

PORT CHARLOTTETOWN

MARINE GATEWAY TO
PRINCE EDWARD ISLAND, CANADA



2022 Annual Report



2022 Annual Report of the President

On behalf of the Board of Directors, I am pleased to report on the status of Charlottetown Harbour Authority Inc. (Port Charlottetown or the Corporation) as of March 31, 2022, and its operations for the year then ended.

The Corporation continued to maintain a strong and liquid financial position throughout the 2021-2022 fiscal year despite the impact of the Covid-19 pandemic. Net Assets decreased by \$606,548 to \$28,177,651 at March 31, 2022. Net Assets are comprised of \$7,632,800 of internally restricted assets, \$6,021,709 of unrestricted net assets and \$ 14,533,142 of tangible capital assets.

The Corporation's investment portfolio, including both current and long-term investments under the professional management of Jarislowsky Fraser, had a total market value of \$13,546,231 at year-end. The long-term debt decreased by \$507,600 to \$9,054,510.

Port Charlottetown's net operating revenues were \$1,091,937 during the 2021-2022 fiscal year. General expenses totaled \$1,356,264; a decrease of \$4,823 over the previous year. Earnings from port operations for the 2021-2022 fiscal year, before including amortization (a non-cash charge), was negative \$264,327; a decrease of \$26,787 over the previous year.

The Corporation remains committed to the continued development and ongoing commercial sustainability of Port Charlottetown and the surrounding waterfront area with support from and alliances with other key stakeholders, including the Federal Government through Atlantic Canada Opportunities Agency, Infrastructure Canada and Transport Canada, the Province of Prince Edward Island, and the City of Charlottetown. Port Charlottetown continues to work collaboratively with sister ports in PEI and continues to play an active leadership role with the Atlantic Canada Cruise Association (ACCA) and the Independent Marine Ports of Atlantic Canada (IMPAC).

It has been a year of uncertainty due to the onset and impacts of the COVID-19 pandemic. The Corporation's direct cruise revenue lines were negatively impacted to zero for the second year in a row by Transport Canada's ban on cruise. Further to this, community and associated businesses were hit far and wide. In the short term due to the pandemic, our thinking continued with survival mode versus strategic and visionary thinking. Although the pandemic has impacted our operations, the Corporation has managed to navigate these uncertain waters ahead with effective management and budgeting. The Port continued to operate throughout the pandemic as a key piece of critical infrastructure for Prince Edward Island receiving petroleum, aggregate and fertilizer imports. Transport Canada announced the cruise ship ban has been lifted effective November 1, 2021, as communities shift to living with COVID-19. The board, management and staff are currently working on plans for cruise resumption in the upcoming year bringing back the economic impact to the communities that was sorely missed over the last two years.

On behalf of the Board of Directors, I extend our sincere thanks and appreciation to the Corporation's Management Team of Mike Cochrane, Chief Executive Officer; Mary-Elyn Keenan, Customer Relations and Tenant Leasing; Sherry Nordoff, Finance & Administration Officer; for their dedication, skill, and efficiency in managing Port Charlottetown's business operations throughout the 2022 fiscal year. I would also like to extend an official congratulations to Joanne MacMillan as she leaves the organization to enjoy retirement with her family. I also extend my personal gratitude to the Corporation's Board of Directors, Executive Committee members Wayne Beaton and Ron Waite for their dedicated service and wise counsel throughout the 2022 fiscal year.

Respectfully submitted,

Reg Trainor
President (Fiscal 2022)
CHARLOTTETOWN HARBOUR AUTHORITY
INC.

July 2022



2022 Annual Report of the Chief Executive Officer

In the past year covering the period of April 1, 2021, to March 31, 2022, Port Charlottetown experienced significant change in its operations due to the COVID-19 pandemic. In March of 2020 Transport Canada put in place an interim order banning cruise ships with overnight accommodations of one hundred passengers or more from entering Canada until February 28th, 2022. This ban continued to have an impact on Port Charlottetown's largest revenue generator, cruise.

Over the past twelve months Port Charlottetown continued to work with Transport Canada, Cruise Lines International Association, Canada Border Services Agency, Public Health Agency of Canada, Provincial and Municipal governments and all Canadian cruise ports, working in a collaborative effort towards a safe resumption of the Canadian cruise industry. Port Charlottetown continued active engagement in the Association of Canadian Port Authorities cruise committee with a goal of a safe resumption of cruising in Canada. Through various working groups, the committee developed a consistent set of Port protocols for all cruise ports in Canada. This document provided an operational framework to initiate the safe resumption of cruise in Canada highlighting new processes and science backed measures put in place by cruise lines to mitigate COVID-19. As vaccination levels increased throughout Canada in 2021, the focus shifted towards a cruise restart. The cruise ban was officially lifted on November 1st, 2021, by Transport Canada Minister Omar Alghabra, four months ahead of its original ban, welcome news to the Canadian cruise industry allowing time for a 2022 season.

The 2019 economic impact of cruise in Canada represents a \$4.3 billion industry nationally, \$347 million in Atlantic Canada and \$42.2 million to Prince Edward Island. Although Port Charlottetown cruise revenues dropped to \$0 throughout 2020 and 2021, the impact reaches further than our Port boundaries and is felt province wide.

During this unprecedented time, we are fortunate to have strong collaboration with our strategic partners around the world that will rebuild confidence in cruise within Charlottetown and Atlantic Canada. Our first focus is on the health and well-being of our communities, cruise passengers, operators, staff and secondly, rebuilding a positive economic and socio-cultural impact on the

region.

On the petroleum side of operations, COVID-19 impacts were felt as communities were locked down and travel restrictions put into effect. In 2021-2022, Port Charlottetown volumes remained relatively consistent the previous year.

Aggregates and fertilizer imports had a total volume of 507,234 metric tonnes representing an 9.2% decrease over the previous year. Laker ships and barges brought in 487,099 metric tonnes of aggregate shipments, representing a 4.2% decrease over previous year. Fertilizer imports were 20,135 metric tonnes representing a decrease of 59.7% over the previous year.

On the capital investment side of the business, the Charlottetown Harbour Authority continued investment in its properties and equipment. The capital budget included investments on hopper equipment to enhance aggregate discharge operations, boardwalk replacement on all waterfront properties, a new roof and completion of an exterior patio at Founders Food Hall and Market.

As an organization, Port Charlottetown is working on plans for cruise resumption in the spring of 2022. Port Charlottetown may have lost two seasons of cruise however we maintained commercial operations throughout the pandemic as a critical piece of infrastructure for Prince Edward Island. A lot of work remains to get the Port back in operational mode for a cruise season and we could not be happier to bring the economic impact back to Prince Edward Island communities. We would like to extend our appreciation to the sacrifices and commitment our entire team has made over the last year. We also want to thank the Board of Directors and in particular our executive committee for their sage advice, guidance, leadership, and dedication to the Port during what has been undoubtedly one of the most challenging times in the Ports history.

We would also like to acknowledge our government partners at all levels, both elected officials as well as senior staff that we have worked with throughout the pandemic. They have opened their doors to hear our concerns and offer support. We are grateful for your support to date and recognition of how important Port Charlottetown is to the community from commercial operations, tourism community and waterfront development.

Respectfully submitted,

Mike Cochrane,

CEO, CHAI