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**MINUTES
PORT OF JOHNSTOWN MANAGEMENT COMMITTEE
MUNICIPAL OFFICE – SPENCERVILLE
WEDNESDAY, JULY 18, 2018
6:30PM**

Present: Mayor Patrick Sayeau, Chair
Deputy Mayor Peggy Taylor
Councillor Gerry Morrell
Councillor Karie Smail
Mr. Joe Hendriks
Mr. Frank McAuley

Regrets: Councillor Michael Barrett

Staff: Robert Dalley, General Manager
Rebecca Williams, Deputy Clerk

1. Call to Order

Mayor Sayeau called the meeting to order at 6:30pm.

2. Approval of Agenda

Moved by: P. Taylor seconded by: K. Smail that Committee approve the agenda as amended to add 7c) SWOT Analysis Update and 7d) Process Risk Assessment.

Carried

3. Disclosure of Pecuniary Interest & the General Nature Thereof

Councillor Smail declared an interest in item 7f) as her husband is employed by one of the bidding companies.

4. Delegations – None /

5. Minutes of the Previous POJ Committee Meeting

a) June 20, 2018

A typographical error was noted for correction on item 6 with respect to the association that the recordables are reported to.

Moved by: P. Taylor seconded by: F. McAuley that Port Management Committee receives and approves the minutes of Port Management Committee meeting dated June 20, 2018.

Carried

6. Business Arising from Previous PMC Minutes – None

7. Discussion Items

a) Windmill Blades/Stevedore - Mayor

Committee discussed the email response as to why the stevedore for the windmill parts went to the Port of Ogdensburg instead of the Port of Johnstown. It was noted that the Port of Ogdensburg is the main Port for the stevedore delivering the windmill parts and it would be unlikely that a stevedore would place a bid in Johnstown for the cargo. There was a fulsome discussion with respect how a stevedore bids on the project and how they determine the most beneficial location for the cargo. It was noted that most companies want 30-60 days to move the cargo, however the Port of Johnstown currently allows for 15-20 days before additional charges are added. This is dependent on the specific project and request from customer.

There was a brief discussion as to how the Committee and Port staff may try to enhance relationships with stevedores and encourage them to use the Port of Johnstown for projects. It was suggested that the Port GM could directly go to the various stevedore offices and discuss business possibilities. It was noted that Logistec is interested in meeting with Committee to give an in-depth presentation as to how their business works and how they would like to work with the Port. Members suggested that Port staff could attend more events to further promote the Port. Members enquired if it would be beneficial to contact European companies. Port staff noted that it would depend on the project and cargo up for bid which would usually determine the Port each stevedore would select to include in the bid.

Port staff noted that Logistec is interested in entering into an agreement with the Port to build on Port land for a storage facility. It was noted that if their short timeframe does not work for the Port and Township, that Logistec could build their facility across the road on land they already own. It was noted that further discussion with respect to Logistec's storage facility location would be held during item 7b).

b) Port Lands – Port GM

Port staff provided Committee with a summarized list explaining each location zone within the Port of Johnstown and noted that there are various companies looking to possibly enter into agreements with the Port for use and development of land.

It was noted that West Uplands 1B site has the potential for future development of a dry bulk fertilizer building. It was noted that depending on the types of fertilizer stored there are potential risks of contamination. It was noted that 1A would be ideal for future development of additional liquid bulk tanks due to the geographic area and level of bedrock. Members suggested

that 1B should be reserved for future development of railway track and/or additional grain bins. Port staff suggested that 1C be partially developed to attract future development and to move the current dredging pile to 2A with additional stone to build up the area for future development. It was noted that West Uplands 3 and 4 areas should be kept as a buffer between the Port and the homes and water/public area located in the vicinity.

Members highlighted that the Committee needs to determine how the Port should use and develop the land to optimize future development of the Port. Members suggested that 1A be reserved for future liquid tank development. It was noted that Logistec is interested in developing Port land to store fertilizer. Members noted that the Port would be the landlord and Logistec would be required to enter into a lease agreement for the land to be developed, along with clauses for the cost of berthage, insurance, and liability due to the risk of possible ground contamination from the fertilizer products.

