



*As delivered by Steve Salmons, Windsor Port Authority President & CEO*

The year 2020, and into 2021, will go down into the history books for its infamy as the first world-wide pandemic in a century. It reminds us all of how globally interconnected we all are in trade, travel, business, and family. Port Windsor's vision is... to **Connect Windsor-Essex to the World**...well, this year, the world came to us. But not in the most anticipated manner.

I extend my appreciation and recognition of everyone at Port Windsor, all 850 people who come to work at our terminals and operations each day. They did not necessarily get the opportunity or choice to stay home... essential goods and services still had to be available to our community, and to the world. Essential... as in working people essential to our economy and our way of life. In addition to our courageous and brave front line emergency and health care workers who maintained our front lines against COVID throughout this pandemic, port workers were also at the front lines throughout. They too are community heroes in my books. A sincere expression of appreciation and gratitude to each of you for continuing to ensure that Port Windsor Connected Windsor-Essex to the World.

We all have a role to defeat COVID through vaccination. Our daily lives, our economy, our return to normalcy depends upon each of us getting fully vaccinated at first opportunity. The sooner we achieve the public health targets, the sooner life returns to normal, for all of us.

Port Windsor, like all ports across Canada, and the globe, persevered through 2020 to deliver surprisingly good results, despite the challenges of a global economic slowdown.

We began the year in a new relationship with Windsor Yacht Club who assumed operations of our east-end marina. The Yacht Club has brought a new expertise and level of service to our recreational boaters and provides the Port with a predictable, stable revenue stream. In 2021, we will be looking at significant infrastructure improvements to the marina to replace sections of failing seawall and prepare for rising lake levels because of climate change.

On that point, and during a year of record lake levels, the Port initiated two major studies in 2020- Risk Management, and Climate Resiliency. Through a federal TARA grant, the Port has initiated a comprehensive review of its shoreline infrastructure and modelled the potential and likely impacts of climate change. The goal is to build climate resiliency, to ensure the continuity of Port operations over the next 50 years in the face of rising lake levels and more frequent, and intense, storm events.



Likewise, with the goal of the creation of an Asset Management Plan, and Risk Reduction Strategy, the Port initiated a second comprehensive study to identify risks and threats to continuity of operations. In 2021, the port will develop a strategy to consider and implement a multi-year programme in response to both studies.

With installation completed in 2020, the Port now has several live cameras on the waterfront to track vessels and objects in the harbour using infrared technology (day or night). Working with local law enforcement, this technology is used to ensure the safety and security of our port, and the community. These cameras and installation were funded through a federal PEMSA grant.

While volumes were down slightly in 2020 due to construction and manufacturing shutdowns last March/April, the Port rebounded to gather steam throughout the summer and fall. In fact, as 2020 progressed, we saw record monthly volumes for grain shipments... aggregate demand was also at a record pace by year end... and so did salt also finish strong by December.

We finished the year with a stronger balance sheet on December 31, 2020, and still, with no debt. For the third year in a row, total expenses were reduced from the prior year.

Unfortunately, that is where the good news stops.

Given the pandemic, revenue from operations was not unexpectedly down by a modest amount from 2019.

But the real issue is that this level of revenue has become a constant over the last decade, pandemic or not.

In fact, the port has lost money in two of the last five years from operations. Net income is in surplus only because of the chronic dependence on investments that have offset the operational deficiency in revenue year after year.

While Canada-wide 2020 port statistics are not yet available, in 2019, the Port of Windsor was dead last in Revenues per Tonne, last in Operating Income per Tonne, and in the bottom of the pack for both Year-over-Year Revenue Growth, and 5-year Revenue Growth.

Our 5-year performance, and the national statistics that illustrate this, can only bring us to one conclusion.... Port Windsor is not pulling its weight to build wealth and prosperity for its community and Canada.

Reliance on investment income to ensure that we exceed a break-even position in operations is not a sustainable business model. The Port will be reviewing this question of long-term financial sustainability as a key component of its Strategic Plan.



Our Strategic Plan has already identified this problem and has set out several goals and objectives to correct our course and steer our ship in a new direction. The Strategic Plan also includes several actions that will improve our business development capacity, enhance promotion of the port, and relentlessly advocate for the advantages of green marine transportation on Highway H2O.

Consequently, the current fee structure at Port Windsor must also change. Being the lowest fee port in Canada, by a factor of ½ to 2/3 less than any other port, is not a sustainable business case when business volumes are not growing in response to this supposedly competitive advantage. We will be consulting with our customers over 2021 to develop a go-forward strategy that ensures not only a fair and reasonable fee schedule, but also working to ensure we maintain competitive and growing operations at each of our terminals.

A complete financial report is provided in the 2020 Audited Statements, and is available on the Port's website, or by request at our office at 3190 Sandwich Street.

In conclusion, I would like to thank the Board for their continued support, confidence, and commitment to ensuring the long-term sustainability of this Port.

I also want to recognize the small team here at the Sandwich office of Port Windsor-

- Liz DiMenna, our Executive Assistant
- Patricia Leblanc Jaeger, our Director of Finance and Administration
- Peter Berry, our Harbour Master and Director of Operations.

Small but mighty, and dedicated, and tireless, and talented... these folks too have never given up since this pandemic began. I thank each of them from the bottom of my heart for their endless commitment to the success and prosperity of Port Windsor.