

business

Markets TSX lower amid mixed commodity prices **D3**

Real Estate Vancouver sees jobs boom, housing still unaffordable **D3**

↓ TSX 18.56 TO 14,086.67 YTD 7.2%	↑ DOW 44.93 TO 17,873.22 YTD 1.5%	↑ NASDAQ 31.73 TO 4,933.50 YTD -2.6%	↓ GOLD 4.70 TO 1,212.00 YTD 14.2%	↓ DOLLAR 0.08 TO 76.62 YTD 6.4%	↑ CRUDE 0.15 TO 49.48 YTD 34.3%
↑ NASDAQ GLOBAL XX 10.15	↑ S&P 500 2,099.06 8.96	↓ S&P/TSX-60 823.92 -0.95	↑ TSX VENTURE 670.42 1.88	↓ NATURAL GAS US\$2.162 -0.007/MMBtu	↑ EURO \$1.45 US\$ 1.1141

16 BUSINESS LEADERS CHOSEN FOR ENTREPRENEUR PROGRAM

FIONA ANDERSON
LEGISLATURE BUREAU

Richard Boone, president and founder of Professional Carriers Inc. in Hartland New Brunswick, was inspired by his son George to apply for the Wallace McCain Institute's Entrepreneurial Leaders Program. On Sunday he found out he was one of 16 business leaders chosen to take part in the program, out of more than 350 applicants.

The program is aimed at helping business leaders improve their chances of succeeding through peer mentoring, Nancy Mathis, the institute's executive director said.

Business leaders tend to often feel alone, Mathis said. So the program, which the participants pay \$20,000 to take part in, creates peer groups that act like a board of advisors for each company. The group goes on weekend retreats during the year where they

have guest speakers, discuss problems and provide advice.

"So for that to work you need to carefully select the people in the room to be both diverse and homogeneous," Mathis said.

The leaders come from a wide range of industries. In addition to Boone, this year's cohort includes the president of a seed farm, an artist, the founder of a brewing company and the owner of a home building centre.

The homogeneity is in how they approach their business, Mathis said. They've built something strong, they've built something they want to grow, and they're not afraid to say they are not sure where to go next, she said. They are leaders in their company, with "their hands on the wheel," Mathis said.

"To be in a group like this takes the

PLEASE SEE → LEADER, D2



Turbine for Cape Sharp Tidal project

ANDREW VAUGHAN/THE CANADIAN PRESS

After years of struggle, developers say time right for tidal power

KEVIN BISSETT
THE CANADIAN PRESS

FREDERICTON • They flank the bay that is home to the highest and strongest tides in the world, but for hundreds of years Nova Scotia and New Brunswick have struggled to channel the awesome might of the Bay of Fundy into tidal power.

Aspiring entrepreneurs have tried everything from mill wheels in the 1600s to turbines in the 2000s, only to have their hopes dashed and devices casually battered to smithereens by the water's crushing force.

There has been limited success. In 1984, a form of hydroelectric dam — called a barrage — was built at Annapolis Royal, N.S. The 20-megawatt plant is one of only three tidal power plants in the world.

However, the next generation of projects is set to launch and onlookers say it's time for the tide to turn.

"It's happening in Europe and it's happening here at the same time in the Bay of Fundy," said Stephen Dempsey, executive director of the Offshore Energy Research Association, in an interview.

Dempsey says an international push to produce electricity without increasing carbon emissions has come as land-based wind energy projects are harder to develop, making tidal energy the new frontier in renewable energy.

He says engineers around the world are poised to learn from and overcome the obstacles revealed in 2009, after OpenHydro and Nova Scotia Power deployed a one-megawatt turbine in Minas Passage to capture the powerful instream flow of the tides.

The speed and power of the water was so massive during that pilot project that the 12 two-metre blades were snapped off the 400-tonne turbine which resembled a giant aircraft engine until the tides took their toll.

Matt Lumley of the Fundy Ocean Research Centre for Energy describes the flow of water entering Minas Passage — where the FORCE site is located — like someone tightening their fingers on the end of a garden hose.

"The coastline pinches in to about five kilometres across and the water speeds up, and you've got about 14 billion tonnes of water moving over five metres a second," he said.

In short, the currents would easily generate enough power for all of Atlantic Canada's needs, but are too monstrously strong to be tamed — at least, fingers crossed, until now.

