



BC Maritime  
Employers Association

# 2020 ANNUAL REPORT





# TABLE OF CONTENTS

01	<b>CEO MESSAGE</b> Resilience on the waterfront
02	<b>BOARD MESSAGE</b> Rising to the challenge & moving forward strategically
03	<b>INTRODUCTION</b> Adapting & finding strength in adversity
04	<b>COVID-19 HEALTH &amp; SAFETY RESPONSE</b> The health & safety of waterfront workers is our #1 priority
05	<b>WATERFRONT LEADERSHIP</b> Proactively creating a culture shift on the waterfront
06	<b>WATERFRONT PARTNERSHIPS</b> Investing & helping build stronger coastal communities
07	<b>TECHNOLOGY &amp; INNOVATION</b> Making data-driven decisions
08	<b>FINANCIAL REPORT</b>
09	<b>BCMEA BOARD OF DIRECTORS</b>
10	<b>BCMEA MEMBERSHIP LIST</b>
11	<b>CONCLUSION</b> Moving forward with confidence





## CEO MESSAGE

# RESILIENCE ON THE WATERFRONT

There is no way to begin talking about the past year without stating the obvious—COVID-19 fundamentally changed every part of life and work in British Columbia. Like almost every industry around the world, the impact of the pandemic on our waterfront was immediate and immense.

But despite the massive and unprecedented challenges we faced, we found new ways to get the job done, safely and efficiently. From offering workers enhanced protection by allowing the dispatch of labour without regular in-person contact, to the implementation of class-leading COVID-19 Waterfront Industry Protocols, each of our departments rose to the challenge of reinventing themselves to deal with the COVID-19 pandemic. Many of these changes have now given us the ability to work successfully within an uncertain COVID-19 environment, which is likely to be with us for the foreseeable future.

Despite COVID-19, the organization aggressively pursued the Board's strategic priorities, as well as supporting the Board's governance renewal initiative, resulting in the introduction of a modernized governance model at the Annual General Meeting in April. This milestone gave us the ability to move forward in a more integrated and strategic manner, which was instrumental to our ability to navigate the dynamic challenges we faced over the remainder of the year. To ensure the longevity of the Association, we also had to adapt as an organization. We restructured our departments and restrained spending to remain fiscally secure during uncertain economic times. We also did our part to facilitate a united industry front by regularly connecting with our partners across the marine industry.

The people side of our business remains critical as we head into 2021. We strongly believe that a competitive, safe, environmentally sustainable, and inclusive workplace is crucial to our future and our ability to continue generating family-sustaining jobs that keep cargo moving across Canada.

Together with our partners, we have made significant strides in addressing violence and harassment in our sector. Moving forward, we will be investing heavily in time and resources to advance diversity, equity, and inclusion as a priority on the BC waterfront. We will also continue to improve the functionality across departments to provide an integrated best-in-class service to our members.



Last, I want to extend my continued gratitude to our Board and membership of ocean carriers, marine terminals, and agents for their tireless efforts and contributions to the BCMEA over this past year.

