

**MINUTES**  
**PORT OF JOHNSTOWN MANAGEMENT COMMITTEE**  
**MUNICIPAL OFFICE – SPENCERVILLE**  
**WEDNESDAY, FEBRUARY 20, 2019**  
**6:30PM**

Present: Mayor Patrick Sayeau, Chair  
Deputy Mayor Tory Deschamps  
Councillor Hugh Cameron  
Councillor Stephen Dillabough  
Councillor John Hunter  
Mr. Joe Hendriks  
Mr. Frank McAuley

Staff: Robert Dalley, General Manager  
Kevin Saunders, Operations 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: H. Cameron seconded by: F. McAuley that Committee approve the agenda as amended to add 7a) Port Investment Report.

Carried

3. Disclosure of Pecuniary Interest & the General Nature Thereof – None

4. Delegations

a) Rail Bridge Study – Steve Houseman

Committee noted that Mr. Houseman was not able to attend the meeting due to the impending inclement weather, however the report has been provided to Committee for review.

Committee reviewed the report and noted that the total estimated project cost is \$650,000.00 to repair the bridge, which would extend the lifespan of the bridge by another 25 years with regular maintenance completed. Members enquired if the CN has expressed concern about the condition of the bridge and if CN would be willing to help fund the project. It was noted that the Port has not received any direct contact from CN; however they have spoken with operators on the site that have noted concern about the structure. It was noted that the Port was working with the late MP Gord Brown to set up a meeting with CN to discuss the possibility of a joint/shared project to help with costs, however due to timing a meeting was never scheduled.

Committee discussed how often the Port accesses the bridge and the number of rail cars the Port can bring in at once. It was noted that currently the Port is limited to 35 cars at a time; however there may be the possibility of Jones Rail being able to accommodate additional cars. There was a general discussion with respect to Port revenue from rail cars per year and the potential to increase revenue depending on business demands. Members noted that if the Port wants to be competitive and promote economic development in the area, it would be beneficial for the Port to have the ability to accommodate all three methods of transportation.

5. Minutes of the Previous POJ Committee Meeting

a) Regular Meeting – January 16, 2019

**Moved** by: H. Cameron seconded by: J. Hunter that Port Management Committee receives and approves the minutes of Port Management Committee meeting dated January 16, 2019.

Carried

6. Business Arising from Previous PMC Minutes

Members requested a status update with respect to the GMP consultant services implementation at the Port. It was noted that GMP has started to review and prepare procedures and modules specifically for the Port. It was noted that GMP is expecting to be prepared for the March 20 audit.

7. Discussion Items

a) Port Investment Report

Committee reviewed the report and requested an updated report to reflect the new maturity date for the Scotia Bank 14 month GIC. It was noted that an updated report will be available for the 1<sup>st</sup> Quarter.

**Moved** by: S. Dillabough seconded by: H. Cameron that Committee receives and reviews 7a) Port Investment Report.

Carried

8. Action/Information Items

a) Operation Manager's Report

Port staff summarized the report and highlighted that the overall grain inventory for the month of December ending at 126,835mt, which has increased the storage revenue by 35,822mt compared to 2018. It was noted that a broker is interested in storing grain at the Port in the coming months,

which would result in the grain being turned over and may assist with pest control during the winter months.

Committee discussed the possibility of Jones Rail being able to assist the Port with delivering rail cars received from Ingredion that are being held up by CN. Members suggested that Jones Rail may be able to store the additional cars in Johnstown instead of relying on CN offloading them in Brockville. There was a brief discussion with respect to CN freight scheduling, specifically highlighting that CN is limited on available drop times to leave other rail cars at the Port. It was noted that in the future CN may be able to drop the cars off at Jones Rail so the Port does not have to rely so heavily on the CN schedule.

b) General Manager's Report/Traffic Report

Port staff outlined the report and highlighted that the Port has a surplus of \$86,000 for the end of January. It was noted that the Port staff are able to determine the hydro peak demand factors without the assistance of consultants, which has resulted in avoiding the top five demand peaks over the past year.