Cape Sharp Tidal, a partnership of OpenHydro and Emera, is betting on two towering turbines that will be installed starting in June. The two-megawatt turbines are 16 metres in diameter and each weigh 1,000 tonnes.

Sarah Dawson, the project's community relations manager, says they're poised to capture the clean, renewable and regular source of energy as the tides come into the Bay of Fundy and back out twice a day.

She said the new turbines are much more robust version of the 2009 design that was so badly battered.

"The strength of the tides there required a re-engineering, which is why this one is bigger and heavier and

PLEASE SEE → POWER, D2



Groupe Savoie president and chief operating officer Alain Bossé holds products manufactured by the company and used to make cabinets.

PHOTO: FIONA ANDERSON/LEGISLATURE BUREAU

Groupe Savoie overcomes fires, other challenges in building successful company



New Brunswick's
Business
Success Stories

FIONA ANDERSON
LEGISLATURE BUREAU

Fires, changing laws and a recession couldn't hold back Saint-Quentin-based Groupe Savoie. Since the company bought its first mill in 1978 it has grown from 30 employees to 650, and now has eight plants all working with hardwood. It's also the area's largest employer.

The company has survived, and thrived, by branching out — from sawing

lumber, to now producing components for kitchen cabinets, building pallets and using whatever's left over to create heating products.

"Today when we are cutting trees we are using 125 per cent, which sounds stupid," Groupe Savoie's president and chief operating officer Alain Bossé said. "But in fact it's 100 per cent of what's sawable and [then] we use the top and the limbs to produce pellets."

But things started very badly, Bossé said.

Jean-Claude Savoie and his father, Hector, started the company in 1978 by buying two mills in rapid succession, one a hardwood mill, the other for cutting softwood. Almost immediately a fire cleaned out the inventory at the hardwood mill. And then in 1980, the hardwood mill burned down and the company was close to bankrupt, Bossé said.

But the company sat down with its bank and worked out a deal, a deal that included a loan guarantee from the provincial government, which was paid back, Bossé points out.

"And that's how they could restart," he said.

The focus has always been on hardwood, mainly birch and maple, Bossé said. So the first softwood mill was converted into hardwood early on.

Then the mills were selling what Bossé calls "green lumber." The mills cut the trees and shipped them to the customer, without adding any value, Bossé said. But the founders knew they could make more money if they did more than just the sawing. So in 1984 the company started building pallets, and now they ship more than 1.5 million pallets a year, or as Bossé likes to measure, 3,000 trailer loads. One of their biggest customers is a company that rents out pallets to companies like Heinz and Kraft, he said.

A change in provincial forestry laws, which gave preference to private woodlot owners when it came to the sale of hardwood pulp, pushed Groupe Savoie into yet another new product in 1982.

Because hardwood trees rarely grow straight, only 15 per cent of a hardwood tree makes good logs, Bossé said. That

means 85 per cent is pulp.

With the change in the law, Groupe Savoie had nowhere to sell their pulp, and they had a lot of it, about 1,000 trailer loads of it, Bossé said.

"So it was a major problem at the time," he said.

But they found a solution through the building of yet another mill.

When sawing hardwood, the standard size of logs is eight feet, Bossé said. But by changing that to four feet, there was less waste and more good quality wood, again because of the crooked nature of the trees. Those smaller pieces are used to make pallets and some high-quality moulding and doors for cabinets. Those cabinet parts are shipped around Canada and the United States, North America's largest cabinet maker is one of Groupe Savoie's customers, Bossé said.

All the customer has to do is assemble the parts and finish the wood.

That still doesn't add up to 125 per cent. But in 2010, the company built a

PLEASE SEE → SAVOIE, D2

Premier asks for review of Nalcor CEO severance package

THE CANADIAN PRESS

ST. JOHNS, N.L. • The Premier of Newfoundland and Labrador has asked the province's auditor general to review a \$1.4-million severance payment made to former Nalcor Energy president and CEO Ed Martin.

Dwight Ball announced on Sunday that he is referring the question of Martin's severance package to "an independent outside agency" at the recommendation of the provincial justice department.

In a letter addressed to Auditor

General Terry Paddon, Ball pledged the government's "full cooperation" in the investigation of circumstances surrounding Martin's exit.

Martin abruptly resigned from the provincial Crown corporation behind the Muskrat Falls hydroelectric project in a cloud of controversy that has enveloped the house of assembly for more than a month.