Members commented on the risk of ground contamination and confirmed that if there was contamination that the liability would be on Logistec and they would be required to follow MOE clean-up, mitigation practices, and monitoring of the site. Committee highlighted their concerns about the potential risk of contamination due to the type of fertilizer to be stored on Port land. Members noted that if the fertilizer came into contact with any moisture at all that it could result in a chemical interaction creating nitrate, which could soak into the ground and cause years of contamination and follow-up monitoring. It was noted that Port staff would need to research best practices and confirm with Logistec how they would develop the storage facility to mitigate any contamination concerns. Members suggested that an engineering report and environmental risk assessment should be completed and presented to Committee before they consider leasing land to Logistec to store fertilizer.

It was noted that that Logistec is trying to determine if the Port and Committee are interested in leasing land for them to develop, especially when they have other land they can develop. Members noted that if the risks outweigh the benefits from the use of land agreement then Committee and Port should not be granting them use of the land.

Members enquired if Committee as a whole would be disappointed if Logistec were to develop the storage facility on their own land and the Port may lose out on revenue. Members enquired if Committee would be interested in holding a special meeting if Logistec wanted to meet and discuss a proposal. Members also commented on the area 1B as the possible location for Logistec to use and develop the land.

There was consensus from Committee that members would not be disappointed if Logistec were to develop on their own land, partly due to the lack of information and need for the Committee to further understand the

possible environmental risks. Committee debated if they would be interested in holding a special meeting if Logistec presented a proposal. Members debated if the opportunity to develop more revenue for the Port was worth the risk of future liability and contamination. Members noted that it would greatly depend on the proposed environmental and engineering information presented with the proposal, as well as the length of the lease. Members noted that Logistec also owns land in Morrisburg and may just build a storage facility at that location if the Port is not interested in leasing land for the fertilizer storage.

Committee enquired as to what the revenue effect would be to the Port if Logistec were to build the facility on their own land across from the Port and only use the Port for berthage. Port staff noted that it would be approximately \$60,000 per year for the land lease. It was noted that another fertilizer company may be interested in using the Port to develop storage. Members suggested that Port staff could meet with the potential businesses and gather information to report back with an update.

c) SWOT Analysis Update – Mr. McAuley

Mr. McAuley provided Committee with an update with respect to the strategic plan process and informed Members that he has completed the SWOT analysis and will be preparing a review of the PEST analysis for the August meeting. It was noted that the SWOT and PEST analysis will help to inform the new Council by highlighting strengths, opportunities, weaknesses, and threats that have already been identified and analyzed by Port staff and Committee.

d) Process Risk Assessment – Mr. Hendriks

Mr. Hendriks informed Committee that he would like to be involved in developing and contacting a professional to complete a process hazards analysis of the Port. It was noted that the analysis would evaluate the overall risks associated with the building and Port operations, analyze the risk percentage under different circumstances and factors, mitigation factors, consequences, and costs associated with the risks and damage if something were to ever happen.

Members discussed if a process hazards analysis would be a worthwhile cost to the Port. Members requested that the professional prepare a proposal for Committee to review and determine if this is a specialized field that would require the Port to single source the individual to complete the analysis. Members enquired if it would be additional costs if the professional were to complete an overall risk analysis versus a risk analysis just regarding the dust suppression/explosions at the Port.

Members highlighted that if the process hazards analysis is completed and it identifies major risks, the Port and Committee would be liable and would

need to address the issues. There was consensus from Committee to allow Mr. Hendriks to discuss with the risk professional about preparing a proposal for review.

8. Action/Information Items

a) Operations Manager's Report

Committee reviewed the Operation Manager's Report and briefly discussed if the inventory levels were within the band of tolerance for the Port. Members asked for clarification with respect to the oil analysis. It was noted that the oil analysis are completed to determine if the gearboxes require a complete oil change.

b) General Manager's Report

Committee reviewed the general Manager's Report and commented on the 2018 deficit of \$257,661 compared to 2017 which was only \$127,388. It was noted that due to the inventory adjustment requirements, it inflated both revenues and expenses by \$110,000 in 2018. Members briefly discussed a possible lease for antenna space at the Port with Freedom Mobile.