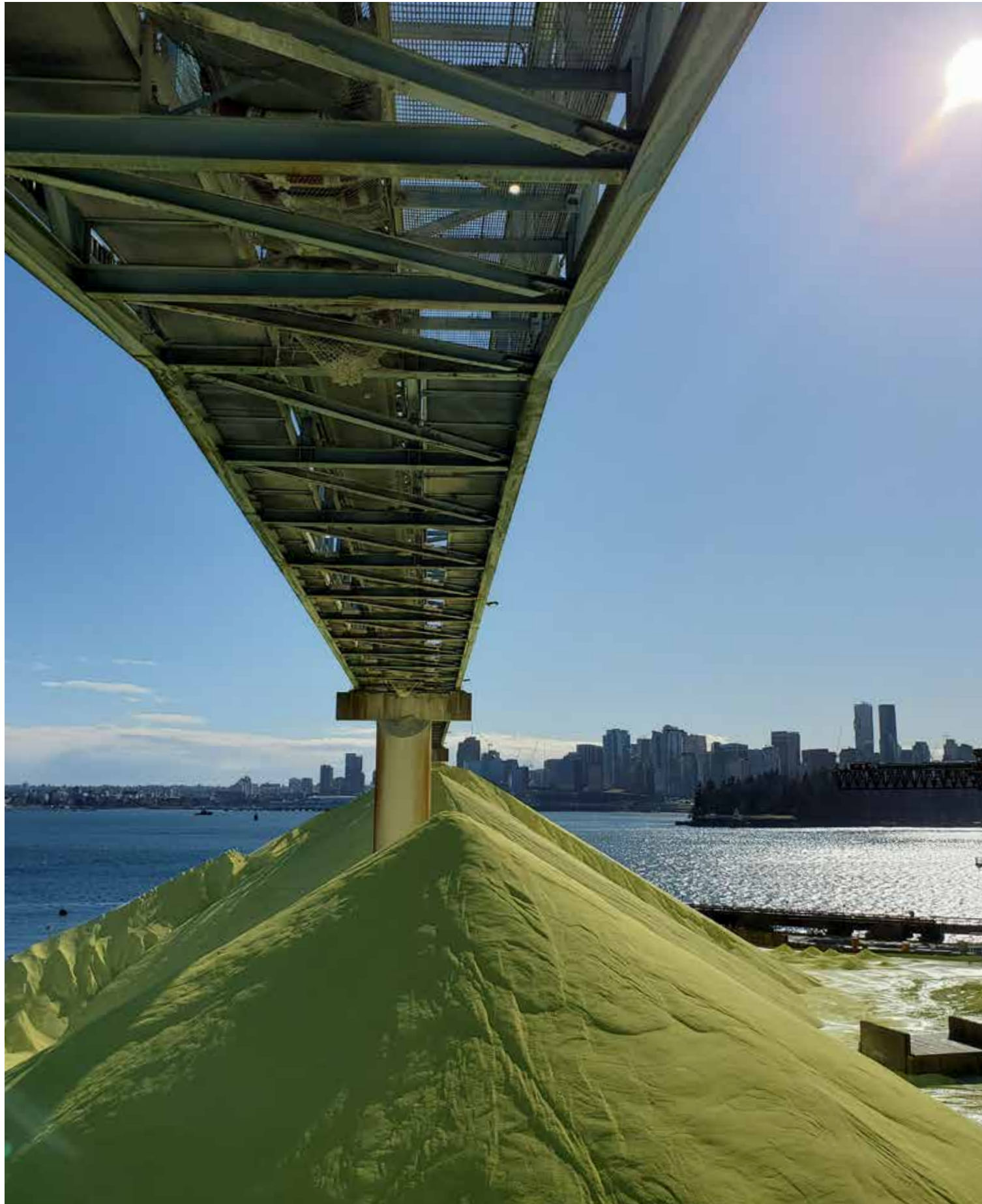
The pandemic tested our resilience as an industry. I am tremendously proud of how the industry dealt with this unprecedented situation. In particular, I was struck by the strength and level of commitment demonstrated by all waterfront workers in keeping a very complex and fluid industry moving forward during this incredibly challenging time. Thank you all for your efforts and ongoing support.

Sincerely,

A handwritten signature in blue ink, appearing to be 'ML'.

Mike Leonard, President and CEO





## BOARD MESSAGE

# RIISING TO THE CHALLENGE & MOVING FORWARD STRATEGICALLY

BCMEA has faced many challenges over the years, but none greater than the current COVID-19 pandemic. But throughout this crisis, our industry and BCMEA have remained resilient. We have taken a leadership role in executing an immediate response plan to COVID-19, and proactively planning for the future.

The Association remains focused on our key priorities: improving productivity, cost efficiency, and labour availability while continuing to provide a safe work environment. The Board of Directors and the BCMEA management team have worked closely to effect change and lead our industry forward. A recent example of this is our work, in collaboration with the ILWU, to launch the Violence and Harassment framework requirements– a first for BC’s waterfront.

We remain focused on supporting positive change and increasing our engagement within the provincial and federal governments. This initiative began late in 2019 with the creation of our new Government and Public Affairs department. We have already made significant improvements to the ways we collaborate with governments, and this will continue to be an area of focus for our organization moving forward.

Another significant 2020 milestone was the unanimous approval of our new governance model, which will allow BCMEA to cater to our customer-members’ needs faster and more strategically.



As the organization moves forward, we are committed to creating a workplace and industry that promotes diversity, equity and inclusion. As society progresses, our industry must do the same. The promotion of inclusivity needs to be on both a foundational and organizational level, and we are committed to being the leaders of this change.

As Board chair, I have observed BCMEA’s leadership team work tirelessly to lead the industry in a very challenging year. From an organizational level, BCMEA is well equipped to move forward strategically, and I look forward to seeing the organization thrive in 2021.