There was a general discussion with respect to cargo storage for the Nation Rise Wind Farm Project. It was noted that certain parts may have to be kept inside away from the elements. Members discussed various ideas about how the Port could accommodate such a request, including the idea of purchasing empty building(s). Members noted that the project would require approximately 30,000sqft of indoor storage, which is a substantial size building to accommodate the storage request.

There was a discussion with respect to the Port receiving an inspection compliance report from MOE regarding the handling of loading/unloading salt during a designated maximum wind speed. It was noted that Port staff will be in consultation with surrounding Ports and stevedores to update best practices and will discuss with issue with the MOE. Port staff provided an overview of the YTD stats report.

c) Health & Safety Report

Committee reviewed the health and safety report.

**Moved** by: J. Hendriks seconded by: T. Deschamps that Committee receives and reviews items 8a) Operation Manager's Report, 8b) General Manager's Report and 8c) Health & Safety Report.

Carried

d) Government Funding

Committee reviewed the proposed motion and briefly discussed the process which would need to be followed to submit an expression of interest for funding.

**Moved** by: H. Cameron seconded by: T. Deschamps that:

WHEREAS the Government of Canada, the Government of Ontario and the Township of Edwardsburgh Cardinal each contributed \$13 million over the period of 2009 to 2016 under the Canada Action Plan, Short Sea Shipping Program, to fund a major \$36 million infrastructure renewal program at the Port of Johnstown; and

WHEREAS the Infrastructure Renewal Program invested in a rebuilt and expanded River Front Wharf including dock lighting, a rebuilt Harbour Front Wharf and developed the new 2-acre Uplands 1 Lay-Down Area; and

WHEREAS the Port of Johnstown has invested an additional \$15 million in Capital Renewal Projects since 2012 to replace the original Electrical Sub-Station (\$1.2 million), construct four new 5,000 ton grain storage bins (\$4 million); clear and prepare 5.5 acres of new gravel lay-down area for Uplands 2 (\$600,000), install a modern new grain bin temperature monitoring system (\$50,000), install a new fire alarm system (\$300,000), and install an automated control system for the grain trips (\$500,000); and

WHEREAS the Port of Johnstown continues to attract new business and expand on the basic grain handling business, including the loading in 2018 of seventeen (17) ships with grain cargo estimated at \$100 million, destined for International Markets; and

WHEREAS the original grain loading spouts constructed in the 1930's and designed to load the old canal vessels which sat low on the water, are beyond repair and are not capable of loading the newer ocean-going vessels which sit much higher on the water; and

WHEREAS the Port of Johnstown has recently purchased a Good Management Practices (GMP) Quality Control Program required for the export of grain from Canada to International Markets and engaged the necessary expertise to implement and maintain the system.

NOW THEREFORE the Port of Johnstown Management Committee designates the following as the Number One High priority Capital Project for 2019-2020: Spout Loading System; to re-engineer, re0design, tender and replace the nine ship loading grain spouts on the south side of the elevator, repair and rehabilitate the exterior bin walls supporting the previous spout loading system and add additional grain storage all at an estimated Capital cost of \$10,200,000.00.

AND FURTHERMORE, directs and authorizes the Port General Manager to prepare and submit an expression of interest in applying for and securing a Transport Canada Matching Funds Grant under the National Trade Corridors Fund to support these Capital Projects noting that the Port of Johnstown has Matching Funds Available at the 50% level.

AND FURTHERMORE, that the Port of Johnstown Management Committee hereby appoints the below members (with one alternate member) to a sub-committee whose mandate is to work with the Port General Manager to submit the application, take such other steps as deemed necessary to

promote the application, advocate on the merits of the projects and work with Transport Canada to secure a Matching Funds Agreement.

- Mayor Sayeau, Chair of the Port Management Committee
- Councillor Cameron
- Mr. McAuley, Advisory Member
- Councillor Hunter (alternate)

Carried

#### e) 2019 Budget – Revenue/Expense & Capital

##### 2019 Revenue & Expenses Budget

Port staff summarized the revenue and expenses budget, highlighting the outside services, materials and supplies, and the 2018 variance reports for each category. It was noted that the 2019 budget is the highest revenue budget prepared to date. This is the result of continued business growth and feedback provided by the Port Management Committee Advisory Members on staff providing a more aggressive budget. It was re-iterated and discussed how the outcome of the harvest is directly connected to the actual results and that for this reason a more conservative approach was taken in preparing the revenues portion of past budgets. There was a brief discussion with respect to the 2019 revenues/expenses by quarter report, specifically noting how the report was broken down by quarter from 2012-2018 with forecasted 2019 budget included to displays trends in the revenue and expenses.

