



HARBOUR  
AUTHORITIES  
*our harbour,  
our community*

# SMALL CRAFT HARBOURS

Harbour Authority  
Manual /  
Governance  
2011





# GOVERNANCE

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# Incorporation of Not-for-Profit Organizations

Incorporating a not-for-profit organization is one of the first steps toward managing and operating a public commercial 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.

Harbour Authorities can be incorporated federally or provincially. Most existing Harbour Authorities are federally incorporated. Federal incorporation of not-for-profit organizations falls under the *Canada Not-for-profit Corporations Act*. This Act provides federal not-for-profit corporations, such as Harbour Authorities, with a set of rules that are modern, flexible and better suited to the needs of a not-for-profit sector.

**For complete information on operating a Federal Not-for-profit Corporation please refer to Industry Canada’s website:**

[http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/h\\_cs04953.html](http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/h_cs04953.html)





# Roles and Responsibilities

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

## 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 Harbour Authority. In most cases, the Board would not be responsible for carrying out “day-to-day” operations; this would be the responsibility of officers and employees of the Harbour Authority. These distinctions often blur in small volunteer organizations. Quite often these responsibilities are managed by a working Board, where directors may be directly involved in day-to-day activities.



**Board members** might act at any given time, in three roles:

- As **decision makers**, directors may participate actively by making suggestions and voting on them.
- As **advisors**, directors may provide information and expert advice to others.
- As **implementers**, directors carry out activities specified by the Board.

### Generally speaking, the Board of Directors:

- Determines and reviews the strategic objectives;
- Determines the policies of the Harbour Authority;
- Develops and implements business and financial plans for the Harbour Authority;
- Establishes and maintains the organization of the Board, including clearly described authorities and responsibilities;
- Ensures that the Harbour Authority is carrying out its objectives, as stated in its articles of incorporation;
- Monitors the organization’s financial health and takes corrective action where necessary;
- Selects a Harbour Manager, develops a job description, evaluates performance, decides on compensation and approves development plans for the Harbour Manager;
- Maintains a well-informed, participatory membership; and
- Maintains effective relations with other Harbour Authorities, with the community and Governments.

The primary responsibility of the Board of Directors is to protect the business interests of the Harbour Authority or organization, which include the operation, maintenance, and management of a public Commercial Fishing Harbour(s), and the provision of associated services.



The Board may establish policies that describe how it will govern. 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, fuelling, maintenance and repair, garbage, waste oil, property damage, personal injury, berthage, and a code of conduct for Directors.

**The Board of Directors has the following significant roles:**

- To set user fees;
- To set the rules and regulations that govern the use of leased property and behaviour on the property;
- To employ the people necessary to manage the leased area and contracting out projects as necessary;
- To set a budget and control its costs;
- To expel members for cause;
- To borrow funds; and
- To set membership fees or dues as directed in the by-laws.



**Every Board should have a manual which should contain all of the Harbour Authorities' formal documents, including:**

- ✓ Copy of the By-laws
- ✓ Copy of the Lease
- ✓ Most recent Annual Report
- ✓ Current budget and financial report
- ✓ List of Board responsibilities
- ✓ List of the committees and their terms of reference
- ✓ List of Board members, including addresses and telephone numbers
- ✓ Information about meetings, including when and where they are held and their duration
- ✓ Minutes of the recent meetings
- ✓ Board calendar
- ✓ Long and short-term goals
- ✓ Outline of contractual relationships (e.g. lease, employment contract, etc.)
- ✓ Job descriptions for employees (if applicable)



## BOARD MEETINGS

The Board meets as often as necessary or in accordance with what is stipulated in their by-laws to discuss issues and resolve problems. The Board may delegate certain responsibilities, such as signing cheques, to staff or specified officers so that routine matters are handled in a timely fashion between meetings.

To be efficient and productive, the meetings should be well-organized, and the rules of conduct, process and protocol properly communicated and adhered to.

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. There are documents at the end of this section that describe this process (Annexes 2 and 3). You will also find a glossary of terms that could be used during Board meetings (Annex 1).

To fulfill their obligations, Directors must attend meetings. The Board may wish to establish a compulsory attendance policy: for example, Board members are required to attend at least two thirds of all meetings. Meetings should be held when there is enough relevant business to discuss.

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

### An agenda could cover 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
- date of the next meeting.

A sample meeting agenda as well as a tip and tools guide for conducting effective meetings can be found at the end of this section (Annex 3).



## BOARD DIRECTORS

Each Board Director is elected or appointed at an Annual General Meeting of the Harbour Authority (according to the by-laws). Directors are responsible for the management of the Harbour Authority and therefore have certain duties and obligations to the organization, its members and employees, and the various levels of government.

Each Board Director should meet two basic requirements:

1. The individual must be committed to the Harbour Authority, must support what the Harbour Authority is trying to achieve, and must want to help;
2. The individual must have the time and energy to accomplish the work required of a Director (including regular attendance at the meetings) 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 interest that may arise from their duties and must be cautious when conducting business with their own Harbour Authority. Directors must exercise a minimum standard of care in the performance of their duties as Directors.



### **Some functions performed by Board Directors may include:**

- Providing particular expertise to the Board and Harbour Manager;
- Making suggestions and participating actively in decision making;
- Bringing relevant issues to the attention of the Board; and
- Providing input into the strategic management of the harbour(s) through the Board.

When a new Director is elected, they should receive a New Harbour Authority Director's Package. A checklist for what should be included in this package can be found at the end of this section. (Annex 4)



**For more information on the Roles and Responsibilities of the Harbour Authority Directors please consult the Industry Canada website at:**

**<http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs05004.html>**

## OFFICERS OF THE CORPORATION

An Officer is an individual who is appointed by a Director(s) of a corporation to manage the day-to-day business of a corporation, such as President, Vice president, Secretary and Treasurer. The position of Officer is distinct from that of Director, although in a small corporation one individual may often occupy both positions.

## PRESIDENT

The President is elected at an annual meeting of the Board of Directors.

### Some functions performed by the President may 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 of Directors' meetings' agendas 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.

### Some functions performed by the Vice-President may 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 Committees, 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 may include:

- serving on the Executive Committee or other various committees;
- 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, such as:
  - 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, also appointed by the Board of Directors, holds 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 may include:**

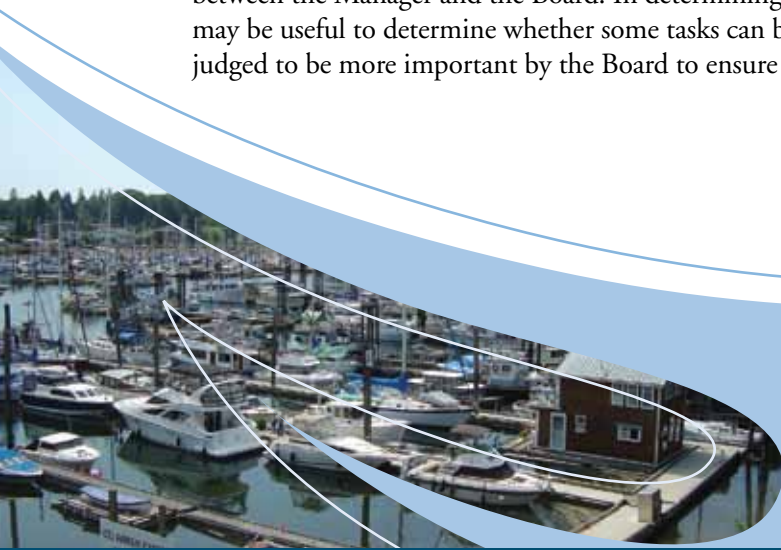
- serving on the Executive Committee;
- regularly reporting the financial state of the Harbour Authority to the Board;
- maintaining files of financial reports;
- chairing the Finance Committee;
- acting as a signing officer, with another officer or with the senior staff member, for cheques and other 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).

### HARBOUR MANAGER

The Harbour Manager is responsible for the day-to-day operation of the harbour. The Manager should report directly to the Board and works with the Board to reach the goals of the Harbour Authority. The Harbour Manager 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 Manager 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 Manager at a larger harbour.

The work to be performed by the Harbour Manager should be clearly defined before the position is staffed. Clearly defined responsibilities will help prevent misunderstandings and oversights and will ensure cooperation between the Manager and the Board. In determining the work to be performed by the Harbour Manager, it may be useful to determine whether some tasks can be contracted out, freeing the Manager 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 Manager may 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.



*Attached at the end of this section is a Monthly Harbour Authority Checklist which will help your Harbour Manager or Board of Directors with the prioritization of tasks that should be performed by the Harbour Authority (Annex 6).*

*It is important to ensure that all Harbour Managers receive a copy of the guidebook entitled “Harbour Manager Pocket Guidebook” (Available through your SCH regional Office or on the SCH Website).*

**COMMITTEES**

Committees carry out specific tasks and are composed of individuals chosen by the Board of Directors. Committees must regularly report to the Board and could be chaired by a Board member. In many cases, 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
- 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, and introduce a new service).