Don Nonis, Chair





## ADAPTING & FINDING STRENGTH IN ADVERSITY

In the face of the many challenges brought on by COVID-19, BCMEA was able to use the pandemic as an opportunity to reinvent ourselves, making BCMEA more operationally resilient, and bringing about many positive changes across the organization.

In dealing with COVID-19, our response was rapid and effective. We were creative and innovative in protecting the health and safety of our workforce while keeping Canada's vital supply chain operating.

We also took many steps towards positively transforming the culture of the waterfront. As an organization, we are committed to creating a safe and inclusive workplace. When it comes to diversity, equity and inclusion, BCMEA remains focused on facilitating an open dialogue and improving policies and practices within our organization and the broader industry.

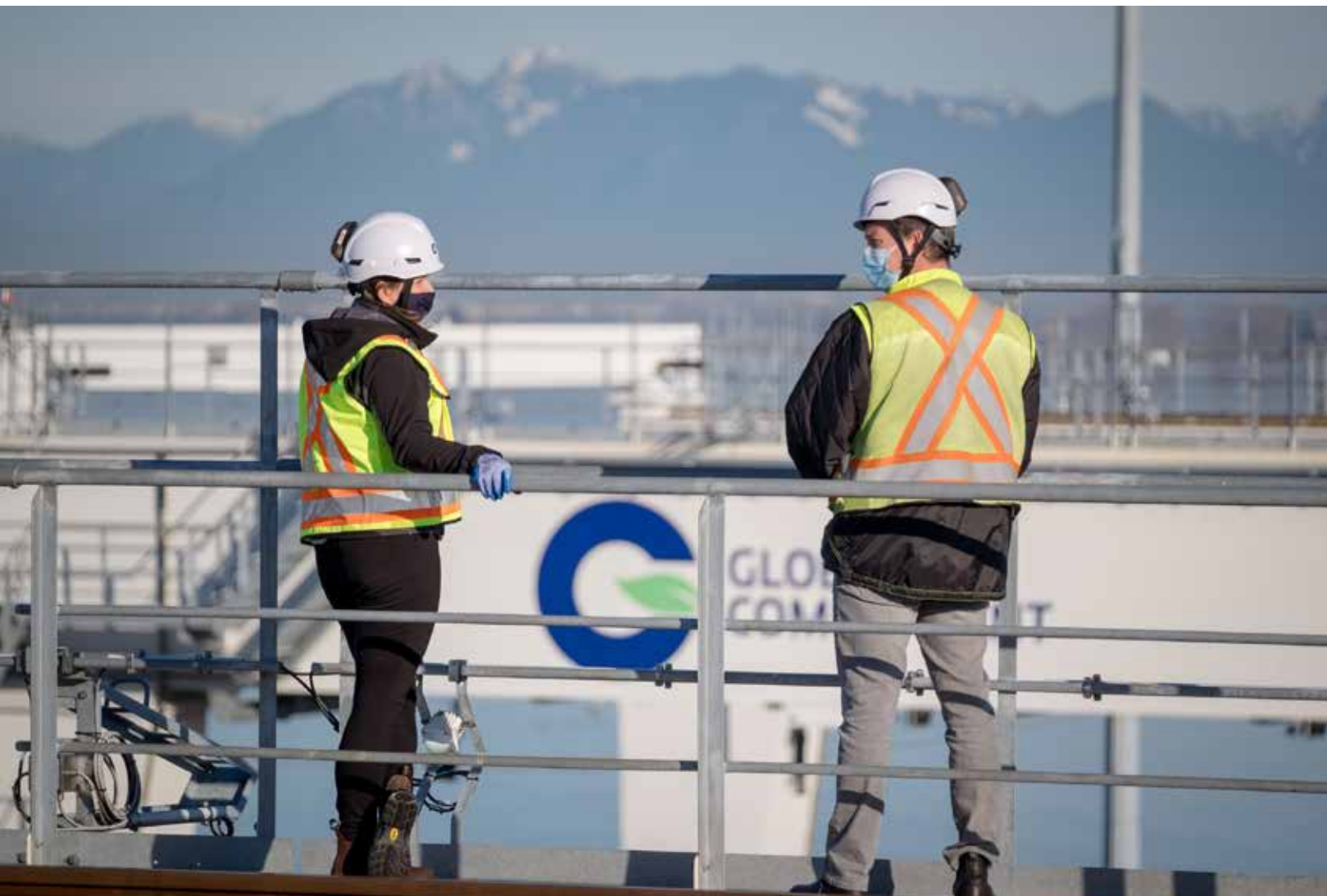
In this Annual Report, we have presented the highlights and key achievements from the past year in four categories: COVID-19 health & safety response, waterfront leadership, workforce partnerships, and improvements in technology & innovation. These sections align with the Association's high-level strategic priorities and organizational goals, as well as our proactive response to the COVID-19 pandemic.



