills two important needs:

- It provides sufficient information to satisfy government reporting requirements.
- It supplies, in a simplified and direct manner, the financial information required to successfully manage the corporation.

Bookkeeping also justifies expenses, safeguards assets, and meets the management information and planning needs of the Harbour Authority. It involves accurately recording and accounting for day-to-day transactions, such as bill payments, receipt of revenue, bank deposits, cash accounting, and entries to journal accounts and general ledger accounts. Bookkeeping can be conducted daily, weekly, or monthly, depending on the number of transactions involved in the management of the Harbour Authority.

Financial statements are completed by the treasurer or by an accountant hired for that purpose. Financial statements are then reviewed and approved by the Board of Directors.

### Maintaining the books

A typical method of maintaining financial records is called double-entry accounting. Double-entry accounting means that every transaction is recorded in one account as a debit and in another as a credit so that the total number of debits equals the total number of credits. The four main categories of accounts under which all financial transactions are captured and posted to the general ledger are:

- **The revenue account** shows funds flowing into the Harbour Authority: for example, membership dues, berthage fees, wharfage fees, DFO funding (if applicable), and other revenue.
- **The expense account** shows the costs of operating the Harbour Authority: for example, maintenance expenses, operating expenses, repairs, salaries, and so on.
- **The asset account** shows all items concerned with the ownership of money, buildings, and equipment.

- **The liability account** shows what the Harbour Authority owes to other parties, such as accounts payable and bank loans.

To maintain these four types of accounts, three sets of records or journals are used:

- a sales/receipts journal records all money received;
- a cash disbursements journal records all payments; and
- a payroll journal records employee-related financial data.

### Financial headings

Each financial transaction is recorded in a transaction category. Transaction categories include:

- salary,
- utilities,
- maintenance,
- berthage fees,
- parking fees,
- licences,
- garbage,
- used oil,
- insurance, and so on.

It is important, at the outset of operations, to identify categories that are in line with items on the annual work plan and with taxation or Small Craft Harbours (SCH), DFO reporting requirements. It is also important to provide the Board of Directors with meaningful information to evaluate the financial performance of the Harbour Authority.

## 2.4.4 Reports

### The Annual Summary

As mentioned in *Reporting requirements to the members* under Section 2.1.3, Harbour Authorities must comply with certain filing and reporting requirements to maintain their status as a corporation. Under the *Canada Corporations Act*, a federally incorporated Harbour Authority is required to submit an Annual Summary to the Corporations Directorate of Industry Canada. The Annual Summary confirms:

- the name and mailing address of the Harbour Authority;
- the incorporation date by Letters Patent;
- the names and addresses of the directors of the corporation;
- the date of the last annual meeting;

- the name and address of the auditor of the corporation; and
- the signature, title, and telephone number of an officer or director.

The Annual Summary is mailed on the corporation's anniversary date and must be returned within 60 days of that date with the appropriate fee. For this reason, it is important that the Corporations Directorate be notified of any change of address. Failure to file the Annual Summary in any given year is an offence subject to a fine. Failure to file for two consecutive years can result in the corporation's dissolution.

### The annual report

The Board of Directors must hold at least one meeting of the membership per year in accordance with the terms of the Harbour Authority's by-laws. An annual report must be presented to the membership for approval at this meeting. The report must include:

- the names of the executive, the Board of Directors, and the staff;
- the balance sheet and statement of income and expenses; and
- the auditor's report.

### *A more informative annual report*

An annual report can be expanded and made more informative by adding a message from the president or the Board of Directors describing the goals that were achieved in the past year, difficulties encountered, new policies implemented, and future directions. The report may include a report from the treasurer on the Harbour Authority's financial situation, as well as information on the major financial decisions made by the Board during the year, for example:

- a summary of DFO contributions, by project (if applicable);
- a breakdown of the various construction and maintenance projects completed during the year;
- a breakdown of the revenue generated by client type and by activity;
- the surplus accumulated and the cash position; and
- a report on insurance claims and premiums.

### The auditor's report

The auditor's report is a summary of the Harbour Authority's financial standing. It is prepared annually by an auditor and presented to the membership at the annual meeting. The auditor for the coming year is appointed at the annual meeting by passing a motion that specifies the name of the auditor and recording the approved motion in the minutes of the annual meeting.

An auditor is an outside party hired to provide an unbiased report of the financial situation of the organization. The auditor does not have to be a professional accountant; however, he or she should have good accounting knowledge.



Should a Harbour Authority determine that an independent audit is necessary, provisions should be made in the budget for this activity. If the Harbour Authority determines that an independent audit is unnecessary, someone from the general membership with the appropriate knowledge should be appointed to review the accounts and financial statements on a regular basis. The auditor should not be a director, officer, or employee of the Harbour Authority unless all members have consented to the appointment. A direct affiliation with the organization could compromise the auditor's objectivity.

To complete the audit, the auditor examines the balance sheet and other financial statements of the Harbour Authority and renders an opinion as to whether the financial statements represent a fair picture of the financial position of the Harbour Authority.

The auditor's report may contain, in addition to the findings, various comments to ensure that readers of the financial statements can form an accurate picture of the financial position of the Harbour Authority. The auditor may also offer advice to the Harbour Authority on how to improve its bookkeeping and accounting processes.

### Report to DFO

The Harbour Authority lease document states that a Harbour Authority must provide the Regional Director of Small Craft Harbours (Department of Fisheries and Oceans) with a statement of costs and expenses, and revenues and assets for the 12-month period preceding the end of its fiscal year. The statement must be in a form satisfactory to the Regional Director and must be certified by an officer of the Harbour Authority. Appendix 2-G illustrates a sample annual report to DFO.

Each regional office supplies the Harbour Authorities in their region with the necessary annual report form to complete. It is important that a Harbour Authority's accounting records and books match the income and expense categories listed in the report.

## 2.4.5 Minutes

Minutes are a brief written record of the discussions and decisions of a meeting. The minutes summarize, in a factual manner, discussions, motions, and amendments put forward. They also indicate who put forward and seconded the motions and amendments, and the results of the voting. The minutes are considered official documents once they have been approved, at a subsequent meeting, by the members who attended the previous meeting. The minutes are confidential and should not be distributed without the consent of the Board of Directors.

Minutes provide the members of the Harbour Authority with:

- a clear, objective summary of the activities of the Harbour Authority;
- a means of relaying information to people who were unable to attend the meeting;
- a reminder of future expected action; and
- a historical background for decisions made at meetings and the rationale behind them.

The minutes serve as both a record and a reminder: minutes of committee meetings help the chair to prepare a report to the Board; minutes of Board meetings assist the president in preparing the annual report. Because minutes indicate who is responsible for actioning the items discussed, minutes should be distributed to Board members before the next meeting.

### Recording minutes

The minutes are not a detailed record of all that was said at a meeting; only motions must be recorded word for word. Each Harbour Authority should determine the level of detail that is appropriate for their organization. Appendix 2-H provides examples of the information that should be recorded in the minutes.

The secretary is generally responsible for taking minutes at executive and Board meetings. Minutes should be legible, and typewritten where possible.

### Minute book

Minutes should be kept in a file, a minute book, or a three-ring binder with separate sections for special, general, and annual meetings, meetings of the Board of Directors, and other important meetings. For quick reference, the minute book should also contain the certificate of incorporation, and a copy of the Letters Patent and by-laws. It may also be helpful to include a copy of the resolution passed by the Board of Directors to choose a financial institution and to establish cheque-signing powers.

### Storing minutes

Minute books for past years should be clearly identified and stored at the Harbour Authority's official place of business.

## Reference Material

Cornish, Cliff G. *Basic Accounting for the Small Business*. Self Counsel Press.

Granger, Alex, and Margaret Variable. *Financial Management of Community Groups*. Vancouver Volunteer Centre.

Risen, Peter J. *Accounting, The Easy Way*. Baron's Educational Series, Inc.

Watts, Jane. *The Minutes Taker's Handbook*. First Edition. Vancouver: Self Counsel Press, 1992.

*Notes:*

## Appendix 2-G — Sample Annual Report

A Harbour Authority Annual Report contains eleven items, as shown in the sample cover page below. This appendix provides examples of each item in the following pages.

### **Item # 1**

*Harbour Authority of Sunset Bay*

### **ANNUAL REPORT**

*APRIL 1, (\*\*year\*\*) TO MARCH 31, (\*\*year\*\*)*

1. Cover page
2. Board of Directors
3. Service Summary
4. Annual Audit—Covering Memo
5. Balance Sheet
6. Statement of Revenue, Expenditure, and Equity
7. Bank Reconciliation
8. Accounts Receivable and Payable
9. Projected Work Plan
10. Minutes of the Annual General Meeting
11. Comments

**Item # 2**  
*Harbour Authority of Sunset Bay*  
**ANNUAL REPORT**  
*Board of Directors*

**Officers**

<b>Title</b>	<b>Name</b>	<b>Address</b>	<b>Telephone</b>
President	Steven Smith	Sunset Bay, N.S.	(902) 555-1212
Vice-president	David Browning	Sunset Bay, N.S.	(902) 555-3232
Secretary/Treasurer	Leslie Hertz	Sunset Bay, N.S.	(902) 555-4567

**Other Directors**

<b>Title</b>	<b>Name</b>	<b>Address</b>	<b>Telephone</b>
Director	Chris Toff	Sunset Bay, N.S.	(902) 555-9876
Director	Alex Monroe	Sunset Bay, N.S.	(902) 555-7654

**Item # 3**  
*Harbour Authority of Sunset Bay*  
**ANNUAL REPORT**  
*Service Summary*

Number of Members:	20
Number of Fishers Served:	88
Number of Vessels Served:	35
Number of Fish Plants Using Harbour Facilities:	1
Vessel Metres:	Ranging from <b>**6**</b> m to <b>**100**</b> m
Number of Meetings of the Board of Directors:	4
Number of General Meetings:	1

**Item # 4**  
*Harbour Authority of Sunset Bay*  
**ANNUAL REPORT**  
*Annual Audit – Covering Memo*

Date of Engagement: March 31, (\*\*year\*\*)  
Name of Firm/Individual: I. M. Auditor  
Address: 345 Main, Nexttown, N.S.  
Postal Code: B3B 2T8  
Telephone: (902) 555-5832  
Address of Harbour Authority: Sunset Bay, N.S.  
Postal Code: B2B 1M2

To the members of the Harbour Authority of Sunset Bay:

I have examined the Balance Sheet of the Harbour Authority of Sunset Bay as of March 31, (\*\*year\*\*), and the statement of Revenue, Expenditure, and Equity for the year then ended. These financial statements fairly present the financial position of the Harbour Authority as of March 31, (\*\*year\*\*) and the results of its operations for the year then ended.

I certify that I have examined these financial statements, including tests of related transactions and procedures, and that they are true, correct, and accurate.

In compliance with the request of the Harbour Authority of Sunset Bay, I enclose herewith the related statements.

Signed,  
I. M. Auditor

Attachments

**Item # 5**  
*Harbour Authority of Sunset Bay*  
**ANNUAL REPORT**  
*Balance Sheet*  
*as at March 31, (\*\*year\*\*)*

**Assets**

Petty Cash	\$ Nil
Bank Account	1,999
Accounts Receivable	300

**Capital Assets**

Building	Nil
Equipment	Nil
<i>Total Assets</i>	<b>\$ 2,299</b>

**Liabilities and Authority Equity**

Accounts Payable	150
Other Liabilities	Nil
<i>Total Liabilities</i>	<b>\$ 150</b>
<i>Authority Equity</i>	<b>\$ 2,299</b>
<i>Total Liabilities and Authority Equity</i>	<b>\$ 2,449</b>



**Item # 6**  
*Harbour Authority of Sunset Bay*  
**ANNUAL REPORT**  
*Statement of Revenue, Expenditure, and Equity*  
*for the year ending March 31, (\*\*year\*\*)*

**Revenue**

Berthage and wharfage	\$ 6,500	
Licences	1,000	
Subleases	2,000	
DFO contracts	0	
Other	500	
<b>TOTAL REVENUE</b>		<b>\$ 10,000</b>

**Expenditures**General expenses:

Lease	\$ 1
Salaries and benefits	3,000
Telephone	300
Insurance	0
Travel	200
Office supplies	100
Professional services	150
Bank charges	100
Municipal taxes	300

Operating expenses:

Electricity	800
Garbage collection	1,000
Repairs and maintenance	2,000
Floats	0
Building	0
Miscellaneous	400

Others:

Equipment purchased	300
HST	700

**TOTAL EXPENDITURES** **\$ 9,351**

**NET INCOME (LOSS)** **\$ 649**

**EQUITY AT BEGINNING OF YEAR** **\$ 1,650**

EQUITY AT END OF YEAR \$ 2,299

**Item # 7**  
*Harbour Authority of Sunset Bay*  
**ANNUAL REPORT**  
*Bank Reconciliation*  
*April 1, (\*\*year\*\*) to March 31, (\*\*year\*\*)*

**Bank Book Transactions**

Beginning bank book balance, April 1, (**year**)			\$ 1,650
Add:	Deposits	\$ 10,000	
	Interest	0	\$ 10,000
Deduct:	Disbursements	\$ 9,251	
	Bank Charges	100	\$ 9,351
Bank Book Balance, March 31, (**year**)			\$ 2,299

**Balance per Bank Statement, March 31** \$ 2,374

Add Outstanding Deposits Nil  
Deduct Outstanding Cheques

Cheque Number	Amount
0101	\$75

Total Outstanding Cheques \$ 75

Balance March 31, (\*\*year\*\*) (equals bank book balance above) \$ 2,299

**Item # 8**  
*Harbour Authority of Sunset Bay*  
**ANNUAL REPORT**  
*Accounts Receivable and Payable*  
*as at March 31, (\*\*year\*\*)*

**Accounts Receivable**

<b>Name</b>	<b>Amount</b>
James Stephenson	\$ 200
Bryon Rollins	\$ 100

**Accounts Payable**

<b>Name</b>	<b>Amount</b>
I. M. Auditor	\$ 150

**Item # 9**  
*Harbour Authority of Sunset Bay*  
**ANNUAL REPORT**  
*Projected Work Plan*  
*for the Coming Year*  
*ending March 31, (\*\*year\*\*)*

**Projected Revenue**

Berthage and wharfage	\$ 7,000	
Licences	1,200	
Subleases	2,500	
DFO contracts	10,000	
Other	400	
<i>Total Projected Revenue</i>		\$ 21,100

**Projected Expenditures**General expenses:

Lease	\$ 1
Salaries and benefits	2,600
Telephone	300
Insurance	0
Travel	200
Office supplies	100
Professional services	150
Bank Charges	100
Municipal taxes	300

Operating expenses:

Electricity	800
Garbage collection	1,000
Repairs and maintenance	2,000
Floats	0
Building	0
Miscellaneous	400

Others:

Equipment purchased	300
HST	700
Office expansion	10,000

*Total Projected Expenditures* \$ 18,951

**Total Net Income (Loss)**

**\$ 2,149**

**Item # 10**

*Harbour Authority of Sunset Bay*

***ANNUAL REPORT***

*Minutes of the Annual General Meeting  
for the Year Ended March 31, (\*\*year\*\*)*

(\*\*Attach the minutes of the Annual General Meeting.\*\*)

(\*\*Minutes of other meetings resulting in changes to by-laws, fee structure, or policies must also be attached.\*\*)

**Item # 11**  
*Harbour Authority of Sunset Bay*  
**ANNUAL REPORT**  
*Comments as at March 31, (\*\*year\*\*)*

**Comments on Policy and Procedures**

(\*\*Comments may be made in reference to:

- a) the bookkeeping practices of the Harbour Authority;
- b) the completion of this report; or
- c) any other concern that should be brought to the attention of the Board of Directors of the Harbour Authority or the Department of Fisheries and Oceans.\*\*)

*Notes:*

## Appendix 2-H — Taking Minutes

The following points should be included in the minutes of a meeting:

1. **Heading:** Name of the committee (Executive, Full Board, special, general, etc.); must include the word “Minutes”, the date, time, and location of the meeting.
2. **Attendance:** The names of members present, names of people invited but absent; names of non-members who attended the meeting, names of chair and secretary.
3. **Minutes of the previous meeting:** The standard form is “The minutes of the meeting of month/day/year were approved as read.” If the minutes were approved as amended, indicate the amendment and the individuals who moved and seconded the motion to amend. Also indicate whether the minutes were approved.
4. **Reports received or presented by an officer of the Harbour Authority or by a committee:** Information reports should be acknowledged in the minutes as “received” or “presented” (as applicable). Reports with recommendations should be “adopted”, “accepted”, or “considered”. For example, the treasurer’s report on finances is “reported”. In the case of the treasurer’s annual report, which has been audited according to the by-laws, a motion and vote must take place to accept the report. All reports should be attached to the minutes.
5. **Correspondence:** Letters are read by the secretary and then either filed or attached to the minutes in an appendix; this section may also deal with telephone conversations or other means of communication.
6. **Unfinished business:** Motions and issues raised at previous meetings and deferred to the current meeting, details of follow-up action and of new actions, if applicable.
7. **New business:** New information (motions, amendments, votes, pros and cons, expected action, etc.); tasks assigned to members and deadlines established.
8. **Adjournment:** The time the meeting was adjourned.
9. **Next meeting date and time:** The date, time, and location of the next meeting.
10. **Signatures:** The minute-taker’s signature appears at the end of the minutes; the chair initials all pages and signs the last page.



*Notes:*

# 3. Finance



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**Notes:**

## 3.1 Budgeting and Planning

This section discusses the purpose and preparation of a work plan or budget, a cash-flow forecast, and a business plan.

### 3.1.1 Business plan

A business plan is a written summary of the goals that a business hopes to accomplish in future years and how it intends to organize available resources to reach those goals. The business plan is an essential ingredient in starting and running a successful small business because it identifies priorities, assesses the risks involved, and assesses the level of commitment required to succeed. A business plan is a useful tool in trying to obtain financing.

A business plan should include:

- **A description of the business.** The description of the business provides basic information about the Harbour Authority: its strengths and weaknesses; its key activities, products, and services; and its management and advisory team members. The description also reviews the business environment (nature of the industry, market, trends, competition).
- **An analysis of the market.** The analysis of the market identifies potential new services and sources of clients. It also addresses strategic issues such as pricing, competition, and promotion.
- **A discussion of the operations.** The discussion of the operations describes harbour facilities and leasehold improvements, determines human-resource requirements, operating hours and procedures, and the need for new or additional buildings or equipment, if appropriate.
- **An assessment of risks and opportunities.** The assessment of risks and opportunities identifies the risks inherent to the activities of the Harbour Authority and the unexploited opportunities represented in its particular facilities.
- **Current financial information and a forecast of future earnings.** Current and future financial information includes cash-flow forecasts, historical financial data (if available) and projected balance sheets and income statements. The information should include financing requirements and the assumptions behind certain figures, such as payment terms and estimated revenue. The Harbour Authority's goals should be clearly stated, and potential new services, growth, and expansion plans described.

The advantages of developing a business plan include:

- It is a strategic guide for the future development of a Harbour Authority.
- It helps the Harbour Authority identify new business opportunities, and shortcomings and problems before they arise.
- It encourages the Harbour Authority to focus on planning (often a difficult task with so many priorities to be attended to).

Excellent literature on preparing business plans is available in libraries, from educational institutions, and from some financial institutions. The Regional Economic Board (e.g., Chamber of Commerce) or federal agencies such as the Federal Office of Regional Development, the Atlantic Canada Opportunities Agency, and the Business Development Bank of Canada may also provide useful information on this topic. Most financial institutions provide skeleton business plans free of charge.

### 3.1.2 Cash-flow forecast

A cash-flow forecast is an estimate of when revenue will be received and when expenses, such as operating costs, will be paid. A cash-flow forecast shows all cash receipts, as they are expected to be received, and all cash payments, as they are to be made, and determines whether the revenue generated is sufficient to meet monthly expenses.

If the work plan or budget was prepared using the cash method, then you have already prepared a cash-flow forecast. The difference between a budget and a cash-flow forecast is the time at which the receipt and payment of money is recorded. A cash-flow forecast records revenue and expenditures when the money is received or paid.

Cash-flow forecasting offers the following benefits:

- a format for planning the most effective use of available cash;
- a schedule of anticipated cash receipts and a method of verifying whether that schedule is achieved;
- a measure of the significance—in terms of cash—of unexpected changes in circumstance (reduced revenue or sudden expenses); and
- an estimate of the money needed to pay suppliers and employees on time, thereby remaining solvent.

Cash-flow forecasting also helps in prioritizing the payment of accounts and demonstrating, to lenders, the Harbour Authority's capacity to meet loan repayment schedules.

#### Preparing a cash-flow forecast

The first step in preparing a cash-flow forecast is to estimate, on a monthly basis, total cash collections and total cash payments. Results from previous years, if available, are a good source of information.