### GOVERNANCE COMMITTEE

The Governance Committee keeps your board rolling “behind the scenes”; it’s the conscience of the board. This committee examines how the board is functioning, how the board members communicate, and whether the board is fulfilling its responsibilities and living up to the objectives and aspirations set for itself and the organization.

Their responsibilities can be grouped into two general categories:

#### **Find, keep and/or replace board members:**

- Develop board member job descriptions;
- Determine what skills and attributes are required among board members;
- Identify potential board members from beyond the organization’s network; and
- Nurture potential leaders within the board.

#### **Educate board members:**

- Orient new board members;
- Suggest training and development options for the board; and
- Annually lead the board in a performance assessment and draft recommendations for improvement.

### 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;
- Study issues; and,
- 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.



## 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 financial gain from their membership in the corporation. The by-laws also confirm when 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).

## PLANNING – ROLE OF THE BOARD

Typically Boards are so busy realizing and reacting to problems, they do not have time to plan. However, one of the most important roles of a Board is to ensure the continuous operations of the organization.

One way for a Board to get out of “crisis-mode” and to ensure future sustainability is to have a plan in place. The Board needs to ask itself: What do we need to do today in order to leave the organization in a stronger position for the future? This involves determining a mission, vision, values and long-term direction for the organization. Creating a “blueprint” helps paint a clear picture of where the organization is going and how it will get there.

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

### Advantage to Planning:

- **Direction** Planning allows the organization to know where it is headed. It provides focus which can increase the organization's efficiency and effectiveness. When everyone has a mutual understanding of the organization goals they can work collectively towards these goals.
- **Sustainability** – Effective planning involves understanding what and when resources are required in order to access resources in a timely manner.
- **Decision Making** – By creating both long-term and short-term goals, the Board can make proactive decisions based on pre-determined goals. Without goals, decisions are made on a day-to-day basis without consideration for long-term consequences.
- **Succession Planning** – Planning ensures the organization has continuity despite turnover in Board and staff. As well, it allows the Board to recruit staff and Board members with the skills necessary to carry out the plan. (See the Human Resources section for more information on Succession Planning).
- **Evaluation** A plan enables the Board to evaluate the organization's performance (staff, programs, Board) against pre-determined goals.
- **Community Relations** Planning helps to position and profile the organization with the community.

To assist you with planning we have attached a “Planning Guide for Boards” at the end of this section. (Annex 5)

## ANNEXES

### ANNEX 1 – ROLES AND RESPONSIBILITIES

#### Glossary of terms used during a meeting of the Board

<b>Abstain</b>	Refrain from voting. Some organizations have rules governing the conditions under which a member may abstain from voting (e.g., conflict of interest).
<b>Accept</b>	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.
<b>Adjourn</b>	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.
<b>Ad hoc committee</b>	A temporary committee or task force established to address a specific issue.
<b>Advisory council</b>	A group created to advise and support an organization, also called advisory group, advisory committee, or advisory Board; usually focuses on a specific issue.
<b>Agenda</b>	The list of items proposed to be discussed at a meeting.
<b>Amendment</b>	<p>A proposed revision of the main motion. Motions may be amended by adding, deleting, or changing words in the main motion.</p> <p><b>Example:</b>  <b>Member:</b> “Mr. /Madam Chair, I move that the motion be amended by deleting the words ‘before February’.”</p> <p>Amendments may not change the primary intent of the main motion.</p> <p>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).</p>
<b>Appeal</b>	<p>A member who disagrees with a ruling of the Chair may appeal by stating, “Mr. /Madam Chair, I appeal from the ruling of the Chair.” This statement requests that the Chair ask for the opinion of the members on the ruling.</p> <p>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.</p>
<b>Board member</b>	A person sharing the responsibility and liability for the organization with the rest of the members of the Board.



<b>Bylaws</b>	The legal operating guidelines for a Board.
<b>Carried</b>	A majority of the individuals voting favour the motion, and the motion is accepted by the organization.
<b>Code of conduct</b>	The high ethical standards expected of every Board member.
<b>Conflict of interest</b>	A situation in which the personal or professional concerns of a Board member or a staff member affect his or her ability to put the welfare of the organization before personal benefit.
<b>Debate</b>	Discussion that takes place on a motion before the motion is voted on.
<b>Defeated</b>	A majority of the individuals voting oppose the motion.
<b>Due diligence</b>	An expectation that a Board member exercises reasonable care and follows the business judgment rule when making decisions.
<b>Majority</b>	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.
<b>Motion</b>	A proposal put forward for debate. A motion is made using the expression “I move that...” or “I move to...”
<b>Notice of motion</b>	Advance notification that a motion will be presented at a certain date in the future.
<b>Point of order</b>	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.  <b>Example:</b> <b>Member:</b> “Mr. /Madam Chair, I rise to a point of order.” <b>Chair:</b> “Please state your point of order.” <b>Member:</b> “The proposed motion is out of order because it is contrary to by-law number 21.” <b>Chair:</b> “Your point of order is correct. I declare the motion out of order.”
<b>Precedence</b>	The order in which motions are dealt with.

<b>Privilege</b>	<p>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:</p> <ul style="list-style-type: none"><li>the health and safety of members of the organization;</li><li>the integrity of a member, the meeting, or the organization, and the respect due to them; and the safety and protection of property.</li></ul> <p>The Chair must rule immediately on questions of privilege.</p> <p><b>Example:</b> <b>Member:</b> “Mr. /Madam Chair, I rise to a point of privilege.” <b>Chair:</b> “Please state your question of privilege.” <b>Member:</b> “Mr. /Madam Chair, I ask that guests be asked to leave the room until discussion of this confidential matter has been completed.” <b>Chair:</b> “Your question of privilege has been granted. All guests shall leave the room until confidential business is completed.”</p>
<b>Question</b>	<p>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.</p>
<b>Quorum</b>	<p>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.</p>
<b>Ratify</b>	<p>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.</p>
<b>Table</b>	<p>Delay discussion of a motion. A motion may be tabled for a fixed period of time or indefinitely.</p>
<b>Withdraw</b>	<p>A motion on the floor may be withdrawn by the mover, with the permission of the person seconding. If a motion is withdrawn, it is not dealt with further.</p>

## ANNEX 2 – ROLES AND RESPONSIBILITIES

### Tips and Tools for Conducting Effective 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.

**ANNEX 3 – ROLES AND RESPONSIBILITIES**

**Conducting Board Meetings – Sample Agenda**

SUNSET BAY HARBOUR AUTHORITY

**Board of Directors Meeting**

(\*\*Insert date, time (from and to), location, and name of municipality\*\*)

AGENDA	Time	Speaker	Discussion/Decision
<p><b>Call to order</b></p>			
<p><b>Request for additional agenda items</b></p>			
<p>Routine business:</p> <ol style="list-style-type: none"> <li>1. Approval of the agenda.</li> <li>2. Approval of the minutes of the previous meeting.</li> <li>3. Correspondence received.</li> <li>4. Information reports from directors and committees.</li> <li>5. Financial update/report.</li> </ol>			
<p><b>Business arising from the previous meeting or unfinished business:</b></p>			
<ol style="list-style-type: none"> <li>1. Item under discussion and not resolved at the end of the last meeting.</li> <li>2. Any matter that must be dealt with as a result of what occurred at the last meeting.</li> </ol>			
<p><b>New business:</b></p>			
<ol style="list-style-type: none"> <li>1. Most important or urgent item.</li> <li>2. Second most important item.</li> <li>3. Third most important item.</li> <li>4. Other business.</li> </ol>			
<p><b>Date of next meeting</b></p>			
<p><b>Adjournment (End of meeting)</b></p>			

## ANNEX 4 – ROLES AND RESPONSIBILITIES

### New Harbour Authority Director's Package Checklist

Each Harbour Authority should customize this package to include copies of any relevant information about the operation of their Harbour Authority. Among the items to include, are:

- ✓ A list of **Harbour Authority Board and any other Harbour Authority committees**, including their membership and terms of reference.
- ✓ Contact information for all current **Harbour Authority Board members**, including their terms of office and responsibilities.
- ✓ A list of the **Harbour Authority Board executive**, including their positions and responsibilities.
- ✓ **Copies of minutes** from recent Board meetings.
- ✓ **Annual calendar of Board meetings**, committee meetings, and other functions Board members should attend, as well as the date, place, and time of any upcoming meeting that have been set.
- ✓ An Harbour Authority **organizational chart** and staff information.
- ✓ A copy of **Harbour Authority Manager job description** and a copy of the contract (if applicable).
- ✓ A **brief written overview of the Harbour Authority** and its history, including the mission and vision statements (if available).
- ✓ A **copy of the incorporation documents**, corporate by-laws and Harbour Authority lease.
- ✓ Copy of existing **Board policies** (e.g. code of conduct, insurance coverage, expense reimbursement, investment policy).
- ✓ Copies of current **annual budget** and latest **financial statement**.
- ✓ Copies of prior year's **annual report** and **audit report**.
- ✓ The current or most recent **business plan, strategic plan and/or annual operating plan** for the Harbour Authority (if available).
- ✓ A list of **information on partners and association memberships**.
- ✓ Copies of any **Harbour Authority promotional material** and web site information.
- ✓ Other available **not-for-profit Board governance information**.