## COVID-19 HEALTH & SAFETY RESPONSE

# THE HEALTH & SAFETY OF WATERFRONT WORKERS IS OUR #1 PRIORITY

Although most businesses and institutions began to shut down in mid-March 2020, the BC waterfront didn't have that option. BCMEA, customer-members, and partners had to work together to swiftly adapt to a situation that was changing daily. As a team, we were able to create innovative ways to safely keep Canada's supply chain operating.



In March 2020, facing unprecedented spikes in demand and shortages faced by our traditional suppliers, BCMEA partnered with local distributors to secure Personal Protective Equipment to meet the waterfront's health and safety demands.

One example of the innovative ways BCMEA approached the crisis was by partnering with Parallel 49, a local East Vancouver brewery, who provided barrels of hand sanitizer to our terminals. BCMEA also partnered with Burnaby's Oceaner Sporting Goods for cloth masks, Coquitlam's Nova Textiles for surgical masks, and Montreal-based Dynamic Safety, who made innovative face shields for longshore workers to attach on the front of their hardhats.

BCMEA led the industry in developing waterfront response guidelines for customer-members and terminals. The Association also proactively engaged provincial and federal departments to establish regular communication and coordination with local health authorities, ensuring close collaboration when responding to positive COVID-19 cases on the waterfront.

The Association and ILWU collaborated extensively to coordinate preventative measures, joint communications and developed temporary dispatch operation modifications to guarantee the uninterrupted movement of cargo.

Every dispatch hall created a customized solution based on their daily needs and operations. As a result, BCMEA achieved remote functionality of the dispatch function for the majority of the longshore workforce.

Regardless of the significant costs and financial challenges that COVID-19 has brought to the industry, our members have continually gone above and beyond to protect the health and safety of all waterfront workers.

The BCMEA's training team also developed safe work procedures in order to fully reactivate training activities at the Waterfront Training Center located on Mitchell Island in Richmond, BC. For safety reasons, it was necessary for us to significantly reduce training at the beginning of the pandemic. Training did eventually re-open on a limited basis in July, and returned to regular capacity in the fall, with all programs complying with site-specific COVID-19 safety protocols.

We remain committed to working with our membership to meet industry needs and to continue to refine and improve our response to the COVID-19 crisis.



## WATERFRONT LEADERSHIP

# PROACTIVELY CREATING A CULTURE SHIFT ON THE WATERFRONT

One of BCMEA's prime strategic objectives regarding safety and productivity is the Violence & Harassment program. This framework was finalized in 2020, and is a first of its kind on BC's waterfront. Our partnership with the ILWU Canada Longshore Division puts a significant focus on bystander awareness and on supporting a workplace culture transformation.

To help accelerate this cultural shift and to create a more inclusive and respectful workplace, the Union and BCMEA worked with Ending Violence Association of BC, to adopt the internationally recognized [Be More Than A Bystander](#) program.

We will be investing heavily in time and resources to advance diversity, equity and inclusion as a priority on the BC waterfront as we continue to build our internal capacity and invest in the development and growth of our BCMEA employees.

As part of our ongoing commitment to a thriving culture, we focus on employee engagement as a cultural driver. Our commitment to programs that engage our employees was evident in our most recent engagement survey putting our 2020 score in the ranks of the world's best organizations. This was further reinforced by our selection as one of BC's Top 100 employers late into the year.

We are dedicated to providing an integrated, best-in-class service to our members. It starts by ensuring our employees are performing at their best in an environment where they feel enabled to thrive.

Another significant partnership of 2020 was the Frontline Leadership Development Program, supporting waterfront leaders in their day-to-day-roles. This customized program offers valuable knowledge in labour relations and safety leadership, providing a diverse toolkit to empower waterfront leadership. BCMEA and terminal operators have also developed a blended learning course module through a new learning platform named WaterfrontU.







## WORKFORCE PARTNERSHIPS

### INVESTING & HELPING BUILD STRONGER COASTAL COMMUNITIES

BCMEA believes that creating safe, inclusive workplaces and family-sustaining jobs are critical for waterfront communities to thrive across the province.