Various work sheets are available to help organize cash flow, projected cash sales, and accounts receivable. The work sheets can be obtained from most financial institutions at no charge.

Cash-flow forecasts should be revised on an ongoing basis. At the end of each month, it is wise to compare the actual cash-flow figures to the planned figures. If a great discrepancy exists between the sets of figures, it may be necessary to analyse the variances, to revise certain assumptions, and to adjust the figures for the succeeding months accordingly. The forecast should provide a clear picture of cash requirements at all times.

### 3.1.3 Work plan or budget

A work plan or budget is a game plan that helps an organization reach its goals. It provides an estimate of revenue and expenses for the coming year and determines the ability of a corporation to meet its obligations.

In some cases, a Harbour Authority may require financial support from the Department of Fisheries and Oceans (DFO). The Harbour Authority must prepare a work plan or yearly budget to confirm and justify its funding requirements. DFO will review the work plan and discuss it with the Harbour Authority.

A work plan is a projection of how the coming year will unfold. A projection is a combination of facts and assumptions. Examples of facts are the number of boats currently using a harbour, the current cost of electricity, the current salary of the harbour supervisor, and so on; examples of assumptions are the utilization rate of harbour services for the coming year, bad debts, allowance for possible storm damage to a harbour, and so on. It is prudent to be conservative when projecting future revenues and less conservative when projecting future expenses.

A work plan should include a discussion of:

- what can be achieved financially during the coming year;
- where potential financial problems lie; and,
- what the financial situation of the Harbour Authority will be at the end of the year.

A work plan provides many benefits to an organization:

- It provides additional control over harbour operations. The Harbour Authority has a good idea of what to expect in the coming year and, by comparing actual results to budgeted figures, can often identify initial signs of operational problems or faulty internal controls.
- It facilitates appropriate decision making. The Harbour Authority uses resources according to the work plan.
- It demonstrates the managerial abilities of the Board of Directors and satisfies the information needs of the membership, the Department of Fisheries and Oceans (DFO), and others (banks).
- It saves time and money. The Harbour Authority can project the financial impact of a decision before committing to it.
- It encourages directors and staff to appreciate the full scope of the business: looking ahead, determining how to achieve success, making decisions that should contribute to that success, and considering alternative courses of action in the event that a decision fails to achieve a desired result.

#### Preparing a work plan or budget

When preparing a work plan or budget, start by estimating expected income or total revenue. Because of the level of uncertainty, expected income or total revenue is

difficult to determine. The best way to develop a reliable forecast is to talk to other people in the same industry and to refer to historical records, if they exist.

Revenue figures cannot be divorced from the particular circumstances and geographical location of a harbour. The types of services offered at a harbour, the harbour clientele, the types of fisheries that operate out of the harbour, and competition from other harbours must be considered when estimating total revenue.

Preparing a work plan or budget may be more difficult for a new Harbour Authority than for an existing Harbour Authority, because a new Harbour Authority has no historical records to use as a reference. But, in these cases, a work plan is even more essential. The extra work and time are justified by the importance of determining, at the outset, whether the Harbour Authority will generate enough revenue to meet its stated goals.

As mentioned earlier, a Harbour Authority has limited control over the amount of revenue it will generate. It does, however, have great control over the expenses it will incur. Therefore, one of the main concerns in preparing a work plan or budget is to identify expenses as accurately and in as much detail as possible. Appendix 3-A shows a sample annual work plan or budget.

#### *Determining the cost of services*

As part of the work plan or budget exercise, a Harbour Authority may choose to determine the cost of the services that it provides to harbour users. The Harbour Authority can then set fees that reflect the real costs of providing these services. Knowing the costs can also serve to explain and justify fee increases or reductions in service. For example, if garbage collection becomes more expensive, and if the membership refuses to pay higher fees, the Harbour Authority may choose to terminate the service and require the harbour users to collect and dispose of their garbage individually.



## Appendix 3-A — Sample of an Annual Budget

*Annual Budget—Harbour Authority of \_\_\_\_\_*

### **Revenue**

*Berthage*  
*Wharfage/Moorage*  
*Licences*  
*Subleases*  
*Electricity services*  
*Others (specify)*

*Subtotal:*

### **Total Revenues:**

### **General Expenses**

*General expenses*  
*Salaries and benefits*  
*Rent and office supplies/furniture*  
*Telephone*  
*Professional services*  
*Insurance*  
*Municipal taxes*

*Subtotal:*

### **Operational Expenses**

*Electricity*  
*Garbage collection*  
*Wharf maintenance*  
*Equipment (winch)*  
*Ramp/slipway*  
*Floats*  
*Breakwater*  
*Dredging*  
*Services area (parking)*  
*Buildings*  
*Snow removal*

*Subtotal:*

### **Others Expenses**

*Miscellaneous*  
*Equipment purchased*  
*GST/HST*  
*PST*

*Subtotal:*

### **Total expenses:**

*Profit or (Loss):*

*Notes:*

## 3.2 Revenue Collection

This section covers the following topics regarding revenue collection:

- sources of revenue,
- the daily boat count,
- vessel records,
- records of commercial activities,
- invoicing and billing, and
- outstanding accounts.

### 3.2.1 Sources of revenue

A Harbour Authority has various potential sources of revenue from fees and charges for services provided by the Harbour Authority.

The Board of Directors determines an appropriate fee structure for the Harbour Authority. The fee structure may take into account such factors as:

- the volume of business,
- the client mix,
- the cost of the services provided,
- the market value of the services offered, and
- the willingness and ability of the clients and members to pay.

#### Berthage fees

Berthage fees are normally presented in the form of a fee schedule. The schedule can be set as a function of the size and type of vessel. Fees are usually stated in dollars per metre per day, dollars per metre per month, and dollars per metre per year. The fee for a given vessel is then calculated based on the schedule. The fee schedule determines the potential berthage revenue.

The fee schedule may differ for different categories of vessels. Category descriptions might include:

- Commercial fishing vessels used to harvest or transport fish or seafood products.
- Pleasure craft used for recreational purposes.
- Government vessels owned or contracted by a government agency.
- Commercial vessels used for commercial activities other than fishing, such as ferries, transports, cruise ships, and others.

### Utilities and other services

The cost of services such as electricity, water, gear or boat storage, garbage collection, and shower facilities can either be included in the berthage fee or be charged separately. When charged separately, the fee may be fixed or based on actual consumption. The fixed fee could be the same for all boats, or it could vary according to the size of the boat or some other criteria.

### Subleases and licences

The Harbour Authority may generate other revenue by issuing subleases, permits, and licences to harbour users.

The Harbour Authority should ensure that sublease agreement holders, licencees, and other agreement holders, observe all the terms and conditions of their agreements. Adequate records should be kept of these transactions.

### Other sources of revenue

Special events, fish landing fees, and parking fees may represent additional sources of revenue for the Harbour Authority.

At times, the Harbour Authority may be involved in repair or maintenance projects that are financed wholly or in part by the Department of Fisheries and Oceans (DFO). The monies provided by DFO represent revenue to the Harbour Authority. Project expenses should be recorded and closely monitored to ensure that they do not exceed the funds allocated to the project.

## 3.2.2 Daily boat count

The daily boat count is a method used to record the movement of boats into, out of, and within the harbour.

### Description

The daily boat count is an inventory of all vessels occupying a berth in the harbour, and the vessels stored or being serviced in other areas of the harbour. A boat count systematically records the status of the boats using the harbour. Possible statuses are:

- arrivals,
- departures,
- unchanged status, and
- dry dock.

In cases where several boats berth only occasionally during the year, the Harbour Authority may find the daily boat count useful for recording the vessels' movements in the harbour.

### Process

A boat count may be completed on paper or by computer. A good counting system ensures that the information collected is reliable and complete. Poor records may compromise the Harbour Authority's revenue collection.

### Related activities

Depending on the volume and type of traffic in the harbour, the Harbour Authority may wish to collect berthage fees while conducting the daily boat count. For example, new arrivals may be given a "Vessel Welcome Notice" that contains information about registration requirements, the payment of fees, rules and regulations, and other relevant information.

## 3.2.3 Records of commercial activities

The Harbour Authority may wish to register the various commercial activities that take place at the harbour to determine the level of economic activity generated.

### Description

Records of commercial activities may consist of the following compilations:

- a consolidation of boat count reports by type and size of boat;
- a tally of fish landings in weight and dollar value;
- a record of the value of fish stocks held in holding carts (e.g., lobster carts) in the harbour at the height of the fishing season;
- records of commercial, tourist, or community activities that are held at the harbour, including attendance.

Information of this type may be useful in preparing the business plan and annual budget, and in identifying insurance coverage requirements. Such records also provide reliable data to studies of investment projects or new business initiatives.

## 3.2.4 Invoicing and billing

A Harbour Authority should have policies and accounting systems in place to handle revenue collection, as well as billing and payment transactions so that all such transactions are handled with consistency and fairness. Invoices should be consecutively numbered and filed in numerical order, not alphabetical order. The Harbour Authority must also account for all invoices to ensure that invoice numbers are recorded in the sales/receipts journal in numerical order, and that all

cancelled invoices are entered as such in the journal. All applicable taxes (GST, HST, and provincial taxes) should be included on invoices or bills, as well as entered in the books.

Once services have been rendered, invoices (bills) should be issued as quickly as possible. Bills and statements should be clear and understandable to the clients of the Harbour Authority. For services that are billed monthly, such as berthage fees, the Harbour Authority may wish to establish a routine in which billing is completed by the fifth day of the month.

If purchased services are permitted to be paid in installments, client records will have to be updated to apply payments received to the unpaid balance and to add new charges as they are incurred. A system of aging the accounts receivable will facilitate the reconciliation of outstanding balances and the charging of interest, if applicable.

### 3.2.5 Outstanding accounts (collection procedures)

The most effective approach to collecting delinquent accounts is a personal telephone call or visit. A written notice can also be sent to inform a client that an account is overdue and to describe the action that the Harbour Authority might take if payment is not made after the first notice.

If normal collection procedures fail, the Harbour Authority could turn the debt over to a collection agency (if necessary) or initiate a claim in Small Claims Court (claims under \$3,000 in the province of Quebec).

## 3.3 Expenditure Management

This section discusses expense categories and project management accounting.

### 3.3.1 Expense categories

A Harbour Authority expends money in a variety of ways during the normal course of business. Day-to-day records of receipts and expenses should be kept. Normally, a cash disbursement journal is used for tracking expenditures. It records every cheque issued by the Harbour Authority.

Establishing the following three categories of expenses can facilitate consolidation and preparation of the financial statements that are usually required for an annual report.

- **General Expenses.** General expenses include salaries, office furniture, telephone, professional services, insurance, and municipal taxes.
- **Operational Expenses.** Operational expenses include electricity, garbage services, snow removal, winch, wharf, ramp/slipway, floats, breakwater, dredging, services area, buildings.
- **Other Expenses.** Other expenses include equipment acquisition, miscellaneous items (only very small expenses), the Goods and Services Tax (GST) or Harmonized Sales Tax (HST), and provincial sales taxes.

The Harbour Authority might establish a monthly or quarterly expenditure report that shows the variations in each expense category. Normal business practice encourages this type of reporting so that the budget may be adjusted accordingly.

To maximize the cash-on-hand, the Harbour Authority should consider taking advantage of discounts “for prompt payment” if they are offered and, if they are not, issuing cheques dated for the precise due date, just before interest would become payable.

Depending on the number of transactions, the bookkeeper should determine the most appropriate interval for processing payments: daily, weekly, or “as needed”.

### 3.3.2 Project management accounting

At times, DFO may request that the Harbour Authority conduct important repairs to the harbour facilities. The repair contract signed with DFO should be treated as a receivable (similar to a client file), because cash is received in return for completing a service. If the Harbour Authority receives a financial contribution from DFO, the Harbour Authority must report the cash received either as income or as a reduction of an expense.



## 3.4 Government Reporting Requirements

This section discusses government reporting requirements such as filing tax returns, registering for GST/HST, and making payroll deductions.

### 3.4.1 Filing tax returns

Though Harbour Authorities are registered non-profit organizations (NPOs), they are required, by law, to file a T2 Corporation Income Tax Return for every taxation year and in some cases, a T1044 Non-profit Organization Information Return.

The T2 return must be filed within six months of the end of the corporation's fiscal year. To file the T2, the Harbour Authority may use a T2-Short form and attach a complete financial statement (balance sheet, income statement, notes about the financial statement, and the auditor's report).

Harbour Authorities that are also required to file a Non-profit Organization Information Return must include the following information in the return:

- the amount received during the fiscal period (e.g., interest and property rental income); and
- the statement of assets and liabilities (e.g., amount receivable by the members).

Harbour Authorities located in the province of Quebec should consult Appendix 3-B for more information.

### 3.4.2 Registering for GST/HST

The GST is a 7 per cent tax on consumption. Most transactions in Canada are subject to the GST. The Harmonized Sales Tax (HST), follows the same basic operating rules as the GST, replaces the GST in three participating provinces (Newfoundland, Nova Scotia, and New Brunswick), and is applied at a single rate of 15 per cent. The federal component of the HST is 7 per cent and the provincial component is 8 per cent. Non-profit organizations, such as Harbour Authorities, whose sales of taxable goods and services exceed \$50,000 over the four previous calendar quarters, must register for, collect, and remit the GST/HST. A Harbour Authority, whose annual revenue is lower than \$50,000, may choose to register voluntarily for the GST/HST. A Harbour Authority in the province of Quebec must remit the GST, together with the provincial sales tax (PST), to the government of Quebec.

An advantage of voluntary registration for the GST/HST is the opportunity to claim a credit—called the input tax credit (ITC)<sup>1</sup>—that recovers the GST/HST paid or owed on

---

**1 The input tax credit for a reporting period is the total of the GST paid on purchases of goods and services used in commercial activities. To calculate the GST, subtract the input tax credit (GST charged) from the GST collected during the reporting period. The difference is either a GST remittance or a GST refund.**

purchases related to an organization's commercial activities (equipment acquisition, professional services, maintenance or repair contracts, computer, and other activities). A Harbour Authority should evaluate its particular circumstances and determine the advantages and disadvantages of voluntary registration.

Once registered, the Harbour Authority must:

- collect the GST/HST regardless of whether its invoices for taxable goods and services exceed or fall short of \$50,000;
- determine its intervals for filing and making installment payments (annual, quarterly, or monthly);
- set up an accounting system for the GST/HST;
- determine the input tax credit applicable to each period;
- file GST/HST returns at established intervals; and
- remit the GST/HST owed.

The Harbour Authority must file the GST/HST return at the chosen interval even if no GST/HST was collected. Filing a return and making the installment payments do not necessarily coincide: for example, filing may occur annually, but installment payments might be made quarterly. Strict time limits apply to filing and paying installments. Penalties are imposed for late returns and installment payments.

Two simple accounting methods exist to calculate the amount of GST/HST owed: the Quick Method and the Simplified Method. Under the guidance of a Revenue Canada agent, a Harbour Authority could try both methods.

More information on registering for the GST/HST can be obtained by calling the GST Information Line at 1-800-959-5525 for service in English, or 1-800-959-7775 for service in French.

### 3.4.3 Making payroll deductions

From time to time, a Harbour Authority may hire employees. The Harbour Authority is obliged to accurately record payroll information for its employees, and to maintain up-to-date records. Harbour Authorities must follow a few simple procedures to account for payroll costs and to conform to government regulations. A payroll journal must be established. If the Harbour Authority has more than one employee, the journal consolidates earnings record cards (which simplifies consolidation for T-4 slips). The journal also records the amount to be remitted to the government, including the employer's contributions.

A Harbour Authority must register with Revenue Canada as soon as its first employee is hired (unless the Harbour Authority is already registered for the GST/HST). The next step is for the Harbour Authority to obtain, from Revenue Canada, the Payroll Deductions Tables for Canada Pension Plan (CPP) contributions, Employment Insurance (EI) premiums, and income tax deductions for the appropriate province. The tables are available in electronic format on disk or from the Revenue Canada Web site at <http://www.revcan.ca> as well as the Tax Services offices of Revenue Canada. Harbour Authorities located in Quebec must register with Revenue

Québec. All questions pertaining to the sales tax and to the “Régime des ventes du Québec” must be also be directed to Revenue Québec.

Major deductions from pay cheques include:

- Canada Pension Plan contributions (in Quebec, Quebec Pension Plan (QPP) contributions);
- Employment Insurance (EI) contributions; and
- income tax.

The Canada Pension Plan and the Employment Insurance program require contributions from both the employer and employee. Personal income tax is paid only by the employee. Harbour Authorities should consult the *Employers’ Guide to Payroll Deductions—Basic Information* (guide T4001) and the Payroll Deductions Tables for its respective province or territory. A Harbour Authority should stay informed of changes to these contributions that may occur during the year because the changes will affect the amount of money that a Harbour Authority and its employees must remit to the government.

## Reference Material

Revenue Canada has produced an excellent guide (RC 4070) for small businesses. The guide covers the principal issues that a business should consider when running its operations from a fiscal point of view. A *Small business hand book*, prepared by Industry Canada, provides a complete list of services, and organizations that deliver these services.

Communication-Québec has an information and reference service for starting an enterprise. The service has compiled several relevant publications and forms including the guide *Starting a Business*.

## Appendix 3-B — Harbour Authorities Located in the Province of Quebec

Harbour Authorities located in the province of Quebec are required to complete and remit the following additional forms:

- Déclaration des sociétés (CO-17 — Income tax return for corporations).
- Déclaration de renseignements des entités exonérées d'impôt (#TP-997.1).

To ask questions pertaining to the GST/PST, call Revenue Québec at 1 (800) 567-4692.

*Notes:*

## 3.5 Producing Financial Statements

In every business, a set of financial statements is periodically prepared to monitor the progress of the business. Financial statements are useful tools for managing a Harbour Authority. This section discusses the basic financial statements, such as balance sheets and profit-and-loss statements, and how they fit into an auditor's report.

### 3.5.1 Balance sheet

A balance sheet is a summary of the financial position of a Harbour Authority at a particular point in time: a snapshot, so to speak. The balance sheet lists the Harbour Authority's assets (resources), its liabilities (debts), and the resulting surplus or deficit position.

Assets are items of value owned by the Harbour Authority, such as equipment and buildings. Liabilities are items of value owed by the Harbour Authority to others, such as debts and bank loans. The surplus or deficit position of a Harbour Authority is the difference between its assets and its liabilities. The surplus or deficit position is composed of the money invested in the Harbour Authority over the years and the gains (profits) or losses sustained by the Harbour Authority since its creation. A Harbour Authority's surplus or deficit position may also be called the reserve fund because it consists only of accumulated gains or losses.

By subtracting current assets (items that can be converted to cash within less than a year) from current liabilities (items that must be paid within less than a year), a picture develops of the corporation's flexibility in meeting its obligations (money owed and payable within the year). The reserve fund of a Harbour Authority is a good indicator of its wealth and its ability to weather difficult financial times.

See Appendix 3-C for a sample detailed balance sheet.

### 3.5.2 Profit and loss statement

The profit and loss statement shows the operating results of the Harbour Authority over a specified period of time (month, quarter, half a year, one year). The period of time covered by the profit and loss statement usually ends on the date that appears on the balance sheet. Operating results are shown as the money earned (revenue) and the money spent (expenses) by the Harbour Authority over a specified period of time.

The profit and loss statement confirms whether revenue from fees, licences, and other activities exceed expenses such as salaries, maintenance, repairs, and other expenses incurred in earning the revenue. The detail provided on a profit and loss statement will depend on the activity in the harbour and on what the Board of Directors wants the Harbour Authority to report. The expense category used in the Harbour Authority's work plan or budget can be found on the profit and loss statement.

Formal profit and loss statements are usually prepared once a year for income tax or annual reporting purposes. A profit and loss statement can be prepared periodically throughout the year to check progress and to ensure that all plans (and the budget) are on track.

Profit and loss statements are usually compared with past and future budget projections. The Board of Directors looks for significant differences between the budget and actual results as reported on the profit and loss statement. The Board also looks for non-budgeted revenue and expenses, and requests explanations for the discrepancies.

Profit and loss statements are also compared to the statements of previous years to identify large variances. The comparison highlights potential problems, allowing time to adjust the budget (i.e., defer some projects to the next financial exercise).

See Appendix 3-D for a detailed profit and loss statement.

### 3.5.3 Financial audit

The financial statements of a Harbour Authority should be audited annually by an auditor. The auditor may be a professional or a non-professional accountant. The Harbour Authority may retain the services of a professional accountant when financial and managerial advice is required or if a concern arises over specific issues (e.g., lack of appropriate controls, appearance of fraud, the need to improve financial reporting).