## ANNEX 5 – ROLES AND RESPONSIBILITIES

### PLANNING GUIDE FOR BOARDS

#### **Mission**

Planning must be based on an organization's fundamental purpose – its mission. A mission describes why the organization exists and provides a boundary for decision. Effective planning ensures the Board and staff adhere to an organization's primary purpose and attracts donors, volunteers and community involvement.

Mission statements are not meant to sit as a plaque on the wall. They should breathe life into everyday decisions and guide Board activity and long-term planning. One of the primary purposes of a Board is to review the mission statement on a regular basis.

#### **Mission Statement – Is it time to Review?**

*Answer the following questions*

1. We are people who \_\_\_\_\_
2. No one can do \_\_\_\_\_ as well as we do.
3. We want to be seen as \_\_\_\_\_

*Now pull out your mission statement. Does it reflect the statements above? If not, it is probably time you revisit what you are doing.*

#### **Mission Statements Should:**

- Define why you exist and whom you will serve.
- Provide a clear picture of what you will achieve.
- Be brief and to the point.
- Be inspirational.
- Describe what makes your organization important and special.
- State the inherent values of your organization, as seen by your Board staff and volunteers.

## VISION

A vision statement is a clear, compelling image of a desired future. A good vision serves to inspire and provides a path in which to follow.

### **A Vision Should Answer the Following Questions:**

1. What does the organization want, what are its aspirations?
2. How does the organization wish to be known to its staff, Board, community and clients?
3. How will the organization enhance the quality of those it serves?

### **Vision Exercise**

1. Brainstorm a list of all the things that are going well for your organization (programs, services, clients, volunteers, staff, finances, etc.).
2. Brainstorm a list of things that the Board and staff have done in the last five years to ensure such a successful operation.
3. Write down a few sentences to describe your collective vision for the future of your organization, and the things you will have to do as an organization in order to reach this ideal.

### TAKING STOCK – INTERNAL AND EXTERNAL SCAN

The next step is for the Board and staff to take stock of the organization's current internal and external reality. This process highlights the critical issues the organization faces and what the plan must address.

#### **Internal Scan**

1. **Strengths** - e.g. good reputation in community, committed staff and volunteers:
2. **Weaknesses** - e.g. lack of financial resources:
3. **Opportunities** - e.g. changing regulations, changing needs in the client population:
4. **Threats** - e.g. changing harbour users and focus:

#### **External Scan**

1. **Political** – e.g. changing government regulations that define how the organization operates:
2. **Economic** – e.g. available funding sources/options, changing government budgets:
3. **Opportunities** – e.g. changing regulations, changing needs in the client population:
4. **Threats** – e.g. changing harbour users and focus:



## PLANNING

The difference between where you are (current status) and where you want to be (vision and goals) is what you do (target objectives and action plans).

### 1. Strategic Goals

What the organization must do to address its major issues and opportunities. These are broad statements that, if achieved, will move an organization towards its vision. Typically an organization should only establish between three to five strategic goals.

**Remember – less is more.....with limited resources, an organization is better off creating fewer strategic goals and objectives than too many. It is better to make a significant improvement in two or three areas than it is to have little or no effect in ten.....**

### 2. Objectives

Specific, measurable targets that will accomplish the strategic goals. These are short, concise statements that follow the following guidelines:

- Specific: specific accomplishments
- Measurable: must be measurable to know you've achieved them
- Aggressive but attainable
- Results-oriented: specify a result
- Time-bound: no more than a year

#### **Example of a SMART Objective –**

To reduce the number of overdue accounts by March 2014

#### **Example that is not SMART –**

To reduce staff turnover. (not specific, measurable or time-bound)

### 3. Action Steps

**Specific things individuals will do to achieve the objectives. Action steps describe what will be done, who will do it and when it will be done. Be sure to detail the first 90 days of an action plan to help you get started.**

**Ask your Board, is this realistic? Can we do this?**

**Ensure the plan is realistic before moving forward.**

**ANNEX 6 – ROLES AND RESPONSIBILITIES**

**Harbour Authority Annual Checklist**

*Add anything that you feel should be included in the blank spaces provided.*

**JANUARY / FEBRUARY**

Task	Date Completed
<p>Plan to hold an annual general meeting and election.</p> <p>Have fire extinguishers inspected and certified annually.</p> <p>Review your Environmental Management Plan.</p> <p>Complete your environmental harbour inspection checklist.</p> <p>Fiscal year end for Harbour Authorities is March 31<sup>st</sup>. Start making preparations to close books for this fiscal year.</p>	
<p><b>MARCH</b></p>	
Task	Date Completed
<p>Ensure user agreements (licenses) are issued and signed prior to any operational activity (including but not limited to the used of hoist and haul out equipment, fuel dispensing systems, fuel delivery trucks, gear or bait shed and berthage) to protect your Harbour Authority from liability. Standard licenses are available through your SCH regional office.</p> <p>Submit the Annual Financial Report and Environmental Report as part of the Annual Report package to your SCH regional office.</p> <p>Complete fire checklist and inspection.</p>	

APRIL

Task

Date Completed

Underground fuel systems require an annual engineering inspection.  
Aboveground fuel systems require an engineering inspection every three (3) years.

Ensure user agreements (licences) are in place for fuel dispensing systems and/or fuel truck to vessel delivery activities.

Review your Harbour Authority fee structure.

Provide a copy of your Harbour Authority Contact and Governance Information to your SCH regional office.

MAY

Task

Date Completed

Have offloading systems inspected and certified annually.

Review your Harbour Authority Lease and Sublease requirement.

Discuss with your SCH regional office any upcoming renewals or new requirement that may arise to ensure appropriate legal documents are in place to protect your Harbour Authority from liability.

## ROLES AND RESPONSIBILITIES

### JUNE

Task

Date Completed

Complete the Annual Summary Form 3 and send to Industry Canada, along with \$30.00 filing fee to renew your incorporation before June 30<sup>th</sup>.

### JULY

Task

Date Completed

Periodically check and replenish first aid kits.

### AUGUST

Task

Date Completed

Ensure your financial statements have been sent to DFO.

Prepare a business plan for your harbour to help with your planning of projects and harbour activities.

**SEPTEMBER**

Task	Date Completed
------	----------------

Periodically check and replenish Environmental Spill Kits.

**OCTOBER**

Task	Date Completed
------	----------------

Major project proposals are to be submitted to SCH by November for consideration in upcoming fiscal year. Contact your SCH regional office for assistance.

**NOVEMBER**

Task	Date Completed
------	----------------

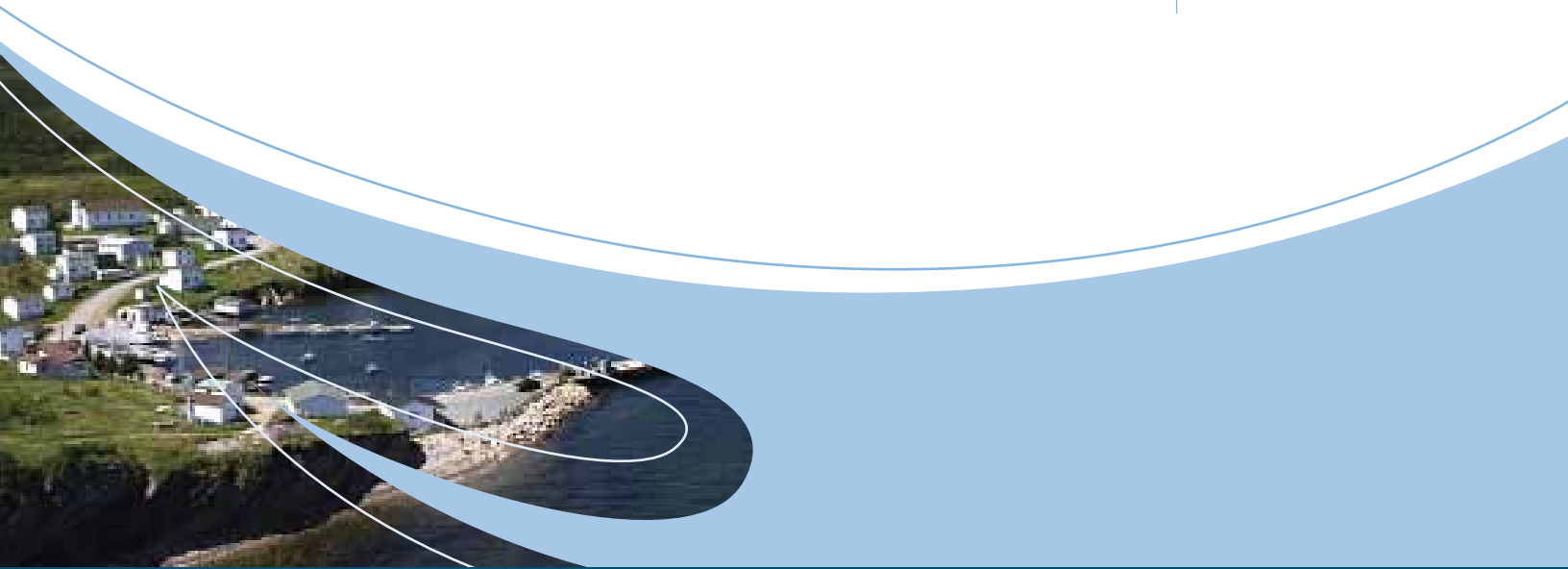
Sign up or renew Directors and Officers & Bodily Injury Insurance coverage before November 16<sup>th</sup> through your Harbour Authority Corporation (HAC).