Investing in coastal communities means getting involved and building relationships at the grassroots level. To this end, the Association has been focused on strengthening our long-term connections in Prince Rupert.

The Association is taking part in a funding partnership with DP World Prince Rupert, Prince Rupert Port Authority, and ILWU Local 505 to construct a new ILWU Local 505 Union Hall. This partnership strengthens our connections in Prince Rupert and provides further opportunities to support our members as they expand and invest in coastal communities.

In committing to improving safety on the waterfront, BCMEA will be introducing a new breakbulk labour program in 2021. The purpose of the program is to enhance safety on the waterfront, specifically in steel work, by ensuring that those who actually service the work are adequately trained. After extensive consultation with Local 500, the new terms were finalized in late 2020 and will replace the former Dock Labour Program.



## TECHNOLOGY & INNOVATION

### MAKING DATA-DRIVEN DECISIONS

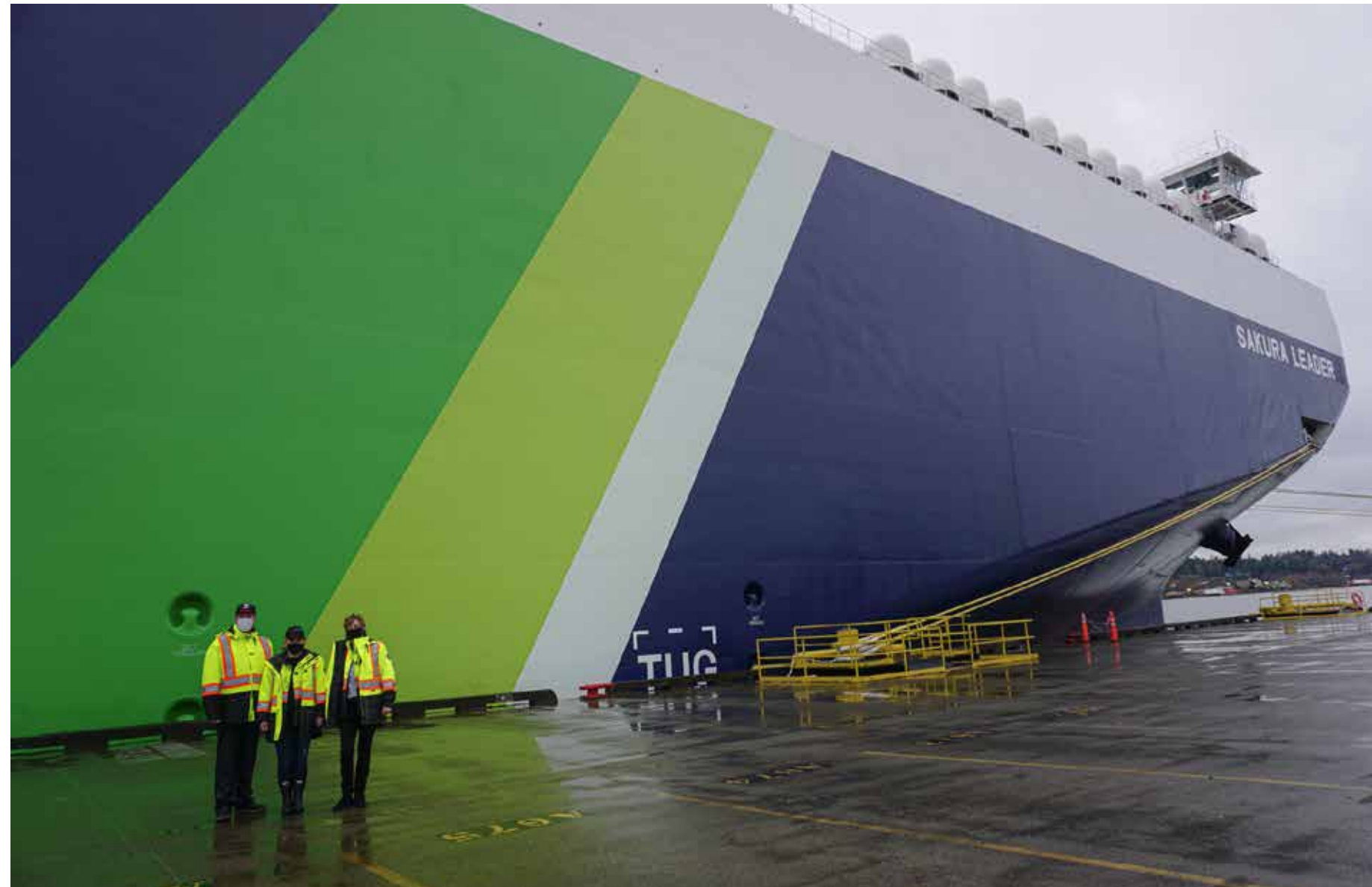
2020 saw the successful delivery of BCMEA's first Digital Twin, a simulation model of the demand and supply of labour at Vancouver's ports. Partnering with Montreal-based Simwell, and Simon Fraser University's Business Analytics and Decision-Making program, the Digital Twin was used to evaluate 6 strategic 'what-if' scenarios, including the potential effects of terminal upgrades, dispatch restrictions and regular workforce rules. The Digital Twin has quickly become a part of BCMEA's daily operations and is helping make insightful, data-driven decisions throughout the industry.

