



**PORT**   
**OF THUNDER BAY**  
THE SUPERIOR WAY WEST

**THUNDER BAY PORT AUTHORITY**  
2017 ANNUAL REPORT

Canada



# MESSAGE FROM THE CHAIR

The Port of Thunder Bay had a strong year in 2017 with total shipments of 8.8 million tonnes. This tonnage was almost identical to the prior year despite an abrupt end to the season as extreme cold blanketed the region in December.

Highlights for the year included a rebound in potash shipments to a 10-year high and an unprecedented variety of project and general cargo shipments that led to the highest employment levels for the port’s stevedores since the early 1990s.

Some of the accomplishments of note were the first shipment of pipe from Germany destined for Alberta in over 30 years, the first ever modular hotel, which was shipped from Poland for erection in Calgary, as well as two shipments of construction equipment from Labrador. These movements are in addition to our now-regular shipments of structural steel, wind turbines, wood pellets and transformers. There is truly a sense that the Port of Thunder Bay is gaining traction with our initiative to increase and diversify cargo, and Keefer Terminal is well-positioned to take advantage of future opportunities.

A successful rebranding initiative was completed in 2017, coining the phrase “The Superior Way West” and creating a new logo for the Port. This new tool will prove useful as we continue our efforts to promote the port’s capabilities in Western Canada and around the world.

We are encouraged by the increased activity at the port and will continue our efforts to attract cargo and new business to Thunder Bay and reinforce our ties to Western Canada. We will continue to implement plans to modernize and reconfigure Keefer Terminal to increase cargo handling efficiency and capacity. In the coming year, we will launch our next phase of capital investment with the addition of new rail loading spots, new laydown areas and beginning construction of a new heated warehouse facility.

It is our firm belief that the Port of Thunder Bay and the Seaway route provide a sustainable, safe and efficient transportation gateway with the available capacity to handle much of the projected growth in Western Canadian exports. The port is a key driver of the economy of Northwestern Ontario and a major employer in our municipality.

On behalf of the Board, I would like to express our appreciation to the staff for their dedication and hard work throughout the year.



**Greg S. Arason**  
Chair of the Board

# BOARD OF DIRECTORS

The ongoing success of the Port of Thunder Bay benefits Thunder Bay and the region. Industry leaders bring decades of experience to the Thunder Bay Port Authority Board of Directors. Each level of government—federal, provincial and municipal—names a director for a term of three years. The federal Transport Minister, on the recommendation of port users, names the remaining four directors.

The port plays a strategic role as Western Canada’s second largest grain port. Thunder Bay Port Authority provides harbour administration and supports economic development through promotion of the port and its capabilities, advocating for key issues and investing in port infrastructure.

## MANAGEMENT

**Timothy V. Heney**  
Chief Executive Officer

**Melvin H. Parker**  
Comptroller & Corporate Secretary

**Guy P. Jarvis**  
Director of Engineering & Harbour Master

## PORT USER DIRECTORS



**Greg Arason**  
Chair



**Tracy Buckler**



**Charla Robinson**



**Bonny Skene**

## FEDERAL DIRECTOR



**Murray Walberg**  
Concluded service in 2017



**Dianne Miller**  
Commenced service in 2017

## PROVINCIAL DIRECTOR



**John Aiken**

## MUNICIPAL DIRECTOR



**Pritam Lamba**

# STRATEGY

## MISSION STATEMENT

To promote and invest in the efficient integration of marine, rail, and road transportation systems to support economic development.



The Port of Thunder Bay is the Western Canadian terminus of the St. Lawrence Seaway System, the largest inland waterway in the world. The opportunities and challenges are largely determined by the port's strategic role as it relates to the Seaway corridor. The port was built to provide access to European markets for Western Canadian grain producers through the longest grain supply chain in the world.

For the past 10 years, an integral part of Thunder Bay Port Authority's (TBPA) strategy has been expanding the number of general and project cargo ships that come through the port. Each shipment results in significant economic impact to the region. TBPA coordinates the activities of stevedores, trucking companies, equipment operators, railways and fabricators to ensure that general and project cargoes are handled efficiently and to provide value to the shipper. TBPA significantly increased its marketing budget in recent years to promote the port and the general and project cargo corridor to Western Canada.

## VISION STATEMENT

The Port of Thunder Bay and the Seaway is the preferred gateway for European trade with Western Canada. Thunder Bay Port Authority is an important facilitator of commerce in the region.

The current annual advertising budget of \$166,000 is indicative of TBPA's efforts to market the port and expand its profile locally, nationally and internationally.

## TBPA'S STRATEGY IS BROADLY DEFINED BY THREE OBJECTIVES:

- Diversify and increase marine cargo
- Promote partnerships and public engagement
- Invest in strategic infrastructure

The mission and vision of TBPA will be realized through the strategic objectives, which form a framework for decision-making. TBPA strives to diversify cargoes to reduce dependency on select commodities. Fostering partnerships and community engagement is critical to its success in a dynamic global market. TBPA has prepared a significant 5-Year Capital Plan in strategic investments to facilitate future growth and diversification for the port.