**DECEMBER**

Task

Date Completed

File your T2 tax return to Canada Revenue Agency within 6 months of the end of your taxation year.



## Human Resources

The Board of Directors should decide how the work at their harbour will be performed, for example, can the work be done by volunteers or independent contractors, or should paid staff be hired to manage the work and day to day business.

The decision could depend on many factors, such as:

- The size of harbour.
- The number of vessels using the harbour.
- The length of season.
- The services offered at the harbour.
- The availability of potential staff. This could be an issue in more remote locations.

This section discusses activities related to **hired staff** and includes related information on:

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

### RECRUITMENT

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

This **checklist** could be used when drafting these personnel guidelines:

- ✓ Prepare a job description that specifies the employee's duties or work-related responsibilities and qualifications such as:
  - Experience;
  - Knowledge;
  - Abilities;
  - Skills;
  - Personal suitability;
  - Education; and
  - To whom the employee reports (i.e., the Board of Directors).
- ✓ Draft a sample contract.
- ✓ Develop statements that address:
  - Recruiting process (attracting qualified candidates by word-of-mouth or advertising);
  - Selection process (identifying the best-qualified applicants by screening and interviewing applicants, and checking references);
  - Pay and benefits. (see further down in this section for more information on this topic);
  - 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; and
  - Any 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. Provincial legislation regulates the following aspects of employment:

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

**The contact information for these Ministries can be found at the end of this section. (Annex 1)**

### 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 deal 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

The 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.



## PAY, BENEFITS AND HEALTH AND SAFETY

### 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.

### 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. (Please consult the 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 their 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 their 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/Health and Safety**

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.

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.

The Harbour Authority Board of Directors and Harbour Supervisors/Managers should familiarize themselves with the application of provisions of the *Occupational Health and Safety Act* and its Regulations.

**Here is the link to the Canadian Centre for Occupational Health and Safety: <http://www.ccohs.ca/>**

## **VOLUNTEERS**



### **Volunteer:**

- 1) a person who voluntarily takes part in an enterprise or offers to undertake a task
- 2) a person who works for an organization voluntarily and without pay

Volunteers are just as important as paid staff. They are special people who give their time and energy without receiving money in return. Volunteers remain active with organizations when they feel they are contributing positively to the community and when they are recognized for the effort they make within the organization.

### **Why do individuals volunteer?**

When we understand why individuals contribute their time, we can provide them with opportunities that are both productive for the organization and rewarding to the individual.

People volunteer to:

- Grow and develop
- Use their skills and experience
- Explore their own strengths
- Improve job opportunities
- Learn something new
- Meet people
- Help others – individuals and their community
- Fulfill their personal beliefs to make a difference
- Educate the public
- Influence society
- Change attitudes and beliefs
- Support the cause of an organization

### Position Descriptions for Volunteers

Whether the Harbour Authority has paid staff or relies solely on volunteers carefully written position descriptions send the message that an organization takes responsibility for both its personnel and its clients seriously, and screens all applicants thoroughly accepting only those applicants who meet the identified position requirements.

### Volunteer Recruitment

Effective recruitment messages should be realistic and clear. Volunteer recruitment is the process of matching a Harbour Authority's needs with a volunteer's interests and skills. In a time where volunteers can be hard to come by, identifying practical and successful recruitment strategies for getting the right people for the right positions is essential.

Recruitment of volunteers is usually done less formally than the recruitment of employees. For example, the Board of Directors might ask a local user of the Harbour Authority to help ensure that the wharf is kept clean during the fishing season. The more informal volunteer recruitment is the less comfortable recruiters are in applying formal steps. One of the ways to move from an informal to a formal recruitment process is to post notices or send home requests for volunteers accompanied by position descriptions and application forms.

Some important tips to use when recruiting volunteers could be:

- Ensure that your recruiting materials such as position descriptions clearly outline that the Harbour Authority takes its responsibilities for volunteers seriously and screens all applicants thoroughly.
- Do not leave people with the impression that everyone who applies will be accepted.
- Be very clear that your Harbour Authority is extremely careful about selecting volunteers.
- Make sure that any promotional materials or position descriptions that you may use are kept accurate and up-to-date.
- Ensure that the documents include all of the information available about the position in question.

Now that you know what you're looking for in a possible volunteer, you must determine where to find the candidates to fill the position description.



#### **There are a number of ways you can get the word out such as:**

- Referrals from former and current volunteers;
- Local universities/colleges/high schools (many students look for volunteer work to get more experience);
- Community newspaper ads;
- Websites;
- Industry, Trade & Professional Associations; or
- Chair people and members of service, social, community, professional groups, etc.

After considering the advantages and disadvantages of a variety of different recruitment options you will likely be able to find a strategy that meets the needs of your organization.

### **Volunteer Selection**

Selecting volunteers involves getting to know the applicant and determining the suitability of an individual for a given task. This often begins with conducting an interview, which can be either formal or informal, to talk to the potential volunteer about their:

- Background
- Talents
- Skills
- Interests
- Availabilities

Interviews, formal or informal, serve to express your Harbour Authority's expectations and help determine whether it is the "right fit."

### **Volunteer Orientation & Training**

A proper orientation can familiarize volunteers by providing information on the policies and procedures that influence work and involvement of the Harbour Authority. Not unlike paid staff, volunteers should have an adequate amount of training in order to perform tasks without putting themselves or others at risk. Training prepares volunteers to do the work required by the position and to meet the expectations of their volunteer assignments.

Orientation and training sessions give volunteers general information about the Harbour Authority and provide specific information about the volunteer position. Orientation and training help your volunteers feel confident and prepared. Taking the time to help volunteers know what is expected will decrease the chances of problems occurring in the future.

### **Supervision of Volunteers**

Volunteers should know who their supervisors are. Supervision increases the motivation of volunteers, helps ensure the organization's mandate is met and gives volunteers a sense of belonging within the organization.

Regular "check-ins" provides both the Board and the volunteer time to assess how the placement is going, as well as the opportunity to give feedback. It encourages volunteers to feel part of the organization and also illustrates that the work they do is worth being evaluated and that they are making meaningful contributions.

### **Assessment & Evaluation of Volunteers**

Volunteer involvement should be evaluated regularly, perhaps yearly, to ensure that involvement of volunteers is contributing to the organizations mandate.



#### **An evaluation of volunteer involvement could include:**

- Reviewing goals and objectives;
- Identifying results achieved; and
- Obtaining feedback from current volunteers and clients.

Evaluations can be a useful guide to assess if there is a good match between what is being done, who is doing it and how it could get done more efficiently. It is an opportunity for discussion.

Exit interviews can help you gain valuable information about a departing volunteer's experience with your organization. As soon as you become aware that a volunteer is leaving, try to schedule an informal interview to cover topics such as:

- the volunteer position they performed;
- the supervision they received;
- recognition;
- health and safety issues; and
- any areas of satisfaction and dissatisfaction.

Taking a little time with volunteers to discuss their experience provides the Harbour Authority and Board with valuable insight about the experience, the skills and abilities required to perform the position that the volunteer is vacating.

### **Volunteer Recognition and Motivation**

Ongoing recognition is essential to the volunteer management cycle and it happens in an informal way every time a “thank you” is said. It is important that the thank you fits the volunteer; you need to know your volunteers so that they can be thanked in a way that leaves them feeling truly recognized.

### **Records Management**

Records should be maintained on every volunteer involved with the Harbour Authority, using a confidential, secure system. Records should include application forms, records of interviews, assignment descriptions, letters of reference, performance appraisals and current contact information. Records are also useful in evaluating the impact of the volunteer program through the contribution and time donated by volunteers.