The auditor's report typically takes the form of a letter signed by a firm of chartered accountants. The letter states that the accountants have examined the balance sheet and other statements and that, in their opinion, the statements fairly represent the financial position of the Harbour Authority on a given date (usually the fiscal year's end). The report may also contain notes about the financial statements that define accounting policy, changes in accounting policy, and additional information such as lease and rental commitments.

## Appendix 3-C — Sample Balance Sheet

*Harbour Authority (\*\*Insert name\*\*)*  
**BALANCE SHEET**  
**MARCH 31, 1998**

	1998	\$	1997	\$
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash				
Accounts receivable				
Total Current Assets	_____		_____	
<i>Fixed Assets</i>				
Office equipment				
Accumulated depreciation — office equipment				
Fixed assets				
Accumulated depreciation — fixed assets	_____		_____	
<b>TOTAL ASSETS</b>	=====		=====	
<b>LIABILITIES</b>				
<i>Current Liabilities</i>				
Salary payable				
Accounts payable				
Loan payments (due within 12 mos.)				
Taxes payable (due within 12 mos.)				
Total Current Liabilities	_____		_____	
<i>Long Term Liabilities</i>				
Loan payments (due after 12 mos.)				
Total Long Term Liabilities	_____		_____	
<b>CAPITAL OR EQUITY</b>				
Reserve fund or accumulated surplus (deficit)	_____		_____	
<b>TOTAL LIABILITIES AND CAPITAL</b>	=====		=====	



*Notes:*

## Appendix 3-D — Sample of a Profit and Loss Statement

**Harbour Authority (\*\*Insert name\*\*)**  
**PROFIT AND LOSS STATEMENT**  
**January 1, 1998 to December 31, 1998**

	Budget	1998 Actual	1997 Actual
<b>REVENUE</b>			
Berthage			
Wharfage/Moorage			
Membership fees			
Licences			
Subleases			
Electricity services			
Other	_____	_____	_____
<b>TOTAL REVENUE</b>			
<b>EXPENSES</b>			
<u>General expenses</u>			
Salaries and benefits			
Rent and office supplies/furniture			
Telephone			
Insurance			
Professional services			
Municipal taxes			
<u>Operational expenses</u>			
Electricity			
Garbage collection			
Wharf maintenance			
Equipment (winch)			
Ramp/slipway			
Floats (specify structure)			
Breakwater			
Dredging			
Services area (parking)			
Buildings			
Snow removal			
Others			

*Other expenses*

*Equipment acquisition*

*GST/HST/PST*

**TOTAL EXPENSES**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**PROFIT/(LOSS)**

=====

=====

=====

## 3.6 Banking

This section discusses various aspects of banking with which a Harbour Authority should be familiar, including:

- setting up a bank account,
- handling bank statements and cancelled cheques,
- reconciling the bank account,
- obtaining bank financing, and
- selecting other banking services.

### 3.6.1 Setting up a bank account

A Harbour Authority must set up a bank account to properly record funds received and spent. The Board of Directors passes a resolution choosing the financial institution at which the Harbour Authority will open an account and the directors who are to have cheque-signing privileges.

### 3.6.2 Bank statements and cancelled cheques

Harbour Authorities conduct most of their business transactions by cheque. Cheques are safer to handle than cash; they also provide an immediate and permanent record of business transactions. Cheques generate additional financial records such as bank statements, deposit slips, and cheque stubs.

Keeping monthly bank statements and cancelled cheques in a safe place and maintaining the order in which the bank has arranged the cheques is important. Cheques are cross-referenced against entries on the bank statement and against the list of outstanding cheques (not cashed) prepared at the end of the previous month. This process produces an updated list of outstanding cheques as of the date of the bank statement.

### 3.6.3 Bank reconciliation

A bank reconciliation is a simple procedure used to verify the differences between the bank statement and the cash balance in the ledgers. At the end of each month, the bank sends the Harbour Authority:

- all cheques that were cashed against the account during that month.
- a notice of any cheques paid into the account that were refused as stale-dated or drawn against an account that lacked sufficient funds (NSF) to cover it.
- a statement showing all transactions occurring during the month.
- that month's opening and closing balances.

Using this information, the Harbour Authority can reconcile its ledgers and bank statement, thus proving the accuracy of its accounts.

### 3.6.4 Bank financing

Before obtaining financing, a Harbour Authority must examine its Letters Patent and by-laws to determine whether it may borrow money, and if so, what its borrowing limit is. (Note, however, that the latest version of the incorporation document has been amended. The clause limiting the amount a Harbour Authority can borrow has been removed.) A Harbour Authority whose charter contains a clause of incorporation that imposes a limit on its ability to borrow, causing a problem as a result, can amend its charter to limit or increase the amount to be borrowed by way of regulation.

A Harbour Authority might require credit for either of two reasons:

- to finance its operations (normally by a line of credit), or
- to finance the purchase of equipment or another major asset (normally by a term loan).

The investigation that the bank conducts regarding the financial situation of the potential borrower is similar in either case. The bank may use a piece of machinery or other Harbour Authority assets as collateral. However, the financing terms offered by financial institutions tend to be less competitive than terms offered by suppliers. Comparing the financing terms of several suppliers and financial institutions may be advantageous.

#### Line of credit

The purpose of an operating line of credit is to tide the Harbour Authority over until the accounts receivable are collected. A line of credit is the link between the provision of services and the collection of fees.

#### Term loan

The purpose of a term loan is to finance a major purchase and to spread its repayment over a relatively lengthy period of time. A bank extends a term loan based on the assumption that the intended purchase will help the Harbour Authority to generate revenue and that, over time, the revenue will repay the loan.

# 4. Operations

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## 4.1 Harbour Facility Management

This section describes typical activities for managing a fishing harbour facility. Management areas include:

- daily supervision,
- garbage disposal,
- waste oil disposal,
- utilities (electricity and water),
- parking and vehicle traffic,
- rules of conduct, and
- vessel records.

### 4.1.1 Daily supervision

Daily supervision of the harbour facility is performed by members of the Harbour Authority's Board of Directors or a person hired to carry out this duty. Harbour supervision responsibilities, as specified in the terms and conditions of the harbour facility lease, include:

- explaining policies, regulations, and rate structures to harbour facility users;
- controlling parking areas;
- ensuring trash and used oil are disposed of in appropriate containers;
- ensuring the facilities are clear of personal property and spare gear;
- ensuring that users of harbour equipment comply with operating instructions and restrictions; and
- reporting, in writing, the details of all incidents (e.g., fires, damage to property, etc.).

#### Daily log or notebook

Harbour supervisors are encouraged to keep a daily log or carry a notebook in which to record observations (including the date and time) of incidents that take place at the harbour. The log or notebook is a useful reference for completing reports and, if necessary, testifying in court.

#### Hours of operations

Harbour hours of operation and a 24-hour emergency telephone number should be posted in a location that is visible to harbour users, such as the door of the Harbour Authority office.

### Other

Supervisors should not take responsibility for the property of a harbour user in the user's absence.

A supervisor who uses a personal vehicle to carry out harbour duties should ensure that his or her vehicle insurance covers such usage.

## 4.1.2 Garbage disposal

### Collection

No garbage, waste, or other debris may be discharged or disposed of in the harbour water. The Harbour Authority is responsible for providing properly identified garbage containers at the harbour and placing them in areas that are accessible to users.

The Harbour Authority may consider recycling such items as cardboard, plastic, and compost. Harbour users could be required to flatten cardboard boxes to conserve space and reduce costs. Recycling may save money or create revenue for the Harbour Authority.

### Hazardous material

Harbour users are responsible for placing hazardous material, such as flammable liquids (and their containers), batteries, refrigerants and corrosive material, fish nets, engine blocks, and hatch covers in the harbour garbage containers, or disposing of them in accordance with provincial or municipal laws.

### Misuse

On occasion, non-harbour users dispose of household or other off-site waste in harbour garbage containers. This may create a problem in municipalities that levy a per unit fee for the collection of garbage. Also, as this activity may be considered theft of services, a person may be held criminally liable.

The Harbour Authority may choose to limit the amount of garbage transient boaters dispose of at the harbour by providing specially identified receptacles for this purpose or by limiting the number of bags of garbage per vessel per day. A fee may be charged for each additional bag.

## 4.1.3 Waste oil disposal

Boating and fishing activities generate used oil, flammable liquids, and oily bilge water. The Harbour Authority is responsible for ensuring that such waste is disposed of in an environmentally appropriate manner.

### Used oil recycling containers

Harbour users are responsible for placing used oil into used oil recycling containers. Used oil recycling containers should be located in a safe area away from traffic or other potential sources of danger, and regularly emptied by a licensed contractor. The Harbour Authority should monitor the work of the contractor to ensure that containers are maintained in good order according to the terms of the contract.

A notice should be posted near used oil recycling containers requesting that any signs of leakage be immediately reported to the Harbour Authority.

## 4.1.4 Utilities

The Harbour Authority should ensure that electrical and water systems are well-maintained and properly used by harbour users.

The Harbour Authority should be aware of potential abuse of the system, when electrical and water services are provided as part of the berthage fee.

### Electrical power

The Harbour Authority should ensure that a qualified electrician regularly inspects the electrical system and conducts seasonal start-up and shut-down procedures.

### Inspection of electrical systems

A standard inspection checklist for electrical systems includes the following areas of inspection:

- Meter bases, exposed wiring, light fixtures, and other components are in good condition.
- Fixtures and outlets are in good condition (not broken, worn, or deteriorated).
- The gauge and insulation value of the extension cables or cords are suitable for use in a marine environment.
- Shore power cords are secured so they do not hang into the water or create a hazard for pedestrian traffic on floats.
- There is no evidence of fraying on electrical cords.
- Metallic cable and conduit systems are properly grounded.
- All fuses and circuit breakers are the correct type and size for the load.
- All fuses are free of “jumping” with pennies or metal strips.

### Water services

The Harbour Authority should regularly inspect water lines, faucets, and valves for malfunctions such as leaks, frozen sections, and changes in pressure. Seasonal start-up and shut-down procedures should also be conducted.

## 4.1.5 Parking and vehicle traffic

The Harbour Authority is responsible for controlling vehicle access to, and parking on, harbour property. Speed limits and parking regulations may be posted within the harbour.

### Parking permits

The Harbour Authority may choose to issue harbour users with parking permits in order to restrict access to parking lots by visitors, especially in smaller lots. Issuing permits may be a potential source of revenue for the Harbour Authority.

### Parking restrictions

The Harbour Authority may choose to impose the following parking restrictions:

- parking is limited to a maximum of 24 hours or three days;
- “no camping” or “no overnight sleeping” is permitted (overnight parking represents a security risk in most harbours);
- access to the wharf by vehicle is restricted to owners/operators of vessels; and
- other restrictions regarding vehicle size and weight.

Parking on the wharf is not recommended as it may restrict access to the wharf by emergency vehicles. However, parking may be permitted for a limited period of time for activities such as loading and unloading.

## 4.1.6 Rules of conduct

The Harbour Authority should clearly communicate rules of conduct to harbour users. Some common rules are:

1. Consumption of alcoholic beverages is only permitted on private vessels.
2. Use of illegal substances is prohibited.
3. Disruptive behaviour, such as fighting, is not to be tolerated.
4. Children under 10 years of age must be accompanied by an adult on piers, floats, and storage and repair areas.
5. Pets must be kept on a leash or be under the direct control of their owner at all times.
6. Pet owners are responsible for cleaning up after their pets.

7. Swimming, water-skiing, scuba diving, and fishing are not permitted in the harbour.
8. People may not live aboard their vessel in the harbour (live-aboard tenants).
9. Bicycling, skateboarding, and rollerblading is not permitted on floats and piers.
10. Harbour users must comply with municipal noise regulations.

### Safety

For safety reasons, the Harbour Authority should ensure that all main floats and walkways are clear at all times of supply material, accessories, debris, and fishing gear. The Harbour Authority should also ensure that no mooring lines, cables, water hoses, and vessel structures obstruct walkways.

The Harbour Authority may request that vessel owners/operators have no open fires or wood burning stoves aboard vessels or on docks within the harbour, and that charcoal burners, barbecues, and grills be used only in designated areas of the harbour.

All potential hazard areas should be barricaded and identified.

## 4.1.7 Vessel records

Vessel records contain information about the boats using the harbour facilities.

### Description

Depending on the needs of a Harbour Authority, vessel records can provide some of the following information:

- the name of the vessel;
- the vessel number;
- the type of vessel (e.g., commercial fishing, commercial, pleasure, government);
- the length of the vessel in metres;
- the ministry of Transport registration number;
- the hull and gear type;
- the number of the reserved slip (a berthage area set aside for the exclusive use of a particular boat for a specific period of time) and anniversary date (the renewal and payment due date), if applicable; and
- the name, address, and telephone number of the owner, or the operator, or both.

### Reminder

As with other records, vessel records should be kept in a safe place, protected from fire and other potential sources of damage. Keeping a duplicate copy of important documents and records in a separate location is a good precaution against fire or other disaster.

## Reference Material

*Marina & Boating Industry Loss Control Guidelines* prepared for the Michigan Boating Industries Association and for Universal Insurance's Services Inc., 1992.

These guidelines provide a comprehensive checklist to help employees of the Harbour Authority and the public identify hazards at a harbour. Relevant topics include slip and trip prevention; lifting and handling material such as drums and barrels; the safe use of hand tools, and power lifting equipment such as lift trucks and mobile hoists.

## 4.2 Maintenance and Repair

This section describes the procedures involved in maintaining and repairing harbour structures and utilities, and the safety measures that should be taken.

### 4.2.1 Structures

The following maintenance and repair activities for harbour structures ensure that:

- **access** to the channel and moorage basin is clear for vessel passage;
- **breakwaters** are free of logs and debris;
- **wharf and float** maintenance includes refastening, repairing, or replacing missing, rotting or otherwise damaged planking and hand railing, and wheel guards/curbs and pile rub boards; rubber tires are to be maintained in pile wells where excessive pile wear occurs;
- **water supply lines** should be bled during freezing conditions;
- **launching facilities** are in good working condition and are free of debris;
- **anchor**: chain wear, movement, and the corrosion protection of the anchor is checked periodically;
- **zinc corrosion protectors** are inspected and replaced as needed;
- **gangway** maintenance includes the inspection and lubrication of pins, and ensures that pins remain seated in sleeves;
- **deck** maintenance includes refastening, repair or replacement of any damaged or missing deck material and gangway tracks (in case of problems such as rotting or wearing of the structural components, Small Craft Harbours (SCH) should be notified);
- **gangway wheel guide** maintenance includes removing dust or any other impediments from the track, and lubricating the wheels;
- **skidway/slipway and boat grid** maintenance includes removal of debris as required;
- **facility approach** maintenance includes refastening, repairing, and replacing missing, rotting, or otherwise damaged planking and hand railing;
- **other**: fenders, mooring devices, ladders, the travel lift, and the haulout engine should also be maintained.

### 4.2.2 Utilities

Harbour utilities such as electrical systems, lighting equipment, and water systems must be maintained and repaired. **Electrical system** maintenance includes the repair and replacement of damaged receptacles; **lighting equipment** maintenance includes the supply, installation, and repair of bulbs, ballasts, and glass shields; and **water system** maintenance includes minor repairs to faucets and water lines, and winter preparation required to keep the lines from freezing.



The steps involved in carrying out maintenance and repair work include:

- identifying maintenance and repair requirements;
- determining the scope and priority of each project;
- obtaining necessary technical assistance from the Department of Fisheries and Oceans (DFO);
- estimating the cost and duration of each project;
- obtaining necessary approvals from DFO and any other applicable organizations; and
- arranging project financing and proceeding with the work as funds become available.

The Harbour Authority should respect construction standards set by DFO for the maintenance and repair of their facilities. DFO provides technical assistance at the request of the Harbour Authority.

### 4.2.3 Safety measures

Once a malfunction or damage to the harbour facilities has been identified, the Harbour Authority is responsible for ensuring that the problem does not endanger harbour users. In the event of a malfunction or damage, the following safety measures should be taken:

- post a warning sign;
- secure the hazardous area with a barricade or another means;
- record in writing the situation and the corrective action taken; and
- if applicable, immediately advise DFO and provide a written report.

## Reference Material

*A Guide to Maintenance and Operations of Small Craft Harbors* prepared by Peratrovich, Nottingham & Drage, Inc. (Alaska, USA), 1985.

This is an instructive guide that provides a systematic approach to monitoring and evaluating the condition of the harbour facilities (e.g., identifying, recording, and communicating harbour maintenance and operations problems and needs). The *Guide* focusses on these critical elements referred to as “chronic high maintenance items”.

## 4.3 Fueling

This section describes the three most common methods of supplying fuel at a harbour:

- fixed fuel delivery systems (aboveground and underground),
- fuel delivery trucks, and
- portable fuel tanks.

Fueling at harbours is a source of concern owing to the risk of soil and water contamination, and the potential for causing a fire or explosion.

Appendix 4-A at the end of this section is a sample fuel handling instruction sheet. The sheet may be posted at fueling stations or distributed to users to encourage safe fueling practices. In addition, Small Craft Harbours (SCH) has created construction and operational guidelines for fuel and waste oil systems that should be followed by the Harbour Authority.

### 4.3.1 Fixed fuel delivery systems

Fixed fuel delivery systems are permanent fueling facilities located at harbours for the purpose of storing and dispensing fuel.

#### Licences

The Harbour Authority should issue an operating licence for aboveground or underground permanent fueling facilities. The licence agreement should contain the following conditions:

- compliance with all applicable environmental and fire safety regulations;
- compliance with applicable Underwriters' Laboratories of Canada (ULC) and Canadian Standards Association (CSA) standards, and other standards of construction;
- fueling facilities must be located in a safe area with adequate protection from vehicles;
- fueling facilities must be equipped with a ULC-approved fire extinguisher;
- the type of maintenance to be conducted on storage tanks and dispensing equipment, and a maintenance schedule; and
- confirmation of adequate liability insurance coverage.

Should a fueling facility be incorrectly installed or operated, the Harbour Authority should request that the situation be corrected and suspend the licence if the request is not met. The fueling system should be inspected annually against federal standards; all discrepancies should be rectified.

### Operating procedures

The Harbour Authority should be aware of potential unsafe use of fueling facilities by harbour users. Common, unsafe use consists of leaving a fill hose full of fuel and the nozzle unlocked. Although the hose may be off and the valve locked, several gallons of fuel may be left in the hose. A person could drain the fuel through the unlocked nozzle. Exposed fuel creates a potential fire hazard. Nozzles should be locked if hoses are left unattended.

Motor vehicle engines should also be turned off while refueling.

### Clean up of minor spills

Clean up of minor spills is the responsibility of the fuel system user; however, the Harbour Authority may find it necessary to keep a full set of booms and oil absorbent material at the fueling facility to allow for a rapid intervention that will minimize the adverse impact on the environment. The Harbour Authority may subsequently charge the cost of cleaning up the spill to the offender.

## 4.3.2 Fuel delivery trucks

Fuel delivery trucks dispense fuel products directly into vessels within the harbour.

### Licences

The Harbour Authority should not allow fuel delivery trucks to enter harbour facilities without prior written authorization. These trucks should be required to obtain a licence from the Harbour Authority to dispense fuel in the harbour.

Similar to licence stipulations for fixed fuel delivery systems, a fuel delivery truck licence should include the following conditions:

- compliance with all applicable environmental and fire-safety regulations and SCH procedures;
- confirmation of adequate liability insurance coverage;
- confirmation that the operator of the fuel truck is properly trained to handle fuel spillage and other emergencies; and
- availability of a dry chemical fire extinguisher at all times which should be located beside the truck during all fuel dispensing.

Should the operator of a fuel truck act in an unsafe manner, the Harbour Authority should request that the operator act appropriately and suspend the operator's licence if the request is not met.

### 4.3.3 Portable fuel tanks

At harbours where fuel delivery systems are unavailable on site, harbour users must use portable fuel tanks or barrels to deliver fuel to their vessels. The Harbour Authority should closely monitor and control this method of fuel transfer as it poses greater risks than using a fixed fuel delivery system or fuel delivery trucks.

#### Licences

The Harbour Authority may impose restrictions on the handling of fuel containers, such as:

- all oil or gasoline containers must be ULC-approved and may not be placed in the harbour without proper authorization;
- oil and gasoline containers must not be left unattended at any time;
- a dry chemical extinguisher must be readily available when handling oil or gasoline containers;
- the transfer of gasoline and oil into a vessel is restricted to a specific area of the harbour; and
- fuel handling practices must comply with applicable provincial regulations.

#### Unattended oil and gasoline containers

Full or empty gasoline drums left unattended in the harbour pose hazards. Although storing such containers is the responsibility of the owner, the Harbour Authority may remove and properly store the containers until the owners are located. Near-empty drums and drums filled with gasoline vapour are highly explosive and should be handled with great care.