Committee discussed the possibility of Dr. Low offering services at the Port for staff and employees. Members noted the merits of a doctor and/or nurse on site to promote wellness and back to work efforts for employees.

Members asked for clarification as to what the Environmental Enforcement Officers (EEO) can do and how they can affect the Ports overall operations. It was noted that the EEO can review all procedures and policies and can fine the Port if it's not following proper procedures. Committee reviewed the investment schedule.

c) YTD Stats

Committee reviewed the YTD Stats and noted that the 2018 labour hours have increased from 2017. Members commented on the new recordable incidents/injuries summary and suggested that the lost work, restricted work, and medical treatment stats be combined into a total recordables column on the report.

d) Capital Projects Update

Committee reviewed the report and confirmed that the loading spouts project requires the engineering assessment to be completed and as a result the dock fenders will be delayed until the loading spouts project is completed. It was noted that due to the fire alarm system coming in below budget, Port staff have a recommendation prepared on item 8f) to reallocate \$110,000 from the fire alarm system project to the West Uplands development project.

e) Health and Safety Report

Committee reviewed the Health and Safety Report.

Moved by: F. McAuley seconded by: G. Morrell that Committee receive and review 8a) Operation Manager Report, 8b) General Manager Report, 8c) YTS Stats, 8d) Capital Projects Update, and 8e) Health and Safety Report.
Carried

f) West Uplands II Development

Councillor Smail did not participate in the discussion or vote on the matter.

Committee reviewed the recommendation and discussed if the West Uplands areas need to be completely developed in order to attract new business. Members debated about the level of development the Port should complete to attract business, specifically if granular and fencing would be necessary. Members noted that if the land was already partly developed and ready for new business that it may be an attraction to some businesses looking to build up the area.

Members asked for clarification with respect to the current location of the fencing and if the cost of fencing was included with the tender. Port staff confirmed that the fencing would need to be moved to complete the excavating and a new fence and gate would be installed. It was noted that the fencing is a separate tender item. Committee debated if the project should be completed as one project or in sections. Members noted that the Committee and Council are on a time restriction to amend the capital budget due to the possibility of lame duck. There was consensus from Committee to move forward with the recommendation to complete the full scope of the project and amend the budget.

Moved by: F. McAuley seconded by: G. Morrell that Port Management Committee:

1. Recommends that Council amend the 2018 capital budget to increase the capital spending amount limit for this project from \$500,000.00 to \$610,000.00 and that this additional \$110,000.00 be reallocated from the Fire Alarm System on the 2018 Capital Budget.
2. That this action item be brought forward to Council at the July 23, 2018 Council meeting for approval.
3. That the Port Management Committee awards the West Uplands 2 Development project #300-080 to Coco Group Inc in the amount of \$493,410.00 (excluding HST) plus an 8.5% contingency.
4. Authorizes staff to execute the contract.

Carried

9. Approval of Disbursements – Port Accounts

Moved by: K. Smail seconded by: P. Taylor that Committee approves payment of Port invoices as circulated.

Carried

10. Councillor Inquiries/Notices of Motion – None

11. Chair's Report

Mayor Sayeau reported the following:

- Provided a brief update with respect to the Naval Vessel docked in Prescott

12. Question Period

Questions/comments were raised with respect to the following:

- It was noted that the Port of Johnstown used to store fertilizer in a building on the Harbourfront dock in the past.

13. Closed Session – None

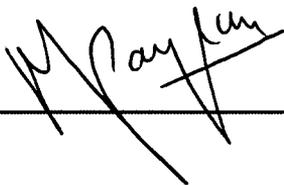
14. Adjournment

Moved by: P. Taylor seconded by: G. Morrell that the meeting adjourn at 8:55 pm.

Carried

These minutes were approved by Port Management Committee this 15th day of August, 2018.

Chair



Deputy Clerk