# FINANCIAL REPORT 2017

Thunder Bay Port Authority is mandated by the Canada Marine Act to be financially self-sufficient. TBPA's revenues are comprised of Keefer Terminal revenue, Intercity Site revenue, harbour dues and lease revenues from lands under its administration. Keefer Terminal revenues represented 70% of TBPA's revenues in 2017. Earnings for the year were \$896,996. These results reflect a continuing commitment to effectively manage operating costs and maximize return on the Authority's assets.



## STATEMENT OF FINANCIAL POSITION

As at December 31 (expressed in CAD \$)	2017	2016
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 632,889	\$ 124,775
Accounts receivable	451,066	566,800
Prepaid expenses	51,336	46,594
	<u>1,135,291</u>	<u>738,169</u>
<b>Non-current</b>		
Long term investments	19,098,715	19,527,842
Property, plant and equipment	23,156,718	22,721,990
	<u>\$ 43,390,724</u>	<u>\$ 42,988,001</u>
<b>LIABILITIES AND EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 677,382	\$ 774,538
Provisions and other liabilities	33,450	32,639
Deferred rental income	4,051	19,521
	<u>714,883</u>	<u>826,698</u>
<b>Equity</b>		
Contributed surplus	27,711,964	27,711,964
Retained earnings	14,923,310	14,026,314
Accumulated other comprehensive income	40,567	423,025
	<u>42,675,841</u>	<u>42,161,303</u>
	<u>\$ 43,390,724</u>	<u>\$ 42,988,001</u>

## STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended December 31 (expressed in CAD \$)	2017	2016
<b>Revenue</b>		
Terminal	\$ 2,326,831	\$ 2,161,139
Harbour and Harbour Park	875,578	854,089
Intercity	118,966	120,182
	<u>3,321,375</u>	<u>3,135,410</u>
<b>Expenses</b>		
Terminal	735,811	809,480
Harbour and Harbour Park	118,284	97,008
Intercity	28,665	42,100
Administrative and Marketing	1,248,713	1,153,607
	<u>2,131,473</u>	<u>2,102,195</u>
<b>Earnings from operations before the following</b>	<b>1,189,902</b>	<b>1,033,215</b>
Gain on sale of equipment	487	-
Payments in lieu of municipal taxes	(226,818)	(265,286)
Gross revenue charge	(77,608)	(74,985)
Depreciation	(547,511)	(503,355)
<b>Earnings from operations</b>	<b>338,452</b>	<b>189,589</b>
Investment income	558,544	613,851
<b>Earnings for the year</b>	<b>896,996</b>	<b>803,440</b>
<b>Other comprehensive income</b>		
Unrealized losses on available-for-sale financial assets arising during the year	(382,458)	(290,747)
<b>Comprehensive income for the year</b>	<b>\$ 514,538</b>	<b>\$ 512,693</b>



An aerial photograph of the Port of Thunder Bay grain terminal. The image shows a long pier with several large white grain elevators, some marked with 'B' and 'A'. A red ship is docked at the pier. In the foreground, there are numerous train cars on tracks. The background shows the blue water of Lake Superior under a clear blue sky.

# PORT



## OF THUNDER BAY

THE SUPERIOR WAY WEST

2017 COMMUNITY REPORT

## STRATEGIC OBJECTIVES

Increase and diversify marine cargo

Promote partnerships and public engagement

Invest in strategic infrastructure



## Furthest Inland Port in Canada

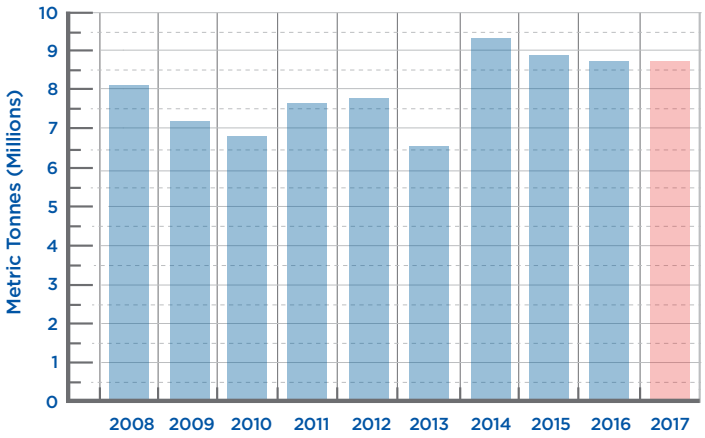


# 2017 YEAR IN REVIEW

The port's overall cargo total for 2017 was 8.8 million metric tonnes, nearly matching the 2016 season tally. This marks the fourth consecutive season of above-average cargo volumes, thanks to strong grain shipments as well as increases in potash and project cargo shipments.