**With ongoing recognition, motivation and good record keeping you will retain your current volunteers and be ready to involve new volunteers as the volunteer cycle begins again.**

*Taken from - <http://volunteer.ca/en/resource/management/theory#3>*

There is no great secret to motivation... It's simply finding out what individuals like to do - and can do well - and then finding a position that allows them to do it. Every volunteer brings his/her motivation with them and it is the job of the managers of volunteers to identify, understand and where possible, nurture that personal motivation to shape recognition.



## SUCCESSION PLANNING

Succession planning is the process of identifying, assessing and developing people to ensure key roles within an organization can be filled during times of change. Succession planning ensures that there are qualified people in all staff and volunteer positions, not just today, but next year and five years from now.

### Why is Succession Planning Important?

The role of the Board is to ensure the organization achieves its mission, and succession planning is an important part of this work. Succession planning is important for both Board and staff positions.



### Human Resources shortages are on the rise for a number of reasons:

- Baby boomer retirements are on the rise.
- Birth rates have been falling in Canada since the 1990s.
- Migration from rural to urban communities is on the rise.
- The available labour pool is not as large as in years past (e.g. women entering the workforce, immigrants, and boomers).

Volunteerism is also affected. Volunteers have less time and higher expectations that their involvement will be meaningful. Boards engaged in succession planning will have to work harder to retain good staff and volunteers.

### Here are some good reasons to start succession planning now:

- |                                  |  |
|----------------------------------|--|
| <b>Competition:</b>              | Competition for employees and volunteers is going to increase over time. By having a plan in place, you are prepared to compete for the best people to take on key roles within your organization. |
| <b>Organizational Stability:</b> | Your organization will be prepared to meet its mission and continue to provide key programs and services during times of transition.   |
| <b>Accountability:</b>           | You are telling clients, employees, and volunteers that your organization is responsible and accountable.  |
| <b>Keeping Talent:</b>           | A succession plan can provide you with the opportunity to consider current employees and volunteers for development which may increase their motivation and commitment to your organization.       |
| <b>Retain Knowledge:</b>         | Succession planning includes documenting and managing your organization's important information – so that corporate knowledge doesn't leave when people do!  |

### **Succession Planning on Your Board**

Planning for the departure of Board members is a vital role for the Board. It ensures leadership continuity for your organization. Here are some guidelines to follow:

#### **1. Review your by-laws regarding Board service**

This first step will allow you to determine the length of time a Board member can remain on the Board. Typically, a Board member's term will be between one to three years, but often, these terms are renewable. Set term limits and stagger Board elections to encourage the development of new perspectives on your Board.

#### **2. Consider your current Board make-up**

Which of your Board members are up for retirement? When will your Board Chair and other executive members retire? To keep the dates straight, consider creating a document that reflects retirement dates for Board members to discuss.

#### **3. Engage your Governance Committee**

Put your Governance Committee to work – they play a valuable role in succession planning. Ideally the Governance Committee will identify current Board members who could take on “executive roles” (i.e. Chair, Vice-Chair, Treasurer or Secretary) in the future. To prepare Board members for these roles the committee can suggest development/training options to enhance Board members' leadership skills and establish mentoring relationships among Board members.

#### **4. Recruit with the future in mind**

When selecting new Board members, consider the candidate's potential to fill key positions in the future. Could this individual lead your Board in three years? What support would they need to prepare for an executive role?

#### **5. Develop a Board manual**

New Board members will get up to speed more quickly if they have ready access to previous Board meeting minutes, policies, and other organizational information. Retain this information as part of an overall record management practice.



### **Board Recruitment – Making the Connection**

Great Boards don't just happen. It takes time and energy to recruit volunteers with the right skills, passion and drive to join your Board. It is up to the Board to lead and guide this process.

#### **1. Banish the “warm body” approach**

It's easy to accept the first “warm body” that shows an interest in your Board. Instead, do your homework – take time to get to know the potential candidate and really consider how they could contribute to your Board's long-term goals.

#### **2. Think of Board recruitment as an “unofficial” marketing campaign**

Make your Board visible in the community. Are there opportunities for your Chair to speak at local events? Can you share your Board position opportunity in your member newsletter? By serving on your Board, people will gain a number of valuable benefits – it is up to you to sell your Board position for the opportunity that it is.

#### **3. Clearly define the commitment Board members are asked to make**

Design a written job description that outlines responsibilities and approximate time commitment of your Board members. Also consider how you will orient new Board members to their role in your Board.

#### **4. Determine what you are looking for in a new Board member**

If you could have any Board member in the world, who would it be? Who's the ideal person to work with your Board and move your organization into the future? It's valuable to consider a combination of skills, background and passion for the organization's mission. And remember – Board diversity is essential.

#### **5. Don't hide your organization's challenges**

It is important to give prospective Board members the entire picture – share both the organization's successes and challenges. Remember – they could bring a new “take” on a challenge that your organization is facing.

#### **6. Engage your membership**

Strengthen member commitment and involvement in your organization – ask them to serve on your Board! Your members are interested in your organization and respect the work that you do – have you considered involving them as Board members? Contact key members that could bring unique skills and diversity to your Board – they may even be honoured you asked.

#### **7. Search far and wide**

Target your immediate network and beyond. Consider the different sectors and communities that work with small craft harbours – fishing, tourism, First Nations communities, and local government bodies. Are these sectors represented on your Board? Even if you can't recruit Board members from these sectors immediately, you could invite members to brainstorm with your Board on other possible recruitment strategies.



## Checklist for Succession Planning

### On the Board

- ✓ **Create an ongoing recruitment strategy.**  
Recruitment is a year-round process. While led by a Governance Committee, it's the responsibility of all Board members. Successful Boards make recruitment a top priority and think well into the future.
- ✓ **Plan for succession within your Board.**  
Who will be your next chair? What opportunities are there to develop leadership skills within your Board (for example, mentoring or shadowing in key positions)? Think long term about who will fill key Board positions.
- ✓ **Develop your Board's capacity to lead.**  
Provide Board members with training and support to do their job well. Engage local business people or educational institutions to help with your training.
- ✓ **Share important Board documents and information.**  
Develop a Board manual that includes general information about your organization (bylaws and other important legal documents, mission, strategic and business plan and financial data) and about your Board (members, biographies, job descriptions, meeting minutes and schedules). Make it easy to bring new members up to speed.

You may find this website useful for additional information on mentoring and Board involvement:  
[www.mentoringcanada.ca](http://www.mentoringcanada.ca)

### In Your Organization

- ✓ **Create an accessible and systematic records management system.**  
Organize information so that no one person becomes keeper of your corporate knowledge. Work with volunteer committees to help you develop this system.
- ✓ **Develop an inventory of skill sets for key staff and volunteer positions.**  
What are the must have and great to have skills you need to run your organization? Identify current staff or volunteers who could step up to replace a vacancy, either on a temporary or long-term basis.

### In Your Community

- ✓ **Promote the Harbour Authority within your Community.**  
Share your story and the organization's work in the broader community. By raising your organization's profile, people will understand the important role you play and consider how they might get involved.
- ✓ **Engage the broad community in your organization.**  
Are you overlooking certain segments of the population as potential Board members and volunteers? Are you creatively engaging the skills that exist in your community in furthering your organization's mission? Involve a Board spectrum of people as volunteer trainers, committee members and advisors. These individuals are potential champions of your organization, and also potential future Board members.

## CONFLICT RESOLUTION

### What is Conflict?

Conflict is a state of disagreement, incompatibility or opposition between two or more people or groups of people. Conflict occurs at work, at home, and in communities. Our method of managing conflict often depends on our temperament, personal experience, or cultural background.



### Conflict can occur for the following reasons:

1. **Relationship/values conflict:** At the core, relationship conflict occurs because of the way people perceive and treat each other. This type of conflict is influenced by values, belief system and ethics.
2. **Information/structure conflict:** Different interpretation of the same information, contradictory information, organizational structures and role confusion are often sources of conflict, especially in not-for-profit organizations.
3. **Resource conflict:** Organizations have limited resources – financial, human and technological. Individual Board members are often stretched for time. All organizations must decide how best to use their resources and tough decision making can lead to conflict over resource allocation.

### When is conflict on the Board a good thing?

As governors of an organization, Boards of Directors are required to make tough decisions about their organization's policies, objectives and future. They must weigh the multiple interests of the community they serve to ensure their organization is performing to the highest standards. With this responsibility, conflict can be a healthy part of a good decision making process.

Yet many Boards avoid conflict at all costs. Sometimes, a challenging question of differing opinion is perceived as “against the team”. It is important for Boards to work towards a common goal, but Boards without conflict are Boards that aren't performing their governing duties or considering new ideas to move their organization forward.