### Reference Material

*Operational and Construction Guidelines for Fuel Delivery and Waste Oil Systems* prepared by Small Craft Harbours, Maritimes Region, February 1996.

This document helps minimize any negative impacts on the environment owing to the storage or dispensing of fuel products during the daily operations of fishing vessels. Fuel delivery and used oil storage system requirements are the focus of the document.

*Oil Transfer procedures: Tank Truck-to-Vessel* prepared by a group with representatives in British Columbia and Alberta from government and industry, 6th draft, April 1996.

This document is aimed at fuel delivery truck drivers and describes the responsibilities of the Harbour Authority.

*Notes:*

## Appendix 4-A — Sample Instructions for Handling Fuel

### Before fueling:

1. Stop all engines and auxiliaries.
2. Shut off all electricity, open flames, and heat sources.
3. Check the bilge water for fuel vapours.
4. Extinguish all smoking material.
5. Close access fittings and openings that could allow fuel vapours to enter the boat's enclosed spaces.
6. Evacuate all personnel from the boat except the person handling the fuel line.

### During fueling:

1. Maintain nozzle contact with fill pipe.
2. Attend to fuel filling nozzle at all times.
3. Wipe up spills immediately.
4. Avoid overfills.

### After fueling and before starting engine:

1. Inspect the bilge water for leakage or fuel odours.
2. Ventilate until odours have completely dissipated.

*Notes:*

## 4.4 Berthage Services

This section describes the following aspects of berthage services:

- allocation of space,
- berthage restrictions,
- berthage agreements, and
- hazardous situations.

### 4.4.1 Allocation of space

The Harbour Authority is responsible for assigning berthing spaces to all vessels entering the harbour.

#### Policy

The Harbour Authority should maintain a policy that allots berthage spaces in an impartial manner. The process of allotting berthage space should be fair and flexible, and be perceived as such.

Such a policy may alleviate potential issues and:

- designate area for certain boat sizes or category of boats,
- assign berthage priority, and
- allow berthage alongside other boats.

#### Fire safety

The way in which berthage spaces are allocated should ensure that fire lines are clear at all times.

### 4.4.2 Berthage restrictions

The Harbour Authority may choose to impose berthage restrictions to ensure the safe and efficient operation of harbour facilities.

The Harbour Authority can inform harbour users of existing berthage restrictions by posting them, or communicating them verbally or through written material.



## Examples of berthage restrictions

Typical berthage restrictions state that:

- the vessel must be completely seaworthy;
- the name, registration number, and commercial fishing number of the vessel (if applicable) must be clearly displayed;
- the vessel owner/operator must report to the Harbour Authority office upon the vessel's arrival and departure;
- while in the harbour, the vessel must conform to all harbour rules, regulations, and directives; and
- the vessel berths in the harbour at its own risk.

### 4.4.3 Berthage agreements

A berthage agreement confirms, in writing, the services to be provided by the harbour facility, the terms of payment, and the responsibilities of the vessel owner/operator.

Appendix 4-B at the end of this section is a sample licence agreement containing standard clauses. Individual Harbour Authorities should prepare their own agreement form and have it reviewed by a Harbour Authority lawyer.

#### Content

A berthage agreement may state the following terms and conditions:

- the terms of payment and services provided by the Harbour Authority;
- a request for compliance with the rules of the Harbour Authority;
- a list of potential causes for termination of the agreement;
- an indemnification clause that states the Harbour Authority will not be held liable for any damages caused to the vessel or its equipment, or for any damages caused by the boat to the harbour facility or other vessels; and
- the insurance requirements (amount of coverage and type), and a request for proof of insurance coverage.

#### 4.4.4 Hazardous situations

The Harbour Authority may have to deal with hazardous or potentially hazardous situations.

##### Examples of hazardous situations

Hazardous situations include:

- mooring lines that cross floats, piers, or walkways;
- shore power cords and extension cords that are in poor condition or poorly secured, hang in the water, or obstruct the walkway; and
- listing or sinking vessels, and vessels that represent a navigational hazard.

Should a vessel present a danger, it is inadvisable to board or beach the vessel without first requesting permission from the owner/operator. In cases where the owner/operator is unavailable and the situation requires immediate action, the Harbour Authority should use discretion and act in a manner appropriate to the circumstances.

*Notes:*

## Appendix 4-B — Sample Licence Agreement

### Disclaimer

The following licence is a sample licence agreement only. The adequacy and legal requirements of this licence have not been verified for your province or territory. We strongly suggest that before using or issuing this licence, you obtain the legal opinion of a lawyer who is licensed to practise law in the province or territory in which the licence will be used. Should you fail to obtain independent legal advice in respect of this sample licence, the Department of Fisheries and Oceans assumes no responsibility for any costs, expenses, actions, suits, or claims against the Harbour Authority that arise as a result of, or are associated with the use of, this sample licence.

### Sample Licence Agreement

The Licensor, as described herein, grants a Licence to the Licensee, as described herein, upon the following terms and conditions:

#### 1.0 Definitions

1.1 For the purpose of this Licence:

“**Common Areas**” means: those areas under the administration and control of the Licensor which are not the subject of a lease or licence and, where applicable, includes water lots;

“**Harbour**” means: the \_\_\_\_\_ Harbour in which the Licensor has a leasehold interest;

“**Licence**” means: this Licence agreement, as amended, modified or renewed from time to time;

“**Licence Area**” means: *[insert moorage area, slip number or alternative description of area to which the Licence applies]*;

“**Licensee**” means: the registered owner of the Vessel;

“**Licensor**” means: the *[insert name of]* Harbour Authority;

“**Owner**” means: the registered owner of the Vessel;

“**Vessel**” means: the vessel *[\_\_\_\_\_insert name of vessel]* which vessel is registered as *[\_\_\_\_\_insert registration number, if applicable]*.

#### 2.0 Grant of Licence

2.1 The Licensor hereby grants a licence to the Licensee to *[berth, moor, or for some other described purpose]* the Vessel in the Licence Area (and the Licensee accepts such licence).

### 3.0 Term

- 3.1 This Licence is valid from \_\_\_\_\_ to \_\_\_\_\_.
- 3.2 Upon the expiry or revocation of this Licence, and provided it has not been renewed pursuant to Article 4.0 hereof, the Licensee shall immediately pay any and all outstanding fees and charges owing to the Licensor and the Licensee shall then remove the Vessel from the Licensed Area.

### 4.0 Renewal

- 4.1 Subject to any applicable term or condition contained herein and provided the Licence has not expired nor been revoked, the Licensee shall have a right to renew this Licence.
- 4.2 Where the Licensee exercises option to renew this Licence, shall provide the Licensor with one month's prior written notice of its intent.
- 4.3 Where the Licensee exercises an option to renew this Licence pursuant to this Article, the Licensee agrees:
- (i) subject to Article 5 hereof, to pay, during the renewal period, the **[berthage/moorage]** rates established by the Harbour Authority and existing in effect at the time of renewal; and
  - (ii) to accept any modification to this Licence as may be required by the Licensor.

### 5.0 Berthage/Moorage Fees

- 5.1 The Licensee agrees to pay berthage/moorage fees in the amount of **[insert particulars: i.e., x\$ per meter, per day/month/year]** for the term of this Licence.
- 5.2 The Licensor reserves the right to amend, alter or revise the berthage/moorage charges at any time and at its sole discretion, provided, however, that where the Licensee has paid all or a portion of the berthage/moorage fees in advance, the Licensor shall not be liable for additional berthage/moorage fees for the period paid in advance.

### 6.0 Revocation or Cancellation of Licence

- 6.1 The Licensor reserves the right to revoke this Licence in writing and without prior notice where the Licensee, the Licensee's agents, employees, or invitees:
- (i) are in violation of any applicable federal or provincial legislation and regulations;
  - (ii) are in violation of any applicable Municipal by-law;
  - (iii) are in violation of the Harbour Authority's rules and regulations;

(iv) are in violation of any of the terms and conditions of this Licence.

6.2 The Licensor may cancel this Licence on thirty (30) days' written notice.

6.3 The Licensee may cancel this Licence, in writing, at any time.

6.4 In the event the Licensor revokes this Licence, or where the Licensee cancels the Licence, the Licensor shall pay to the Licensee the unused portion of any licence fees paid in advance.

## 7.0 Access

7.1 During the Licensor's regular hours of operation, as established from time to time, and subject to Article 8, the Licensor grants a right of ingress and egress over the Common Areas to the Licensee, its employees, servants, agents and invitees.

## 8.0 Emergency

8.1 In the event of a real or apprehended emergency, the determination of which is at the sole discretion of the Licensor, the Licensor, its employees, servants or agents may:

- (i) limit the Licensee, its employees, servants, agents and invitees rights of ingress and egress for such a period and in such a manner as the Licensor, in its sole discretion, may direct;
- (ii) take charge of and remove the Vessel from the Licensed Area or the Harbour; and
- (iii) do any other thing that, in the sole discretion of the Licensor, is required to protect the Licensor's property or the property of another during the emergency.

8.2 Where the Licensor's facilities are damaged or destroyed by collision, tempest, fire, other peril or Act of God, whether or not the Licence Areas are affected, the Licensor may terminate this Licence.

## 9.0 Assignment

9.1 The Licensee shall not assign this Licence, nor grant a sub-licence, nor may it assign any right or privilege granted under or pursuant to this Licence without obtaining the prior written consent of the Licensor.

## 10.0 “Covenants of Licensee”

- 10.1 The Licensee shall maintain, moor and operate the Vessel in a seamanlike manner and shall not do, or allow to be done anything that, in the sole opinion of the Licensor, is or may become a nuisance, disturbance or hazard.
- 10.2 The Licensee shall ensure that all hazardous materials aboard the Vessel, including, but not necessarily limited to, those that are flammable or toxic or materials which are, or may be considered to be, pollutants, are stored in a safe and secure fashion aboard the Vessel and under no circumstances, shall the Owner allow such materials to be discharged into, on, under or near the Harbour, the Common Areas, the Licence Area, or in, under or onto any area for which the Licensor is or may be responsible for in law.
- 10.3 The Licensee shall not alter the Licensed or Common Areas, nor live on board the Vessel without the prior written consent of the Licensor.
- 10.4 The Licensee is responsible for ensuring that the Licensee’s employees, agents, servants and invitees abide by all the terms and conditions of this Licence.
- 10.5 The Licensee, its employees, servants, agents and invitees shall not carry on any commercial enterprise without the prior written consent of the Licensor.
- 10.6 In the event the actions of the Licensee, its agents, servants, employees or invitees, results in damage or loss to the Licensor, whether directly or indirectly, including, but not necessarily limited to, damage to the Licensor’s physical assets, to the Harbour, including any environmental contamination, destruction, impairment or similar damage, the Licensee agrees to compensate the Licensor for all costs associated with its remediation and repair immediately upon the receipt of a written invoice.

### **Exception**

- 10.7 Article 10.5 does not apply to a commercial fishing vessel which is loading, or unloading or where the Licensee is conducting minor repairs to the Vessel, or where the Licensee is conducting some activity which is directly related to its commercial fishing enterprise.

## 11.0 Utilities and Other Services

- 11.1 The Licensee acknowledges that the Licensor is under no obligation to provide utilities or other services to, or in support of the Vessel.
- 11.2 In the event the Licensor provides utilities or other services to the Licensee, the Licensee agrees to pay for such utilities or other services at the rate and in the manner established and prescribed by the Licensor from time to time.
- 11.3 Should the Licensee’s use of this permit result in extraordinary maintenance or repair costs to the Licensor’s property or facilities, for any reason whatsoever, the Licensee agrees to reimburse the Licensor forthwith upon receipt of a written invoice.

## 12. Liability in the Event of Loss

12.1 The Licensor shall not be liable for any loss to the Owner, the Owner's employees, agents, servants, invitees or to the Vessel, its cargo or equipment, howsoever caused, either directly or indirectly, arising out of the use of the Harbour, the Common Areas, the Licence Areas or arising from the use of any of the Licensor's facilities, including, but not necessarily limited to losses caused by the following:

- (i) the failure, for any reason whatsoever, of the Licensor to provide utilities or any other service;
- (ii) the interruption of any service provided by the Licensor for any reason whatsoever;
- (iii) the negligence of the Licensor, its servants, agents, contractors or employees;
- (iv) the cancellation or revocation of this Licence pursuant to Article 6;  
or
- (v) as a result of an Act of God.

12.2 The Licensor is not responsible for lost or stolen articles.

12.3 The Licensor is not responsible for the provision of security for, or protection of the Licensor, its employees, servants, agents or invitees, for their property, or for the Vessel, its cargo or equipment.

## 13. Insurance

13.1 The Licensee acknowledges that the Licensor does not carry insurance of any kind, for any reason, for the benefit of:

- (i) the Owner or the Owner's property;
- (ii) the Owner's employees, servants, agents or invitees, nor their property; or
- (iii) the Vessel, its cargo or equipment.

## 14. Indemnity

14.1 The Licensee agrees to indemnify and hold harmless, the Licensor from any and all claims arising out of the use of this Licence by the Licensee, its employees, servants, agents or invitees.



## 15. Amendment

15.1 No waiver, alteration or amendment to this Licence shall be binding unless it is in writing and signed by both the Licensor and the Licensee.

The Licensee has inspected the Harbour, the Common Areas, the Licence Area and the Harbour's facilities and finds them suitable for its purposes. The Licensee agrees that it has read, understands and agrees to abide with all terms and conditions of this Licence.

\_\_\_\_\_  
Signature of the Licensor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signature of the Licensee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness (optional)

## 4.5 Construction Projects

This section describes how to plan and manage major repair and construction projects at a harbour. The approach described here does not apply to work done to buildings and facilities owned by the Harbour Authority.

This section also describes situations in which the Harbour Authority hires an independent contractor to perform work (on its behalf) on Harbour Authority property, as well as situations in which harbour users hire independent contractors to perform work (on their behalf) on Harbour Authority property, such as repairing vessels, or fixing or maintaining equipment.

### 4.5.1 Planning major repair and construction work

Each year, the Harbour Authority must inspect its facilities, and identify and plan major repair and construction work. Planning such work involves:

- Identifying all major repair and maintenance requirements at the harbour.
- Compiling and reviewing a list of construction projects that includes a complete description of each project, its estimated cost, and priority among other projects. This task is performed by the Harbour Authority Board of Directors and a designated representative from Small Craft Harbours (SCH).
- Submitting the list to SCH for approval and funding.

### 4.5.2 Managing and funding a project

There are no fixed rules governing the management or funding of a construction project; each project is judged on its own merit. Construction projects may be completed under the direction of SCH or the Harbour Authority, and funded in part or in full by the Department of Fisheries and Oceans (DFO) or the Harbour Authority.

#### Engineering standards

Before building or repairing any major structures on DFO property, the Harbour Authority should first consult with DFO to determine whether the work is subject to DFO engineering standards and requirements.

The Harbour Authority may wish to seek technical assistance from DFO to save time and money.

### Environmental concerns

The lease, signed by the Harbour Authority, clearly states that approval from DFO should be obtained before beginning maintenance or repair work on DFO-owned facilities so that projects may be screened pursuant to the *Canadian Environmental Assessment Act* (CEAA) and the *Navigable Waters Protection Act and Regulations* (NWPA).

### Unforeseen major repair and construction work

In case of sudden repair and construction requirements resulting from a storm, an accident, sudden deterioration, or other unforeseen events, the Harbour Authority should first ensure the security of harbour users, barricade the affected facilities (if necessary), then contact DFO.

In the case of an unplanned construction project, the Harbour Authority should contact DFO to evaluate the project against previously identified priorities.

Appendix 4-C at the end of this section shows a flow chart that outlines the decisions activities involved in completing an important construction project.

## 4.5.3 Hiring independent contractors through the Harbour Authority

When dealing with independent contractors, the Harbour Authority should ensure that it receives good value for its money, that the work is conducted in a safe and efficient manner, and its employees and assets are well-protected.

The following steps describe how to obtain quality work and services at a competitive price:

**Step 1:** Clearly define the work required and obtain an estimate of the cost of completing the work.

At the start of a project, write a clear and detailed description of the work required. The description will be useful for gathering estimates and information on the cost and feasibility of completing the project, and facilitating the exchange of ideas. It will also present the possibility of finding less expensive or simpler ways of achieving the same result.

**Step 2: Obtain approval and funding for the project.**

Once the project has been described and cost estimates obtained, the project can be presented to the Board of Directors for approval. Depending on the necessity of the project and the funding required, the project may be either approved, delayed, or abandoned. The Harbour Authority may need to involve DFO in the decision process. At this stage, it is important to confirm funding sources before proceeding with the project.

**Step 3: Obtain bids, if required, and select a contractor to do the work.**

Once the project and funding is approved, contractors may be invited to bid on the work. If the work is of a specialized nature, it may be wise to investigate and obtain references for potential candidates before formally inviting them to bid.

The initial written description of the work will help communicate the job requirements to potential contractors. For small purchases or a small amount of work, obtaining verbal quotes is all that may be required.

Once all bids are received, they should be carefully reviewed. Common problem areas found in bid documentation include:

- some of the required work has been left out of the bid;
- some material differs from the specifications;
- the delivery schedule seems unrealistic;
- the costs are not in line with your calculations;
- the proposed method of undertaking the work is not appropriate in a harbour environment.

Once satisfied that a particular contractor will complete the project as requested and at a reasonable cost, approval for the contract from the Board of Directors or DFO may be obtained.

**Step 4: Confirm, in writing, the terms and conditions of the work to be performed.**

Once the contractor has been selected, a contract or other form of written document should be prepared to confirm both the work to be done and the manner in which it will be performed. The objective of the contract is to clarify expectations and ensure a safe environment for the people using the harbour facilities throughout the completion of the project.

The contract should confirm that the contractor possesses the necessary permits to conduct the work; for example, an electrician or a diver should have appropriate training and accreditation.

The Harbour Authority should confirm that the contractor and his or her employees are covered under the Workers' Compensation Board (WCB) and obtain a WCB

compliance certificate. The compliance certificate ensures that the Harbour Authority will not be held liable for injuries that may occur to the contractor or his or her employees, or for the payment of overdue assessments related to the contract.

The Harbour Authority should verify that the contractor carries appropriate liability insurance and that the contract states that the Harbour Authority will not be held liable for any incident or accident that occurs during the course of completing the contract.

For work that involves welding, the Harbour Authority should state in the agreement, welding restrictions set by the Harbour Authority, such as restricting welding to concrete surfaces (welding should not take place on wooden floats, piers, and docks).

### Caution

Should there be a need to modify the original contract, the cost of making changes or additions should be recorded in writing to avoid future arguments. The Harbour Authority should verify that all the work has been completed according to the terms of the contract before paying the contractor.

## 4.5.4 Hiring an independent contractor through a third party

Occasionally, a third party or harbour user hires an independent contractor to conduct maintenance or repair work on a vessel, unload fish, tow a vessel, or perform other work on their behalf on property managed by the Harbour Authority.

Although the Harbour Authority is not party to the contract, it should exercise control over such activities to protect its assets and harbour users. A harbour is a very sensitive environment; the Harbour Authority is responsible for safeguarding its people and assets.

### Licence agreement

The Harbour Authority may exercise control over the contracting activities of harbour users by requesting that any person or company performing work or conducting business on Harbour Authority property obtain a licence or formal authorization from the Harbour Authority. Written agreements demonstrate the exercise of due diligence by the Harbour Authority.

The licence specifies, in writing, the terms and conditions under which work can be conducted on Harbour Authority property. A licence may:

- state the need for respecting all applicable safety standards, procedures, and regulations;
- require provision of a clearance certificate from the Workers' Compensation Board;
- require proof of adequate liability insurance coverage for that type of business;
- indemnify the Harbour Authority regarding the safety of the contractor's tools and equipment; and

- remind the contractor not to dump any waste and residue in the water.

### High-risk activities and potential liabilities

The provision of a welding permit may be critical in the case of welding, cutting, or burning, and heating by acetylene or propane torch. Such activities are considered high-risk in a harbour environment.

The Harbour Authority should ensure harbour users are aware of potential liabilities they may face if the activities of their contractors or service suppliers cause damage to other vessels or to Harbour Authority property. Vessel owners should carry adequate insurance and ensure that their contractors do as well.

### Reference Material

*Marina Development Guidelines* jointly prepared by DFO and the Ministry of the Environment for British Columbia, March 1994.

This document focusses on the development of new marinas and their impact on fish habitat. It may be useful to Harbour Authorities involved in upland development, the provision of new services, such as a launching ramp, or the initiation of dredging or new breakwater projects.

*Notes:*

## Appendix 4-C — Major Repair or Construction Projects

### Project definition:

The Harbour Authority (HA):

- determines project scope and urgency;
- obtains necessary technical assistance from DFO;
- estimates cost and duration of project;
- obtains necessary approvals (DFO and other applicable organizations); and
- arranges project financing.