In the last week, Ball has said that the former Nalcor board fired Martin without cause the same day he stepped down, triggering a severance payment amounting to more than twice the

CEO's salary.

The board disbanded shortly after Martin's departure, saying it had lost the confidence of government.

Members of the Progressive Conservative opposition have been grilling Ball about what he knew about Martin's exit and when he knew it.

Ball has said he didn't learn details about the severance package until May 5.

The province has spent almost \$4.8 billion building the dam and power house on the lower Churchill River, the largest publicly funded project in its history.

When he left on April 20, Martin indicated the departure was his decision and said he had no regrets about how the Muskrat Falls project was managed.

"I'm extremely proud of the accomplishments we have all achieved as a company. Nalcor is our province's heritage fund and we should all be very proud," he told a news conference at the time of his resignation. Martin has not commented publicly since then.

The Liberal Government, which came to power last fall after 12 years of Progressive Conservative rule, named Martin's successor the next day.

business

Overcoming challenges

SAVOIE → D1

pellet plant, where they make residential and industrial heating pellets and heating bricks and logs that compete with conventional firewood. Today they produce almost 100,000 tonnes a year, half of which goes to Europe. Diversification helped the company survive the housing crash in the United States in 2008, Bossé said.

"Ultimately the reason we are still here is that we were doing those value-added products," Bossé said. "If we had been only in sawmilling we wouldn't be here for sure."

"And a lot of our friends in the same sector aren't there anymore," Bossé added.

Now the company has three sawmills, two pallet plants, two component plants and a pellet plant, most of them located in Saint-Quentin. A study of the forestry industry in New Brunswick released in 2010 found that 49 per cent of people working in the region were working for Groupe Savoie, Bossé said.

But growing the staff has had its challenges too. For example, 10 years ago the company probably had five electricians, Bossé said. Now it has 20 to 25. "It was a big problem to find those electricians," he said.

So Groupe Savoie organized an electrician's course at their mills in conjunction with the local college. And out of that, they got 10 new electricians, Bossé said.

Another challenge is finding people locally because as Groupe Savoie is growing the town of Saint-Quentin is not. So many people travel an hour or more to come to work, Bossé said.

The company is working with the local chamber of commerce and the town on programs aimed at attracting people to move into the town, and to stay in town, he said.

"There is always the people issue," Bossé said. "Everyone is fighting for people."

Which is good in a province with an unemployment rate around 10 per cent, and an even higher rate in the north.

The company has also invested in technology. Fifteen years ago, the lumber was piled by hand, now it's all done

automatically, Bossé said. But 15 years ago, they didn't have 650 people either, he said.

And that's about to grow even further. In April Groupe Savoie received funding from Opportunities New Brunswick, the Regional Development Corporation and the Atlantic Canada Opportunities Agency of up to \$3.1 million, in grants, repayable loans and pay rebates to build a new pallet plant which will add another 40 jobs.

Earlier this month Groupe Savoie was awarded a Knowledge and Innovation Recognition Award, or KIRA, as the company having the most economic impact through employment growth.

The company is also investing in the next generation. In April, Groupe Savoie named Nathalie Savoie, Jean-



My dad knows my age and I don't know if that's because he knows when he bought the business or he knows when I was born.

NATHALIE SAVOIE

Claude's daughter, as chair of the board. Savoie was born the same year her father and grandfather bought the mill.

"My dad knows my age and I don't know if that's because he knows when he bought the business or he knows when I was born," Savoie said.

And she has been involved in the business pretty well since then. The family spent weekends taking a picnic into the woods so her father could go measure logs, she said.

"I consider myself extremely lucky to have this opportunity and to have a dad who built such a great business and to have the chance to continue to grow it," Savoie said.



This year's cohort in the Wallace McCain Institute's Entrepreneurial Leadership Program were chosen on Sunday. Front row, from the left: Lynn Albert (LA Trading), Stephen Dixon (Grimross Brewing Corp.), Charles Gervais (Missing Link Technologies Ltd.), Jennifer Krueger (Estey Creations), Remi Hebert (Pro Construction Inc.), Gordon McArthur (Eosense), Second row: Guy LeGresley (LeGresley Home Building Centre), Jeff Schnurr (Community Forests International), Denis Desjardins (Desjardins Seed Farms Ltd.), Derrick Rioux (D.R. Autoworks Inc.), Marc Schurman (Schurman Family Farm), Doug Jenkins (iSpire), Todd Hiscock (Beaufort Solutions Inc.), Richard Boone (Professional Carriers Inc.), Jenelle Sobey (Norex). Absent from the photo is Giorgio Paulin (Sounds Fantastic). PHOTO: CONTRIBUTED

Leaders chosen for business program

LEADER → D1

'alone' away and gives them more confidence in their decisions as they strive to grow," she said.