Members asked for clarification with respect to the initial amount given to the Township under the arena contribution line item and how that is connected to the Cardinal Arena. It was noted that the Port is providing a total contribution of \$628,000 towards the arena. The annual amount was initially \$145,000 declining by \$19,000 per year which represented .5% of the tax rate. There is a total of \$93,000 left to be paid over the remaining 3 years. 2019 - \$50,000, 2020 - \$31,000 and 2021 - \$12,000.

##### 2019 Capital Budget

Port staff summarized the capital budget and highlighted the projects under the main four categories; property, marine terminal, grain elevator, and new business, included within the capital budget. It was noted that the loading spouts project will be spread over 2 years, with phase 1 in 2019 to complete the design and engineering work and put a down payment on the manufacturing of the required equipment/materials. Members confirmed that in 2020 the materials to install the 4 loading spouts would be ready and installed. It was noted that Port staff will prepare a business plan for Committee which would outline phase 2 of the project to be completed in 2020.

**Moved** by: H. Cameron seconded by: F. McAuley that:

1. The Port Management Committee recommends that Council approves the Port of Johnstown's 2019 Operating Budget Revenues and Expenses as presented; and
2. The Port Management Committee recommends that Council approves the Port of Johnstown's 2019 Capital Budget as presented.

**Moved** by: J. Hunter seconded by: H. Cameron that Committee amend the Port Budget motion to include a third clause as follows: With the understanding that the Port of Johnstown 2019 Capital Budget will be reduced by \$2.2 million should the Port of Johnstown fail to arrange a Transport Canada Matching Funds Grant Agreement under the National Trade Corridor Fund for expenditure in the 2019 budget year.

Carried

Committee reviewed the revised motion.

**Moved** by: H. Cameron seconded by: F. McAuley that:

1. The Port Management Committee recommends that Council approves the Port of Johnstown's 2019 Operating Budget Revenues and Expenses as presented; and
2. The Port Management Committee recommends that Council approves the Port of Johnstown's 2019 Capital Budget as presented.
3. With the understanding that the Port of Johnstown 2019 Capital Budget will be reduced by \$2.2 million should the Port of Johnstown fail to arrange a Transport Canada Matching Funds Grant Agreement under the National Trade Corridor Fund for expenditure in the 2019 budget year.

Carried

9. Approval of Disbursements – Port Accounts

Members asked for clarification with respect to entry 36. It was noted that due to past salt contamination, believed to be from Rideau Bulk located across the street from the Bridgeview Restaurant, a new water treatment system was installed. This was paid for by Logistec, the owner of Rideau Bulk and the Port agree to reimburse them for a fifth of the overall cost.

**Moved** by: H. Cameron seconded by: T. Deschamps that Committee approves payment of Port invoices as circulated.

Carried

10. Councillor Inquiries/Notices of Motion

Mayor Sayeau noted that he will bring forward a motion at a future meeting with respect to the creation of an ad hoc committee.


Councillor Dillabough noted that he received a call from a competitor of the Port that heard that the Port was for sale.

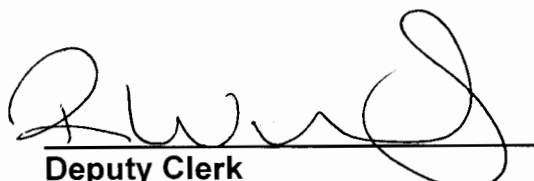
- 11. Chair's Report – None
- 12. Question Period – None
- 13. Closed Session – None
- 14. Adjournment

**Moved** by: T. Deschamps seconded by: J. Hendriks that the meeting adjourn at 8:27 pm.

Carried

These minutes were approved by Port Management Committee this 20<sup>th</sup> day of March, 2019.

  
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Chair

  
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Deputy Clerk