### Project funding and completion options:

#### DFO-funded

Contracted to HA

Harbour Authority:

- buys material
- does the work
- bills DFO **or**
- obtains bids
- subcontracts work
- inspects work
- pays subcontractor
- bills DFO

Contracted to others

PWGSC or other: HA:

- obtains bids
- selects contractor
- does the work
- inspects work
- pays contractor
- bills DFO

#### Jointly funded

(Harbour Authority and DFO)

Contracted to HA

PWGSC or other: HA:

- buys material
- does the work
- DFO and HA inspect
- bills DFO portion **or**
- subcontracts work
- DFO and HA inspect
- pays subcontractor
- bills DFO portion

Contracted to others

- obtains bids
- selects contractor
- inspects work
- pays contractor
- bills DFO and HA



### Harbour Authority-funded

Supervised by HA

Supervised by others

PWGSC or other:

- |   |   |
|---|---|
| <ul style="list-style-type: none"><li>• buys material</li><li>• does the work <b>or</b></li><li>• obtains bids</li><li>• subcontracts work</li><li>• inspects work</li><li>• pays subcontractor</li></ul> | <ul style="list-style-type: none"><li>• obtains bid</li><li>• selects contractor</li><li>• inspects work</li><li>• pays contractor</li><li>• bills HA</li></ul> |
|---|---|

## 4.6 Facilities Inspection

The Harbour Authority is responsible for ensuring that harbour facilities are safe and operational at all times. Regular visual inspections will help identify unsafe conditions and potential problems. This section defines a visual inspection, describes when and how to conduct such an inspection, and provides examples of visual inspections.

### 4.6.1 What is a visual inspection?

A visual inspection is a careful examination of all aspects of harbour operations and facilities that are accessible without the aid of a boat or other equipment. It provides basic information that helps harbour staff identify trouble spots and structural damages, decide how to handle a problem, or request a technical evaluation (in cases where more structural information is required). A technical or specialized inspection is more in-depth and is conducted only after a visual inspection identifies the need to conduct one.

The three main categories of visual inspections include:

- **a structural inspection:** examines the state of the buildings, wharves, breakwaters, and other facilities that make up the harbour.
- **an administrative inspection:** examines the paperwork associated with harbour operations, such as filing, bookkeeping and accounting systems, follow-up procedures on subleases and licences, collection of fees, and payment of bills.
- **an operational inspection:** examines the resources and activities that ensure the proper functioning of the harbour.

### 4.6.2 When to conduct a visual inspection

Visual inspections are conducted as part of a routine program of daily, weekly, and yearly inspections. Such inspections should also be conducted after major incidents, such as a structural failure, a severe storm, or the collision of a vessel with the harbour structure.

### 4.6.3 How to conduct a visual inspection

Recording observations, in writing, while completing an inspection is important. Observations identify chronic problems in the harbour and will, over time, provide an indication of the deteriorating condition of the structure. Recording observations may also provide a written record of repeat offenders.

When damage or deterioration is identified, the Harbour Authority must mitigate the danger to the public and harbour users by posting signs or erecting barricades. A *Damage to or Loss of Property Report* must be completed (see Appendix 4-D at the end of this section for a sample report).

#### 4.6.4 Examples of visual inspections

The Harbour Authority should conduct daily, weekly, and annual inspections of its operations and facilities.

##### Daily visual inspection with checklist

The individual responsible for the day-to-day operations of the harbour may conduct a quick visual inspection of the facilities while conducting the daily boat count or walking around the harbour. The focus of the daily inspection is operational; its purpose is to spot problem areas.

To complete this task, the Harbour Authority may use a simple checklist that would indicate proof of diligence should an accident occur later on. The daily checklist should be kept on record as evidence in case of a lawsuit.

Appendix 4-E at the end of this section is a sample daily safety checklist.

##### Weekly inspection with checklist

The Harbour Authority should also conduct weekly inspections of items such as firefighting equipment, lifesavers or lifesaving equipment, first-aid supplies, loading and unloading equipment, water and electrical systems, used oil storage facilities, and storage areas. The weekly inspection focusses mainly on the operational elements of the harbour. An inspection form should be generated and kept on file for future reference.

Appendix 4-F at the end of this section is a sample weekly safety checklist.

##### Regular annual inspections (at least once a year)

**Administrative inspections:** The Harbour Authority should examine its administrative system on a regular basis to ensure the safety of its financial records, as well as identify potential harmful practices. The inspection should focus on filing, bookkeeping and accounting systems, as well as billing and invoicing practices.

**Structural inspections:** The Harbour Authority should conduct an in-depth structural inspection of harbour facilities at least annually and immediately following a storm or accident to determine the integrity and stability of the harbour structures. Conducting such inspections helps harbour staff anticipate and sometimes reduce repair or maintenance requirements.

Appendix 4-G at the end of this section provides examples of what to look for when yearly inspecting the structural components of a harbour.

## Appendix 4-D — Damage to or Loss of Property Report

TO:

DATE AND TIME OF INCIDENT:

DESCRIPTION OF DAMAGED HARBOUR AND PERSONAL PROPERTY:

NAME OF VESSEL:

CONTACT:

OWNER OF VESSEL:

VEHICLE:

CONTACT:

OWNER OF VEHICLE:

EXTENT OF DAMAGE:

NAME AND ADDRESS OF WITNESSES:

(report attached)

FIREFIGHTING EFFORTS:

POTENTIAL CLAIM:

RECOMMENDATIONS:

(measures to be taken: close the harbour, restrict access, etc.)

**\*\*\*Please ensure police are notified for incidents involving damage to or loss of property.\*\*\***

*Notes:*

## Appendix 4-E — Harbour Daily Safety Checklist

Location and inspection date: \_\_\_\_\_

<b>On-site Inspection Checklist Property and Facilities</b>	<b>Action Taken or Reported to Harbour Authority</b>
Garbage area	
Washrooms and showers	
Grease, oil, or other residue left on deck	
Improper storage of nets, gear rope, wire, or other materials	
Unattended unlocked storage area	
Frayed wires (electrical and other types)	
Mismatched cords and plugs, and inappropriate gauge	
Damaged, leaking, or loose fuel lines/systems	
Frayed cable on hoist to haulout engine(s)	
Missing or damaged deck planks, wheel guards, loose deck	
Missing or damaged ladders, rungs, or fenders	
Improper storage of combustible materials (gasoline, etc.)	
Parking or speeding infraction	
Debris in water preventing safe operation of vessels/equipment	
Listing or sinking vessels, and vessels obstructing passage or fire lines	
Used oil storage area is free of leaks and spills	
Fueling facilities are in good order	
Other	

Signature: \_\_\_\_\_

**Notes:**

## Appendix 4-F — Harbour Weekly Safety Checklist

Location and inspection date: \_\_\_\_\_

<b>On-site Inspection Checklist Property and Facilities</b>	<b>Action Taken or Reported to Harbour Authority</b>
Are the signs in good order?	
Is the lifting/loading equipment functioning properly?	
Is the equipment being maintained properly?	
Are the fire extinguishers and first-aid kits in good working order?	
Are the lifesaving rings where they should be?	
Does the alarm system work?	
Is all fire protection equipment in good order?	
Are the water lines in good order (no leaks, frozen sections)?	
Are the electrical systems in good order (light fixtures, meter bases, receptacles and others as required)?	
Is the storage area in good order (no fire hazards, obstructed passages)?	
Other	

Signature: \_\_\_\_\_



*Notes:*

## Appendix 4-G — Yearly Inspection of Structural Components: Reminders

<b>Anchor piles:</b>	Anchor piles should be checked for wear and decay (wood rot, marine borers, or corrosion). Steel anchor piles should be checked during the extreme lowest tides to determine the extent of wear and metal loss. Timber piles, damaged due to marine borers, must be inspected under water.
<b>Bathymetry:</b>	Refers to the depth or profile of the bottom surface of the harbour. It is important that harbour bathymetry be known so that boat skippers know exactly where they may safely take their vessel in the harbour and under what tidal conditions.
<b>Boat ramps:</b>	Common problems include spalling of surface concrete, and subsequent exposure of reinforcing steel and shear failure of planks. Boat ramps should be inspected for rot and other sources of weakening in the structure such as displacement of riprap.
<b>Concrete floats:</b>	Wales constitute the major structural element of a concrete float system. Damaged wales must be repaired as soon as possible to prevent further serious damage. Metal float-to-float and float-to-pile connections should be thoroughly inspected for wear, corrosion, cracks in welds, or cracks in the protective coating which may indicate high-stress deformation. Damaged or spalled concrete deck surfaces should be repaired to prevent the reinforcing steel within the concrete from being exposed.
<b>Docks and vessel haulouts:</b>	Timber decks should be examined for rot or signs of distress. Docks with steel framing members should be checked for corrosion. Timber framing members should be examined for rot, mechanical damage, and severe or unusual checking or splitting. Steel piles should be examined for mechanical damage and corrosion. Timber piles should be examined for mechanical damage, rot, or marine borer attack.
<b>Floating breakwaters:</b>	Particular attention should be paid to float-to-float connections and to float-to-anchor line connections. Any evidence of anchor shifting or moving should also be noted.
<b>Gangways:</b>	All members of a metal gangway should be carefully examined for mechanical damage or corrosion. Members of a timber gangway should be inspected for rot. Bolts and other connectors should be examined for corrosion, and connections for hole elongation or rot in the vicinity of bolt holes. The angle ironwheel guide should also be inspected to ensure the gangway continues to operate smoothly.
<b>Rubble-mound breakwaters:</b>	Thorough examination of the riprap protection for excessive gaps, movement, or sloughing is required once or twice yearly, or after extreme events such as a major storm.
<b>Steel floats:</b>	Steel floats require the same type of care as concrete floats. The thickness of the metal should be measured to monitor metal corrosion.

- Timber floats:** Portions of timber floats are subject to wood rot where timber is untreated, drilled after treatment, or damaged. Cracked or damaged timber should be noted and replacement recommended. Connections between floats and float-to-anchor piles are high-stress areas and should be inspected thoroughly for wear, rust, cracks in welds, corrosion, or cracked coating which may indicate structural damage.
- Vessel grids:** Members and connections should be examined for corrosion, rot, or distress. Pile caps should be examined for crushing.
- Wharves:** Examine piles, stringers, caps, or bracing.
- Wheel guards or curbs:** Regular inspection is required to ensure that they continue to carry out their intended safety function.

## 4.7 Fire Prevention

The Harbour Authority is responsible for ensuring the safety of its employees, harbour users using their facilities, and the government assets located on its premises. This section examines the following topics:

- potential fire hazards,
- fire prevention measures,
- fire safety plan and fire orders, and
- reporting requirements.

### 4.7.1 Potential fire hazards

Fire is a great threat to a harbour since it easily spreads to wooden structures and boats gathered in close proximity.

#### Potential sources of fire

The greatest potential sources of fire within a harbour are:

- **unsafe fueling operations:** the accumulation of fuel vapours near open flames or heat sources, as well as the presence of almost-empty fuel drums represent serious fire hazards.
- **faulty electrical systems:** frayed electrical cords and worn wiring are the main cause of electrical fires.

#### Welding and paint burning

Another high-risk activity at a harbour is welding or paint burning. The Harbour Authority may choose to restrict these activities to licensed operators, limit the activity to a specific area of the harbour, and impose the following conditions:

- the owner/operator of a vessel must obtain permission or a permit from the Harbour Authority to conduct such work on the boat;
- a fire extinguisher must be on board the vessel when conducting welding or paint burning work;
- all work should be conducted in a safe and skillful manner, applying safety procedures, rules, and regulations;
- independent contractors should be covered by Workers' Compensation and the appropriate liability insurance.

## 4.7.2 Fire prevention measures

### Rules and procedures

The Harbour Authority may consider establishing rules and procedures to minimize the risk of fire. For example, a Harbour Authority may:

- require that each vessel have a properly maintained fire extinguisher,
- encourage people to keep their work area clean and free of rubbish,
- restrict smoking at the harbour,
- conduct regular inspections of the fire hose and firefighting equipment, and
- instruct harbour users to replace all worn or frayed electrical cords and extension cords, and to keep rags in closed metal containers.

### Support

The local fire department may provide information and advice to help the harbour supervisor identify potential hazards, develop prevention measures, and train harbour users.

Harbour users should be aware that any abuse, tampering with, or theft of firefighting equipment is considered a criminal act.

## 4.7.3 Fire safety plan and fire orders

A fire safety plan should be in place in case of a fire. The Harbour Authority may wish to seek the support of the local fire department in developing this plan.

### Content of a fire safety plan

The fire safety plan should address the following details:

- firefighting equipment requirements,
- fire protection requirements for the facilities,
- maintenance of firefighting equipment,
- assignment of responsibilities to staff and harbour users regarding prevention and firefighting,
- scheduling of regular inspections,
- formal arrangements with the local fire department,
- staff training requirements,
- reporting requirements, and
- distribution of the plan to staff and others.

## Making the plan work

Some questions to consider when developing a fire safety plan include:

- Who will respond in case of fire and how far away are they?
- Are the fire stations staffed or do they depend on volunteers?
- Is the fire truck equipped with a reservoir (this may be crucial in winter)?
- Is there an alarm in place? Is it necessary?
- Who is in charge in case of an emergency?
- Have the procedures been rehearsed and how familiar are the procedures to harbour staff and users?
- Is there adequate signage to indicate fire orders and exits?
- Is the firefighting equipment readily available and in good working order?
- Are the emergency phone lines monitored 24 hours a day?
- Are the fire lanes properly identified?

## Fire orders

Fire orders comprise one element of a fire safety plan and describe the actions to be taken by staff or harbour users in the event of a fire. Fire orders are usually posted in conspicuous places on site.

Appendixes 4-H and 4-I at the end of this section are samples of fire orders.

### 4.7.4 Reporting requirements

Fires should be reported to the Regional Office of Small Craft Harbours (SCH) followed by a written *Damage to or Loss of Property Report*.

Appendix 4-D at the end of Section 4.6, *Facilities Inspection*, is a sample *Damage to or Loss of Property Report*.

## Reference Material

*Small Craft Harbours Fire Safety Program* prepared by PWGSC for SCH-Pacific Region, November 1992.

This document is easy to use and addresses the need for fire safety plan development in small craft harbours and offers a comprehensive guide to develop a fire safety plan. An inspection schedule for equipment and fire hazards is included.

*Notes:*

## Appendix 4-H — Sample Response Scenario in Case of Fire

**A person who discovers a fire should take charge until someone responsible for the Harbour Authority is located and arrives on site.**

1. Sound the alarm (if there is one), or dial 911 or the appropriate number in your area, and slowly and carefully report the following information:
  - a brief description of what is happening,
  - the exact location and address of where the fire is taking place, and
  - your name.
2. Attempt to extinguish the fire with the nearest extinguisher if the fire is small and not beyond the capacity of the fire extinguisher.
3. Do not place yourself at risk; however, do not allow the fire to come between you and the exit. If the fire is on a vessel attempt to isolate the vessel by moving other vessels; do not move vessels without the aid of another person.
4. Ensure the fire lanes are clear at the site of the fire.
5. Contact the representative of the Harbour Authority (use the 24-hour emergency phone number).
6. Once the person responsible is on site, he or she will delegate duties to others.
7. Responsibility for control of the fire rests with the fire department upon their arrival.
8. The fire is considered over when the firefighters leave the site and declare that all is secure and that the affected structure appears stable or will not impact on the operations of the harbour.
9. Record all information about the fire (times and location) in a notebook or tape recorder. If using a tape recorder, ensure that the recorded information is transferred to a daily log of activities or to a notebook.
10. Complete an incident report including statements from witnesses and others.
11. Notify your regional SCH office.



*Notes:*

## Appendix 4-I — Sample Fire Orders: Instructions to All Harbour Users

### On discovering a fire:

1. Sound the alarm (\*\*indicate the location of the alarm here\*\*).
2. Dial (\*\*indicate number here\*\*) and notify the fire department at (\*\*indicate location of fire department here\*\*).
3. Notify the Harbour Authority representative (\*\*go to the office; if after hours call: indicate after-hours number here\*\*).
4. Warn nearby persons to evacuate immediately.
5. If you are qualified, use the fire extinguisher to fight the fire, otherwise leave the harbour; do not go back for any reason.
6. Obey the Harbour Authority representative's instructions.

### If you hear an alarm:

1. Leave the harbour; do not go back for any reason.

**BY ORDER:** \_\_\_\_\_

*Notes:*

## 4.8 Health and Safety

The Harbour Authority is responsible for providing their staff with a safe and healthy workplace. This section addresses how to prevent injury.

### 4.8.1 Prevention of injury

#### Elements of prevention

The main elements of prevention for health and safety in the workplace include:

- identifying workplace hazards,
- training new employees on job procedures and hazards,
- ensuring that protective equipment is available and kept in good order,
- posting electrical safety procedures,
- training employees on material handling practices and procedures,
- training employees on rescue and emergency procedures, and
- providing fire prevention and fire intervention training.

#### Areas of concern for the Harbour Authority

The Harbour Authority should ensure that:

- machinery and equipment are safe to use;
- workers operate in compliance with established safe work practices and procedures; and
- workers are adequately trained in their specific work tasks to protect their health and safety.

#### Sources of information

The reference material cited at the end of this section identifies areas of risk to employees and the public at a harbour.

The Workers' Compensation Board provides various posters that alert employees to unhealthy work habits and practices. In particular, employees should be aware of safety precautions when lifting or dragging heavy weights, when driving or walking around forklifts, or when using hoists and winches.

## 4.8.2 Personal injury report

Should an employee suffer physical harm on the job, the Harbour Authority should complete a personal injury or incident report as shown in Appendix 4-J at the end of this section.

### Reference Material

*Marina & Boating Industry Loss Control Guidelines* prepared for the Michigan Boating Industries Association and for Universal Insurance's Services Inc., 1992.

These guidelines provide a comprehensive checklist to help employees of the Harbour Authority and the public identify hazards at a harbour. Relevant topics include slip and trip prevention; lifting and handling material such as drums and barrels; the safe use of hand tools, and power lifting equipment such as lift trucks and mobile hoists.

## Appendix 4-J — Personal Injury Report

**TO:**

DATE AND TIME OF INCIDENT:

### **DESCRIPTION**

NAME AND ADDRESS OF PERSONS INVOLVED:

NATURE AND EXTENT OF INJURY:

DETAILS OF CIRCUMSTANCES:

(who, what, where, when, why, and how)

NAMES AND ADDRESSES OF WITNESSES:

(attach statements and reports)

DETAILS OF SURROUNDING CONDITIONS:

(weather, warning signs, lighting, etc.)

RECOMMENDATIONS:

(corrective action, work to be done)

**\*\*\*Police should be notified of incidents involving personal injury.\*\*\***

*Notes:*

## 4.9 Contingency Planning and Emergency Procedures

This section defines contingency planning and emergency procedures, and describes elements of a contingency plan and prerequisites for a successful plan.

### 4.9.1 Definitions

**Contingency plan:** A detailed set of actions taken to prepare for an emergency such as an accidental fuel or chemical spill, a fire, a major storm, or a serious accident. During an emergency, there is no time to plan a strategy, locate equipment, identify people to contact, or look for their phone numbers; such information must be readily available. Appendix 4-K at the end of this section is a sample contingency plan.

**Emergency procedures:** A series of steps for dealing with a situation that calls for immediate action, such as an oil spill or a fire. Emergency procedures comprise only one element of a contingency plan. Other components include a site location map, an inventory of available resources, and reporting requirements.

Emergency procedures should be posted in clear view and in close proximity of areas where an emergency might occur. Appendixes 4-H and 4-I at the end of Section 4.7, *Fire Prevention*, are examples of emergency procedures.

### 4.9.2 Elements of a contingency plan

A contingency plan consists of the following elements:

#### Emergency Procedures/Emergency Contacts

- What to do, and who to call and notify
- On-site contact/resources
- External contact/resources

Appendix 4-L at the end of this section is a sample listing of external contacts.

#### Reference Material

- Comprehensive and up-to-date map of the site
- List and location of firefighting equipment
- Location of water hydrants
- Other relevant information



## Disposal of Debris or Contaminated Soil/Water

### Reporting Requirements

Appendix 4-J at the end of Section 4.8, *Health and Safety* is a sample personal injury report.

### Other Activities

- Training
- Exercises and a testing schedule

Contingency plans are site-specific as each site presents different risks and has access to different resources. The Harbour Authority must identify its own risks and resources, and develop a strategy to deal with potential emergencies, whether they be chemical spills, fires, loading accidents, or earthquakes.

### 4.9.3 Prerequisites for success

For a contingency plan to be effective, the plan must be accurate, specific, well-maintained, tested, annually updated, and regularly rehearsed.