Boone said he could already feel the cohesiveness of the group when they met over the weekend for the final selection of the program participants, in an event called "the choosing."

"I can just imagine over the year how that's going to develop," Boone said.

Boone started his trucking company 12 years ago with 12 refrigerated trucks that hauled food and beverages, mainly across Canada. Now the company has 58 units, 11 of them company-owned and the rest owner-operated. His son George is now general manager of the company and taken part in another Wallace McCain Institute program, the 21C program, for those second-in-command.

The 21C program is aimed at those who have to deal with a founder-boss who may be a charismatic leader but may not have the level of attention to detail needed to keep the business running smoothly, Mathis said.

"So this person is that trout in the organization that bridges between the entrepreneur's amazing vision and the people that need to get the work done on a daily business," she said.

The idea behind both programs, as well as a third called ECHO, which is for family members moving towards leadership in a multi-generational family business, is that people in all these roles – whether founder, second-in-command or those moving up in a family business – often have no one at the company that is in

the same position. The programs create peer support groups so people can discuss problems and challenges they likely all face.

But the entrepreneurial leaders program is the flagship and we spend half of the year choosing our 16 members," Mathis said.

Boone is very happy to have made the cut because he saw what the 21C program did for his son.

"It gained him a lot of knowledge and he always came back very inspired," Boone said. "I wanted some of the same knowledge and inspiration."

Entrepreneurial Leaders Program

These are the 16 business leaders chosen to take part in the Wallace McCain Institute's ninth Entrepreneurial Leaders Program

• Lynn Albert – President, LA Trading, Caracut, New Brunswick

• Richard Boone – President, Professional Carriers Inc., Hartland, New Brunswick

• Denis C. Desjardins – President, Desjardins Seed Farms Ltd., Grand Falls, New Brunswick

• Stephen Dixon – President/Founder, Grimross Brewing Corp., Fredericton, New Brunswick

• Charles Gervais – President/Co-owner, Missing Link Technologies Ltd., Moncton, New Brunswick

• Remi Hebert – President, Pro Construction Inc., Bathurst, New Brunswick

• Todd Hiscock – CEO and Founder, Beaufort Solutions Inc., St. John's, Newfoundland

• Doug Jenkins – President, iSpire

• Inspired Technologies Inc., Con-

nexionWorks Inc., Saint John, New Brunswick

• Jennifer Krueger – Artist/Owner, Estey Creations, Fredericton, New Brunswick

• Guy LeGresley – Dealer-Owner, LeGresley Home Building Centre

• Miranichi, New Brunswick

• Gordon McArthur – President, Eosense, Dartmouth, NS

• Giorgio Paulin – General Manager / Co-Owner, Sounds Fantastic, Moncton, New Brunswick

• Derrick Rioux – President – D.R. Autoworks Inc., Drummond, New Brunswick

• Jeff Schnurr – Founder, Community Forests International, Community Forests Canada, Jaza Energy Inc., Sackville, New Brunswick

• Marc Schurman – President, Schurman Family Farm, Atlantic Grown Organics Corp., Kensington, PEI

• Jenelle Sobey – Managing Partner, Norex, Halifax, Nova Scotia

Annual General Meeting

THE HEALTH OF MARITIME WOMEN & CHILDREN IS EVERYONE'S BUSINESS

Please join the IWK Health Centre and the IWK Foundation for our joint Annual General Meeting – an opportunity to hear about the incredible accomplishments at the IWK, including a look towards the future.

We are pleased to have special guest speaker David Morley, President & CEO, UNICEF Canada, who will provide important insights on the future health of women and children – both globally and here at home – and why the work of the IWK is vital.

