

2020

Windsor Port Authority Annual Report



Message from the Chair...



The year 2020 marked the 21st year of the Windsor Port Authority operating under the Canada Marine Act.

COVID19 came with very little warning and its impacts were immediate. The impacts across the economy were brutal and unprecedented. Too many of us felt alone, and unsure of what to do next.

Here at Port Windsor, we knew what we had to do... the port industry is essential for the movement of goods and products, and so were port workers. Port Windsor never closed for a single day throughout. Port workers continued to fuel the ships that kept sailing, mined salt for winter roads, crushed seed to manufacture vegetable oil for cooking and food products, delivered aggregates and concrete to support the construction of the infrastructure vital to our future, and bring in the steel and aluminum to ensure we remain a manufacturing powerhouse.

The seafarers of these ships, the workers in our terminals, the staff of Port Windsor who kept us open and operating, these too have been community heroes throughout this pandemic.

We also never lost sight of our Vision to “**Connect Windsor-Essex to the World**”, and our Mission to “**Create an International, Integrated Transportation Hub**”.

Our Strategic Plan focuses on opportunities for sustainable economic growth, environmental and community-based prosperity, effective stakeholder relations and partnerships within the Windsor-Essex region. Success always begins with effective leadership, and as such our Plan also includes a commitment to Excellence in Governance.

In 2020, we also maintained our commitment to community through several initiatives such as the donation of 55 iPads to the Windsor Regional Hospital COVID unit with our partners at Sterling Fuels, T2B and MNSi; we thought it important to bring a smile back to our faces through the donation of 100 dozen Smile Cookies in support of the John McGivney Centre and W.E. care for Kids; the Port donated 850 pairs of winter socks for the

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homeless to the Downtown Mission and Salvation Army, one (1) pair in honour of each of our heroes, the 850 men and women who work each day in Port Windsor; our staff also spent a day with the United Way, handing out food boxes to the community, donated by the Port to assist families struggling with the job losses during COVID.

As a Board, we recognize the importance of on-going strategic development to continue to promote economic and environmental sustainability within our operations.

That includes our unqualified commitment to find a solution with our partners at the City of Windsor to secure the Ojibway Shores property as a permanent natural heritage site for generations to come. Years ago (in 2013 to be precise), this Board chose to forgo the economic opportunity of 26 acres of deep-water port land for the environmental benefits and the community good. We share the community's desire to see an end to this process and look forward to an announcement soon.

I want to recognize and thank each of my colleagues on the Board of Directors for their continued confidence and ongoing support. I also want to take a minute to recognize and thank two Directors who left our Board this past year:

Barry Fowler, Province of Ontario appointee, and past chair of our Audit and Finance Committee. Barry served the Board for two terms since 2013.

Bianca DeLuca, who served for 3 terms, since 2011, as a User Representative for a total of 9 years. Bianca chaired our Governance, Policy and Bylaw Committee for many years.

On behalf of the Board, I am deeply appreciative for all your contributions to the success of the Board, the vibrancy of our marine economy, and the health of our community that we all serve.

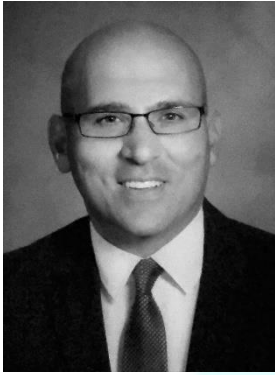
*Walter Benzinger, Chair
Federal Director*

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Windsor Port Authority Board of Directors...



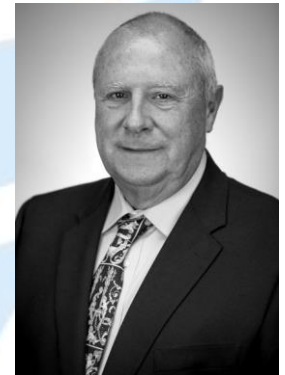
Anthony Mascaro
Municipal Director
(2015)



Sophia Chisholm
Provincial Director
(2021)



Karen Behune Plunkett
Port User Director
(2018)



Tom O'Brien
Port User Director
(2018)



Tom Porter
Port User Director
(2015)

Vacancy
Port User Director



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Message from the President & CEO...



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.

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

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While volumes were down slightly in 2020 due to COVID-induced 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 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 surprisingly down by a modest amount from 2019. The issue is that this level of revenue has become a constant over the last decade, pandemic or not. Net income is in surplus only because of the chronic dependence on investment income that has offset the deficiency in operational 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.

Reliance on investment income to ensure we exceed break-even 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.

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 St.

Steve Salmons
President and CEO

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ECONOMIC GROWTH & DEVELOPMENT

HISTORICAL ANNUAL TONNAGE BY COMMODITY

While the global COVID-19 Pandemic had a significant impact on the first half of 2020, the activity within the Port rebounded significantly during the last two quarters of the year as illustrated by an overall slight decreased in cargo tonnage.

COMMODITY	2020	2020 % +/-	2019	2018	2017	5 YR AVG
SALT	1,971,750	(9.16)	2,170,558	2,170,791	2,164,902	2,058,793
AGGREGATES	1,498,712	(0.87)	1,511,898	1,597,497	1,628,424	1,586,399
GRAIN	822,912	16.32	707,434	878,533	748,708	772,676
PETROLEUM	156,169	(13.62)	180,795	277,629	256,924	227,952
GENERAL CARGO	82,044	(43.73)	145,810	252,503	259,289	203,798
OTHER DRY BULK	0	0	0	2,980	22,689	5,762
TOTAL TONNAGE	4,531,587	(3.92)	4,716,495	5,179,933	5,080,936	4,819,380

COMMUNITY CONTRIBUTIONS MANDATE

The Port of Windsor is proud to be an active member of the Windsor-Essex community. Windsor Port Authority recognizes its role within the community to be an agent that provides community-based prosperity and proudly reinvests 3% of its annual budgeted revenues within Windsor-Essex.