## CARGO STATISTICS

THUNDER BAY CARGO SHIPMENTS, 2008-2017

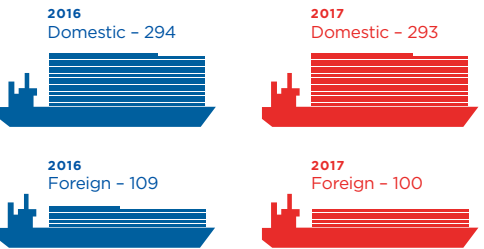


YEAR	METRIC TONNAGE
2008	8,062,360
2009	7,285,899
2010	6,882,277
2011	7,608,692
2012	7,842,625
2013	6,530,204
2014	9,341,250
2015	8,909,499
2016	8,830,414
2017	8,817,884

### CARGO BREAKDOWN

CARGO	2016	2017
Grain	7,464,799	7,275,107
Coal	778,419	720,750
Potash	331,909	526,895
Other	255,287	295,132
Total:	8,830,414	8,817,884

### VESSEL VISITS



### CARGO VARIANCES (VS. 5-YEAR AVERAGE):

Grain ↑2% | Coal ↑20% | Potash ↑68% | Project/General Cargo ↑79%

## SEASON TIMELINE

### Opening of Navigation, Domestic:

M.V. Manitoulin – March 24, 2017

The arrival of the Manitoulin marked the earliest season opening for the Port since 2008.

### Closing of Navigation:

M.V. C.S.L. Laurentien

January 4, 2018

### Opening of Navigation, Foreign:

M.V. Federal Schelde

April 6, 2017

## REBRANDING

The Port of Thunder Bay launched a refresh of its corporate brand strategy in 2017, unveiling a new logo and tagline, “The Superior Way West”. The new brand strategy supports the Port of Thunder Bay’s strategic growth objectives and vision as the preferred marine route for European trade with Western Canada.

The objective of the re-branding is to ensure that the Port is recognized and remains competitive in a world market. Marketing is essential for the Port to attract new business

and increase its economic strength. A brand that appeals to international customers in target markets will be vital to a strategic and successful marketing effort.

It was recognized in branding consultations that while the existing logo resonated well with local stakeholders, its meaning was more ambiguous in national and international markets. The new visual strategy will make the Port brand immediately recognizable to a far-reaching audience.



## COMMUNITY

The Port is proud of its support and involvement in local activities and initiatives that make Thunder Bay a better place to live. The Port strives to enrich the community by supporting organizations that:

- Promote or increase access to marine-based activities and programs
- Relate to the port or port-user community
- Improve mariners' well-being and experiences while in Thunder Bay

A sample of groups supported by the Port of Thunder Bay:



## EVENTS



FIRST LAKER Top Hat Ceremony



For port updates, news, photos, videos and more, follow us on Twitter: @ThunderBayPort



CHAMBER OF COMMERCE BUSINESS EXCELLENCE AWARDS Award Winner



FIRST SALTIE Top Hat Ceremony

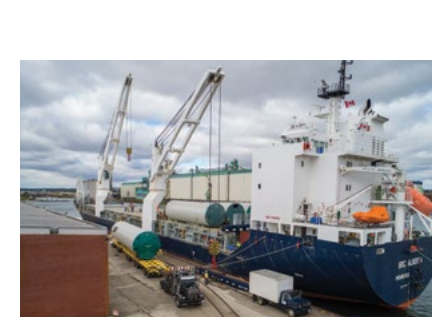


HIGHWAY H2O CONFERENCE Ports Panel

## PROJECT & GENERAL CARGO HUB

The 2017 season was very successful for the Port's project cargo initiative; 16 diversified shipments crossed the Port's general cargo docks during the season. This resulted in a ten-year high for stevedore hours at the facility.

The project and general cargo business is highly valuable for the local economy; each shipment provides an economic injection into Thunder Bay of approximately \$180,000.



# PORT FACTS



## 900

DIRECT JOBS



## \$370

MILLION

ANNUAL ECONOMIC  
CONTRIBUTION

## #1

EXPORT PORT  
ON THE SEAWAY

## #1

GRAIN STORAGE  
CAPACITY IN CANADA

## #2

CANADIAN PORT  
ON THE SEAWAY

## FACILITIES

### 8

Grain  
Elevators

### 3

Dry Bulk Terminals  
(coal, potash, stone, salt, etc.)

### 2

Liquid Bulk Terminals  
(petroleum, liquid chemicals)

### 1

General Cargo  
Terminal

### 1

Shipyard with  
Dry Dock

## SERVICE OFFERINGS

CN & CP Railways  
Trucking Companies  
Tug Operators  
Vessel Agents  
Stevedoring  
Grain Inspection  
Fabrication  
Ship Repair  
Diving Services  
...and more

Largest Industrial  
Tax Base in  
Thunder Bay

## PORT OF THUNDER BAY

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