### *Boards can develop a culture where debate and dialogue contribute positively to the organization by:*

1. Establishing decision-making practices that encourage open communication and active participation.
2. Developing an effective process for managing conflict so that it helps, rather than hinders, your organization's development.

### **Types of Conflict of Boards of Directors**

Some conflict is unique to not-for-profit organizations, like Harbour Authority Boards. The multiple interests that Boards must consider contribute in part to conflict, as does the model of shared leadership between volunteer Boards and the Harbour Manager/Management. Here are some common ways conflict occurs for Board of Directors, and suggested tips for managing conflict:

#### **Difference among Board members:**

- Vision for the organization.
- Personal expectations for the organization.
- Levels of participation in Board work.
- Understanding of their role as a Board member.
- Specific professional perspectives and area of expertise.

#### **Solutions:**

- Create a culture where diversity and healthy debate is encouraged.
- Clarify job descriptions, roles and responsibilities before Board members are selected.
- Regularly evaluate Board meetings and Board performance to understand expectations and opportunities for improvement.

#### **Division of responsibility and accountability between Harbour staff and the Board**

- Method of accountability for Harbour Manager/Management to the Board.
- Degree of autonomy Harbour staff have for decision-making and action.
- Level of financial oversight the Board undertakes.

#### **Solutions:**

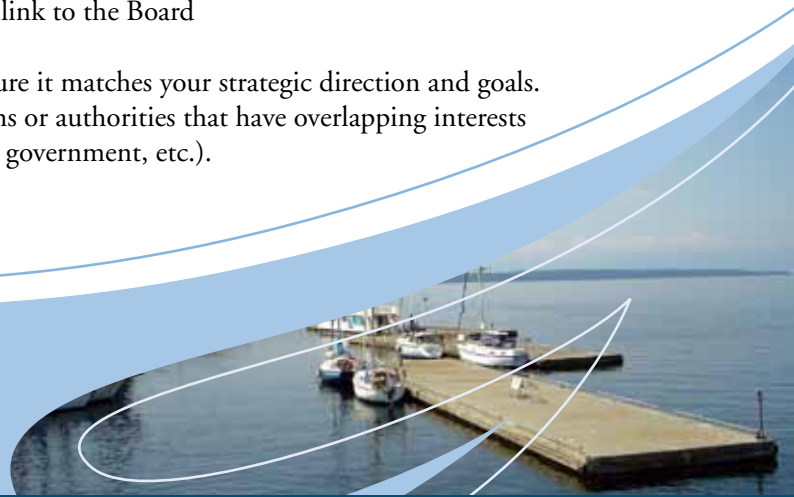
- Create clear expectations for Harbour Manager/Management through job description(s) and an agreed upon evaluation process.
- Understand and agree upon the difference between operation functions (staff) and governance functions (Board) in your organization.

#### **Areas of authority and responsibility between the Board and other volunteers**

- Subcommittee roles and authorities.
- Conflicting mission and needs among interdependent Boards or groups.

#### **Solutions:**

- Ensure committees have clear job descriptions and link to the Board (e.g. a chair who is also a Board member).
- Regularly evaluate the committee's mandate to ensure it matches your strategic direction and goals.
- Develop regular communications with organizations or authorities that have overlapping interests (e.g. other nearby Harbour Authority Boards, local government, etc.).



## CONFLICT OF INTEREST

### **What is conflict of interest?**

A conflict of interest is when a Board member has a personal interest that is in conflict with the interests of the organization. The Board member may be influenced by this personal interest when making a decision for the organization, or he/she or another person or organization affiliated with that Board member could stand to gain some sort of benefit or advantage.

Sometimes, the public perception of conflict of interest is as damaging as an actual conflict of interest. Directors need to be aware at all times that they are acting in the broad public good, and even perceived conflict can erode public trust in a Harbour Authority Board.

Working through conflict of interest is a part of all Board work, and Harbour Authority Boards are not exception. For example, boat owner/operators who are Board members have implied conflicts with some decision because of their use of Harbour facilities. Harbour Authority directors must consider how to put the good of the Harbour Authority above their own personal interests when making all Board decisions.

Other common areas of conflict of interest include financial conflict, affiliations with multiple organizations or conflicting roles and relationships.

### **How can you protect your Board from conflict of interest?**

#### ***Make disclosure a normal practice or habit***

Disclosing potential areas of conflict should be a typical practice of the Board. For example, it would be quite normal for a Board member to say “The next agenda item involves revamping our information management systems. Since my brother is one of the main computer retailers in this area and will be considered a vendor, I have a potential conflict of interest and I am going to excuse myself from the room for this discussion”.

Remember to record any disclosures or excusals from voting in your meeting minutes.

#### ***Get written bids for purchases***

Make sure to get one or more competitive written bids if your Board is making a major purchase. This will ensure that prices and products are comparable.

#### ***Create a conflict of interest policy***

Establish a clear statement that defines conflict of interest for your organization. Ask your Board members to sign the policy and renew annually.

Here is an example of a Conflict of Interest policy that could be used:

### *Sample Policy*

*The standard of behaviour at the \_\_\_\_\_ Harbour Authority is that all staff, volunteers, and Board members scrupulously avoid any conflict of interest between the interests of \_\_\_\_\_ Harbour Authority on one hand, and personal, professional, and business interests on the other. This includes avoiding actual conflicts of interest as well as perceptions of conflict of interest.*

*I understand that the purpose of this policy is: to protect the integrity of the \_\_\_\_\_ Harbour Authority decision-making process, to enable our constituencies to have confidence in our integrity, and to protect the integrity and reputation of volunteers, staff and Board members.*

*Upon or before election, hiring or appointment, I will make a full written disclosure of interests, relationships, and holdings that could potentially result in a conflict of interest. This written disclosure will be kept on file and I will update it as appropriate.*

*In the course of meetings or activities, I will disclose any interests in a transaction or decision where I (including my business or other not-for-profit affiliation), my family and/or my significant other, employer, or close associates will receive a benefit or gain. After disclosure, I understand that I will be asked to leave the room for the discussion and will not be permitted to vote on a question.*

*I understand that this policy is meant to be a supplement to good judgement, and I will respect its spirit as well as its wording.*

*Signed:*

*Date:*



### **What to do when Conflict Happens**

If conflict does happen on your Board, fight the urge to run and hide! It is important to resolve conflicts quickly and fairly, so they do not interfere with the work of your Board.

It should be noted that the steps below are not suitable for some types of conflict, including charges of harassment, discrimination or illegal activity.

For most types of conflict, design and conduct a conflict resolution process. The Board Chair plays a lead role in addressing conflict of the Board. If your Board Chair is not equipped to resolve the conflict or is part of the conflict, seek the help of a skilled and neutral third party.

Some examples include:

- A mediator;
- An organizational consultant with conflict management skills; or
- The organization's previous Board Chair, executive, or similar leader that has the respect and confidence of your Board.

These "conflict managers" are impartial and trustworthy, provide a safe environment to consider a broad range of solutions and make efforts to restore the balance of power between parties.

### **Steps in Designing and Conducting a Conflict Resolution Process**

#### ***Step 1: Identify the Conflict***

Learn to watch for signs of serious conflict. Watch for changes in communication, recurring tensions or other patterns.

#### ***Step 2: Decide Whether to Intervene***

Decide whether you should help with the conflict and consider possible consequences if you do – or do not – become involved.

#### ***Step 3: Identify Parties, Issues, and Emotions***

Collect as much information about the conflict as you can, gathering each person's perspective on the issue.

#### ***Step 4: Analyse the Conflict***

Take time to formally analyze the conflict based on the information you gathered.

#### ***Step 5: Design the Process***

Plan the way you will bring the parties together to address the conflict.

#### ***Step 6: Educate Parties and Get Agreement to Participate***

Explain everything that will happen in the conflict resolution process and ask each person to agree to participate.

#### ***Step 7: Conduct the Process***

Hold one or more meetings to help the parties to find a creative solution to their differences.

#### ***Step 8: Celebrate and Check In***

Celebrate the end of the conflict. Set up a system to ensure that the agreement is followed and the parties remain satisfied.

**Some questions to ask about a conflict situation:**

If you are involved in a conflict or called upon to mediate, here are some questions to ask to help understand the situation:

1. Can this process be handled informally, or is another resolution process required?
2. Who are all the people involved in this conflict, including directly or indirectly (individual Board members, staff, funders, etc.)
3. Are there power relationships that will inhibit a fair resolution of this conflict?
4. Are there cultural or gender differences that need to be considered?
5. What are the positions and perspectives of each party?
6. What are the assumptions people are making?
7. What are the shared interests?
8. Is the conflict based on resources, personalities or systems?
9. Are there limitations to potential resolutions available?

