

**MINUTES
PORT OF JOHNSTOWN MANAGEMENT COMMITTEE
MUNICIPAL OFFICE – SPENCERVILLE
WEDNESDAY, JANUARY 16, 2019
6:30PM**

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

Regrets: Mr. Frank McAuley

Staff: Robert Dalley, General Manager
Kevin Saunders, Operations Manager
Rebecca Williams, Deputy Clerk
Rhonda Code, Office Manager
Jeff Wright, Maintenance Manager

1. Call to Order

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

2. Approval of Agenda

Moved by: H. Cameron seconded by: J. Hunter that Committee approve the agenda as presented.

Carried

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

4. Delegations – None

5. Minutes of the Previous POJ Committee Meeting

a) Regular Meeting – December 19, 2017

Moved by: S. Dillabough seconded by: H. Cameron that Port Management Committee receives and approves the minutes of Port Management Committee meeting dated December 19, 2017.

Carried

6. Business Arising from Previous PMC Minutes

Councillor Dillabough requested that an ad hoc committee be formed to focus on finding funding opportunities for the Port. It was noted that the idea

may be discussed at the February meeting where a Committee Member may bring forward a resolution to form an ad hoc committee.

7. Discussion Items

a) Capital Projects/Funding

Port staff outlined the various funding options available for marine transportation and ports. Port staff noted that the national trade corridors funding may assist in adapting the Port to new technology and products that could grow business at the Port. Port staff highlighted the three main capital projects, specifically the railway bridge, infrastructure for export of grain to foreign markets via new load out spouts, and repairs to the Port dock.

Committee reviewed and discussed each project, noting that the total approximate cost for all three projects is \$15 million. Members noted that many of the projects funded are given 50% funding, and it is up to the Port to cover the other 50% of the projects. Committee discussed if the Port should move forward with contacting InterVistas to determine a cost to develop an in-depth business case for the capital projects through the national trust corridor funding application. It was noted that in 2009 the Port hired Hill and Knowlton to lobby and arrange meetings with government officials. Members noted that between InterVistas and Hill and Knowlton there was a \$135,000 cost, however the Port was successful in acquiring funding for the new marine terminal.

It was noted that the Mayor and Port GM would be attending the Marine Chamber of Commerce event and would discuss the national trust corridor fund with the Member Liaison to gather more information on the criteria and the possibility of acquiring introductions with the necessary government officials. It was noted that the Port can apply for the "continuous call" option for the national trust corridor fund since the funding duration is spread out over an 11-year period, ending on March 31, 2028.

Members noted that the Port is financially able to manage covering 50% of the project's costs, and Committee should consider taking advantage of the possible funding available for the major projects. Members noted that a resolution to form an ad hoc committee should indicate the Port's priority projects and that Port staff and Committee members have the knowledge and experience needed to successfully execute the capital projects.

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 ended at 131,237mt, which is the

highest recorded year-end inventory on record. Staff noted that the Port did not receive the expected additional vessel in December due to timing and vessel loading specifications. It was noted that the Port did miss out on 10-15,000mt of grain due to lack of storage. Port staff highlighted that due to the Port carrying additional inventory going into 2019 will result in increased storage revenue.

b) General Manager's Report/Traffic Report

Port staff outlined the report and highlighted that the Port finished December with \$1.219 million revenue, which is significantly higher than the budget by \$69,800. It was noted that there was a visible decrease in the harbor services by \$80,000 due to only 4 vessels arriving with 80,000 mt of cargo, compared to 8 vessels carrying 160,000 of cargo in the previous year. Port staff noted that this is a direct result of the harvest finishing early, less salt arriving in December, and the grain prices resulting in grain being stored until the spring.

Committee briefly discussed the electrical savings, specifically with respect to avoiding the top 5 demand peaks in the previous 12-month cycle. It was noted that if the peak reduction is managed properly and operation conditions permit, it may result in an additional 45% savings on the global adjustment for the hydro bill.

Moved by: J. Hunter seconded by: T. Deschamps that Committee receives and reviews 8a) Operation Manager's Report and 8b) General Manager's Report/Traffic Report.

