

**ANNUAL GENERAL MEETING OF  
B.C. FERRY AUTHORITY**

**ANNUAL PUBLIC MEETING OF  
BRITISH COLUMBIA FERRY SERVICES INC.**

**WEDNESDAY, AUGUST 18, 2010**

**Simon Fraser University, Harbour Centre  
Fletcher Challenge Canada Theatre  
515 West Hastings Street  
Vancouver, BC**

**MINUTES**

Mark Stefanson, Vice President of Public Affairs of British Columbia Ferry Services Inc., welcomed those in attendance to the Annual General Meeting of B.C. Ferry Authority ("Authority") and the Annual Public Meeting of British Columbia Ferry Services Inc. ("Services" or the "Company").

Mr. Stefanson introduced Donald P. Hayes, Chair of the Board of Directors of both the Authority and Services, and David L. Hahn, President & Chief Executive Officer and Robert P. Clarke, Executive Vice President & Chief Financial Officer, both from Services.

Mr. Stefanson noted some general guidelines for the conduct of the meeting and reviewed the agenda for the proceedings.

**Disclaimer**

A caution regarding forward looking statements was provided to the meeting.

**Chair's Report**

Mr. Hayes welcomed the group and, as Chair of the proceedings, called the joint meetings to order. In his opening remarks, Mr. Hayes noted the continued focus of the Company in the past fiscal year on the safety and efficiency of its operations. He also reported that 2009/10 saw the *Northern Expedition* commissioned into service on the northern inside passage route, marking the successful completion of the Company's initial vessel capital program.

Mr. Hayes reported that while the Company is not immune from the effects of the global economic downturn, its employees continue to work diligently to provide the best ferry service in the world. On behalf of the Board, Mr. Hayes congratulated and thanked the employees of Services for their continued professionalism, commitment to safety, and dedication to customer service and excellence.

As the first order of business, Mr. Hayes tabled the following documents as required for the Authority under the *Coastal Ferry Act* and as required for Services under the Coastal Ferry Services Contract:

B.C. Ferry Authority:

- the annual report, including the audited financial statements for its fiscal year ended March 31, 2010.

British Columbia Ferry Services Inc.:

- the annual report, including the audited financial statements for its fiscal year ended March 31, 2010;
- the annual report to the British Columbia Ferries Commissioner, pursuant to Section 66 of the *Coastal Ferry Act*, for the fiscal year ended March 31, 2010; and
- the business plan for the fiscal year ended March 31, 2011.

Mr. Hayes introduced the members of the Boards of Directors of the Authority and Services.

Mr. Hayes noted the recent amendments to the *Coastal Ferry Act*, and advised of the ensuing governance and regulatory framework changes to the Authority and Services as a result of these amendments. In addition, Mr. Hayes described the high standards of accountability that must be met by the Authority and Services.

Mr. Hayes confirmed that the Company's primary focus remains on the safety of its operations and the continued improvement of service to its customers. He noted the continuation of the SailSafe program, a joint initiative of the Company and the BC Ferry & Marine Workers' Union (the "Union"), and thanked the Union and the employees for their active participation in this program. In addition, Mr. Hayes noted the Company's commitment to developing and supporting its employees, and the continued investment of its profits to renew its assets and upgrade its infrastructure, as well as the significant enhancements that have been made to all areas of the Company. Commenting on the Company's continued focus on customer service, Mr. Hayes reported that the customer satisfaction rating in the past year was 91 percent, which was the Company's highest result ever. He indicated that a contributing factor to this result was the continuation of the Company's strong on-time performance. He reported that during the year, 88.6 percent of BC Ferries' sailings, system-wide, departed within ten minutes of schedule.

Mr. Hayes closed his presentation by saying that the Company remains committed to providing the best service possible to all of its customers.

### **President's Report**

Mr. Hahn provided a summary of the "year in review" and advised of the financial transactions that have occurred between the Province and the Company since 2003, noting that BC Ferries has made total payments to the Province of \$497.5 million. He provided a report on the key accomplishments of the Company during the past fiscal year, and noted the various initiatives and opportunities that are either currently underway or that will be addressed in the future. He gave an overview of the services provided by the Company and reported on its achievements regarding customer service, CoastSaver promotion, customer satisfaction, Olympic support, investments in the fleet and terminals, and financial integrity.

Mr. Hahn reported on the opening of the new Operations & Security Centre. He noted the completion of the first phase of the SailSafe program, and the security enhancements that have been made at nine terminals and 12 vessels in order to comply with Transport Canada's new security regulations. He reported that employee time loss injuries have been reduced as a result of the SailSafe program and advised that the Company had entered into an agreement with BCIT Marine Campus to create a marine simulation centre for world class training opportunities for its employees.

Mr. Hahn further reported on the Company's investment and role in the coastal communities, and the relations with its stakeholders, as well as on the investments that had been made in technology during the past fiscal year.

Mr. Hahn noted that work continued to expand the Company's drop-trailer business, that its new vacations centre was opened in downtown Vancouver, and that its head quarters would be moving in the fall of 2010 to the new Atrium building in downtown Victoria. He also reported on the information that will be made public with respect to requests received by the Company under the *Freedom of Information and Protection of Privacy Act*.

Mr. Hahn closed his presentation by affirming the Company's commitment to safety and security, and noting its current focus on the minor route vessel replacement strategy and infrastructure investment, expanded travel and tourism packages, continued improvement to the customer experience, and prudent management during the current economic environment.

### **Financial Report 2009/10**

Mr. Clarke provided an overview of the 2009/10 fiscal year financial results and capital expenditure program for the Company.

### **Open Dialogue**

A question and answer session ensued. This session was facilitated by Mr. Stefanson, with questions being directed to the President & Chief Executive Officer and the Executive Vice President & Chief Financial Officer of Services.

**Closing Remarks**

Mr. Hayes closed the Annual General Meeting of the Authority and the Annual Public Meeting of Services.



Donald P. Hayes  
Chair  
B.C. Ferry Authority  
British Columbia Ferry Services Inc.