Harbour users must be notified of the existence of a contingency plan and be able to access it quickly in the event of an emergency.

## Appendix 4-K — Sample Contingency Plan for an Environmental Emergency

### Scenario

A fuel spill or discharge has accidentally occurred in the harbour. The Harbour Authority has a small office at the harbour. A harbour supervisor works on the premises between 07:00 hours and 15:00 hours during the fishing season.

### Emergency Procedures

1. Upon discovery of a fuel spill immediately inform:
  - the harbour supervisor at the Harbour Authority office, or
  - if after hours, the harbour supervisor at (\*\*include phone number here\*\*), or
  - the President of the Harbour Authority at (\*\*include phone number here\*\*), or
  - the Secretary of the Harbour Authority at (\*\*include phone number here\*\*).

**Note:** Provide more than one phone number in case the line is busy or unattended.

2. Take control until the harbour supervisor or person responsible for the harbour arrives. Stop the flow of fuel if possible, restrict access to the spill area, and ensure access routes are free of traffic.
3. Upon arrival, the harbour supervisor briefly determines the type and source of the spill, and immediately reports the spill to the appropriate agencies:
  - Small Craft Harbours (SCH)
  - Environment Canada
  - Canadian Coast Guard
  - Other (\*\*list them here\*\*)

1. The harbour supervisor takes a sample of the spill substance in a clean glass jar. The substance will be tested and serves as evidence should charges of negligence be laid against a person or a vessel.
2. The harbour supervisor takes appropriate measures to contain the spill until help reaches the harbour.
3. The harbour supervisor assists DFO, the Canadian Coast Guard, or other agencies in dealing with the spill.

The above-mentioned procedures must be operational year-round, 24 hours a day, and should be posted in the harbour in clear view.

## Sources of Information, Training, and Assistance

The Canadian Coast Guard office in your region.

The Small Craft Harbour office in your region.

## Emergency Contacts

List the phone numbers of all on-site and external contacts and resources in order of notification.

## Reference Material

Prepare a comprehensive and up-to-date map of the site to establish access routes, location of sensitive areas such as lobster cars, and identify storage of safety equipment, and provide other information.

## Disposal of Contaminated Soil/Water

Identify and list:

- the location of appropriate disposal sites,
- the method of transport,
- the means of storage prior to disposal, and
- the various approvals required.

## Reporting Requirements

The harbour supervisor must report the following information to government agencies:

- nature of the release,
- date and time of the release,
- weather conditions at the time of the release and during the response phase,
- cause of the release,
- products involved (fuel, oil, other pollutant),
- quantities involved,
- harbour and other areas affected by the release,
- people involved in the response or exposed to the products released,
- any health treatment or tests conducted on individuals,

- containment and method used,
- clean-up techniques employed,
- volume recovered,
- site remediation completed and planned,
- short- and long-term impacts of the release,
- a log of the actions taken and at what time, and
- measures to be implemented to prevent any reoccurrence.

## Other Activities

### Training:

The Canadian Coast Guard offers advice and training in handling oil spills and other emergency situations.

### Exercises and testing schedules:

Rehearsing the contingency plan identifies missing information and familiarizes all individuals involved with the plan's activities.

*Notes:*

## Appendix 4-L — Emergency Phone Numbers

### Environmental Emergencies

Oil, pesticides, chemical spills, fish kills, etc.

City or town name (\*\*Indicate 24-hour phone number here\*\*)

### Industrial Accidents

Occupational Health and Safety: (\*\*Indicate 24-hour phone number here\*\*)

### Marine and Air Distress

Rescue Co-ordination Centre: (\*\*Indicate 24-hour phone number here\*\*)

### Marine Rescue Centre

City or town name (\*\*Indicate 24-hour phone number here\*\*)

### Fire Department

(\*\*Indicate phone number here\*\*)

### RCMP or Local Police

(\*\*Indicate phone number here\*\*)

### Hospital

(\*\*Indicate phone number here\*\*)

### Ambulance

(\*\*Indicate phone number here\*\*)

### Fisheries and Oceans, Small Craft Harbours

Business manager: (\*\*Indicate phone number here\*\*)

Regional office: (\*\*Indicate phone number here\*\*)

*Notes:*

## 4.10 Risk Management

Risk management is an essential element of any enterprise. It involves assessing those operational areas of a Harbour Authority that carry the risk of liability or loss, and devising an effective, cost-efficient means of minimizing such risk. Two main areas of concern with regard to risk management include personal injury and property loss, and damage to the environment. This section focusses on risk management with regard to personal injury and property loss. For information on damage to the environment, see Section 5.6, *Best Management Practices* of the Environmental Management section of this Manual.

### 4.10.1 Minimizing personal injury and property loss

A Harbour Authority must maintain its facilities in a safe and secure manner. Should a harbour user, visitor, or trespasser be injured or their property damaged owing to the inaction or negligence of the Harbour Authority in repairing or maintaining its facilities, the Harbour Authority and its officers and directors may be held liable. To minimize this risk, a Harbour Authority should develop and implement a policy that includes the following terms:

- equipment inspections (ensures that all equipment is safe and in proper working condition, and that proper instructions or warnings are posted where necessary);
- inspections of leased area (including water lots, wharves, and all buildings) (see Section 4.6, *Facilities Inspection*);
- remedial action (repairing faulty or dilapidated equipment or facilities);
- preventive maintenance;
- an emergency action plan; and
- the training of personnel, as and when required.

Upon learning of any deficiency in its operations or property, the Harbour Authority is advised to take adequate and appropriate steps to minimize the risk to personnel, users, and visitors.

#### Training of personnel

Harbour personnel may require specialized training to minimize risks to other staff and harbour users. For example, the use and storage of some fuels, solvents, and chemicals are heavily regulated. The Harbour Authority should determine whether it uses and stores any agent that is considered toxic, flammable, or harmful to the environment, and whether its personnel require any specialized training to handle such agents.



*Notes:*

## 4.11 Special Events

The Harbour Authority may be asked to lend the use of its sites for community events. This section discusses the following topics regarding special events at a harbour:

- issuance of a licence,
- modifications to harbour facilities, and
- insurance coverage.

### 4.11.1 Issuance of a licence

To ensure that special events are conducted in a satisfactory manner, the Harbour Authority may choose to issue a licence to individuals, groups, companies, or organizations who wish to hold an event at the harbour. The licence agreement states the terms and conditions of the arrangement.

Before authorizing organizers to hold a special event at the harbour, the Harbour Authority may request that organizers provide a complete description of the activities that will take place in order to identify potential implications of holding the event. The description should include information about:

- the specific area of the harbour involved,
- the space required,
- the number of people attending,
- the duration of the event,
- the sale or provision of food and beverages,
- the presence or absence of local police or other enforcement agencies, and
- the anticipated impact on the operations of the harbour.

### 4.11.2 Modifications to harbour facilities

In cases where additions or improvements to the harbour facilities take place for a special event, construction projects should be authorized by the Department of Fisheries and Oceans (DFO) and supervised by the Harbour Authority.

### 4.11.3 Insurance coverage

Before granting a licence to event organizers, the Harbour Authority should ensure that the organizers have obtained adequate comprehensive general liability insurance. The insurance policy should name the Harbour Authority as an additional insured party.

The Harbour Authority should confirm with its insurance company whether, under its policy, it is feasible to hold a particular event, particularly if a liquor permit and the consumption of alcohol are involved.

For events held by the Harbour Authority, the Harbour Authority must obtain the necessary municipal permits and adequate insurance coverage.

## 4.12 Enforcing Harbour Authority Regulations

This section describes two elements of enforcing Harbour Authority Regulations: seeking compliance and legal recourse.

### 4.12.1 Seeking compliance

The first step in seeking compliance is clearly communicating the rules and procedures of the harbour to all harbour users, and explaining why they exist. The most effective means of communicating at a harbour are:

- posting signs in visible locations,
- giving verbal reminders, and
- setting good examples.

When confronted with delinquent accounts or recurring inappropriate behaviour, the Harbour Authority may wish to try various resolution approaches before considering legal recourse. The following approaches will provide further records of events that will lend support to potential legal proceedings:

- meet with the other party in person to hear his or her version of the events;
- distribute written warnings by hand or by mail;
- seek the support of the Board of Directors or the membership in finding workable solutions or arrangements (this initiative will be recorded in their meeting minutes).

### 4.12.2 Legal recourse

Legal recourse is both expensive and laborious and may not result in a quick and tidy solution. In some cases, however, legal recourse cannot be avoided.

The Harbour Authority should meet with its lawyer to discuss its general credit policy and method of debt collection. The Harbour Authority should decide whether to retain the lawyer to act on all its debt collections and negotiate a volume discount, or handle Small Claims Court matters itself. Typically, debts owed to the Harbour Authority are most easily and inexpensively collected through the Small Claims Court system. However, prior to proceeding on its own behalf, the Harbour Authority should verify the procedural and substantive rules governing Small Claims Court actions in its jurisdiction. For example, in Québec the maximum value of a Small Claims Court action is \$3,000, while an equivalent Court in Ontario will hear claims with a value of up to \$6,000. In addition, the filing of claims and other procedural matters may vary from province to province and these requirements should be verified in advance to increase the Harbour Authority's chances of collecting on the debt.

Should the Harbour Authority choose to handle a Small Claims Court action itself, a person should be designated to handle the matter. The designated person should visit the local Small Claims Court office to learn the substantive legal requirements and procedures involved.

*Notes:*

## 4.13 Signs

Signs effectively communicate the rules and procedures of the Harbour Authority. This section discusses the purposes of signs and provides examples of signs.

### 4.13.1 Purpose of signs

The Harbour Authority may use signs for safety and operational issues such as:

- warning and advising users of potential dangers and hazards;
- clearly communicating which activities are restricted, such as swimming and diving;
- safeguarding assets; for example, informing users of load limits;
- instructing people about what to do in case of an accident or emergency; and
- communicating the Harbour Authority rules and regulations.

### 4.13.2 Examples of signs

The following standard information and warnings may be conveyed to harbour users through signs:

- berthage fees, other fees, and payment terms,
- loading zone area,
- garbage disposal instructions,
- dumping of any waste in the water is prohibited,
- fueling instructions,
- restrictions and instructions on the use of power,
- instructions on the disposal of used oil,
- restrictions on the storage and use of petroleum products,
- parking instructions and restrictions,
- the names and phone numbers of people to contact in case of an emergency (fire, spill, accident, etc.),
- restrictions on certain activities such as swimming, diving, fishing, smoking, and others.

The Harbour Authority should ensure that signs are in accordance with municipal signage by-laws.

The Harbour Authority may choose to restrict the types, sizes, and overall condition and appearance of signs posted at a harbour to advertise services to fishermen and tourists such as the sale of boats, charter or boat rental, community events, and others.

*Notes:*

## 4.14 Other Harbour Services

The Harbour Authority may, for an additional fee or as part of the berthage fee, provide various services to harbour users. This section describes the provision of the following services:

- loading and unloading facilities,
- storage and stockpiling facilities, and
- launching pads, bilge pumps, battery chargers, and other services and equipment.

### 4.14.1 Loading and unloading facilities

Harbour users require loading and unloading facilities such as hoists or winches to remove fish from, and put baits, traps, and other goods and equipment into, their boats. Fish buyers may also require these facilities to load their containers and trucks.

#### Issuance of a licence

The Harbour Authority may choose to issue a licence or sign an agreement with individuals or companies who wish to load and unload fish or other goods on harbour property.

The licence or agreement confirms, in writing, the terms and conditions of the arrangement. Some standard conditions that the Harbour Authority may choose to include in the agreement are:

- payment for the service as agreed;
- compliance with all applicable laws and regulations;
- limitation of such activities to the areas assigned for that purpose and no vessels berthing in that area for any other purpose;
- compliance with the weight limits posted for winches, hoists, and wharf head;
- usage of the area for limited periods of time only (e.g., no more than 24 hours at a time);
- safe usage of lifting equipment;
- keeping the area clean of debris and garbage, and disposing of all waste and refuse;
- not leaving behind tote boxes or other equipment;
- having third-party comprehensive liability insurance coverage; and
- releasing the Harbour Authority from all claims of loss, damage, and expenses.



## Safety

The Harbour Authorities should ensure its equipment is kept in good order and that harbour users know how to safely operate the equipment in order to limit the risk of personal injury and damage to property.

Quick access to a first-aid kit should be provided in the case of an accident. An emergency assistance number should be posted in that area.

The Harbour Authority should be aware of the need for regular inspection and maintenance of its lifting equipment. A maintenance form should be set up and kept on file for weekly inspection of gears, oil changes, and for regular testing of the wire rope and general mechanism of the equipment.

### 4.14.2 Storage and stockpiling facilities

The Harbour Authority may be held liable for damage to goods stored on its premises. Laws regarding liability vary from province to province; the Harbour Authority should obtain legal advice on ways to limit its liabilities when providing storage services.

As a rule, the Harbour Authority should ensure the premises are kept in good order and that no gross negligence is committed.

## Storage agreement

A storage arrangement should be confirmed in writing in order to state the responsibilities of the occupant. The agreement may contain some the following terms and conditions:

- payment arrangements;
- indemnification of the Harbour Authority in case of loss or damage to stored goods;
- the type of goods that may be stored (e.g., no hazardous materials);
- confirmation of insurance coverage for the full value of the gear and equipment in storage;
- requirement that the space be kept clean and orderly, and that hallways and doorways be kept free of obstructions;
- no duplication of keys allowed; and
- provision to the Harbour Authority of the right to access the premises at any time.

## Safety

The Harbour Authority may use the support of local fire departments to identify hazards and conduct regular inspections of its storage facilities.

### 4.14.3 Launching pads, bilge pumps, battery chargers, and other services and equipment

The Harbour Authority should develop specific usage instructions for the use of launching pads, slips, and tidal grids to limit environmental liabilities.

#### Safety

Launching pads, slips, and tidal grids should be located in a safe area, away from heavy traffic. Users should be notified that they are using these facilities at their own risk.

When providing access to the use of forklift trucks, bilge pumps, tugboats, battery chargers, or other types of equipment, a Harbour Authority should ensure the operator of the machinery is able to use the equipment properly and safely. A list of safety procedures may be provided to the user. A release and indemnity form should be used in all cases.

*Notes:*

# **5. Environment**

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## 5.1 Environmental Management Plan

Harbour Authorities assisted by Small Craft Harbours (SCH) are required to create and implement an Environmental Management Plan (EMP) to ensure that its activities are carried out in an environmentally friendly manner. The EMP should be based on the Department of Fisheries and Oceans (DFO), Small Craft Harbours *EMS Reference Manual*. The information provided in this Environmental Management portion of the *Harbour Authority Manual* describes the environmental policies and procedures that would normally be contained in an EMP.

This section briefly summarizes the rules and legislative requirements enacted by various levels of government that must be taken into account in environmental decision making.

### 5.1.1 Environmental legislation and legal requirements

The federal, provincial, and municipal environmental legislation, regulations, or by-laws that apply to a Harbour Authority are summarized below. A Harbour Authority should acquire and keep a complete set of environmental legislation and guidelines, for reference purposes, in its main environmental filing system.

#### Key federal requirements

1. No harmful substances of any type may be deposited (i.e., from ships, sewers, run-off, etc.) in waters frequented by fish. (*Fisheries Act*)
2. The discharge of garbage, oil and oily mixtures, ballast and bilge, and pollutants listed in the *Pollution Substance Regulations* is prohibited. (*Canada Shipping Act*)
3. The direct discharge of sanitary wastes into certain bodies of water is prohibited. The discharge of galley or washing wastes is not prohibited. (*Canada Shipping Act*)
4. Permits are required for dumping contaminated and harmful substances (including dredged sediments) into Canadian waters. (*Canadian Environmental Protection Act*)
5. The discharge of any waste or material that would impair navigation in navigable waters is prohibited. Certain material—such as rock, gravel, soil, or ash—can be discharged where water depth exceeds 20 fathoms. (*Navigable Water Protection Act*)
6. Petroleum storage tanks on federal lands must be registered. (This requirement is currently managed by DFO-SCH.) (*Canadian Environmental Protection Act*)
7. All necessary precautions to avoid accidental spills should be taken; in the event of a spill, an emergency spill response should proceed. A list of hazardous substances that are used on site and that are likely to contaminate the environment if spilled should be created. The release of a toxic substance to the environment must be reported. (*Canadian Environmental Protection Act*)

8. The Workplace Hazardous Materials Information System (WHMIS) requires that information on hazardous materials used in the workplace be provided.
  - Containers for hazardous material must have cautionary labels affixed.
  - Material Safety Data Sheets (MSDSs) must be supplied for all hazardous materials.
  - All employees must be educated on WHMIS. (*Hazardous Products Act*)
9. The storage of, and emergency response to, spills of flammable and non-flammable hazardous liquids must meet the requirements of the National Fire Prevention Code. The requirements apply to the storage of hazardous liquids by both the Harbour Authority and tenants.
10. Aboveground and underground storage tanks for flammable or combustible liquids (fuels) must meet specific design requirements and requirements for tank location, operating procedures, protection devices, signage, spill collection, fire protection equipment, and so on. (*Fire Code Regulations* made under the *National Fire Code of Canada*)
11. Building construction or fixed assets (e.g., lockers, bait sheds, parking lots) should meet national building codes. (*National Building Code of Canada*)

### Key provincial requirements

Individual Harbour Authorities must comply with applicable provincial legislation.

### Key municipal by-laws

Individual Harbour Authorities must comply with applicable municipal legislation.

### Other important legislation

***Canadian Environmental Assessment Act (CEAA)***—The *CEAA* requires that the environmental impact of a project be considered before a commitment is made to carry out the project. The *Act* applies to all projects on federal property that are undertaken or financially supported by the federal government or other federal agencies. A *CEAA* Screening Form must be completed and submitted to DFO-SCH for review. (Contact your regional Small Craft Harbours office to obtain a copy of the screening form.)

***Fisheries Act***—Under the *Fisheries Act*, the use of explosives that can kill fish or marine animals is prohibited. Blasting near or in watercourses requires authorization from DFO.

No work can be undertaken that may result in the harmful alteration, disruption, or destruction of fish habitat. A project involving the alteration or destruction of fish habitat—such as dredging and ocean disposal, and wharf, breakwater, and containment construction and removal—requires authorization from DFO.



***Navigable Water Protection Act***—Under the *Navigable Water Protection Act*, construction of works for activities below the high-water mark in navigable waters must be approved in advance by the DFO Coast Guard.

Examples of projects subject to this *Act* include bridges, causeways, culverts, dams, wharves, floating docks, jetties, breakwalls, retaining walls, tunnels, rafts, marina facilities, log-boom mooring, fishways, and so on. Other examples include: excavating, dredging, dumping, laying cable, wiring, installing gas or oil pipelines, and placing stationary drilling equipment.

Permits are required for the removal of sunken ships.

***Management of Hazardous Waste***—The hazardous waste generator is responsible for ensuring that hazardous wastes are properly classified, handled, transported, and disposed of in compliance with federal and provincial guidelines and regulations (*Transportation of Dangerous Goods Acts and Regulations*, *Storage of PCB Materials Regulation*).

***Hazardous Waste Transportation***—Special permits are required to transport hazardous wastes, such as fuel, used oil, batteries containing acid, and so on. Also, special precautions must be taken, as defined in this regulation.

***Migratory Birds Convention Act***—The *Migratory Birds Convention Act* is intended to protect birds, nests, and breeding sites. Should harbour activities affect any of these, the Canadian Wildlife Service must be contacted.

***Oceans Act (as of January 31, 1997)***—The *Oceans Act* recognizes Canada's jurisdiction over its oceans.

The *Act* provides the legislative framework for a new strategy to manage the oceans. The strategy is grounded in the principles of ecosystem-based integrated management, sustainable development of ocean resources, and a precautionary approach. The *Act* also identifies the Minister of Fisheries and Oceans as the lead federal authority responsible for oceans, identifies the minister's ocean-related powers, duties, and functions, and re-groups key federal ocean-related statutes under the *Oceans Act*.

## Harbour Authority lease with DFO-SCH

In the Harbour Authority's lease with DFO:

- The Harbour Authority agrees to comply with all federal, provincial, and municipal environmental legislation, as well as with rules or guidelines that affect the leased area.
- The Harbour Authority agrees to clean up, at its own expense, any part of the leased area that is contaminated during the term of the lease. The clean-up will meet existing government standards and regulations.

## 5.1.2 Enforcing legal requirements

A Harbour Authority must ensure that its employees and users, and contractors working at a harbour site, respect environmental regulations and policies, and harbour rules, thereby minimizing the environmental liabilities of the Harbour Authority. The environmental regulations, policies, and rules should be listed in the Harbour Authority's Environmental Management Plan.