Carried

c) 2018 Year End Report

Port staff provided Committee with an overview of the Year End Report, highlighting total cargo averages from 2001 to 2018, vessel traffic and shipments of salt and grain, total metric tons of cargo processed, transportation and grain trends, overall grain business, expected growth in future years as a result of agreements with other businesses to provide grain storage, maintenance completed, weather and how it affected the growing/harvest season, grain handling per month, non-GMO corn handling, capital projects, health and safety, training of employees and staff, employee wellness and workshops, Port Day and other tours and presentations, and the 2018 budget summary.

Committee commented on the non-GMO grain being segregated to avoid contamination. Port staff explained the process to clean, store and complete sample testing of the non-GMO grain in a separate designated annex bin in accordance with the storage agreement. It was noted that local businesses are potentially looking to increase the amount of local grain being brought into the Port, with an additional grind requested for 2019. Members noted

that Ingridion currently brings in their grain by railcars, where 30 cars can access the Port at a time. There was a brief discussion with respect to the possibility of businesses looking for additional grain storage and if that would result in the Port needing to build additional bins.

There was a general discussion with respect to overall yearly maintenance and how new loading spouts would benefit the Port. It was noted that currently the spouts are being forced to fit a ship and this results in worn and broken parts. There was a brief discussion regarding maintenance and capital projects that have been completed in house to reduce costs.

Committee reviewed the health and safety report and noted that the Port should work to reduce the number of recordable events down over the coming year. Members confirmed that the Port maintains the confined space training as some of the bins still require employees to access the inside for cleaning and maintenance/repair. It was confirmed that normally Port employees are not required to go into the vessels, as the stevedore arranges for outside workers/vessel workers to complete the required tasks inside the vessel.

Port staff highlighted that the overall surplus has increased by 9.7%, with the revenues increasing by 5.5%, and the grain revenues increasing by 6.85%. It was noted that the fuel expenses have increased due to increased usage of the compressors to clean the elevator bins which alleviates the need for employees to go down into the bins to complete the cleaning process.

There was a question by the members on fees paid by the Port to the Township for the arena loan. The port staff explained the current arena fees paid by the port to the township and stated that an agreement was made to freeze the administration management fees while these payments were being made. Staff also explained that the agreement included a statement that these fees associated with the arena might be reduced as the township's revenues from increased assessment values increased. Members also asked how many years are left in these payments and staff said that they would get back to the members with this information. (This led to a discussion on management fees).

Port staff requested that Committee discusses the municipal administration management fees at a future meeting to create a process for determining future increases. Port staff suggested as an example that an increase could be based on the Ports yearly profit while maintaining the current fee of &758,000 as a minimum.

Moved by: H. Cameron seconded by: S. Dillabough that Committee receives and reviews 8c) 2018 Year End Report

d) Freedom Mobile Lease Agreement

Moved by: S. Dillabough seconded by: T. Deschamps that:

1. Port Management Committee recommends that Council approves the lease agreement as presented between the Township of Edwardsburgh Cardinal and Freedom Mobile;
2. This item be brought forward at the next council meeting on January 21, 2019;
3. Upon receiving approval at Council, the Mayor and CAO sign the document on behalf of the Township and Port.

Carried

e) GMP Consultant Services

Committee reviewed the contract and confirmed that the Port would not be charged for additional onsite visits, due to each day on site is an additional \$1000. It was noted that there would likely be an initial site visit, with the Port only covering the cost of mileage and any additional work would be completed through email and telephone conversations. It was noted that the system will improve and expand the Port's business in Europe as more countries now require GMP certification in order to make the shipment of a sale. Port staff noted that it is likely that more brokers will require Ports to have good manufacturing practices and a food safety system in place.

Port staff noted that by hiring Food Technology Consultants (FTC) to create the food safety system, it will prepare the Port for the required certification audit to be completed. It was noted that once FTC sets up the required software system, the Port would manage and maintain it. Port staff noted that additional work with FTC may be required in the future if the Port decides to upgrade to the International Standards Organization (ISO) system.

Moved by: S. Dillabough seconded by: H. Cameron that the Port Management Committee recommends that:

1. Council award the contract to Food Technology Consultants to create a food safety system (GMP) and prepare the Port for a third-party audit in the amount of \$35,000.00 (excluding HST) plus a \$5,000.00 contingency to cover expenses;
2. Council authorize staff to execute the contract.

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, the Bridgeview Restaurant is updating their water treatment system and the Port agreed to pay a fifth of the overall cost.

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

Carried

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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 20th day of February, 2019.

Chair



Deputy Clerk