BCMEA's Programming team also made strong headway on the development of robust systems for two business-critical datasets at BCMEA: a training plan and cargo forecasts. The training plan will be a custom-built management system that will add transparency and consistency in managing supervisor portfolios, training delivery plans and the annual training budget.

The BCMEA Vessel Forecast Program will expand to provide the B.C. maritime industry with an overarching, long-range view of six weeks of vessel arrivals to avoid port congestion and increase the efficiency, resilience and sustainability of the supply chain. This will augment the existing Agent Vessel Forecast system by layering on other long-range inputs from both the terminal and outside software providers. Starting in Q1 of 2021, and updated every quarter thereafter, all terminals and stevedores will provide 18-month cargo forecasts by region, month and commodity, directly into BCMEA's new Horizon system.

This progress allows BCMEA better access to timely, clean data that will let us continue to improve the services we provide to our customer-members. The ability to foresee these spikes as far out as possible and adapt schedules and the workforce accordingly will greatly benefit all partners in the supply chain and B.C.'s overall port competitiveness.

The BCMEA is focusing on standardizing data streams in regions outside of Vancouver. Data teams have been established with promising first steps already occurring with major employers in New Westminster and Prince Rupert.





# FINANCIAL REPORT

## Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 146,668,136	\$ 132,853,984
Short-term investments	-	8,296
Accounts receivable and other assets	19,569,865	16,112,383
	<u>166,238,001</u>	<u>148,974,663</u>
Property and equipment	37,743,665	38,504,200
Intangible assets	589,366	1,168,738
	<u>\$ 204,571,032</u>	<u>\$ 188,647,601</u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 26,492,482	\$ 16,391,910
Accrued longshore vacation pay	42,483,390	42,026,570
Accrued Container Gainshare liability	55,798,262	56,133,730
Deferred revenue	2,780,947	1,895,947
Current portion of Post-employment benefit liability	33,160	31,503
Current portion of Modernization and mechanization allowance liability	7,030,000	4,991,000
	<u>134,618,241</u>	<u>121,470,660</u>
Post-employment benefit liability	1,918,626	1,603,154
Modernization and mechanization allowance liability	53,190,000	51,889,000
Asset retirement obligation	116,063	112,529
	<u>189,842,930</u>	<u>175,075,343</u>
<b>Net assets:</b>		
Investment in property and equipment & intangible assets	38,333,031	39,672,938
Capital replacement reserve	-	500,000
Deficit	(23,604,929)	(26,600,680)
	<u>14,728,102</u>	<u>13,572,258</u>
	<u>\$ 204,571,032</u>	<u>\$ 188,647,601</u>

## Statement of Operations

December 31, 2020, with comparative information for 2019

	2020	2019
<b>Revenue:</b>		
Payroll assessments	\$ 140,772,449	\$ 133,434,325
Hourly assessments	44,587,224	46,395,604
Cargo assessments	43,948,506	43,915,675
Investment income	946,183	3,163,397
Container Gainshare levies	55,466,053	55,520,919
Vancouver Island Gang Interchange	434,231	928,824
Lower Mainland Interchange	396,998	579,964
Government of Canada violence & harassment program Contributions	448,681	315,424
Retroactive pay assessment	-	7,528,306
Other income	54,478	202,101
	<u>287,054,803</u>	<u>291,984,539</u>
<b>Expenses:</b>		
Payroll related labour fringe benefits	132,601,205	131,273,407
Hourly related labour fringe benefits	44,961,153	46,503,167
Cargo related expenses	48,477,554	51,458,329
Container Gainshare contributions	55,798,262	56,133,730
Retroactive pay expense	-	27,911,527
Vancouver Island Gang Interchange expenses	434,231	928,824
Lower Mainland Interchange expenses	396,998	579,964
Government of Canada violence & harassment program expenses	448,681	315,424
	<u>283,118,084</u>	<u>315,104,372</u>
Excess (deficiency) of revenues over expenses	<u>\$ 3,936,719</u>	<u>\$ (23,119,833)</u>