Community contributions are a core value for the Windsor Port Authority. For more than two decades, Windsor Port Authority has partnered with numerous organizations to provide sustainable economic and community-based prosperity. Highlights from the past two decades include:

- Partnerships with Windsor Police to provide marine-based safety and security
- Creation of community spaces including Prosperity Place and Queen's Dock
- Economic expansion of Sterling Fuels and Miller Aggregates terminals through a \$10 million Federal Infrastructure Grant
- Sponsorship of various community events
- Annual financial sponsorship for Mission to Seafarers
- Annual contributions to various organizations within Windsor-Essex focused on assisting those in need
- Partnering with schools and community-based organizations to provide information about the Port of Windsor and opportunities to learn about water safety.

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2020 COMMUNITY CONTRIBUTIONS

Needless to say, the majority of organizations and residents of Windsor-Essex experienced a very challenging 2020. While adhering to public health measures, the Windsor Port Authority continued efforts to support its community.

Port Windsor has purchased 100 dozen Tim Hortons Smile Cookies to bring smiles to the 846 essential port workers who have persevered over the summer to ensure the goods critical to our local economy continue to flow. All proceeds from the purchase of the cookies will support the vital programmes of the John McGivney Children's Centre and W.E. Care for Kids.



Port Windsor participated in the United Way/Centraide Windsor -Essex County Summer Eats for Kids Program in support of providing families with healthy snacks, fruits and vegetables throughout the summer. The program runs through July and August. Please consider supporting this initiative in 2021 by visiting <http://www.weareunited.com/summereats>.

Port Windsor donated 850 pairs of winter socks to 4 homeless shelters in Windsor. This represents one pair for each of the 850 workers, who come to work each day at Port Windsor.

Many people and organizations generously donate winter clothing and money to the homeless, but time and time again, studies shows that the most desperate need, and the most appreciated gift, is a new, clean pair of warm socks.



Port Windsor is pleased and committed to support the community's university and college students by providing annual scholarships to assist students with offsetting the costs of post secondary education. Studies continuously indicate that higher education is directly correlated to individual economic success.



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Statements of Operations and Changes in Equity

Year ended December 31	2020	2019
Revenues		
Leases	\$ 747,793	\$ 696,984
Wharfage	482,536	466,171
Cargo and harbour dues	232,291	258,073
Marinas	-	98,165
	<u>1,462,620</u>	<u>1,519,393</u>
Expenses		
Administrative and general (Note 5)	918,449	939,874
Operating costs (Note 6)	254,372	332,644
Depreciation	218,758	210,153
Gross revenue charge (Note 7)	33,223	34,592
	<u>1,424,802</u>	<u>1,517,263</u>
Earnings before investment and other income	<u>37,818</u>	<u>2,130</u>
Investment and other income		
Loss on disposal of property and equipment	(26,537)	-
Investment income	<u>199,552</u>	<u>210,158</u>
	<u>173,015</u>	<u>210,158</u>
Net income	<u>\$ 210,833</u>	<u>\$ 212,288</u>
Surplus, beginning of year	\$ 4,631,628	\$ 4,419,340
Net income	210,833	212,288
Surplus, end of year	<u>\$ 4,842,461</u>	<u>\$ 4,631,628</u>

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Windsor Port Authority Statement of Financial Position

December 31	2020	2019
Assets		
Current		
Cash	\$ 467,209	\$ 169,119
Short term investments (Note 8)	595,932	1,998,096
Accounts receivable (Note 9)	468,915	595,974
Prepaid expenses and deposits	136,917	111,143
	<u>1,668,973</u>	<u>2,874,332</u>
Long-term		
Investments (Note 8)	8,860,675	7,211,735
Property and equipment (Note 10)	4,083,053	4,241,113
	<u>12,943,728</u>	<u>11,452,848</u>
	<u>\$ 14,612,701</u>	<u>\$ 14,327,180</u>
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 11)	\$ 228,137	\$ 132,861
Current portion of deferred lease income (Note 12)	84,628	88,166
	<u>312,765</u>	<u>221,027</u>
Long-term		
Deferred lease income (Note 12)	839,713	856,763
	<u>1,152,478</u>	<u>1,077,790</u>
Equity		
Contributed surplus	8,617,762	8,617,762
Surplus	4,842,461	4,631,628
	<u>13,460,223</u>	<u>13,249,390</u>
	<u>\$ 14,612,701</u>	<u>\$ 14,327,180</u>

Contingency (Note 13) Commitments (Note 7)

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Statement of Cash Flows

Year ended December 31	2020	2019
Increase (decrease) in cash		
Operating		
Net income	\$ 210,833	\$ 212,288
Items not affecting cash		
Depreciation	218,758	210,153
Loss on disposal of property and equipment	<u>26,537</u>	<u>-</u>
	456,128	422,441
Change in non-cash working capital items		
Accounts receivable	127,059	(199,634)
Prepaid expenses and deposits	(25,774)	5,525
Accounts payable and accrued liabilities	95,280	(74,502)
Deferred lease income	<u>(20,589)</u>	<u>(11,728)</u>
	632,104	142,102
Investing		
Net change of investments	(196,776)	9,566
Purchase of Investments	(50,000)	-
Purchase of property and equipment	<u>(87,238)</u>	<u>(299,239)</u>
	(334,014)	(289,673)
Increase (decrease) in cash	298,090	(147,571)
Cash		
Beginning of year	<u>169,119</u>	<u>316,690</u>
End of year	\$ 467,209	\$ 169,119

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