### Policies

The Harbour Authority, assisted by Small Craft Harbours, must develop and communicate EMP policies to all staff and clients. The policies should be made available to the public. EMP policies should include:

- Keeping the harbour clean for all harbour users, staff, and the local community.
- Identifying, documenting, prioritizing, and addressing potential environmental hazards associated with harbour operations. Regular monitoring of activities that may have an environmental impact is an essential part of operations.
- Setting and reviewing environmental objectives and targets.
- Continuously improving measurable environmental performance.
- Investing resources in effective communication, education, and training for harbour staff and users, with the aim of preventing pollution.
- Complying with all environmental rules and regulations and conditions that apply to harbour operations.
- Giving full consideration to the expectations of interested parties who contact the Harbour Authority.

EMP policies are to be shown on a form that the Harbour Authority must approve and sign.

Directors should set a good example to harbour users by:

- Respecting environmental rules and regulations and best management practices (BMPs). (See Section 5.6, *Best Management Practices*.)
- Communicating environmental rules and regulations and BMPs to other directors and to harbour users, when appropriate.
- Supporting the harbour supervisor in the task of enforcing environmental rules and regulations and best management practices.

## Environmental rules for harbour users and contractors

Harbour users and contractors should conduct their activities in ways that minimize effects on the environment and that respect environmental rules and regulations. To this end, harbour users and contractors should abide by these rules:

- Independent contractors and self-employed boat workers must register with the harbour supervisor before beginning any work on Harbour Authority property.
- Only routine maintenance of vessels is permitted on the lease property. New or substantial exterior work (more than 25 per cent of the hull surface) must be reviewed by the harbour supervisor.
- All harbour users and contractors must follow environmental rules and regulations and best management practices. (See Section 5.1.1, *Environmental legislation and legal requirements* and Section 5.6, *Best Management Practices*.)

## Infractions

The harbour supervisor must communicate environmental rules and regulations to all harbour users. Harbour staff or directors who notice an environmental offence must immediately notify the harbour supervisor and describe the situation.

Environmental offences include breaches of any contract clauses, harbour environmental rules, or federal or provincial environmental rules and regulations.

When confronted with inappropriate behaviour, the following approaches should be considered:

- Meet with the person committing the offence and hear that individual's side of the story.
- Clearly communicate to the person committing the offence that lack of respect for the harbour's environmental rules and regulations carries potential consequences (i.e., fines or loss of berthage privileges, as defined by applicable rules and regulations).
- Give the person committing the offence a copy of the harbour environmental rules and regulations.
- Give a second-time offender a written warning. Third-time offenders should be served with an appropriate Notice of Vessel Removal to remove their vessel from the harbour. A copy of the Notice is sent to the local RCMP or police detachment and the local DFO-SCH office.
- Seek the support of the Board of Directors or the Harbour Authority membership in finding workable solutions or arrangements. (Such an initiative must be recorded in the minutes of the meeting.)
- Use legal recourse as a last alternative (owing to the cost and time required to solve a problem in this way).

*Notes:*

## 5.2 Responsibilities in Environmental Management

A Harbour Authority must ensure that the Environment Management Plan (EMP) policies and procedures, once established, are supported, and will be implemented and maintained by Board members and staff. This section summarizes the roles and responsibilities of the Board president, the harbour supervisor, and Harbour Authority employees with respect to environmental management. Such roles and responsibilities should also be outlined in the EMP.

### 5.2.1 Acknowledging and accepting policy

#### President

Within a reasonable timeframe of the EMP start-up date, the president should:

- Review and sign the EMP policy. (See *Policies* under Section 5.1.2.)
- Review and sign the appropriate environmental responsibility form. (See Appendix 5-A at the end of this section for a sample form.)
- Keep copies of the signed documents.
- Distribute the EMP policy to all directors of the Harbour Authority, who must also sign the EMP responsibility form.
- Ensure that the harbour supervisor signs the appropriate EMP responsibility form (each new incumbent).

#### Harbour supervisor

Within two months of the EMP start-up date, the harbour supervisor should:

- Insert copies of the signed EMP policy into all copies of the EMP and the *EMS Reference Manual*.
- Discuss EMP responsibility forms with the harbour staff, and have the staff members sign the appropriate forms.

#### Harbour Authority employees (If applicable)

Within two months of the EMP start-up date, all Harbour Authority employees should:

- Review the EMP responsibility form provided by the harbour supervisor.
- Discuss their concerns regarding their environmental responsibilities with the harbour supervisor.
- Sign the appropriate form and keep a copy.

## 5.2.2 Running an Environmental Program

An Environmental Program, which should be described in the EMP, systematically identifies, prioritizes, and manages harbour activities that have (or may have) a significant impact on the environment. The Program also ensures that important environmental issues and available resources are considered in setting environmental targets. The Program must be maintained, and regularly revised and updated as required.

### President

The president should:

- At each Board meeting, inform Board members of the progress of the Environmental Program in meeting its targets.
- Approve and sign the Environmental Program at the time of the budget review (i.e., at least annually).

### Harbour supervisor

The harbour supervisor should:

- Finalize and obtain Board approval for the Environmental Program.
- Sign the Environmental Program table (see Appendix 5-B at the end of this section) with the president.
- Distribute the Environmental Program to employees and directors within two months of starting the EMP.

For an ongoing EMP, the harbour supervisor should:

- Update the Environmental Program and obtain Board approval of the updates every six months.
- Set new targets in the Environmental Program and obtain Board approval of the targets.
- Sign the new Environmental Program with the president.
- Distribute the program to employees and directors every six months.

### Harbour Authority employees (If applicable)

Employees of the Harbour Authority should review the Environmental Program table and help the harbour supervisor carry out the tasks described.

### 5.2.3 Running an Environmental Awareness Program

An Environmental Awareness Program, which should be described in the EMP, ensures that harbour users, employees, and contractors are aware of environmental rules and regulations, best management practices (BMPs) that prevent pollution, and emergency procedures in case of spills and fires. An Environmental Awareness Program also helps to ensure that environmental policy is visible to harbour users, visitors, and the local community.

#### Harbour supervisor

The harbour supervisor should:

- Include a summary of the BMPs (see Section 5.6, *Best Management Practices*) in the berthage contracts and contractor agreements.
- Post copies of the environmental policy in key locations.
- Provide copies of the environmental policy and BMPs to anyone who requests them.
- Distribute environmental news as part of a periodical newsletter.
- Post environmental rules, BMPs, the EMP policy, environmental regulations, newspaper clippings relevant to environmental management at harbours, and other such material in the front office (monthly).
- Post the following signs (and check them annually):
  - \_ Environmental policy and BMPs at the head of each wharf.
  - \_ Waste disposal instructions at the head of each wharf and near waste containers.
- Label the following locations (and check the labels annually):
  - \_ Solid and liquid waste disposal containers.
  - \_ Recycling facilities.
  - \_ Storm drains (include clear instructions not to dispose of waste at this location).

#### Harbour Authority employees

Employees of the Harbour Authority should:

- Lead by example (i.e., respect BMPs when working on the site).
- Talk with users about environmental BMPs.
- Support the harbour supervisor's efforts to communicate and enforce environmental rules and regulations, and BMPs.

## 5.2.4 Communicating policy and action

Clear lines of communication in regard to EMP policy and action taken should exist between the various levels and functions of the Harbour Authority.

### President

At every Board of Directors meeting, the Board president should:

- Ensure that environmental issues (tasks and deadlines, targets, new procedures, required funding, etc.) are discussed.
- Ensure that minutes are prepared and distributed to all directors and the harbour supervisor, and that they are posted for harbour users.

### Harbour supervisor

Within one month of the EMP start-up date, the harbour supervisor should:

- Distribute the EMP to all harbour employees and directors.

Monthly, the harbour supervisor should:

- Ensure that environmental information (i.e., the Environmental Program) is incorporated into monthly operational and financial reports.

Quarterly, the harbour supervisor should:

- Organize environmental meetings with employees to discuss the process of the Environmental Program.
- Prepare minutes of the meetings held with employees. Action items and responsibilities should be clearly defined in the minutes, which are to be distributed to Board members and employees.

Annually, the harbour supervisor should:

- Summarize the results of all environmental inspections of the harbour in the year-end Environmental Inspection Report and distribute the Report to all directors.

### Harbour employees (If applicable)

Within one month of the EMP start-up date, harbour employees should:

- Read the EMP and pose questions to the harbour supervisor, as required.

Quarterly, employees of the Harbour Authority must:

- Attend environmental meetings to discuss how the EMP is working.



### 5.2.5 Ensuring staff competence

Employees of a Harbour Authority must be competent to carry out responsibilities in regard to the EMP.

#### Recruiting and hiring

When recruiting a harbour supervisor, the Board president must ensure that the candidate is qualified for the duties assigned to him/her such as:

- Possesses at least ( ) years' experience in harbour management, including knowledge of environmental issues.
- Is familiar with environmental regulations and issues.
- Is familiar with procedures for handling emergency situations.
- Has experience in enforcing environmental rules and regulations.
- Shows a proven record of effective staff management and customer liaison.

When hiring new employees and assigning environmental responsibilities, the harbour supervisor should ensure that candidates meet the following criteria:

- A minimum of a high school or technical college education.
- A familiarity with environmental issues and emergencies related to harbours.
- Good communication skills (for conveying environmental information to harbour users).
- Good organizational skills and a systematic approach to conducting harbour inspections.

#### Training (If applicable)

All harbour employees must receive related training. Within one year of the EMP start-up date (or when hiring new employees) and every three years thereafter, the harbour supervisor must ensure that employees involved in daily operations receive training in:

- Environmental awareness.
- EMP procedures (using BMPs, conducting inspections).
- Emergency response procedures (for spills, fires, boat sinkings, etc.).
- Workplace Hazardous Materials Information System (WHMIS).

To accommodate the necessary training, the president must allocate a budget at the time of the annual budget review.

*Notes:*

## Appendix 5-A — Sample EMP Responsibility Form for Harbour Authority Board of Directors

**Date:**

**Name:**

**Position:**

### **Environmental Responsibilities**

The \_\_\_\_\_ Harbour Authority Board of Directors is committed to making appropriate resources available to ensure that the \_\_\_\_\_ Harbour Authority Environmental Management Plan is implemented and maintained within the framework of our financial capability.

We, the Directors of \_\_\_\_\_ Harbour Authority have read the above paragraph and understand the meaning of our responsibilities within the Environmental Management Plan in place at the \_\_\_\_\_. We will address the above responsibilities to the best of our capabilities.

Signed:

Directors:

\_\_\_\_\_  
President

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Notes:*

## Appendix 5-B — Sample Environmental Program Table

<b>Site Activity or Issue</b>	<b>(**year**) Environmental Target</b>	<b>Estimated Person-Hours (**year**)</b>	<b>Estimated Funds Needed</b>	<b>Who?</b>	<b>Priority 1=High 2=Low</b>	<b>Deadline</b>
Litter on harbour property	Reduce the visible amount of litter	20	0	RR	2	.....
Oil sheens on water	Reduce the occurrence	20	\$700	RR	1	.....
Paint, solvents entering water	Reduce the occurrence	30	0	RR	1	.....

Signed: Harbour Supervisor/President

*Notes:*

## 5.3 Environmental Inspections

Environmental inspections help to monitor and measure indicators of environmental performance so that the Harbour Authority can track the progress of its Environmental Program. Environmental inspections of the harbour should be conducted routinely and systematically to identify hazards and any new environmental issues at the harbour. Such inspections and the applicable checklists should be outlined in the Environmental Management Plan (EMP).

### 5.3.1 Roles and responsibilities of conducting inspections

#### Harbour supervisor

The harbour supervisor is responsible for:

- Training harbour employees to conduct daily, monthly, and yearly environmental inspections of the harbour property and buildings, using environmental inspection checklists.
- Reviewing the completed inspection checklists and prioritizing the findings.
- Looking for patterns and chronic problems, and addressing them as part of the Environmental Program.
- Preparing a year-end Environmental Inspection Report that summarizes the results of the environmental inspections. Presenting the report to the Board of Directors.

#### Harbour employees

Employees of the Harbour Authority are responsible for:

- Using environmental inspection checklists to conduct visual inspections of the harbour facilities and its operations.
- Recording all observations in writing.
- Signing the inspection checklist and submitting it to the harbour supervisor after the inspection.

See Appendix 5-C at the end of this section for examples of daily, monthly, and yearly inspection checklists.

### 5.3.2 Guidelines for prioritizing findings of environmental inspections

The following guidelines will assist in prioritizing the findings of a site inspection or an EMP compliance audit. (See Section 5.3.3, *Environmental auditing*.)

#### EMP findings

Environmental Management Plan findings are not compliance issues. However, failing to follow good management practices may result in non-compliance with regulations.

- **Priority M1:** Findings are in direct opposition to written environmental policies, procedures, and best management practices.
- **Priority M2:** Environmental Management Plan needs improvement and, if not improved, could result in a violation of company policies, procedures, and best management practices.

#### Compliance audit findings

A compliance audit may produce real or potential non-compliance situations (i.e., situations that fail to conform to applicable regulations). The following categories can help to prioritize such findings:

- **Priority C1:** Findings of non-compliance that are likely to result in significant environmental damage.
- **Priority C2:** Findings of non-compliance that could potentially result in significant environmental damage.
- **Priority C3:** Findings of non-compliance that do not represent an actual danger to the environment, but are paper infractions.
- **Priority C4:** Findings of non-compliance that could potentially result in paper infractions.

### 5.3.3 Environmental auditing

The plans and actions of an EMP should be audited every three years. Auditors conducting the EMP Compliance audit must be competent.

#### Arranging for an audit

Every three years, the president should:

- Retain an external consulting firm to conduct an intensive EMP Compliance audit of harbour operations.

Refer to the *EMS Reference Manual* for harbours for detailed audit protocol.



### One month before the audit

One month before the audit, the harbour supervisor should:

- Inform all staff of the upcoming audit and assign staff to assist the auditors.
- Review the previous audit and compile a status report on its findings.
- Supply all documentation requested by the auditor.

### During the audit

During the audit, the harbour supervisor should:

- Ensure that the auditor can access the entire harbour site.
- Meet with the auditor at the end of each day to discuss findings and to clarify issues.

*Notes:*

## Appendix 5-C — Sample Environmental Inspection Checklists

Sample Daily Environmental Inspection Checklist

Date: \_\_\_\_\_

Description of Area to Be Inspected	Status		*Comments
	DONE	PROBLEM	
<b>General Site Inspection</b>			
1. Walk the shoreline and site. <ul style="list-style-type: none"> <li>a) Look for evidence of oil slicks: oil coating on rocks, floating debris, turbulence, and so on.</li> <li>b) If something looks out of the ordinary, investigate it immediately.</li> <li>c) Note stray garbage: barrels, empty tanks, and so on. Note their locations. (Is there litter on the ground?)</li> <li>d) Consider visiting tourists. Is the site clean and acceptable, or dirty, with garbage on the ground?</li> </ul>			
<b>Waste-Oil Tanks</b>			
1. Is there evidence of leakage? 2. Is the area clean and orderly? 3. Is the soil around the tanks stained? (What type of surface is the waste-oil tank sitting on? Soil, sand, concrete?) 4. Are containers, rags, oil filters, buckets, and so on, left around or on the tanks? 5. Are there containers of products other than waste oil? (What type of products?) 6. Is waste oil migrating along the ground towards the water? 7. Has an effort been made to absorb small spills (i.e., with absorbent material)?			

...continued

\* Location of problem (boat name, dock number).

## Sample Daily Environmental Inspection Checklist (cont.)

Description of Area to Be Inspected	Status		*Comments
	DONE	PROBLEM	
<b>Boat Repair and Maintenance</b>			
<p>1. Inspect boat repair and maintenance activities. Remember that:</p> <ul style="list-style-type: none"> <li>a) Sandblasting is not permitted.</li> <li>b) Spray painting is not permitted.</li> <li>c) Tarps should be used to capture scrapings, debris, and drips.</li> <li>d) Storm drains near work areas should be covered.</li> <li>e) Containers of paints, solvents, and so on, should be sealed to avoid spills.</li> <li>f) Only small amounts of paints, solvents, and so on, should be used, so that spills, if they occur, are small.</li> <li>g) Waste paints and solvents should be properly disposed of.</li> </ul> <p>2. Is the marine railway being used? If so, for what purpose (sanding, painting, scraping)?</p>			
<b>Solid Waste Management</b>			
<p>1. Inspect the solid waste collection facilities.</p> <ul style="list-style-type: none"> <li>a) Are garbage containers covered?</li> <li>b) Are garbage containers emptied before becoming over-full?</li> <li>c) Is the area around the garbage containers free of debris?</li> <li>d) Do the recycling bins contain the appropriate material?</li> <li>e) Are plastics, metals, paper, and cardboard separated from other garbage?</li> <li>f) Is the shoreline free of debris?</li> </ul> <p>2. Inspect the fish plant (if on Harbour Authority property).</p> <ul style="list-style-type: none"> <li>a) Are strong odours evident near the fish plant? If so, where is the odour coming from (tubs)?</li> <li>b) Is the wind blowing the odour toward neighbouring houses and businesses?</li> <li>c) Are tubs of fish waste stored outside? Are the tubs covered or leaking?</li> <li>d) If the tubs are outside, how long have they been there?</li> </ul>			

\* Location of problem (boat name, dock number).

Description of Area to Be Inspected	Status		*Comments
	DONE	PROBLEM	
<b>Hazardous Materials and Wastes</b>			
1. For each hazardous waste container check that: <ol style="list-style-type: none"> <li>The container is emptied before it becomes full.</li> <li>The area around the container is clean and orderly.</li> <li>The container is covered.</li> </ol> 2. Walk the docks/floats and ensure that no materials or wastes (e.g., flammables, batteries, paints, solvents, antifreeze) are located near the water.			
<b>Wastewater Discharges</b>			
1. Ensure that users properly dispose of sanitary sewage. <ol style="list-style-type: none"> <li>Is there evidence that users are disposing of sanitary sewage in the harbour?</li> </ol>			
<b>Stormwater Discharges</b>			
1. Check the storm sewer outfall for evidence of contamination (e.g., oil slick, floating debris). 2. Has it rained in the past 24 hours? 3. Is the town's sanitary sewer overflowing into the harbour?			
<b>Other Issues</b>			
1. Is dust being produced from cars driving on the gravel road? 2. Is dust blowing towards the neighbouring houses and businesses? 3. Is garbage being stored behind businesses? Check behind local businesses along the main road. 4. Is garbage falling or leaking into the water? 5. What kind of garbage is being stored behind businesses? 6. Is excessive noise coming from the harbour area? If so, where is it coming from?			

\* Location of problem (boat name, dock number).

## Sample Monthly Environmental Inspection Checklist Date: \_\_\_\_\_

Description of Area to Be Inspected	Status		*Comments
	DONE	PROBLEM	
<b>General Site Inspection</b>			
1. Walk the property boundaries. <ul style="list-style-type: none"> <li>a) Check that the harbour site is clean and that no eyesores are presented to off-site neighbours.</li> <li>b) Ensure that all harbour property (used equipment, chemicals, etc.) remains on harbour property and is not placed on an adjacent property.</li> <li>c) Investigate foul odours, visible emissions (smoke), or noise that would be unpleasant to neighbours.</li> </ul>			
<b>Fueling by Trucks</b>			
1. Observe fueling operations. <ul style="list-style-type: none"> <li>a) How close is the fuel truck to the water?</li> <li>b) How close is the fuel truck to the edge of the dock? Is there room for people or vehicles to circulate easily?</li> <li>c) Is fishing gear (e.g., lobster traps) on the docks while fueling occurs?</li> <li>d) Are vessel owners supervising the fueling of their vessels?</li> <li>e) Is any fuel being spilled on the vessel or in the water? If so, is it being cleaned up? How is it being cleaned up?</li> </ul> 2. Has the fuel-truck operator checked in with the harbour supervisor? 3. Is the truck operator licensed and permitted to deliver fuel on harbour property? 4. Does an agreement exist between the fuel company and the harbour regarding liability for environmental damage? 5. Is the fuel-truck operator aware of spill and fire procedures? 6. Does the fuel-truck operator carry spill equipment (absorbent pads)?			

\* Location of problem (float number, boat name).