## BCMEA BOARD OF DIRECTORS

### Don Nonis

PKM Services Canada Inc.  
Board Chair

### Richard Chappell

Westwood Shipping Lines (Canada) Inc.  
Vice Chair

### Peter Amat

Pacific Basin Shipping (Canada) Ltd.

### Brad Eshleman

Western Stevedoring Company Limited

### Maksim Mihic

DP World (Canada) Inc.

### George Runyon

Evergreen Shipping Agency (America) Corp

### Eric Waltz

GCT Canada Ltd Partnership

## BCMEA EXECUTIVE TEAM

### Mike Leonard

President & CEO

### John Beckett

Vice-President, Operations

### Tony Keung

Vice-President, Finance & Corporate Secretary

### Rob MacKay-Dunn

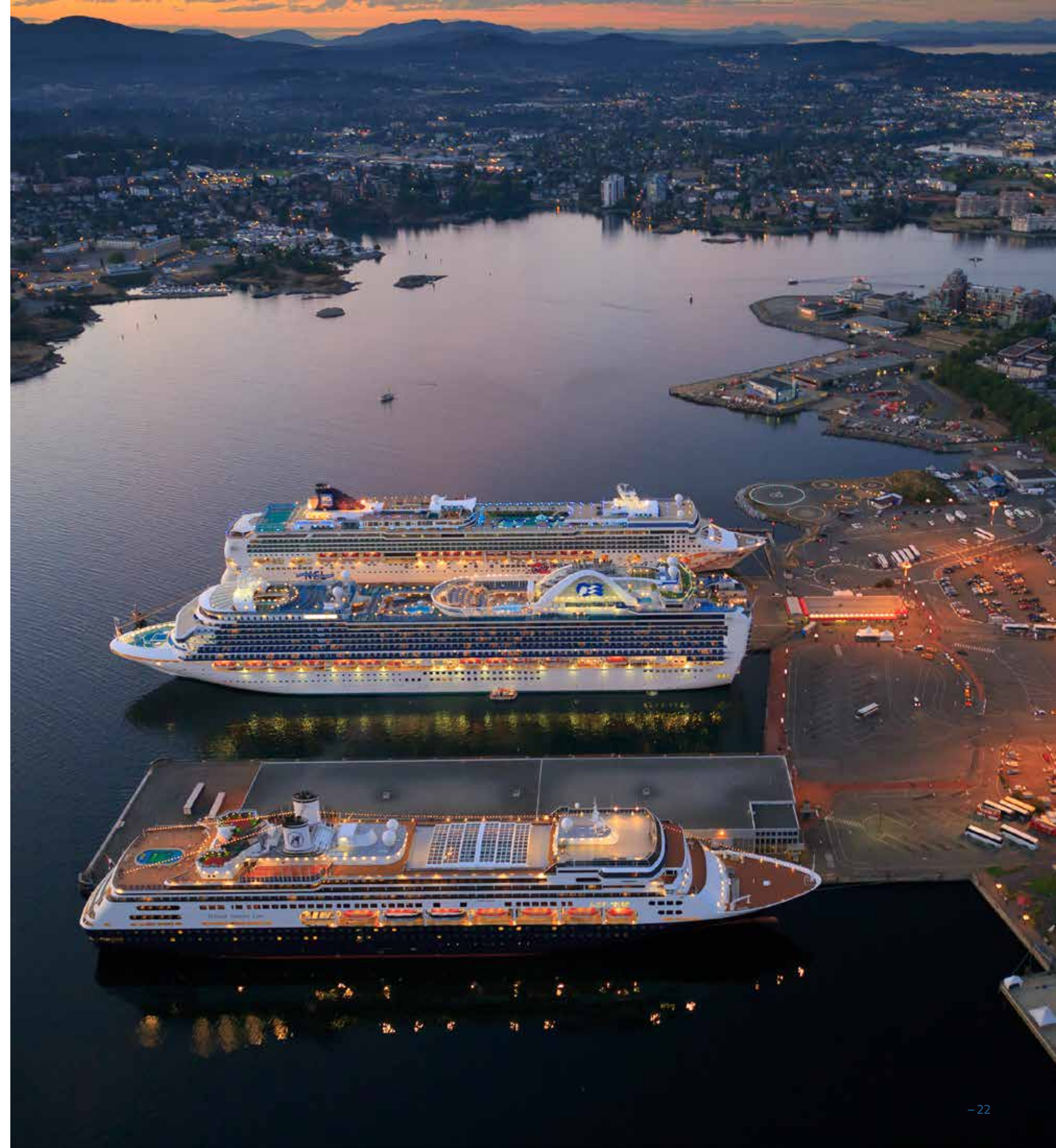
Vice-President, Government & Public Affairs