Date: Tuesday, June 21, 2016
Time: 8:00 am – 9:30 am (doors open at 7:30 am)
Location: Halifax Central Library's O'Regan Hall
Address: 5440 Spring Garden Road, Halifax, NS



**Notice of Sale
IN THE MATTER OF THE RECEIVERSHIP
OF MALL CENTRE-VILLE LTD.
(Located in the Province of New Brunswick)
NOTICE OF SALE BY TENDER**

This is a call for tenders for the sale of some or all of the properties of Mall Centre-Ville Ltd. ("MCV") or the "Company". On 26 February 2016 pursuant to security granted in favour of HarbourEdge Mortgage Investment Corporation, Ernst & Young Inc. was appointed to act as receiver (the "Receiver") of the MCV properties (the "Properties"). Sealed tenders will be accepted by the Receiver until 12 o'clock noon (Atlantic Daylight Time) on Wednesday 8 June 2016, for the purchase of the following properties:

- Parcel 1 Land and building (identified as PID 70265541, PID 1045160, PID 977397 and PID 70265533) located at 342 Main Street, Shediac, New Brunswick (the "Shediac Mall").
- Parcel 2 Land and building (identified as PID 30299640) located at 31-33 Rosemont Avenue, Sussex, New Brunswick
- Parcel 3 Land and building (identified as PID 977207) located at 34 Hamilton Street, Shediac, New Brunswick
- Parcel 4 Land and building (identified as PID 977314) located at 39 Calder Street, Shediac, New Brunswick

The highest or any offer will not necessarily be accepted.

Tenders must be accompanied by a certified cheque or bank draft payable to "Ernst & Young Inc. Receiver Mall Centre-Ville Ltd." for 15% of the amount of the offer price as a deposit. This deposit will be refunded if the offer is not accepted and forfeited to the Receiver on account of liquidated damages if the offer is accepted and the sale is not completed by the offeror. The balance of the offer price will be payable by certified cheque or bank draft on closing. Tenders may be made for individual parcels or en bloc, but an bloc offers must stipulate a separate price for each parcel.

Tenders will only be accepted in sealed envelopes, clearly marked "Tender – Mall Centre-Ville Ltd.". All tenders shall be subject to the Conditions of Sale, which shall form part thereof and may be obtained from the Receiver.

To obtain a copy of the Tender Information Package or for any other information with respect to the tender sale, please contact Mr. Steven McLaughlin at 506 388 7762 or steven.mclaughlin@ca.ey.com.

ERNST & YOUNG INC.
Acting in its capacity as Receiver of
Mall Centre-Ville Ltd. and not
in its personal or corporate capacity



Developers say time is right for tidal power

POWER → D1

we're confident it will withstand the tides," she said.

Once in place, the turbines will be connected to Nova Scotia's power grid, and are expected to provide enough electricity for about 1,000 homes.

Meanwhile, Black Rock Tidal Power Inc., is preparing to install its TRITON S40, which uses 40 smaller turbines, each about four metres in diameter and designed specifically to survive the forces in the Bay of Fundy.

DP Energy and Minas Energy also have rights to berths at the FORCE site and access to the underwater power cable.

While most of the development is happening on the Nova Scotia side of the bay, New Brunswick's minister of economic development is hoping his province can benefit as well.

Rick Doucet says the deep-water, ice-free port in Saint John is an ideal location for staging, construction and shipping of the equipment out to the sites.

He's announced that a tidal power summit will be held in Saint John on June 27 to discuss the state of the developing industry.

"We're talking about opportunities that are right on our doorstep," he said. "What can we do to make this industry grow?"

The rush towards growth doesn't sit well with some area fishermen who want all activity put on hold until they have assurances that marine life is safe, and that they won't be pushed off their fishing grounds.

"We've never been consulted on this," said Chris Hudson, president of the Bay of Fundy Inshore Fishermen's Association.

Hudson said fish stocks have been hurt by the tidal project in Annapolis Royal and he worries more damage will be done to halibut, herring and lobster breeding when turbines are installed in the bay.

He said the association has launched a petition and begun raising money in case a legal effort is needed to halt the

deployment of the turbines.

"Fishermen have been using this bottom for 100 years or more, and then somebody comes into your backyard and says, 'Nope, sorry, you're done and we're going to do our thing now.' It makes me mad just thinking about it."

Lumley said FORCE and the developers are conducting studies to ensure the ecosystem is not harmed. Meanwhile, he's also noting that the potential for this energy source has turned out to be more than once imagined.

He said initial estimates for the potential of the Minas Passage site put it at around 300 megawatts, about 10 per cent of Nova Scotia's peak electricity demand.

"But once we actually get into the bay and started to collect some field data...that number went up significantly to about 7,000 megawatts of power. That is equivalent roughly to all of the needs of Atlantic Canada or about three million homes," he said.

Dilbert

by Scott Adams