*Taken from: Angelica Marion Peters, "Resolving Conflict in Nonprofit Organizations: The Leaders Guide to Finding Constructive Solutions". Saint Paul, MN: Amherst Wilder Foundation, 1999.*

## ANNEX

### ANNEX 1 – HUMAN RESOURCES

#### Provincial Labour Ministries

##### British Columbia

Victoria: 250-387-6121  
Vancouver: 604-660-2421  
Elsewhere in B.C.: 1-800 663-7867  
Outside B.C.: 604-660-2421  
E-mail address: EnquiryBC@gov.bc.ca  
Website:  
[www.labour.gov.bc.ca/esb](http://www.labour.gov.bc.ca/esb)

##### Alberta

Department of Labour  
Telephone Number: 780-427-3731  
Toll Free Phone: 1-877-427-3731  
Website:  
[www.employment.alberta.ca/SFW/1224.html](http://www.employment.alberta.ca/SFW/1224.html)

##### Saskatchewan

Department of Labour  
Telephone Number: 306-787-3662  
Website:  
[www.labour.gov.sk.ca/about](http://www.labour.gov.sk.ca/about)

##### Manitoba

Department of Labour  
Telephone Number: 204-945-3744  
Toll Free: 1-866-626-4862  
Website:  
<http://www.gov.mb.ca/labour>

##### Ontario

Ministry of Labour  
Telephone Number: 416-326-7160  
Toll Free Number: 1-800-531-5551  
Website:  
<http://www.labour.gov.on.ca/english/>

##### Quebec

Commission des normes du travail/Work Standards  
Commission  
Telephone Number: 418-644-0817  
Website:  
[www.travail.gouv.qc.ca](http://www.travail.gouv.qc.ca)

##### New Brunswick

Department of Advanced Education and Learning  
Telephone Number: 506-453-2725  
Toll Free Number: 1-888-452-2687  
Website:  
[www.gnb.ca/0308/index-e.asp](http://www.gnb.ca/0308/index-e.asp)

##### Prince Edward Island

Department of Community Affairs and Attorney  
General Labour and Industrial Relations Division  
Telephone Number: 902-368-4000  
Toll Free Number: 1-800-463-4PEI.  
Website:  
[www.gov.pe.ca/commcul/index.php3](http://www.gov.pe.ca/commcul/index.php3)

##### Nova Scotia

Department of Labour  
Telephone Number: 902-424-5301  
Website:  
[www.gov.ns.ca/enla/404.asp](http://www.gov.ns.ca/enla/404.asp)

##### Newfoundland

Department of Environment and Labour Relations  
Telephone Number: 709-729-2480  
Website:  
[www.hrle.gov.nl.ca/hrle](http://www.hrle.gov.nl.ca/hrle)



## Leases, Subleases and Licences

Leases, subleases, and licences are contractual agreements, between two or more parties, that are enforceable under the law. These types of agreements 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 legal contract between a Harbour Authority (Lessee) and DFO (Lessor) whereby DFO gives the right to use its land and facilities (commercial fishing harbour) to the Harbour Authority for the purpose of maintaining, operating and managing the harbour(s) as a public commercial fishing harbour under the *Fishing and Recreational Harbours Act*. The only formal relationship between Harbour Authorities and SCH is contractual via their lease agreements.

With prior written consent from DFO, the Harbour Authority may sublease any portion of the Leased Area or Leased Equipment. The lease arrangement also entitles a Harbour Authority to issue licences that allow third parties to use the Leased Area or Leased Equipment to carry out particular businesses. Revenues associated with subleases and licences are collected by and retained by the Harbour Authority.

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



#### **Some responsibilities of the Harbour Authority as stipulated in the lease include:**

- Cover all operation costs – utilities, services, maintenance (including access road) and taxes;
- Ensure public access;
- Not to permit anyone to damage or cause harm to the Leased Area;
- Ensure that no person shall loiter;
- Make maintenance and repairs on Leased Area and equipment;
- Have required insurance coverage – Improvement works and maintenance repairs;
- Be liable for all risks;
- Keep Leased Area and equipment clean and tidy;
- Make best effort to avoid construction's liens or other liens in relation to labour, services or materials;
- Take all necessary precautions to prevent fire from occurring;
- Immediately inform DFO of any unsafe conditions; and
- Immediately notify DFO should they become a party to an action in court.

## SUBLEASES

With the written consent of DFO, 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 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 DFO or Harbour Authority insurances are required to contribute for a loss. The Harbour Authority should be named under the policy.

The terms and conditions of a standard sublease can be found in the sublease template available from your SCH regional office.

**Please contact your SCH regional office to obtain a copy of a template of a Sublease.**

## 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 licensees carry 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.

**Please contact your SCH regional office to obtain a copy of a template of a License.**

# Third Party Liability Insurance

DFO purchases Third Party Liability Insurance (TPLI) for all Harbour Authorities. The insurance provides protection to the Harbour Authority if a claim is made against it for accidental loss of life, bodily injury, and/or property damage suffered by third parties. The insurance policy is renewed annually in April. The SCH Program is responsible for the renewal and administration of this policy.

When the Harbour Authority, their officers, employees and/or volunteers become aware of an incident you should immediately report the incident to your regional SCH contact. A copy of the **Harbour Accident Report** form is attached at the end of this section. (Annex 1)

*For more information on Third Party Liability Insurance please consult the brochure (including a questions and answers pamphlet) that has been included as a separate pull out to this Manual.*

**THIRD PARTY LIABILITY INSURANCE FOR HARBOUR AUTHORITIES**

**Who is insured?**

- The insured claims from a third party.

**What is insured?**

- The insurance policy will cover losses if a claim is made against the HA for accidental loss of life, bodily injury, and/or property damage suffered by third parties that result directly from negligent acts of the HA, such as:
  - A person slips and falls over a piece of wood and injures himself. The insurer will investigate the claim and, if successful, pay for the pain and suffering and any legal defence should it become necessary.
  - A collision between two boats in a marsh of wrong directions causes the HA or their employees. The insurer will investigate the claim and, if it is determined that the HA or their employees was at fault, the insurer would pay for the repairs of the boats and any other damages that they are legally required to pay.

**What is not insured?**

- Any loss or damage to property owned, leased or occupied by the HA, if a fire burns down a building that is owned by the HA, the insurance policy will not respond. However, the insurance company will investigate claims against the HA as a result of the fire causing damage to someone else's property or causing injuries to a Third Party.
- Injuries sustained by members of the Board of Directors, members, employees and volunteers. The Harbour Authority Corporation is fully insured through body working on behalf of all HA's separately offers to its members Directors and Officers' insurance as well as Accidental Death and Dismemberment and Bodily Injury insurance.
- Contractors on harbour property causing damage to others. Contractors must carry their own liability and property insurance.
- Vehicles owned by the HA and used on HA business. Vehicles must be insured under a separate liability insurance policy.

**WHAT TO DO IN CASE OF AN INCIDENT?**

When the HA, their officers, employees and/or volunteers become aware of an incident, the following steps should be taken:

- Contact law enforcement or emergency services, if required.
- Provide assistance and first aid.
- Record key information, including:
  - Date and time
  - Name and contact information of the persons involved or injured
  - Location where incident occurred
  - Weather conditions at time of incident
  - Witness names and contact information
  - Photographs, if possible
- Arrange for emergency repairs to minimize any damage.
- Immediately report the incident to your regional SCH contact.

**Small Craft Harbours Regional Offices**

**Pacific**

102 University Ave.,  
V1B 3S2  
Vancouver, BC V6C 2B4  
Fax: 604-686-7052  
Tel: 604-686-4870

**Maritimes & Gulf**

102 University Ave.,  
P.O. Box 3032  
Halifax, NS B1C 2B6  
Fax: 902-420-2423  
Tel: 1-800-853-6741

**Central & Arctic**

102 University Avenue  
Winnipeg, MB R2S 2M6  
Fax: 204-983-7766  
Tel: 204-984-1080

**Newfoundland & Labrador**

P.O. Box 3047  
St. John's, NL A1C 2B1  
Fax: 709-553-4992  
Tel: 1-877-553-4488

**Quebec**

102 University St., Room 6  
Quebec, QC G1R 1Y1  
Fax: 418-643-4470  
Tel: 418-644-7028

Note: For additional information on TPLI, please refer to the "Questions & Answers" booklet.

*You may also wish to consult the insurance tab located in the toolbox for Harbour Authorities on the Small Craft Harbours website.*

<http://www.dfo-mpo.gc.ca/sch-ppb/toolbox-boiteaoutils/index-eng.htm>

## ANNEX 1 – THIRD PARTY LIABILITY INSURANCE

### HARBOUR ACCIDENT REPORT FORM – THIRD PARTY LIABILITY INSURANCE

#### HARBOUR ACCIDENT REPORT

THIS REPORT IS REQUIRED FOR EVERY ACCIDENT CAUSING PROPERTY DAMAGE OR BODILY INJURY ARISING FROM OR INVOLVING HARBOUR OPERATIONS INCLUDING OPERATION OF HARBOUR EQUIPMENT OR VEHICLES OR MAINTENANCE OF HARBOUR FACILITIES.