### Jack Vogt

Vice-President, Labour Relations, Dispatch & Security

### Heather Wright

Vice-President, People & Technology







## **BCMEA MEMBERSHIP LIST**

### **CARRIER CLASS MEMBERS**

ACGI Shipping Incorporated  
APL Canada  
CMA CGM (Canada)  
Colley West Shipping Ltd.  
COSCO Shipping Lines (Canada) Inc.  
Evergreen Shipping Agency  
G2 Ocean Shipping Canada Ltd.  
Hapag-Lloyd (Canada) Inc.  
Hyundai America Shipping Agency Inc. (PN)  
Inchcape Shipping Services  
Maersk A/S Branch Canada  
Mason Agency Ltd.  
McLean Kennedy Inc.  
Montship Inc.  
MSC Mediterranean Shipping Company (Canada)

Navitrans Shipping Agencies West Ltd.  
Ocean Network Express (North America) Inc.  
Oldendorff Carriers OOCL (Canada) Inc.  
Pacific Basin Shipping (Canada) Ltd.  
Pacific North West Ship & Cargo Services  
Saga Welco AS  
Sino Star Management Ltd.  
Sinotrans Canada Inc.  
Swire Bulk Pte. Ltd.  
Westward Shipping Ltd.  
Westwood Shipping Lines Canada Inc.  
Wheelhouse Shipping Agency Ltd.  
Wilhelmsen Ship Services  
Zim Integrated Shipping Services (Canada)

### **DIRECT EMPLOYERS CLASS MEMBERS**

#### **Bulk Terminals Operator Subclass**

Fibreco Export Inc.  
PKM Services Canada Inc.  
Neptune Bulk Terminals (Canada) Ltd.  
Pacific Coast Terminals Co. Ltd.  
Pinnacle Renewable Energy Inc.

#### **Container Terminal Operators Subclass**

DP World (Canada) Inc.  
DP World Fraser Surrey Inc.  
DP World Prince Rupert Inc.  
GCT Canada Limited Partnership

#### **General Terminal (Break Bulk) Operators Subclass**

Associated Stevedoring Co. Ltd.  
Ceres Terminals Canada ULC  
Empire Grain Stevedoring Ltd.  
Louis Wolfe & Sons Ltd.  
Pacific Rim Stevedoring Ltd.  
Pacific Stevedoring & Contracting Co.  
PCDC Canada Ltd.  
Squamish Terminals Ltd.  
Pembina Pipeline Corporation  
Western Stevedoring Company Limited  
Western Stevedoring Terminal Operations Ltd.

### **ASSOCIATE MEMBERS CLASS**

Chamber of Shipping of BC  
Shipping Federation of Canada

Tidal Transport and Trading  
Viterrra Inc.



# MOVING FORWARD WITH CONFIDENCE

As we look ahead to 2021, BC's globally competitive ports will continue to play an essential role in Canada's economic, social and sustainable recovery from the impacts of COVID-19.

Over the past year, BCMEA has worked with the ILWU to quickly move forward to advance common objectives. We are committed to seeking additional opportunities to work collaboratively with the Union on waterfront priorities in the future.

As an organization, we have made great strides in engaging with government officials on both a provincial and federal level. BCMEA continues to work with government representatives to advance positive public policy in support of Canada's waterfront.

BCMEA will continue to do our part to support all our partners to create a safe, equitable, and inclusive workplace on the waterfront while continuing to ensure that Canada's economy thrives through the seamless movement of cargo.

BCMEA could not have achieved this year's milestones without the tireless support from our Board, customer members and all of the staff at the BCMEA. Thank you to all the industry partners for the critical role you play in helping the Association keep the BC waterfront industry thriving.