Description of Area to Be Inspected	Status		*Comments
	DONE	PROBLEM	
<b>Emergency Response and Fire Equipment</b>			
1. Verify that all spill response equipment is in good working order and that used material is immediately replenished. 2. Verify that all fire response equipment is replenished and in good working order.			
<b>Waste-Oil Storage and Disposal</b>			
1. Check that the following procedures are posted in the vicinity of the waste-oil tank(s): <ol style="list-style-type: none"> <li>a) Emergency response procedures in case of a leak or spill.</li> <li>b) Procedures for how and when to report a spill.</li> <li>c) Procedures for the proper disposal of waste oil.</li> <li>d) Information on where to find and how to use absorbent materials.</li> </ol>			
<b>Hazardous Materials and Wastes</b>			
1. At each hazardous waste container check that: <ol style="list-style-type: none"> <li>a) The container is clearly labelled to indicate the kind of waste it contains.</li> <li>b) The container is protected from vehicle traffic.</li> <li>c) The container is located on an impermeable surface.</li> <li>d) The container is not located near a sensitive receptor (e.g., watercourse, drinking-water well, storm sewer).</li> </ol>			
<b>Wastewater Discharges</b>			
1. Check that clearly visible signs direct users to follow best management practices (e.g., no disposal of oily bilge and sanitary sewage in the harbour).			
<b>Indoor Storage Areas</b>			
1. Tour indoor storage areas (harbour and tenant). <ol style="list-style-type: none"> <li>a) Check for flammable material and inappropriate storage of hazardous materials or wastes.</li> </ol>			

\* Location of problem (float number, boat name).

Sample Yearly Environmental Inspection Checklist      Date: \_\_\_\_\_

Description of Area to Be Inspected	Status		*Comments
	DONE	PROBLEM	
<b>Waste-Oil Storage and Disposal</b>			
1. Check that the waste-oil storage tanks are: <ul style="list-style-type: none"> <li>a) Easy for harbour users to find.</li> <li>b) Clearly labelled to indicate what can and cannot be disposed of in the tanks.</li> <li>c) Covered.</li> <li>d) Situated on an impermeable surface.</li> </ul> 2. Are containment facilities free of waste oil?           3. Are there signs indicating: <ul style="list-style-type: none"> <li>a) Procedures for cleaning up small spills.</li> <li>b) Procedures for reporting big spills.</li> <li>c) Location of spill response equipment.</li> </ul> 4. Consider the tank location. <ul style="list-style-type: none"> <li>a) Could the tank be damaged by vehicular traffic?</li> <li>b) Is the tank well away from watercourses or storm sewers?</li> <li>c) Is the tank near any potential fire hazard?</li> </ul>			
<b>Solid Waste Management</b>			
1. Are garbage containers easy for harbour users to find?           2. Are garbage containers located in heavy traffic areas?           3. Are recycling containers well marked and easy for users to find?           4. Are recycling containers available for glass, metal, paper, and other recyclable wastes?           5. Are recycling containers clearly labelled to indicate what they can and cannot accept for recycling?			
<b>Hazardous Materials and Wastes</b>			
1. Check that signs are posted to inform users about hazardous materials and wastes, and how those wastes must be disposed of at this property. Hazardous materials and wastes include: <ul style="list-style-type: none"> <li>a) Oils and fuels</li> <li>b) Paints, solvents, detergents, and antifreeze</li> <li>c) Strong acids and alkaline compounds</li> <li>d) Flammable materials</li> <li>e) Batteries</li> <li>f) Containers holding quantities of the above-mentioned materials</li> </ul>			

\* Location of problem (float number, boat name).



Description of Area to Be Inspected	Status		*Comments
	DONE	PROBLEM	
<b>Stormwater Discharges</b>			
<ol style="list-style-type: none"> <li>1. Stormwater includes all rainwater contacting the site during a storm event (e.g., run-off from roof drains, parking lot drains, property drainage, and open ditches).</li> <li>2. Using a layout plan of the storm sewers, quickly tour the sewer system and look for places where foreign substances could enter the storm system (e.g., oil storage, painting operations, cleaning operations).</li> </ol>			

\* Location of problem (float number, boat name).

*Notes:*

## 5.4 Environmental Management Tasks

Procedures should exist for various environmental management tasks at a Harbour Authority. This section describes the steps involved in:

- dealing with contractors and consultants,
- conducting construction projects,
- conducting dredging projects,
- managing waste,
- reporting pollutant spills,
- dealing with contaminated soil, and
- receiving, documenting, and responding to environmental communications.

Such procedures should be outlined in the Environmental Management Plan (EMP).

### 5.4.1 Dealing with contractors and consultants

Contractors and consultants working for the Harbour Authority must be aware of environmental issues, must be appropriately trained, and must possess the necessary licences and permits.

The harbour supervisor should:

- Prepare a verbal agreement or written agreement to be signed by all contractors working on Harbour Authority property.
- Confirm that contractors possess the necessary permits to conduct their work and that they are covered by their respective workers' compensation board.
- Confirm that the contractor has adequate liability insurance. Also, the contract must state that the Harbour Authority is not liable for incidents occurring during the life of the contract.
- Ensure that, if welding is required, the contractor is familiar with welding restrictions.
- Ensure that, if hazardous waste is to be disposed of, the contractor is a certified waste hauler.

### 5.4.2 Conducting construction projects

Construction projects must be conducted in an environmentally responsible manner by contractors and workers who possess all necessary permits.

When planning major repair and construction work, such as wharf repair and building new structures, the harbour supervisor should:

- Contact Small Craft Harbours (SCH) for advice concerning project scope, engineering, and public liability issues.

- , a project may be subject to the *Canadian Environmental Assessment Act (CEAA)*. Determine whether technical expertise in environmental management is required.
- Obtain the Department of Fisheries and Oceans (DFO) consent before commencing work. (Owing to the sensitive nature of the environment around the harbour area

### 5.4.3 Conducting dredging projects

Dredging projects require appropriate planning and must respect environmental regulations. During the planning phase of a dredging project, the harbour supervisor should:

- Discuss the project with SCH.
- Ensure that an Environmental Assessment (under the *CEAA*) is performed.
- Acquire a permit, when applicable, for ocean disposal of sediments. (Ocean disposal may be less expensive than land disposal.)
- Secure a provincial or municipal permit (where applicable) for a loading site and disposal site.

### 5.4.4 Managing waste

Environmental rules and regulations relating to the handling, storage, and disposal of hazardous and non-hazardous wastes must be respected.

The harbour supervisor is responsible for identifying all hazardous materials and wastes on Harbour Authority property. The supervisor should also:

- Ensure that hazardous waste and materials storage complies with applicable rules and regulations (i.e., for waste oil, combustible materials, compressed gas cylinders, etc.).
- Maintain a binder with all required Material Safety Data Sheets (MSDSs) for hazardous materials.
- Ensure that appropriate signs identify hazardous wastes and materials.
- Ensure that new products are screened and, if necessary, that MSDSs are obtained for them.
- Check that best management practices for solid waste management are being followed and that solid waste is being handled in accordance with legal and regulatory requirements.

### 5.4.5 Reporting pollutant spills

Legal requirements apply to reporting spills of hazardous materials in the water or on land.

Harbour directors and staff must ensure that:

- All accidental releases of a contaminant under the control of the Harbour Authority are reported as required by law and applicable regulations.

- A spill-reporting procedure is in place as required by provincial and federal regulations.
- The Board is immediately informed of reportable incidents.
- The reporting procedure is field-tested at least once annually to ensure that spills are addressed quickly and that the Harbour Authority's liability is minimized.

#### 5.4.6 Dealing with contaminated soil

Contaminated soil must be characterized, removed, and disposed of, as applicable rules and regulations require. Qualified consultants and contractors should be hired for this work.

Dealing with contaminated soil requires that the harbour supervisor:

- Discuss the project with SCH.
- Contact the provincial ministry of the environment.
- Sample or monitor soil and ground water to determine the extent of the contamination.
- Select a remedial technique (*in situ*, or soil removal).
- Clean up soil and ground water.

#### 5.4.7 Receiving, documenting, and responding to environmental communications

Procedures must be established regarding how to receive, document, and respond to relevant communication from government regulatory bodies and external interested parties.

In cases where a telephone call, letter, or verbal request is received regarding an environmental issue, the harbour supervisor should:

- Promptly return telephone calls and document telephone conversations.
- Promptly respond to letters and faxes.
- Immediately contact the Board of Directors if a call involves a non-compliance or potential non-compliance incident. (The Board is responsible for contacting legal counsel.)
- *Never* provide Harbour Authority environmental documents (e.g., inspections, audits) to any external party without the advice of an environmental legal counsel.
- Thoroughly investigate a matter before offering opinions or answering questions.

When giving a site tour to an external party or a government regulatory official, the harbour supervisor should:

- Describe the Harbour Authority's Environmental Management Plan.
- Provide a copy of the EMP policy to the official.
- Discuss potential environmental issues and how the Harbour Authority is addressing them.

*Notes:*

## 5.5 Environmental Record-Keeping

Proper identification, maintenance, and disposal of environmental records ensure that all harbour employees and directors have access to environmental documents. All environmental information that is distributed to directors and employees should be tracked. Records should be kept for a period of at least five years before they are discarded. Such record-keeping activities should be outlined in the Environmental Management Plan (EMP).

### 5.5.1 Roles and responsibilities

#### Harbour supervisor

Within two months of the EMP start-up date, the harbour supervisor should:

- Issue a memo to harbour employees and directors, listing the locations of all environmental documentation.
- Establish a filing system for environmental documents. For more details, see the *EMS Reference Manual* for harbours.
- Maintain copies of the EMP and the *EMS Reference Manual* in the harbour supervisor's office and at the front desk for staff reference.
- Use the document control form when distributing environmental documents to directors and employees.
- Provide each director and staff member with an updated, numbered copy of the EMP.

See Appendix 5-D at the end of this section for a sample document control form.

#### Harbour employees (If applicable)

Employees of the Harbour Authority should:

- Complete the document control form whenever they receive, take, or return environmental documents.
- Read and understand the environmental documents that they receive, especially procedures and best management practices (BMPs), which are enforceable.

### 5.5.2 Current information

The legal requirements and environmental codes of practice to which the Harbour Authority subscribes should be available to staff at all times.

Annually, the harbour supervisor must ensure that all documents that help to determine regulatory compliance are updated. The currency of documents can be checked by contacting federal, provincial, and municipal agencies by telephone or by visiting available Web sites. The *EMS Reference Manual* contains telephone numbers, addresses, and other agency contact information.

### Document revision, review, and approval

Environmental documentation must be periodically reviewed and revised, and the revisions approved so that new or revised procedures, including emergency response procedures and legal agreements between the Harbour Authority and contractors or harbour users, are identified, documented, and communicated. Obsolete documents should be removed, or if they are retained for specific reasons, they must be suitably identified.

Every two years, or following an accident or emergency, the harbour supervisor must revise the EMP or the *EMS Reference Manual* based on notes, comments, and records kept since the last revision (e.g., inspection forms; minutes of meetings; comments from employees, users, or directors; audit results).

Within one month of revising the EMP, the harbour supervisor should:

- Send the EMP and legal documents to the Board for approval.
- Collect and discard old versions of the documents and replace them with the revised versions.
- Ensure that each page of each document indicates the date, filename, and version number.





*Notes:*

## 5.6 Best Management Practices

Best management practices (BMPs) refer to techniques and practices for reducing and preventing pollution, and should be outlined in the Environmental Management Plan (EMP). BMPs help to ensure that the Harbour Authority complies with environmental regulations, minimizes environmental costs and liabilities, and maintains good relations with the public.

BMPs are designed for the harbour supervisor, for employees, and for contractors. They ensure that all activities that may impact the environment are carried out in an environmentally responsible manner that respects environmental policy.

This section describes the roles of the harbour supervisor and employees in communicating BMPs, and summarizes BMPs that a Harbour Authority should apply with respect to:

- oil and fuel management,
- fueling,
- engines and bilges,
- sewage and greywater,
- vessel surface preparation, painting, varnishing, and fibreglassing,
- solid and liquid waste disposal,
- chemical storage, and
- harbour cleanliness.

An example of a handout that summarizes BMPs can be found in Appendix 5-E at the end of this section.

Unless special equipment is required, the capital cost of instituting most of the mentioned BMPs in this section is under \$1,000. The annual maintenance cost for most BMPs is estimated at less than \$500. These costs are justified when compared to the time, effort, and cost involved in cleaning up the contamination caused by poor environmental practices. The cost of remedying problems can easily range from \$15,000 to \$500,000, depending on the volume of contaminated material to be disposed of.

BMPs can be customized to suit local harbour conditions.

### 5.6.1 Communicating BMPs

The harbour supervisor is responsible for ensuring that BMPs are communicated to harbour employees and users. To this end, the harbour supervisor should:

- Distribute handouts and test harbour users' knowledge of BMPs by engaging in personal conversations.
- Train employees to enforce BMPs among harbour users.
- Accept suggestions for new BMPs from users and employees.

Harbour Authority employees should:

- Become familiar with BMPs.
- Educate harbour users as much as possible about the use and importance of BMPs.

When confronted with behaviour that does not reflect best management practices, the harbour supervisor should consider using the approaches described under *Infractions* in Section 5.1.2.

A summary of BMPs appears below.

### 5.6.2 Oil and fuel management

- Disposing of oil in harbour waters is illegal.
- Waste oil must be disposed of in the waste-oil tanks on the harbour site. Do not leave containers around the waste-oil tank or on the screen.
- Do not dispose of any liquid waste other than oil in the waste-oil tanks.
- Use the separate containers provided on the harbour site for the collection of waste gasoline, diesel fuel, antifreeze, kerosene, and mineral spirits.
- Drain oil filters into the waste-oil tanks, then dispose of the drained filters in the oil-filter bins.
- Small spills that occur during the transfer of wastes to on-site waste collection tanks should be immediately absorbed using absorbent pads, cloths, or pillows.

### 5.6.3 Fueling

- Follow the operational guidelines for fuel delivery published by the Department of Fisheries and Oceans, Small Craft Harbours (DFO-SCH).
- Do not allow fuel-dispensing vehicles to enter the harbour facilities without prior written authorization from the Harbour Authority.
- Oil-absorbent material should be kept on site. Although clean-up is the responsibility of the vessel owner, the equipment may permit rapid intervention that will minimize the adverse impact on the environment. The Harbour Authority may subsequently charge the cost of cleaning up the spill to the offender.
- Fuel drums that are nearly empty may contain vapours that are highly explosive. They should be handled with great care.
- Harbour users are not permitted to fuel their own boats. All fueling must be carried out by a licensed fuel-delivery company. The vessel captain should oversee the fueling process for a vessel, including ventilation of the bilge and all safety checks. Vessel owners should know approximately how many gallons of fuel are needed to refuel their vessels. (All other methods of fueling must be approved by SCH.)
- Fueling truck operators should be aware of harbour emergency procedures and of the location of fire and spill equipment.

- Do not conduct fueling operations near fishing gear or near fish or shellfish cargo that are destined for human consumption.

#### 5.6.4 Engines and bilges

- Bilge water with an oily sheen must not be pumped into the harbour or the offshore waters.
- Use absorbent pads (small bilge booms or absorbent pads that are checked every six months) to soak up oil and fuel in the bilge compartment.
- Wring out oil-absorbent pads into the proper on-site container and re-use the pad.
- Dispose of used absorbent materials in the proper containers on site, or wrap the materials in newspaper and dispose of them in regular garbage bins.
- Use catch pans and absorbent pads to catch oil that drips during oil changes or while conducting engine work.
- If a large quantity of oil or fuel has been spilled into the bilge, pump the contaminated bilge water into a holding tank.

#### 5.6.5 Sewage and greywater

- Do not discharge untreated sewage into the harbour. Vessels without holding tanks can discharge untreated sewage in offshore waters.
- Minimize the discharge of boat greywater (from sinks and showers) into the harbour.
- Use the harbour washrooms, showers, and sinks; they are clean and well lit.
- Use environmentally safe cleaning products, such as lemon juice, vinegar, baking soda, and so on to reduce the environmental impact of discharged greywater.
- Avoid cleaners containing phosphate, sodium hydroxide, butoxyethanol, and butylcellulose; discharges containing these compounds are toxic to marine life.

#### 5.6.6 Vessel surface preparation, painting, varnishing, and fibreglassing

- Sandblasting and spray painting a vessel is prohibited on the lease property.
- Always work over a tarp, drop cloth, or drip pan to catch scrapings and drips. Mix paints and epoxy or other hazardous materials over a re-usable tarp or plastic sheet.
- Dispose of waste collected on tarps in the garbage bins.
- Use of the tidal grid should be limited to mechanical tasks such as repairs and hull inspections, not scraping, sanding, washing, and painting.
- When working over water, stretch the tarp between the side of the boat and the water. Reverse the boat in the slip to work on the second side.
- Cover storm drains located near work areas to prevent waste from being carried into harbour waters.

- Plug scuppers and self-bailing drains to prevent the escape of pollutants.
- Use biodegradable cleaning agents.
- Use only small quantities of solvents and paints to avoid a big spill of these materials.
- Ensure that containers are tightly sealed when not in use.
- Re-use thinners and solvents: let particles settle, drain the clear liquid. Let the sludge dry, and dispose of it in the garbage.

### 5.6.7 Solid and liquid waste disposal

- Hazardous wastes that require special disposal include:
  - oils and fuels, paints, varnish, solvents, detergents, antifreeze, fibreglass resin, strong acid and alkaline compounds, flammable materials, and boat or flashlight batteries.
  - any container that has residue of the above-mentioned wastes.
- Do not dispose of hazardous wastes in harbour waters or in regular garbage bins. Specially labelled containers exist for each of these hazardous wastes.
- Do not throw garbage, trash, fish waste, or any other debris into harbour waters.
- Use garbage cans located throughout the harbour facility for typical domestic wastes.
- Use recycling bins according to the labels on them (e.g., cardboard, glass, metal).
- Allow empty paint cans to dry completely before disposing of them in the garbage bins or recycling them.
- Do not dispose of cigar or cigarette butts in harbour waters.
- Fish nets, engine blocks, hatch covers, and similar wastes must be disposed of off site. The harbour cannot accept these wastes.

### 5.6.8 Chemical storage

- Do not store flammable products and hazardous wastes in lockers. Meet the recommendations resulting from inspections by the fire marshall.
- Keep lockers tidy to allow adequate walking space. Keep chemicals on shelves or in fireproof cabinets.
- Do not store batteries, fuels, and other flammable or hazardous materials on docks or finger floats. They may fall into the water, or leak, or both.
- Every six months, clean out paints, solvents, flammables, cleaners, and so on from lockers and properly dispose of old and unwanted products.

### 5.6.9 Harbour cleanliness

- Schedule routine yard maintenance to minimize pollutants entering the water or storm sewers.
- To avoid overflows, always empty trash containers before they are full.
- Pick up litter from the docks and ground or from the water, and properly dispose of it.

*Notes:*



## Appendix 5-E — Best Management Practices (Sample Handout)

1. All self-employed boat workers and independent contractors must register with, and receive approval from, the harbour supervisor before beginning any work on harbour property. All contractors must comply with the environmental rules.
2. Work on vessels beyond routine maintenance is prohibited. Owners may undertake projects as required to maintain their vessels' safety, appearance, and utility. New or substantial exterior work encompassing more than 25 per cent of the hull's surface must be reviewed by the harbour supervisor.
3. Harbour management encourages all vessel owners to adhere to the environmental best management practices listed below.

### Engines and bilges

- Do not discharge bilge water if it has an oily sheen. Discharging oil, diesel, and gas is against the law and incurs a fine. Use absorbent pads to soak up oil and fuel in bilge compartments.

### Sewage

- Untreated sewage must not be discharged in the harbour. If your boat does not have a holding tank, please use the public washrooms provided by the Harbour Authority.

### Surface preparation

- Use tarps to capture scrapings, debris, and drips. Stretch the tarp between the side of the boat and dock when working over water. Reverse the boat in the slip to work on the second side.
- Sandblasting is prohibited.
- Use biodegradable cleaning agents if possible.

### Painting, varnishing, fibreglassing

- Spray painting is prohibited.
- Limit the amount of open solvents or paints on docks to one gallon. If a spill occurs, it won't be a big one.
- Mix paints or epoxy or other hazardous materials over a tarp to prevent toxic compounds from entering the water.
- Always use a drip pan and drop cloth.

## Waste disposal

- No garbage, trash, or other debris may be thrown, placed, or discharged into the water, or left on the ground, wharves, and floats. All waste materials must be placed into the appropriate, marked containers on site.
- Use the recycling bins for all recyclable materials.
- Allow empty paint cans to dry thoroughly before disposing of them in the proper bins. Use up small quantities of paint by spreading it on an old board.

*Use special containers for the following hazardous wastes:*

- Flammable liquids and their containers
- Batteries
- Antifreeze, or corrosive materials
- Oil and fuel, oil filters (must be drained first)

*Dispose of the following hazardous wastes off site:*

- Household or other off-site waste
- Fish nets, engine blocks, hatch covers

## Chemical storage

- Review the storage of paints and solvents every six months and properly dispose of old and unneeded products.
- Do not store batteries or fuels and other flammable materials on docks, finger floats, or in lockers.
- Purchase only the quantity of chemicals or paints needed for a project.