THIS REPORT IS USED TO CONVEY INFORMATION REGARDING ACCIDENT TO OUR INSURERS AND THEIR SOLICITORS. IT IS A CONFIDENTIAL AND PRIVILEGED REPORT FOR THEIR PURPOSES IN DEFENDING ANY CLAIM OR LITIGATION WHICH MAY ARISE.

1. Name of Harbour Authority: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

2. Date of Accident: \_\_\_\_\_

3. Time of Accident: \_\_\_\_\_

4. Weather Conditions: \_\_\_\_\_

5. Description of Accident (attach sketch): \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Name and address of Owner of any property damages: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. Description of property damage: \_\_\_\_\_

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8. Amounts of any estimates of property damage received: \_\_\_\_\_

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9. Names and address of injured persons: \_\_\_\_\_

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10. Description of bodily injuries: \_\_\_\_\_

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11. Names of any harbour personnel involved: \_\_\_\_\_

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12. Names and addresses of any witnesses: \_\_\_\_\_

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13. Take photographs if possible and attach.

14. (If serious accident) telephoned notification of accident to:

Name: \_\_\_\_\_

On (date): \_\_\_\_\_

At (time): \_\_\_\_\_

Name of person making this report: \_\_\_\_\_

Date of report: \_\_\_\_\_

**To: National Harbour Authority Program Coordinator**

Small Craft Harbours  
Station 14-N173  
200 Kent Street  
Ottawa (ON)  
K1A 0E6

Tel.: (613) 993-5303

Fax: (613) 952-6788

**To: Current broker or your SCH regional office**

# Records Management

**Record Keeping Tip – Create an Organizational Policies Manual including all of your organization’s current policies such as policies on Human Resources, Privacy, Records Management, Governance and Investment.**

## KEEPING TRACK FOR THE FUTURE

What would you do if key board members or staff suddenly left your organization? Will important information leave with them?

Good succession planning includes maintaining corporate knowledge in the event of departures from your organization. Records management is also an important part of risk management.

Good records management systems are accessible and systematic. Here is a starting list of documents to keep, and practices to implement, to ensure smooth transitions of corporate knowledge.

### **Develop a records management retention policy and schedule:**

- What information needs to be readily accessible in your organization?
- What can be archived?
- What authority and legal obligations govern your organization and what are the retention requirements?
- What is the best way to organize this information?

Develop guidelines for what information you need to keep, where you keep it, and for how long. For example, ensuring a daily harbour log is kept by harbour managers is an important requirement and will provide a good snapshot of activities for new staff. There may be regulations that determine the length of time you keep log information.

Also, consider having a committee and designate a records manager and work with staff to create a records retention policy and schedule, and an accessible records management system.

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. The following records management topics may be considered for your organization:

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

Consider having a committee and designate a records manager and work with staff to create a records retention policy and schedule, and an accessible records management system.



## LEGAL REQUIREMENTS

The corporation is to keep the following records in the custody of the secretary or another officer specially charged with that duty (sections 109 and 112 of the *Canada Corporations Act*):

- a copy of the Letters Patent, any Supplementary Letters Patent and all by-laws of the corporation;
- the names of all persons who are or have been members;
- the address and occupation of each such person while he/she is a member, as far as can be ascertained;
- the names, addresses and occupations of all persons who are or have been directors, and the dates upon which each became or ceased to be a director; and
- minutes of all members' and directors' meetings.

The corporation is also required to keep adequate accounting records at its head office (section 117 of the *Canada Corporations Act*) together with financial statements from the current and previous years. It is also required that the Board's secretary keep a record of the minutes of meetings.

**Please consult the Industry Canada website for further information.**  
(<http://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs02167.html>)



### 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

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 could 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 journal. 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.

## 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, Canada Revenue Agency and the Department of Fisheries and Oceans for audit purposes.

Some corporate records, such as financial statements, journals and ledgers, and personnel records must be kept permanently. Canada Revenue Agency 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

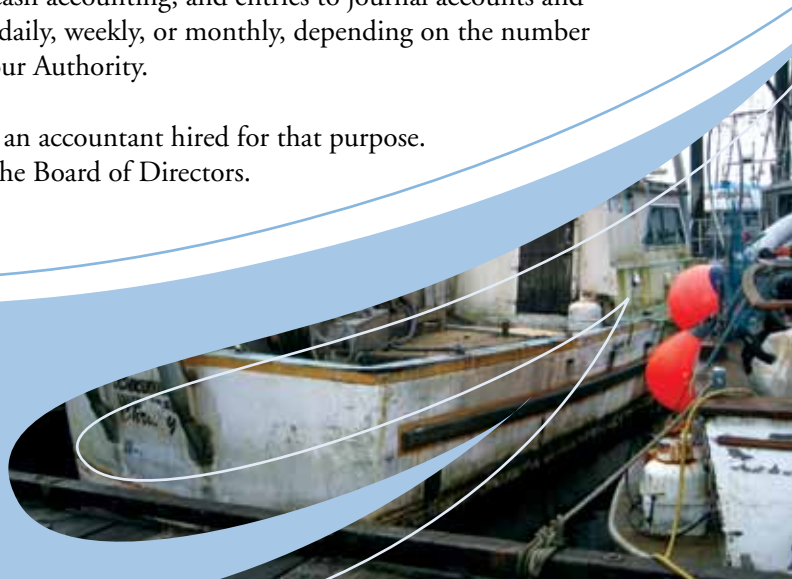
Bookkeeping is the basis on which financial records are built. Bookkeeping fills two important needs:

- 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.

Bookkeeping can be conducted daily, weekly, or monthly, depending on the number of transactions involved in the management of the Harbour Authority.



## 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 that could be 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 could be 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 could include:

- salary,
- utilities,
- maintenance,
- berthage fees,
- parking fees,
- licences,
- garbage,
- used oil,
- insurance, etc.

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.

## THE ANNUAL SUMMARY

Once incorporated, a not-for-profit corporation must file an Annual Summary, along with the \$30 filing fee, with Corporations Canada. It must be filed between March 31st and June 1st of each year, containing information regarding the corporation as of March 31st in the same year. A blank Annual Summary form can be obtained from Corporations Canada's website. Failure to file for two consecutive years can result in the dissolution of the corporation.

Failure to submit the \$30 filing fee will result in a notation being placed on Corporations Canada's website indicating that the Annual Summary for the particular year was filed without the fee. Corporations Canada will also forward a Notice of Default to you stating that until you pay the filing fee, the corporation has not fulfilled its obligation. Failure to file and/or to pay the filing fee for two consecutive years can result in the dissolution of the corporation.

## 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.

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.

Please refer to the Finance section for an example of an Annual Report.

## 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 could be 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.

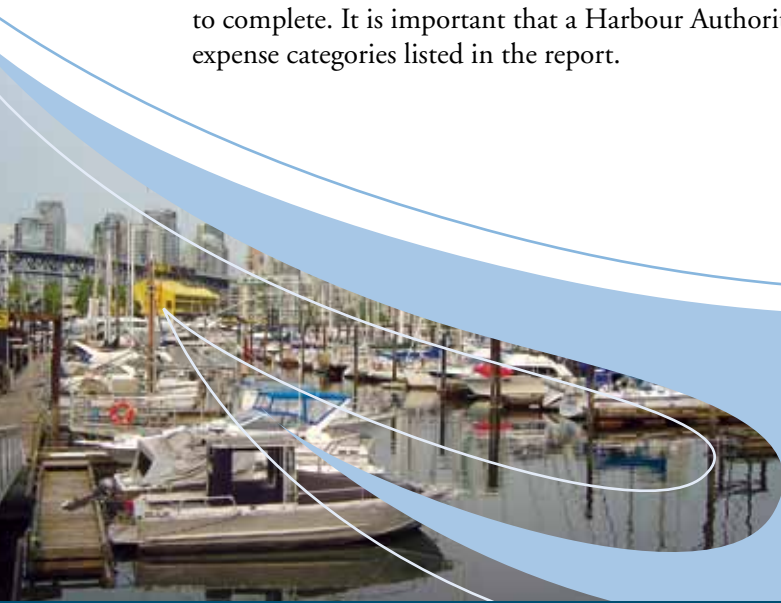
To complete the audit, the auditor examines the balance sheet and other financial statements of the Harbour Authority and renders an opinion as to whether the financial statements represent a fair picture of the financial position of the Harbour Authority.

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 (DFO) 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.

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.



## 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. Minutes should be distributed to Board members before the next meeting.

### **Recording Minutes**

The minutes do not have to be 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. Examples of the information that could be recorded in the minutes can be found in Annex 1 at the end of this section.

The secretary could be responsible for taking minutes at executive and Board meetings.

### **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.

## ANNEX 1 – RECORDS MANAGEMENT

### 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 location:** 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.