

# **Chairman's Address**

George Sandala

## **Windsor Port Authority Annual General Meeting**

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**June 9, 2016  
Windsor Club**



On behalf of the Windsor Port Authority Board and Staff, it's my pleasure to welcome you to our 2016 Annual General Meeting. I'm approaching my first anniversary as the Chair and wish to thank the Board members for their support, and acknowledge them at this time:

Representing the Federal Government	- Denise Ghanam
Representing the Provincial Government	- Barry Fowler
Representing the City of Windsor	- Anthony Mascaro
Representing our Port Users	- Rocco Lucente
	- Bianca Deluca
	- Tom Porter

Finally by way of introduction I wish to acknowledge Michael Frenette of our accounting firm Collins Barrow. Mr. Frenette will be available to answer any questions arising from our financial statements, a summary of which was made available earlier. Also I'm pleased to announce that the Board has re-appointed Collins Barrow as our auditors for the upcoming year.

Since becoming a Port Authority 17 years ago, this past season's performance has reflected one of our best years, reaching 5.64 million tonnes. This volume eclipsed both our 5 and 10 year averages, and was driven to a large extent, by near record levels of stone and construction aggregates. Shipments of these commodities increased by almost 50% in 2015, due to the start of construction of the 100 acre customs plaza, which will service the new Gordie Howie International Bridge. We are projecting that shipments of stone and construction aggregates will drop off somewhat in 2016 with the completion of the customs plaza, but should remain at traditional levels in the foreseeable future, with numerous major construction projects on the books, including the new Gordie Howe International Bridge.

Salt is the other major cargo handled within the Port and has historically averaged in the range of 1.5 - 2 million tonnes. These levels were exceeded in 2014 and again in 2015 due to the preceding very severe winters, with total volumes reaching 2.17 million tonnes this past season. With a very mild winter of 2015-2016, we should see volumes drop somewhat this season but still remain within the traditional range.

General cargo, which consists primarily of imported and domestic steel, posted significant gains in 2014 and this was followed up by another good year in 2015. General cargo is handled almost exclusively through Morterm Ltd, the port's only general cargo terminal, and Morterm is projecting another solid season this year.

Petroleum products are shipped through the Sterling Marine Fuels dock which is owned by the Port Authority and operated by McAsphalt Industries Inc. After a very strong season in 2014, total volume dropped by approximately 16% in 2015 to 260,000 tonnes. This decline was due in no small part to a very volatile oil market and the fluctuating Canadian dollar which persisted throughout this past season. As you may recall, McAsphalt has undertaken a significant expansion and upgrading program at its

facility in recent years and we therefore are forecasting a consistent upward trend for cargo volumes during the upcoming years.

ADM Agri-Industries is one of the world's largest grain traders and has operated the Windsor Grain Terminal for over 25 years. Like the oil business, grain shipments can be subject to numerous domestic and international factors including global growing conditions, currency fluctuations, freight rates and world-wide demand. ADM has been able to successfully navigate these conditions and has experienced significant growth in recent years. Unfortunately, 2015 was a disappointing year with total grain volumes dropping by over 26% to 567,000 tonnes. However, this was still at the 10 year average for the terminal and we do expect volumes to rebound somewhat this season.

So in summary, the Port had a very strong year in 2015 and with an early start to the 2016 season we are projecting a very similar season in 2016.

Now let me bring you up to date on some of the other developments at the Port.

We are currently working on 2 greening projects in Sandwich Towne – one adjacent to the HMCS Hunter on the old Mill Street dock and one adjacent to our own offices on Sandwich Street. Construction of the Mill Street parkette is currently underway with shore restoration and enhanced fish habitat as well as green space and a new fishing dock. The park will be opened later this summer and we want to thank all of our partners who have made significant contributions.

Dean Construction, Sterling Marine Fuels, Rotary Club 1918, C.T. Soils and Home Depot.

And we particularly want to thank the Morris & Beverly Baker Foundation for their generous donation of \$15,000.

The other greening project we are planning is on a one-half acre parcel of vacant land immediately adjacent to our office building. We have a conditional offer to purchase this property and our plan is to dedicate this site for public access with enhanced greenspace and natural features as well as story boards which will tell some of the history of Old Sandwich Towne and the significance of the port – both historically and in a more modern context. If all goes well, we hope to complete the purchase of the site later this summer.

I'm sure all of you saw the excellent series on the revitalization of Old Sandwich Town which ran in the Windsor Star a few weeks ago. As our CEO, David, stated in a follow up "Letter to the Editor", this is a very exciting time for this most historic of Windsor's neighbourhoods and it is gratifying to see its potential starting to be realized and appreciated. As one of the largest property owners in the area, we are proud that we have played an important role in this revitalization. Within the last 5 years, two of our major tenants, McAsphalt Industries and HMCS Hunter have expended over \$60 million on the largest commercial developments in the area in over a decade.

We have made direct financial commitments to the neighbourhood in numerous other ways – moving our head office to the corner of Mill & Sandwich in 2013 and donating to numerous local activities and charities – the Sandwich Towne Festival in

September, the Christmas Parade in December, the annual food drives at St. John's Church and our recent commitment to partner in the on-going maintenance of the new Brock/Tecumseh statute in Patterson Park. Our harbourmaster, Peter Berry, works tirelessly with residents and students in Old Sandwich Town to clean-up and improve safety on vacant properties and along the waterfront and in 2015 conducted various community clean-up events.

And our staff continues to work with and give our financial support to numerous organizations including the Mission to Seafarers, the Annual Tug Boat Race, the Children's Water Festival, the Canadian Mental Health Association, Windsor Good Fellows, and the Sandwich Teen Action Group. In addition, we continue our long standing commitment to the University of Windsor and St. Clair College with our Scholarships totalling \$6,000.00.

One of our most enduring and successful partnerships has been with the Windsor Police Service. That partnership was expanded 2 years ago with the joint purchase of a new state-of-the-art \$350,000 patrol vessel christened "The Defender" That vessel proved so successful that we are supplementing its capacity with a new, smaller sister ship "The Protector" which was purchased for \$300,000 and will go into service later this summer. The Detroit River is one of the main conduits for smuggling along the entire Canada – U.S. border – this includes firearms, explosives, drugs and human cargoes. The Windsor Police Service does more than its share to interdict this activity, ensuring the Detroit River is a safe place for the boating public. We are proud to be partners in this important on-going initiative.

Finally from a financial standpoint, this past year was one of the most successful in our history, generating net revenue of \$492,000. As we have repeatedly stated in the past, almost all of this money stays in the City and is re-invested in such projects as the HMCS Naval Reserve Facility, the Sterling Fuels/Miller Paving expansion, the LafargeHolcim new dock face and fish habitat project, and the various clean up and greening projects and charitable donations which I have mentioned. And as we have also stated, 2 facts of which we are justly proud - this past year we were again acknowledged in a Transport Canada study as having the lowest port fees of any of the 18 Canada Port Authorities and the second lowest expenses in terms of employee costs per tonne of cargo handled. This adds up to one very simple conclusion – the Windsor Port Authority provides its services in an exceptionally efficient manner allowing us to keep our port users costs down and still make significant contributions to the economic growth of our community.

For this, I must again thank our Board for their foresight and leadership and our staff – David Cree, our President and CEO; Christine Paré, our Controller; Peter Berry, our Harbourmaster; and Kinga Daradics, our Administrative Assistant.

So in closing, thank you all for attending and please have an enjoyable evening. We will be happy to answer any questions.